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 6057(b) 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

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [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:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1965

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
VERABANK, INC.

201 WEST MAIN STREET
HENDERSON, TX 75652-3106

2b Employer Identification Number (EIN)
75-2371232

2c Plan Sponsor's telephone number
903-657-8521

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.	10/12/2021	TOBY FAILS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2021	TOBY FAILS
	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 [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

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

a Sponsor's name

c Plan Name VERABANK INC 401K STOCK OWNERSHIP PLAN

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	659
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	491
a(2) Total number of active participants at the end of the plan year	**6a(2)**	454
b Retired or separated participants receiving benefits	**6b**	49
c Other retired or separated participants entitled to future benefits	**6c**	142
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	645
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	3
f Total. Add lines **6d** and **6e**	**6f**	648
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	627
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	27
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 Characteristics Codes in the instructions:

2E 2G 2I 2J 2K 2O 2S 2T 3I

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

9a Plan funding arrangement (check all that apply)

- **(1)** [X] 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)** [X] 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)** [ ] **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)** [X] 2 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

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

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VERABANK, INC.

D Employer Identification Number (EIN)
75-2371232

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
42-0127290	61271	613953	559	01/01/2020	12/31/2020

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	**4**	0
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	**6b**	
c	Premiums due but unpaid at the end of the year	**6c**	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	**6d**	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED INTEREST CONTRACT

b	Balance at the end of the previous year			**7b**	
c	Additions: (1) Contributions deposited during the year	**7c(1)**			
	(2) Dividends and credits	**7c(2)**			
	(3) Interest credited during the year	**7c(3)**			
	(4) Transferred from separate account	**7c(4)**			
	(5) Other (specify below)	**7c(5)**			
	▶				
	(6)Total additions			**7c(6)**	
d	Total of balance and additions (add lines **7b** and **7c(6)**)			**7d**	
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	**7e(1)**			
	(2) Administration charge made by carrier	**7e(2)**			
	(3) Transferred to separate account	**7e(3)**			
	(4) Other (specify below)	**7e(4)**			
	▶				
	(5) Total deductions			**7e(5)**	
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			**7f**	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- **a** ☐ Health (other than dental or vision)
- **b** ☐ Dental
- **c** ☐ Vision
- **d** ☐ Life insurance
- **e** ☐ Temporary disability (accident and sickness)
- **f** ☐ Long-term disability
- **g** ☐ Supplemental unemployment
- **h** ☐ Prescription drug
- **i** ☐ Stop loss (large deductible)
- **j** ☐ HMO contract
- **k** ☐ PPO contract
- **l** ☐ Indemnity contract
- **m** ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.			**10b**	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A
(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

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

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VERABANK, INC.

D Employer Identification Number (EIN)
75-2371232

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
42-0127290	61271	457628	559	01/01/2020	12/31/2020

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	**4**	0
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	4185930

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	**6b**	
c	Premiums due but unpaid at the end of the year	**6c**	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	**6d**	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year			**7b**	
c	Additions: (1) Contributions deposited during the year	**7c(1)**			
	(2) Dividends and credits	**7c(2)**			
	(3) Interest credited during the year	**7c(3)**			
	(4) Transferred from separate account	**7c(4)**			
	(5) Other (specify below)	**7c(5)**			
	▶				
	(6) Total additions			**7c(6)**	
d	Total of balance and additions (add lines **7b** and **7c(6)**)			**7d**	
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	**7e(1)**			
	(2) Administration charge made by carrier	**7e(2)**			
	(3) Transferred to separate account	**7e(3)**			
	(4) Other (specify below)	**7e(4)**			
	▶				
	(5) Total deductions			**7e(5)**	
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			**7f**	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- **a** ☐ Health (other than dental or vision)
- **b** ☐ Dental
- **c** ☐ Vision
- **d** ☐ Life insurance
- **e** ☐ Temporary disability (accident and sickness)
- **f** ☐ Long-term disability
- **g** ☐ Supplemental unemployment
- **h** ☐ Prescription drug
- **i** ☐ Stop loss (large deductible)
- **j** ☐ HMO contract
- **k** ☐ PPO contract
- **l** ☐ Indemnity contract
- **m** ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.			**10b**	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2020** **This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VERABANK, INC.

D Employer Identification Number (EIN)
75-2371232

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	21291	Yes [X] No [ ]	Yes [X] No [ ]	5949	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

WILSHIRE ASSOCIATES INCORPORATED

95-2755361

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 72	INVESTMENT ADVISORY	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY	13 37 50 64	5949

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	CONTRACT ADMINISTRATOR

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
WILSHIRE ASSOCIATES INCORPORATED	27 72	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	1 BASIS POINT ANNUALLY ON ELIGIBLE PLAN ASSETS IN WILSHIRE 3(21) OR WILSHIRE 3(21) AUTO-EXECUTE FIDUCIARY SERVICE.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III	**Termination Information on Accountants and Enrolled Actuaries (see instructions)** (complete as many entries as needed)

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
VERABANK, INC.

D Employer Identification Number (EIN)
75-2371232

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-016	P	2213710

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP S&P 600 INDEX SA-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-028	P	930545

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-023	P	1041675

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2010 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
26-6447574-001	C	253146

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2015 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
26-6447574-002	C	1248606

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2020 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
26-6447574-003	C	2536438

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2025 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
26-6447574-004	C	4335448

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2030 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-005	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2551093

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2035 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-006	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1990455

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2040 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-007	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2372779

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2045 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-008	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2003749

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2050 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-009	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2129321

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2055 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-010	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1445028

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB INC CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-011	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 371125

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2060 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-012	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 344006

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2065 CIT Z30

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-013	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 35470

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II **Information on Participating Plans (to be completed by DFEs)**
(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

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

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VERABANK, INC.

D Employer Identification Number (EIN)
75-2371232

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 reported 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)	2225005	2255483
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	34495	34472
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	8485560	9152143
(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)	1212108	1149656
(9) Value of interest in common/collective trusts	1c(9)	17678588	21616665
(10) Value of interest in pooled separate accounts	1c(10)	3813377	4185930
(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)	18094460	21025781
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(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	51543593	59420130
	Liabilities			
g	Benefit claims payable	1g	0	
h	Operating payables	1h	0	
i	Acquisition indebtedness	1i	0	
j	Other liabilities	1j	0	
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	51543593	59420130

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)	1687630	
	(B) Participants	2a(1)(B)	2078241	
	(C) Others (including rollovers)	2a(1)(C)	399093	
	(2) Noncash contributions	2a(2)	567853	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		4732817
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	159	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	54488	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		54647
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	67832	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	211484	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		279316
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	343824	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	407160	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-63336
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	512007	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		512007

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		2948063
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		603472
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		2769159
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		11836145
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3935751	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		3935751
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	21291	
(3) Investment advisory and management fees	2i(3)	2566	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		23857
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3959608
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		7876537
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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) ☐ Unmodified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 **(2)** ☐ DOL Regulation 2520.103-12(d) **(3)** ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: PROTHRO WILHELMI & CO. **(2)** EIN: 74-2804360

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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	0

			Yes	No	Amount
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	0
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	0
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	0
e	Was this plan covered by a fidelity bond?	**4e**	X		10000000
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? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

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 sections 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

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VERABANK, INC.

D Employer Identification Number (EIN)
75-2371232

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): 42-0127290

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**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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. 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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
DECEMBER 31, 2020 AND 2019
(With Independent Auditors' Report Thereon)

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
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DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Trustee of the
Verabank, Inc.,
401(k) Employee Stock Ownership Plan
Tyler, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit
We have performed an audit of the financial statements of the Verabank, Inc. 401(k) Employee Stock Ownership Plan (Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2020, and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2020, stating that the certified investment information, as described in Note 3 in the financial statements, is complete and accurate.

Opinion
In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section-

- The amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Verabank 401(k) Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Verabank 401(k) Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter — Supplemental Schedule Required by ERISA

The supplemental schedule listed in the table of contents for the year ended December 31, 2020, is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas
October 12, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Trustee of the
Verabank, Inc.,
401(k) Employee Stock Ownership Plan
Tyler, Texas

We were engaged to audit the accompanying statement of net assets available for benefits and statement of changes in net assets available for benefits of Verabank, Inc. 401(k) Employee Stock Ownership Plan (Plan), as of December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 2019 financial statement based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure 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 3, which was certified by Principal Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statement. 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 December 31, 2019 that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2019 financial statement. Accordingly, we do not express an opinion on the 2019 financial statement.

Report on Form and Content in Compliance With DOL Rules and Regulations for 2019 Financial Statement

The form and content of the information included in the 2019 financial statement, 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.



PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas
October 12, 2021

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2020 AND 2019

ASSETS	**2020**	**2019**
Investments:		
Investments, at fair value	$ 56,014,990	$ 48,106,480
Total investments	56,014,990	48,106,480
Receivables:		
Employer contributions	2,255,484	2,225,005
Notes receivable from participants	1,146,436	1,212,108
Total receivables	3,401,920	3,437,113
Total assets	59,416,910	51,543,593
LIABILITIES AND NET ASSETS		
Net assets available for benefits	$ 59,416,910	$ 51,543,593

See accompanying notes to these financial statements.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Investment Income		
Net (depreciation) appreciation in fair value of investments	$ 6,832,700	$ 6,805,141
Interest	159	58,894
Dividends	279,316	308,369
Other income (loss)	(63,336)	-
Net investment (loss) income	7,048,839	7,172,404
Interest Income on Notes Receivable From Participants	51,269	54,932
Contributions		
Employer, cash	1,687,630	1,663,270
Employer, noncash	567,853	562,759
Participants	2,078,241	1,983,464
Rollovers	399,093	299,513
Total Contributions	4,732,817	4,509,006
Total additions	11,832,925	11,736,342
Deductions		
Benefits paid to participants	3,935,751	5,633,795
Deemed distributions	-	28,000
Administrative expenses	23,857	27,326
Total Deductions	3,959,608	5,689,121
Net Increase	7,873,317	6,047,221
Net Assets Available for Benefits, Beginning of year	51,543,593	45,496,372
Net Assets Available for Benefits, End of year	$ 59,416,910	$ 51,543,593

See accompanying notes to these financial statements.

NOTE 1 - DESCRIPTION OF PLAN

The following description of Verabank, Inc. 401(k) Employee Stock Ownership Plan (Plan) provides only general information. Participants should refer to the *Plan Document* and *Summary Plan Description* for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan sponsored by Verabank, Inc. (the Company) for the benefit of its employees who have at least three months of service and are age 18 or older. The Plan operates, in relevant part, as an employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (the IRC), as amended. The Plan is administered by a Governance Committee comprised of eight persons appointed by the Company's Board of Directors (the Board). The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974 (*ERISA).

Principal Trust Company (Principal) is the trustee and custodian of the non-employee stock ownership plan (non-ESOP) portion of the Plan. Principal manages investment funds in which participants may direct the investment of their non-ESOP accounts, provides recordkeeping and administrative services, and serves as the directed trustee of the non-ESOP portion of the Plan. Separate trusts hold the ESOP and non-ESOP portion of the assets of the Plan. The trust department of Verabank (the Bank), the wholly owned subsidiary of the Company, is the Plan's trustee and custodian of the ESOP portion of the plan.

CONTRIBUTIONS

The Plan permits eligible employees, through a salary deferral election, to make pre-tax and/or Roth 401(k) contributions to the Plan of up to 100 percent of their eligible compensation. Participants age 50 and over are allowed to contribute an additional amount as pre-tax catch-up contributions to the Plan, as specified by the IRC. Participants may also contribute amounts representing rollover contributions from other qualified defined benefit or contribution plans. Contributions are subject to certain limitations.

The Company may elect to make discretionary matching and profit-sharing contributions as determined by the Board. The ESOP portion of these contributions is invested at the discretion of the Company. The Company can make contributions to the Plan in the form of Company stock or cash into a trust account. Participants who complete 1,000 hours of service during the Plan year and are actively employed at the end of the Plan year are eligible for discretionary matching and profit-sharing contributions. Discretionary profit-sharing contributions are allocated in the same ratio as each participant's compensation bears to the total compensation of all eligible participants.

NOTE 1 - DESCRIPTION OF PLAN – continued

Contributions are subject to certain limitations. For the years ended December 31, 2020 and 2019, the Company made total discretionary profit sharing contributions of $2,255,483 and $2,225,005, respectively, which included $567,853 and $562,759, respectively, of noncash discretionary profit sharing contributions in the form of Company stock to the Plan. During 2020 and 2019, the Company made additional contributions of $23,857 and $27,326, respectively, to the Plan to reimburse certain administrative expenses.

PARTICIPANT INVESTMENT ACCOUNT OPTIONS

Participants direct the investment of their contributions and the cash portion of discretionary contributions (made in cash to the non-ESOP portion of the Plan) into various investment options offered by the Plan. The Plan currently offers various pooled separate accounts, mutual funds, common/collective trusts funds and a fixed income guaranteed option.

The *Plan Document* includes an automatic deferral feature whereby a participant is treated as electing to defer a certain percentage of eligible compensation unless the participant made an affirmative election otherwise.

Employer profit-sharing contributions to the Plan are invested at the discretion of the Company.

PUT OPTION

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any share of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

DIVERSIFICATION

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in the Company stock into investments, which are more diversified. Participants who are at least age 55 and have participated in the Plan for at least ten years, may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify by investing up to 25 percent of their account value in assets other than Company stock. In the sixth year, the percentage changes to 50 percent. In addition, the Plan provides for a non-statutory diversification feature whereby any participant who attains age 55 and completes at least six years of service for vesting purposes may direct the Plan administrator to sell up to 25 percent of the fair market value of the Participant's ESOP account and transfer the proceeds to the participant's non-ESOP account.

NOTE 1 - DESCRIPTION OF PLAN – continued

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution, the Company's contributions, forfeitures of terminated participants' nonvested accounts and plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

VESTING

Participants are immediately vested in their voluntary contributions, plus earnings thereon. Vesting in the Company's contributions, plus earnings thereon, is based on years of continuous service. A participant is fully vested after six years of continuous service. The nonvested balance is forfeited upon termination of service.

NOTES RECEIVABLE FROM PARTICPANTS

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at the prime rate, as defined. Principal and interest are paid ratably through monthly payroll deductions and are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence).

PAYMENT OF BENEFITS

Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of his or her vested account or a direct rollover distribution. If the value of the vested account is less than $1,000 at the time of termination, the entire amount will automatically be distributed to the participant within an administratively reasonable time. The Plan also permits withdrawals from the Plan due to circumstances of financial hardship, in accordance with provisions specified in the *Plan Document*. A participant who has attained age 55 and who is fully vested may withdraw all or any part of their discretionary contribution account and their matching contribution account, other than any part of such account invested in Company stock. Additionally, a participant who has attained age 50 ½ and was a participant prior to March 31, 2012, may withdraw all or any portion of their elective deferral account or Roth contribution account.

Participants' entire interest in the Plan must be distributed (or distribution started) by April 1 of the calendar year following the year in which the participant attains age 72 (70 ½ if reached before December 31, 2019), or retire, whichever is later. A participant who owns five percent or more of the Company must commence receipt of distributions after attaining age 72 (70 ½ if reached before December 31, 2019), even if not retired.

NOTE 1 - DESCRIPTION OF PLAN - continued

FORFEITED ACCOUNTS

At December 31, 2020 and 2019, forfeited nonvested accounts totaled $52,209 and $24,169, respectively. Forfeitures may be used to reduce discretionary matching or profit-sharing contributions or to pay administrative expenses of the Plan, as determined by the Plan Administrator. The Company may also elect to allocate forfeitures as additional matching or profit-sharing contributions.

VOTING RIGHTS

Each participant is entitled to exercise certain voting rights attributable to the shares allocated to his or her account in accordance with the rules adopted by the Plan Administrator.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value of shares held by the Plan at year-end. Pooled separate accounts are valued at estimated fair value as provided by Principal. The common shares of the Company are valued at estimated fair value on December 31, 2020 and 2019, as determined by an annual independent appraisal.

The Plan’s interest in the collective trust is valued based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

INVESTMENT VALUATION AND INCOME RECOGNITION - continued

Fully benefit-responsive investment contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less participant withdrawals and administration expenses.

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.

Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the *Plan Document.*

PAYMENT OF BENEFITS

Benefit payments to participants are recorded upon distribution.

ADMINISTRATIVE EXPENSES

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

NOTE 3 – CERTIFICATION OF PLAN TRUSTEE

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Verabank and Principal Trust Company, the trustee of the Plan, have certified the following information included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2020 and 2019.
- Investment income and interest income on notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2020 and 2019.
- Investment information and notes receivable from participants included in the accompanying schedule of assets (held at end of year) as of December 31, 2020.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

NOTE 4 – RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association or relatives of such persons.

A committee of the Sponsor's Board administers the Plan. Certain administrative functions are performed by officers and employees of the Sponsor. However, such officers and employees do not receive compensation from the Plan. The Sponsor provides certain administrative services at no cost to the Plan.

For the years ended December 31, 2020 and 2019, the non-ESOP portion of the Plan's assets were held and managed by Principal. Principal is a trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. The Plan Sponsor pays directly any other fees related to the Plan's operations.

The Plan paid $23,857 and $27,326 of recordkeeping fees to the trustee during 2020 and 2019.

NOTE 5 – DISCLOSURES ABOUT FAIR VALUE OF PLAN ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

NOTE 5 – DISCLOSURES ABOUT FAIR VALUE OF PLAN ASSETS AND LIABILITIES – continued

RECURRING MEASUREMENTS

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019:

Assets at Fair Value as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 21,025,781	$ -	$ -	$ 21,025,781
Pooled separate accounts	-	4,185,930	-	4,185,930
Common/collective trust funds	-	21,616,665	-	21,616,665
Company common stock	-	-	9,152,143	9,152,143
Cash and cash equivalent	34,472	-	-	34,472
Total assets at fair value	$ 21,060,253	$ 25,802,595	$ 9,152,143	$ 56,014,990

Assets at Fair Value as of December 31, 2019

	Level 1	Level 2	Level 3	Level 3
Mutual funds	$ 17,654,847	$ -	$ -	$ 17,654,847
Pooled separate accounts	-	3,813,378	-	3,813,378
Common/collective trust funds	-	18,118,200	-	18,118,200
Company common stock	-	-	8,485,560	8,485,560
Cash and cash equivalent	34,495	-	-	34,495
Total assets at fair value	$ 17,689,342	$ 21,931,578	$ 8,485,560	$ 48,106,480

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2020 and 2019. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

NOTE 5 – DISCLOSURES ABOUT FAIR VALUE OF PLAN ASSETS AND LIABILITIES – continued

RECURRING MEASUREMENTS - continued

The qualitative information about unobservable inputs used in recurring Level 3 fair value measurements for Company common stock include the weighted-average cost of capital, long-term revenue growth rate and long-term pretax operating margin. Company common stock is independently valued by an external appraiser using discounted cash flow as the valuation technique.

INVESTMENTS

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities.

LEVEL 3 VALUATION PROCESS

Fair value determinations for Level 3 measurements of securities are the responsibility of the Plan Administrator. The Plan Administrator contracts with pricing specialists to generate fair value estimates on an annual basis. The Plan Administrator challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

NOTE 5 – DISCLOSURES ABOUT FAIR VALUE OF PLAN ASSETS AND LIABILITIES – continued

LEVEL 3 RECONCILIATION

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of net assets available for benefits using significant unobservable (Level 3) inputs.

	Company Common Stock
Balance, January 1, 2019	$ 7,041,280
Total realized and unrealized gains and losses included in net increase in net assets available for benefits	439,992
Purchases	567,296
Sales	(93,824)
Stock Contributions	530,816
Balance, December 31, 2019	$ 8,485,560
Total realized and unrealized gains and losses included in net increase in net assets available for benefits	448,671
Purchases	-
Sales	(343,824)
Stock Contributions	561,736
Balance, December 31, 2020	$ 9,152,143

NOTE 6 – NET ASSETS BY PARTICIPANT AND NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the participant and nonparticipant-directed investments is as follows:

	2020		
	Nonparticipant-directed	Participant-directed	Total
Additions:			
Investment income:			
Net appreciation in fair value of investments	$ 512,007	$ 6,320,693	$ 6,832,700
Interest	159	-	159
Dividends	67,832	211,484	279,316
Other income	(63,336)	-	(63,336)
Net investment income	516,662	6,532,177	7,048,839
Interest income on notes receivable from participants	-	51,269	51,269
Contributions:			
Employer, cash	2,566	1,685,064	1,687,630
Employer, noncash	567,853	-	567,853
Participants	-	2,078,241	2,078,241
Rollovers	-	399,093	399,093
Total contributions	570,419	4,162,398	4,732,817
Total additions	1,087,081	10,745,844	11,832,925
Deductions:			
Benefits paid to participants	411,837	3,523,914	3,935,751
Administrative expenses	2,566	21,291	23,857
Total deductions	414,403	3,545,205	3,959,608
Net increase	672,678	7,200,639	7,873,317
Net assets available for benefits, beginning of year	8,534,445	43,009,148	51,543,593
Net assets available for benefits, end of year	$ 9,207,123	$ 50,209,787	$ 59,416,910

NOTE 6 – NET ASSETS BY PARTICIPANT AND NONPARTICIPANT-DIRECTED INVESTMENTS – continued

	2019		
	Nonparticipant-directed	Participant-directed	Total
Additions:			
Investment income:			
Net appreciation in fair value of investments	$ 439,992	$ 6,365,149	$ 6,805,141
Interest	677	58,217	58,894
Dividends	62,366	246,003	308,369
Net investment income	503,035	6,669,369	7,172,404
Interest income on notes receivable from participants	-	54,932	54,932
Contributions:			
Employer, cash	-	1,663,270	1,663,270
Employer, noncash	562,759	-	562,759
Participants	-	1,983,464	1,983,464
Rollovers	-	299,513	299,513
Total contributions	562,759	3,946,247	4,509,006
Total additions	1,065,794	10,670,548	11,736,342
Deductions:			
Benefits paid to participants	151,153	5,482,642	5,633,795
Deemed distributions	-	28,000	28,000
Administrative expenses	-	27,326	27,326
Total deductions	151,153	5,537,968	5,689,121
Net increase	914,641	5,132,580	6,047,221
Net assets available for benefits, beginning of year	7,619,804	37,876,568	45,496,372
Net assets available for benefits, end of year	$ 8,534,445	$ 43,009,148	$ 51,543,593

NOTE 7 – INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan has a fully benefit-responsive investment contract with Principal Life Insurance Company. Principal Life Insurance Company maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate guaranteed to the Plan.

The guaranteed investment contract is fully benefit responsive; therefore, contract value is the relevant measurement. Contract value, as reported to the Plan by Principal Insurance Company, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

There are no reserves against the contract value for credit risk of the contract issuer or otherwise.

Certain events limit the ability of the plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the *Plan Documents* (including complete or partial plan termination or merger with another plan), (2) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

NOTE 8 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

NOTE 9 – TAX STATUS

The IRS has determined and informed the Company by a letter dated September 16, 2013, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax exempt.

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of other income per the financial statements for the year ended December 31, 2019, to form 5500:

Other income per the financial statements	$	-
Less transfers of assets to the plan per the Form 5500		(567,296)
Other income per the Form 5500	$	(567,296)

NOTE 11 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 12, 2021 which is the date the financial statements were available to be issued.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
FORM 5500 SCHEDULE H, PART IV, ITEM 4i
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR DECEMBER 31, 2020

	(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
		The American Funds	American Funds Small Cap World R5 Fund	-	411,791
		Eagle Financial Services, Inc.	Carillon Eagle Small Cap Growth I Fund	-	759,346
		HCNB	Cash - Interest Bearing Cash	-	34,472
		Delaware Investments	Delaware Value Inst Fund	-	758,745
		Verabank, Inc.	ESOP Stock - Employer Security	-	9,152,143
		Franklin Templeton Investments	Franklin Equity Income A Fund	-	1,285,313
		Oppenheimer	Oppenheimer Dev Mkts Y Fund	-	658,161
		JP Morgan Funds	JP Morgan Govt Bond I Fd	-	2,092,616
		Morgan Stanley	Morgan Stanley Inst Grwth A Fd	-	2,052,467
*		Principal Funds Inc	Prin LgCap Growth I Inst Fund	-	1,814,316
*		Principal Life Insurance Company	Prin LgCap S&P 500 Index SA-I3	-	2,213,710
*		Principal Global Investors Trust Company	Prin LifeTime Hyb Inc CIT Z30	-	371,125
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2010 CIT Z30	-	253,146
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2015 CIT Z30	-	1,248,606
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2020 CIT Z30	-	2,536,438
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2025 CIT Z30	-	4,335,448
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2030 CIT Z30	-	2,551,093
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2035 CIT Z30	-	1,990,455
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2040 CIT Z30	-	2,372,779
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2045 CIT Z30	-	2,003,749
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2050 CIT Z30	-	2,129,321
*		Principal Global Investors Trust Company	Prin LifeTime HYB 2055 CIT Z30	-	1,445,028

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
FORM 5500 SCHEDULE H, PART IV, ITEM 4i
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR DECEMBER 31, 2020

	(a) (b) IDENTITY OF PARTY AND ISSUE	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR, OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
*	Principal Global Investors Trust Company	Prin LifeTime HYB 2060 CIT Z30	-	344,006
*	Principal Global Investors Trust Company	Prin LifeTime HYB 2065 CIT Z30	-	35,470
*	Principal Funds Inc	Prin MidCap Inst Fund	-	1,440,218
*	Principal Life Insurance Company	Prin MidCap S&P 400 Idx SA-I3	-	1,041,675
*	Principal Funds Inc	Prin Real Estate Secs Inst Fund	-	182,028
*	Principal Funds Inc	Prin SmallCap Value II Inst Fd	-	460,667
*	Principal Life Insurance Company	Prin SmCap S&P 600 Index SA-I3	-	930,545
*	Principal Funds Inc	Principal Core Fix Inc Inst Fd	-	177,597
*	Principal Funds Inc	Principal High Income Inst Fd	-	184,050
	PIMCO Funds	PIMCO Inv Gd Credi Bd Instl Fd	-	1,937,842
	Principal Funds Inc	Prin Midcap Value I Inst Fund	-	472,412
	T. Rowe Price Funds	T. Rowe Price Overseas Stk Fd	-	1,791,678
	Vanguard Group	Vanguard Fed Money Mrkt Inv Fd	-	4,546,534
*	Participant Loans	Rates Range From 3.25% to 5.50%	-	1,146,436
				$ 57,161,426

* - Represents a party-in-interest as defined by ERISA

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHI

EIN 75 2371232
PLAN NUMBER 001
PLAN YEAR 01/01/2020 TO 12/31/2020

(A)	(B) Identity of issuer, 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
	The American Funds	Registered Investment Company American Funds SMCAP Wld R5 Fd	$ 0.00	$ 411,791.15
	Eagle Financial Services, Inc.	Registered Investment Company Carillon Eagle Sml CaGwth I Fd	$ 0.00	$ 759,345.87
	HCNB	Interest Bearing Cash Cash - Interest Bearing Cash	$ 0.00	$ 34,472.10
	Delaware Investments	Registered Investment Company Delaware Value Inst Fund	$ 0.00	$ 758,745.35
		Corporate Stock - Common ESOP Stock - Employer Security	$ 0.00	$ 9,152,143.00
	Franklin Templeton Investments	Registered Investment Company Franklin Equity Income A Fund	$ 0.00	$ 1,285,313.24
	Oppenheimer	Registered Investment Company Inv Dev Mark Y Fd	$ 0.00	$ 658,160.77
	JP Morgan Funds	Registered Investment Company JP Morgan Govt Bond I Fd	$ 0.00	$ 2,092,615.80
	Morgan Stanley	Registered Investment Company Morgan Stanley Inst Grwth A Fd	$ 0.00	$ 2,052,467.01
*	Principal Funds Inc	Registered Investment Company Prin LgCap Growth I Inst Fund	$ 0.00	$ 1,814,316.21
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-I3	$ 0.00	$ 2,213,710.40
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb Inc CIT Z30	$ 0.00	$ 371,125.27
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2010 CIT Z30	$ 0.00	$ 253,145.59
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2015 CIT Z30	$ 0.00	$ 1,248,605.98
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2020 CIT Z30	$ 0.00	$ 2,536,438.48

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHI

EIN 75 2371232
PLAN NUMBER 001
PLAN YEAR 01/01/2020 TO 12/31/2020

(A)	(B) Identity of issuer, 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
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2025 CIT Z30	$ 0.00	$ 4,335,447.97
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2030 CIT Z30	$ 0.00	$ 2,551,092.62
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2035 CIT Z30	$ 0.00	$ 1,990,455.49
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2040 CIT Z30	$ 0.00	$ 2,372,778.88
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2045 CIT Z30	$ 0.00	$ 2,003,749.19
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2050 CIT Z30	$ 0.00	$ 2,129,320.94
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2055 CIT Z30	$ 0.00	$ 1,445,028.17
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2060 CIT Z30	$ 0.00	$ 344,006.32
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hyb 2065 CIT Z30	$ 0.00	$ 35,469.62
*	Principal Funds Inc	Registered Investment Company Prin MidCap Inst Fund	$ 0.00	$ 1,440,217.74
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-I3	$ 0.00	$ 1,041,674.64
*	Principal Funds Inc	Registered Investment Company Prin MidCap Value I Inst Fund	$ 0.00	$ 472,411.92
*	Principal Funds Inc	Registered Investment Company Prin Real Estate Secs Inst Fd	$ 0.00	$ 182,028.25
*	Principal Funds Inc	Registered Investment Company Prin SmallCap Value II Inst Fd	$ 0.00	$ 460,666.80
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap S&P 600 Index SA-I3	$ 0.00	$ 930,544.97

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHI

EIN 75 2371232
PLAN NUMBER 001
PLAN YEAR 01/01/2020 TO 12/31/2020

(A)	(B) Identity of issuer, 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
*	Principal Funds Inc	Registered Investment Company Principal Core Fix Inc Inst Fd	$ 0.00	$ 177,596.86
*	Principal Funds Inc	Registered Investment Company Principal High Income Inst Fd	$ 0.00	$ 184,050.41
	PIMCO Funds	Registered Investment Company PIMCO Inv Gd Credi Bd Instl Fd	$ 0.00	$ 1,937,842.22
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Overseas Stk Fd	$ 0.00	$ 1,791,678.18
	Vanguard Group	Registered Investment Company Vanguard Fed Money Mrkt Inv Fd	$ 0.00	$ 4,546,532.91
*	Participant Loans	Range of Interest Rates Rates Range From 3.25% To 5.50%	$ 0.00	$ 1,149,656.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)