

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 2022 This Form is Open to Public Inspection
---	--	---

Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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.)
	☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report
	☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	▶ ☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program
	☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ ☐

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.	09/13/2023	TOBY FAILS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/13/2023	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☒ 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		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 675
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) 468
a(2) Total number of active participants at the end of the plan year		6a(2) 498
b Retired or separated participants receiving benefits		6b 49
c Other retired or separated participants entitled to future benefits.....		6c 166
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 713
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 10
f Total. Add lines 6d and 6e		6f 723
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 722
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 24
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 2P 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) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ 1 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 2022 This Form is Open to Public Inspection
---	--	--

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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	608	01/01/2022	12/31/2022

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** 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 ▶**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. Specify nature of costs.	10b	

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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
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)..... ☒ 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
--

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

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

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

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

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

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

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

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

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

(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	111368	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

WILSHIRE ADVISORS LLC

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 ☒ No ☐	Yes ☐ No ☒	0	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
WILSHIRE ADVISORS LLC	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.	
(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 2022 This Form is Open to Public Inspection.
---	---	---

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
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 42-0127290-016	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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 42-0127290-028	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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 42-0127290-023	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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)
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)
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)
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)

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)**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)**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)**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)**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)**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)**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)**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)**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)**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

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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>VERABANK, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN</u>		B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VERABANK, INC.</u>		D Employer Identification Number (EIN) <u>75-2371232</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	2540445	2904226
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	34565	45227
(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)	12437780	14253472
(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)	1268075	1254363
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	1996	
(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)	53793845	46997297
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	70076706	65454585

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	70076706	65454585
---	-----------	----------	----------

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)	2169102	
(B) Participants	2a(1)(B)	2624050	
(C) Others (including rollovers)	2a(1)(C)	841773	
(2) Noncash contributions	2a(2)	735124	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6370049
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	259	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	49625	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		49884
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	79501	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	944777	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1024278
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	1418592	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1418592

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-116
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-9426869
c Other income	2c		11195
d Total income. Add all income amounts in column (b) and enter total	2d		-552987
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3957766	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3957766
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	111368	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		111368
j Total expenses. Add all expense amounts in column (b) and enter total	2j		4069134
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-4622121
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ 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 WILHELM AND COMPANY, PLLC

(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:

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.)

	Yes	No	Amount
4a		X	

	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	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	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?		X	
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.)	X		
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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
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
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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, 2022 AND 2021
(With Independent Auditors' Report Thereon)

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
TABLE OF CONTENTS
DECEMBER 31, 2022 AND 2021

	<u>Page(s)</u>
Independent Auditors' Report	1-4
Statements of Net Assets Available for Benefits	5
Statements of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7-19
<u>Supplemental Schedules</u>	
Schedule of Assets (Held at End of Year)	Schedule "1" 20-21

**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 audits of the accompanying 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). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, 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 years ending December 31, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 audits. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards, 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.

Supplemental Schedules Required by ERISA

The supplemental schedules listed in the table of contents for the year ended December 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements, but are 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 schedules, 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 generally accepted auditing standards. For information included in the supplemental schedules 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 schedules, we evaluated whether the supplemental schedules, 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 schedules, other than the information in the supplemental schedules 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 schedules 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).

A handwritten signature in blue ink that reads "Prothro, Wilhelmi & Company, PLLC". The signature is written in a cursive, flowing style.

PROTHRO, WILHELMI AND COMPANY, PLLC

Tyler, Texas
September 8, 2023

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2022 AND 2021

ASSETS	2022	2021
Investments:		
Investments, at fair value	\$ 61,295,996	\$ 66,268,186
Total investments	<u>61,295,996</u>	<u>66,268,186</u>
Receivables:		
Employer contributions	2,904,226	2,540,445
Notes receivable from participants	<u>1,254,363</u>	<u>1,268,075</u>
Total receivables	<u>4,158,589</u>	<u>3,808,520</u>
Total assets	<u>65,454,585</u>	<u>70,076,706</u>
NET ASSETS		
Net assets available for benefits	<u>\$ 65,454,585</u>	<u>\$ 70,076,706</u>

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Investment income		
Net appreciation		
in fair value of investments	\$ (8,008,393)	\$ 8,921,240
Interest	259	3
Dividends	1,024,278	271,623
Other income	11,195	43,198
	<u>(6,972,661)</u>	<u>9,236,064</u>
Net investment income		
	<u>(6,972,661)</u>	<u>9,236,064</u>
Interest income on notes receivable from participants	<u>49,625</u>	<u>47,459</u>
Contributions		
Employer, cash	2,169,102	1,900,335
Employer, noncash	735,124	640,110
Participants	2,624,050	2,378,156
Rollovers	841,773	1,680,907
	<u>6,370,049</u>	<u>6,599,508</u>
Total contributions		
	<u>6,370,049</u>	<u>6,599,508</u>
Total additions	<u>(552,987)</u>	<u>15,883,031</u>
Deductions		
Benefits paid to participants	3,957,766	5,197,701
Administrative expenses	111,368	25,534
Other expenses	-	-
	<u>4,069,134</u>	<u>5,223,235</u>
Total deductions		
	<u>4,069,134</u>	<u>5,223,235</u>
Net increase	<u>(4,622,121)</u>	<u>10,659,796</u>
Net Assets Available for Benefits, Beginning of year	<u>70,076,706</u>	<u>59,416,910</u>
Net Assets Available for Benefits, End of year	<u>\$ 65,454,585</u>	<u>\$ 70,076,706</u>

See accompanying notes to these financial statements.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - DESCRIPTION OF PLAN – continued

Contributions are subject to certain limitations. For the years ended December 31, 2022 and 2021, the Company made total discretionary profit sharing contributions of \$2,904,226 and \$2,540,445 respectively, which included \$735,124 and \$640,110 respectively, of noncash discretionary profit sharing contributions in the form of Company stock to the Plan. During 2022 and 2021, the Company made additional contributions of \$111,368 and \$25,534 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.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 PARTICIPANTS

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.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - DESCRIPTION OF PLAN - continued

FORFEITED ACCOUNTS

At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$50,205 and \$67,757, 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. For the years ended December 31, 2022 and 2021, the Plan Administrator elected to use the forfeiture balances to reduce the year-end employer contribution.

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, 2022 and 2021, 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.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, Principal Trust Company, the trustee of the Plan, has 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, 2022 and 2021, except for Verabank, Inc. stock.
- 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, 2022 and 2021, except for Verabank, Inc. stock.
- Investment information and notes receivable from participants included in the accompanying schedule of assets (held at end of year) as of December 31, 2022, except for Verabank, Inc. stock.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 – CERTIFICATION OF PLAN TRUSTEE – continued

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. Auditing procedures were performed on plan assets and related activity not certified by the trustee.

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, 2022 and 2021, 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 \$111,368 and \$25,534 of recordkeeping fees to the trustee during 2022 and 2021.

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:

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

- 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.

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, 2022 and 2021:

Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 46,997,297	\$ -	\$ -	\$ 46,997,297
Pooled separate accounts	-	-	-	-
Company common stock	-	-	14,253,472	14,253,472
Cash and cash equivalent	45,227	-	-	45,227
Total assets at fair value	<u>\$ 47,042,524</u>	<u>\$ -</u>	<u>\$ 14,253,472</u>	<u>\$ 61,295,996</u>

Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 53,793,845	\$ -	\$ -	\$ 53,793,845
Pooled separate accounts	-	1,996	-	1,996
Company common stock	-	-	12,437,780	12,437,780
Cash and cash equivalent	34,565	-	-	34,565
Total assets at fair value	<u>\$ 53,828,410</u>	<u>\$ 1,996</u>	<u>\$ 12,437,780</u>	<u>\$ 66,268,186</u>

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

RECURRING MEASUREMENTS - continued

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, 2022 and 2021. 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.

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.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

	<u>Company Common Stock</u>
Balance, January 1, 2021	\$ 9,152,143
Total realized and unrealized gains and losses included in net increase in net assets available for benefits	3,076,714
Purchases	42,900
Sales	(401,830)
Stock Contributions	567,853
Balance, December 31, 2021	<u>\$ 12,437,780</u>
Total realized and unrealized gains and losses included in net increase in net assets available for benefits	1,418,592
Purchases	53,768
Sales	(391,792)
Stock Contributions	735,124
Balance, December 31, 2022	<u>\$ 14,253,472</u>

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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:

	2022		
	Nonparticipant- directed	Participant- directed	Total
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 1,418,592	\$ (9,426,985)	\$ (8,008,393)
Interest	259	-	259
Dividends	79,501	944,777	1,024,278
Other income	11,195	-	11,195
Net investment income	1,509,547	(8,482,208)	(6,972,661)
Interest income on notes receivable from participants	-	49,625	49,625
Contributions:			
Employer, cash	-	2,169,102	2,169,102
Employer, noncash	735,124	-	735,124
Participants	-	2,624,050	2,624,050
Rollovers	-	841,773	841,773
Total contributions	735,124	5,634,925	6,370,049
Total additions	2,244,671	(2,797,658)	(552,987)
Deductions:			
Benefits paid to participants	243,065	3,714,701	3,957,766
Administrative expenses	-	111,368	111,368
Total deductions	243,065	3,826,069	4,069,134
Net increase	2,001,606	(6,623,727)	(4,622,121)
Net assets available for benefits, beginning of year	12,623,156	57,453,550	70,076,706
Net assets available for benefits, end of year	<u>\$ 14,624,762</u>	<u>\$ 50,829,823</u>	<u>\$ 65,454,585</u>

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

	2021		
	Nonparticipant- directed	Participant- directed	Total
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 3,079,934	\$ 5,841,306	\$ 8,921,240
Interest	3	-	3
Dividends	68,275	203,348	271,623
Other income	43,198	-	43,198
Net investment income	3,191,410	6,044,654	9,236,064
Interest income on notes receivable from participants	-	47,459	47,459
Contributions:			
Employer, cash	-	1,900,335	1,900,335
Employer, noncash	640,110	-	640,110
Participants	-	2,378,156	2,378,156
Rollovers	-	1,680,907	1,680,907
Total contributions	640,110	5,959,398	6,599,508
Total additions	3,831,520	12,051,511	15,883,031
Deductions:			
Benefits paid to participants	415,487	4,782,214	5,197,701
Administrative expenses	-	25,534	25,534
Total deductions	415,487	4,807,748	5,223,235
Net increase	3,416,033	7,243,763	10,659,796
Net assets available for benefits, beginning of year	9,207,123	50,209,787	59,416,910
Net assets available for benefits, end of year	\$ 12,623,156	\$ 57,453,550	\$ 70,076,706

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Other income per the financial statements for the year ended December 31, 2022, is equal to the amount of other income per the form 5500; therefore, no reconciliation is considered necessary.

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 September 8, 2023 which is the date the financial statements were available to be issued.

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, ITEM 4i – SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2022

(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
HCNB	Cash - Interest Bearing Cash	**	\$ 45,227
* Verabank, Inc.	ESOP Stock - Employer Security	-	14,253,472
* TIAA Investments	TIAA-CREF LECY IDX RET INC INS	**	259,680
* TIAA Investments	TIAA-CREF LFCY IDX 2010 INST	**	173,257
* TIAA Investments	TIAA-CREF LFCY IDX 2015 INST	**	890,919
* TIAA Investments	TIAA-CREF LFCY IDX 2020 INST	**	1,964,589
* TIAA Investments	TIAA-CREF LFCY IDX 2025 INST	**	4,703,113
* TIAA Investments	TIAA-CREF LFCY IDX 2030 INST	**	2,153,072
* TIAA Investments	TIAA-CREF LFCY IDX 2035 INST	**	2,498,542
* TIAA Investments	TIAA-CREF LFCY IDX 2040 INST	**	2,795,378
* TIAA Investments	TIAA-CREF LFCY IDX 2045 INST	**	2,475,319
* TIAA Investments	TIAA-CREF LFCY IDX 2050 INST	**	2,930,415
* TIAA Investments	TIAA-CREF LFCY IDX 2055 INST	**	2,102,933
* TIAA Investments	TIAA-CREF LFCY IDX 2060 INST	**	518,330
* TIAA Investments	TIAA-CREF LFCY IDX 2065 INST	**	99,309
Vanguard Group	Vanguard Fed Money Mrkt Inv Fd	**	5,287,155
Vanguard Group	Vanguard Dev Mkts Index Adm Fd	**	2,032,537
Vanguard Group	Vanguard Emerging Mk Stk Index Admiral Fund	**	608,553
Vanguard Group	Vanguard Growth Index Admiral Fund	**	2,422,085
Vanguard Group	Vanguard HI Dev Yld Idx Adm Fd	**	1,488,981

VERABANK, INC.
401(K) EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, ITEM 4i – SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2022

(a) (b) IDENTITY OF PARTY AND ISSUE	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR, OR MATURITY VALUE		(e) CURRENT VALUE
Vanguard Group	Vanguard HI-Yld Corp Adm Fund	**	114,214.00
Vanguard Group	Vanguard Mid Cap Index Adm Fd	**	1,061,560.00
Vanguard Group	Vanguard Midcap Val Idx Adm Fd	**	570,040.00
Vanguard Group	Vanguard Midcp Grth Idx Adm Fd	**	1,187,318.00
Vanguard Group	Vanguard Real Estate Index Adm Fund	**	252,189.00
Vanguard Group	Vanguard Sm Cap Gr Idx Adm Fd	**	472,720.00
Vanguard Group	Vanguard Sm Cap Index Adm Fund	**	948,691.00
Vanguard Group	Vanguard Sm Cap Val Idx Adm Fd	**	502,510.00
Vanguard Group	Vanguard Total Stock Market Index Admiral Fund	**	2,192,379.00
Vanguard Group	Vanguard Total Bond Market Index Admiral Fund	**	3,406,449.00
Vanguard Group	Vanguard ST BD Index Admiral Fund	**	30,375.00
Vanguard Group	Vanguard Value Index Adm Fund	**	854,685.00
* Participant Loans	Rates Range From 3.25% to 5.50%	-	1,254,363.00
			<u>62,550,359</u>

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

** - Participant-directed investments, cost information is omitted.

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 01/01/2022 TO 12/31/2022

(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
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx Ret Inc Ins	\$ 0.00	\$ 259,679.52
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2010 Inst	\$ 0.00	\$ 173,257.34
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2015 Inst	\$ 0.00	\$ 890,918.64
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2020 Inst	\$ 0.00	\$ 1,964,588.98
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2025 Inst	\$ 0.00	\$ 4,703,112.74
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2030 Inst	\$ 0.00	\$ 2,153,071.73
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2035 Inst	\$ 0.00	\$ 2,498,542.12
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2040 Inst	\$ 0.00	\$ 2,795,377.83
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2045 Inst	\$ 0.00	\$ 2,475,319.06
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2050 Inst	\$ 0.00	\$ 2,930,414.98
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2055 Inst	\$ 0.00	\$ 2,102,932.95
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2060 Inst	\$ 0.00	\$ 518,329.53
	TIAA Investments	Registered Investment Company TIAA-CREF Lfcy Idx 2065 Inst	\$ 0.00	\$ 99,308.83
	Vanguard Group	Registered Investment Company Vanguard Dev Mkts Index Adm Fd	\$ 0.00	\$ 2,032,536.73
	Vanguard Group	Registered Investment Company Vanguard Emg Mk Stk Idx Adm Fd	\$ 0.00	\$ 608,552.90

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 01/01/2022 TO 12/31/2022

(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
	Vanguard Group	Registered Investment Company Vanguard Fed Money Mkt Inv Fd	\$ 0.00	\$ 5,287,155.26
	Vanguard Group	Registered Investment Company Vanguard Growth Index Adm Fund	\$ 0.00	\$ 2,422,084.74
	Vanguard Group	Registered Investment Company Vanguard Hi Div Yld Idx Adm Fd	\$ 0.00	\$ 1,488,981.23
	Vanguard Group	Registered Investment Company Vanguard Hi-Yld Corp Adm Fund	\$ 0.00	\$ 114,214.26
	Vanguard Group	Registered Investment Company Vanguard Mid Cap Index Adm Fd	\$ 0.00	\$ 1,061,559.72
	Vanguard Group	Registered Investment Company Vanguard MidCap Val Idx Adm Fd	\$ 0.00	\$ 570,039.61
	Vanguard Group	Registered Investment Company Vanguard MidCap Grth Idx Adm Fd	\$ 0.00	\$ 1,187,317.88
	Vanguard Group	Registered Investment Company Vanguard RE Index Adm Fund	\$ 0.00	\$ 252,189.29
	Vanguard Group	Registered Investment Company Vanguard Sm Cap Gr Idx Adm Fd	\$ 0.00	\$ 472,720.42
	Vanguard Group	Registered Investment Company Vanguard Sm Cap Index Adm Fund	\$ 0.00	\$ 948,690.97
	Vanguard Group	Registered Investment Company Vanguard Sm Cap Val Idx Adm Fd	\$ 0.00	\$ 502,509.51
	Vanguard Group	Registered Investment Company Vanguard Tl Stk Mkt Idx Adm Fd	\$ 0.00	\$ 2,192,379.13
	Vanguard Group	Registered Investment Company Vanguard Ttl Bd Mkt Idx Adm Fd	\$ 0.00	\$ 3,406,449.23
	Vanguard Group	Registered Investment Company Vanguard Value Index Adm Fund	\$ 0.00	\$ 854,686.16
	Vanguard Group	Registered Investment Company VANGUARD ST BD INDEX ADMIRL FD	\$ 0.00	\$ 30,375.49

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 01/01/2022 TO 12/31/2022

(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
*	Participant Loans	Range of Interest Rates Rates Range From 3.25% To 7.50%	\$ 0.00	\$ 1,254,363.00

