Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

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

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

Part II Basic Plan Information—enter all requested information

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

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1991

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

SULPHUR SPRINGS BANCSHARES, INC.

201 CONNALLY STREET
SULPHUR SPRINGS, TX 75482

2b Employer Identification Number (EIN) 75-0191733

2c Sponsor's telephone number 903-885-7523

2d Business code (see instructions) 522110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	07/23/2012	CINDY L YARBROUGH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/23/2012	CINDY L YARBROUGH
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

201 CONNALLY STREET
SULPHUR SPRINGS, TX 75482

3b Administrator's EIN
75-0191733

3c Administrator's telephone number
903-885-7523

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	158
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	151
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	14
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	167
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	167
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	138
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2J 2K 2G 2F 2R 2O 2Q

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
SULPHUR SPRINGS BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-0191733

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
JOHN HANCOCK 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	Policy or contract year (g) To
01-0233346	65838	99604	137	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 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
80117	175

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
J KEITH STERNE

(b) Amount of sales and base commissions paid	Fees and other commissions paid (c) Amount	Fees and other commissions paid (d) Purpose	(e) Organization code
73351			3

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

(b) Amount of sales and base commissions paid	Fees and other commissions paid (c) Amount	Fees and other commissions paid (d) Purpose	(e) Organization code
6766			3

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

RETIREMENT CONSULTING GROUP
210 E CARNEGIE STREET
WINNSBORO, TX 75494

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
	175	DISTRIBUTION AND LOAN CALCS	5

(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**	6221365

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 **b** and **c(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 **e(5)** from **d**)			**7f**	

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 **c(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, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
SULPHUR SPRINGS BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-0191733

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

JOHN HANCOCK LIFE INSURANCE COMPANY

01-0233346

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

(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

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(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 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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
SULPHUR SPRINGS BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-0191733

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	683	0
(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)		
(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)	18342	14333
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	6220055	6493515
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	3666812	4327802
(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	9905892	10835650
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	9905892	10835650

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)	132958	
(B) Participants	2a(1)(B)	355771	
(C) Others (including rollovers)	2a(1)(C)	119818	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		608547
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	423	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		423
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	268693	
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		268693
(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)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	216390	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		216390
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		340378
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1434431
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	504425	
(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)		504425
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)	0	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	248	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		248
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		504673
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		929758
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PAYNE & SMITH, LLC (2) EIN: 27-0316262

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

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

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

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

SULPHUR SPRINGS BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP
401(k) PLAN

Financial Statements and
Supplemental Schedules

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

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PAYNE & SMITH, LLC
Certified Public Accountants

Independent Auditors' Report

To the Sponsor
Sulphur Springs Bancshares, Inc.
Employee Stock Ownership 401(k) Plan
Sulphur Springs, Texas

We were engaged to audit the accompanying statement of net assets available for benefits of the Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan (the Plan) as of December 31, 2011 and 2010 and the related statement of changes in net assets available for benefits as of and for the years then ended, and the supplemental schedules as of and for the year ended December 31, 2011 as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by John Hancock Life Insurance Company (John Hancock), the custodian of the Plan as of and for the period from December 16, 2010 through December 31, 2011 and Fidelity Investments (Fidelity), the custodian of the Plan as of and for the period from January 1, 2010 through December 15, 2010, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that John Hancock holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from John Hancock and from Fidelity as of and for the periods as described above, that the information provided to the Plan Administrator by John Hancock and Fidelity is accurate and complete.

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

Payne & Smith, LLC

July 20, 2012

5952 Royal Lane • Suite 158 • Dallas, TX 75230 •214 / 363-9927• Fax 214 / 363-9980

SULPHUR SPRINGS BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP 401(k) PLAN

STATEMENT OF NET ASSETS
AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments at fair market value:		
Registered investment companies	$ 6,493,515	$ 6,220,740
Employer securities	4,327,802	3,666,810
Total investments at fair market value	10,821,317	9,887,550
Participant loans	14,333	18,342
Total investments	10,835,650	9,905,892
Receivables:		
Other	-	-
Total assets	10,835,650	9,905,892
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 10,835,650	$ 9,905,892

The accompanying notes are an integral part of these financial statements.

SULPHUR SPRINGS BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2011 and 2010

	2011	2010
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Interest and dividends	$ 269,116	$ 347,461
Net appreciation in fair value of investments	556,768	643,689
Total investment income	825,884	991,150
Contributions:		
Participant	355,771	315,296
Employer	132,958	122,295
Rollovers from qualified plans and other	119,818	24,088
Total contributions	608,547	461,679
Total additions	1,434,431	1,452,829
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefit payments to participants	504,425	85,610
Investment advisory and other fees	248	10,668
Total deductions	504,673	96,278
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	929,758	1,356,551
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	9,905,892	8,549,341
End of year	$ 10,835,650	$ 9,905,892

The accompanying notes are an integral part of these financial statements.

1. Description of the Plan

The following description of the Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan. Specifically, it is an employee stock ownership plan with 401(k) provisions that is intended to invest primarily in Sulphur Springs Bancshares, Inc. (referred to as the Plan Sponsor or Company) common stock and managed investments which are funded by contributions from both the participants and the Plan Sponsor. The Plan was adopted January 1, 1991, and most recently amended effective July 1, 2007, to incorporate certain additional provisions. Employees become eligible for participation at the age of twenty-one and upon entering the first of the month of employment following their respective hire date. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

For 2011 and 2010, participants may contribute up to 15% of their compensation (as defined) on a tax-deferred basis, subject to certain maximum limitations imposed by the Internal Revenue Code ($16,500 for both 2011 and 2010). The Company may make discretionary matching contributions. During 2011 and 2010, discretionary matching contributions totaled approximately $133,000 and $122,000, respectively. Rollover contributions are allowed only if such contributions will not jeopardize the tax exempt status of the Plan, and may be made prior to meeting the eligibility requirements for participation in the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's discretionary matching contributions (any amount equal to $1.00 for every dollar of salary deferral made up to 8% of the participant's total compensation) and plan earnings and charged with an allocation of plan expenses. Allocations are based on participants' investment elections and earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Vesting

All participant contributions are immediately fully vested and nonforfeitable. The Company's discretionary matching contributions vest to participants immediately, and discretionary profit sharing contributions vest on a graduated scale of twenty, forty, sixty, eighty and one hundred percent after one, two, three, four, and five years of service, respectively.

Investment Options

Participants direct the investment of their contributions and the Company's contributions into various investment options offered by the Plan. The Plan currently offers various pooled separate accounts as investment options for participants, as well as Company stock. At any time, participants may liquidate any mutual fund holdings and invest the funds in cash or a money market investment. Additionally, participants may change their investment options within mutual funds on a quarterly basis. Participants initiate these changes by contacting the Plan's registered investment advisor or the Plan's custodian.

Participant Loans

Participants may borrow from their accounts an amount not to exceed the lesser of: (a) one-half of the participant's vested account balance or (b) $50,000 reduced by the participant's greatest outstanding loan balance during the 12 months preceding the date of the loan. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates based generally on the prime lending rate. Loans are required to be repaid within 5 years of the date of the loan except in the case of certain loans to acquire a principal residence, which may be repaid over a period not to exceed 10 years. Principal and interest are repaid ratably through payroll deductions.

Payments of Benefits

Payments for benefits under the Plan are recorded when paid. Upon termination of service due to death, disability or retirement, participants may receive a lump sum payment equal to their vested account balance. Participants who are also active employees can request a hardship withdrawal up to their vested account balance, subject to certain conditions and restrictions.

Forfeitures

Forfeitures represent the portion of non-vested account balances of terminated participants. The employer matching forfeiture allocation, if any, is maintained in a forfeiture account and reallocated to all other participants as provided by the Plan. For the year ended December 31, 2011, there were no forfeited non-vested accounts.

2. Summary of Significant Accounting Policies

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 certain reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Administrative Expenses

Certain administrative functions are performed by officers or employees of the Company. However, such officers and employees receive no compensation from the Plan. The majority of the Plan's administrative expenses are paid by the Company.

Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits.

Benefits Payable to Terminated Participants

Benefits are recorded when paid.

Investment Valuation and Income Recognition

Investments of the Plan are presented at fair market value (see Note 5). Quoted market prices, if available, are used to value investments.

Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade date basis.

Subsequent Events

The Company has evaluated subsequent events for potential recognition and/or disclosure through the date these financial statements were issued.

3. Investment in Employer Securities

The investment in employer securities represents 36,065 and 32,165 shares of the Company's common stock at December 31, 2011 and 2010, respectively, which are recorded at estimated fair market value. The Company obtains an annual valuation of its common stock by an unrelated third party, which has determined the fair value per share to be $120.00 and $114.00 at December 31, 2011 and 2010, respectively.

4. Related Party Transactions

Certain Plan investments are shares of pooled separate accounts managed by John Hancock. John Hancock is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

5. Information Certified by John Hancock (Unaudited)

The Custodian of the Plan has supplied the Plan Sponsor with a certification as to the completeness and accuracy of all investments and related activity, including information presented in the accompanying statements of net assets available for benefits and changes in net assets available for benefits and the supplemental schedule. The certification of the Custodian is in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The Plan's investments are held by John Hancock. The following table presents investments that represented 5% or more of the Plan's net assets at December 31, 2011 and 2010:

Lifestyle Conservative	$ 1,320,643	$ 1,757,586
Lifestyle Balanced	1,279,412	1,265,522
Lifestyle Growth	802,655	648,653
Money Market Fund	713,494	59,222
Lifestyle Moderate	504,778	1,000,461

The following table presents investments which appreciated or depreciated in value during the years ended December 31, 2011 and 2010 (including gains and losses in investments bought and sold, as well as held during the year).

	2011	2010
Registered investment companies	$ 340,378	$ 547,194
Employer securities	216,390	96,495
	$ 556,768	$ 643,689

6. Tax Status

The Plan obtained its latest determination letter on October 26, 2000, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code. While the Plan was most recently amended July 1, 2007, the Plan Sponsor believes that no events, circumstances, or amendments have changed since the date of the most recent determination letter that would result in non-compliance with the applicable requirements of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying Plan financial statements.

7. Plan Termination

While there is no intention to do so, the Company reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

SUPPLEMENTAL SCHEDULES

SULPHUR SPRINGS BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP 401(k) PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2011

Identity of issuer, borrower, lessor or similar party	Description of investment	Cost	Current Value
Registered Investment Companies:			
John Hancock*	6,401 units Lifestyle Conservative	$ 1,280,388	$ 1,320,643
John Hancock*	5,675 units Lifestyle Balanced	1,311,620	1,279,412
John Hancock*	2,599 units Lifestyle Growth	846,709	802,655
John Hancock*	54,791 units Money Market Fund	713,494	713,494
John Hancock*	2,748 units Lifestyle Moderate	501,892	504,778
John Hancock*	17,368 units Short-Term Federal	355,463	363,542
John Hancock*	4,044 units Oppenheimer Developing Mkt	270,858	227,472
John Hancock*	1,251 units Fidelity ContraFund	190,202	188,687
John Hancock*	3,645 units Washington Mutual Investors	134,285	141,115
John Hancock*	4,510 units Total Return Fund	119,977	123,831
John Hancock*	3,020 units Fundamental Investors	117,506	113,707
John Hancock*	1,921 units Franklin Small-Mid Growth	95,155	90,317
John Hancock*	2,949 units Aston/Fairpointe Mid Cap Fund	97,413	88,633
John Hancock*	263 units Lifestyle Aggressive	87,101	81,472
John Hancock*	1,396 units T. Rowe Price Sml Cap Val	77,116	76,044
John Hancock*	5,921 units Retirement Living at 2030	64,380	60,757
John Hancock*	2,008 units Small Cap Value Fund	59,668	59,864
John Hancock*	2,618 units Lord Abbett Value Opps Fund	43,279	40,084
John Hancock*	1,047 units DFA Emerging Markets Value	50,653	38,899
John Hancock*	907 units T. Rowe Price Equity Inc.	34,888	34,575
John Hancock*	2,801 units Retirement Living at 2025	30,682	29,530
John Hancock*	390 units Mutual Global Discovery	27,459	26,552
John Hancock*	1,618 units Retirement Living at 2010	18,947	18,454
John Hancock*	1,726 units Retirement Living at 2045	18,859	17,772
John Hancock*	1,299 units Small Cap Growth Fund	18,627	16,214
John Hancock*	988 units Retirement Living at 2020	10,927	10,661
John Hancock*	423 units Fidelity Adv New Insights	8,570	8,445
John Hancock*	348 units DFA U.S. Small Cap Fund	8,800	8,226
John Hancock*	191 units Mid Cap Index Fund	5,001	4,868
John Hancock*	44 units Oppenheimer Global	1,865	1,745
John Hancock*	104 units Retirement Living at 2040	1,140	1,067
		6,602,924	6,493,515
Notes and Mortgages:			
Participant loans	Interest rates range between 3.25% and 8.25%; maturity dates through April 2017	-	14,333
Employer Securities:			
Sulphur Springs Bancshares, Inc.	36,065 shares Sulphur Springs Bancshares, Inc. common stock	1,694,699	4,327,802
		$ 8,297,623	$ 10,835,650

* Party in interest to the Plan.

The above information, except for $14,333 of participant loans and $4,327,802 of employer securities, has been certified by John Hancock, the Custodian, as complete and accurate.

See accompanying independent auditor's report and notes thereto.

SULPHUR SPRINGS BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP 401(k) PLAN

SCHEDULE H, PART IV, LINE 4 (j) – SCHEDULE OF REPORTABLE TRANSACTIONS

For the Year Ended December 31, 2011

Identity of party involved	Description of asset	Number of Transactions	Purchase price	Selling price	Cost of asset	Current value of asset	Net gain/ (loss)
Pooled Separate Accounts:							
*John Hancock	Money Market Fund	29	$ 985,377	$ -	$ 985,377	$ 712,586	$ -
*John Hancock	Lifestyle Moderate	11	-	745,746	738,291	-	7,455
*John Hancock	Lifestyle Conservative Fund	20	-	575,923	562,262	-	13,661

* Party in interest to the Plan

See accompanying independent auditor's report and notes thereto.

5500 Electronic Filing Authorization

Plan Name: Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan
EIN/PN: 75-0191733/001
Plan Year: 01/01/2011 - 12/31/2011

I hereby authorize Retirement Consulting Group to electronically file the above return with the US Department of Labor's Electronic Filing Acceptance System (EFAST).

I have signed Form 5500 for this return and understand a scanned copy of this return bearing my manual signature will be included in the electronic filing and posted on the US Department of Labor's internet site for public disclosure.

Plan Administrator

(sign)

7-19-12

(date)

Plan Sponsor

(sign)

7-19-12

(date)

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For the calendar plan year 2011 or fiscal plan year beginning 01/01/2011 **and ending** 12/31/2011

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

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

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

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

Part II Basic Plan Information --- enter all requested information.

1a Name of plan
Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan

1b Three-digit plan number (PN) ► 001

1c Effective date of plan 01/01/1991

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

Sulphur Springs Bancshares, Inc.

201 Connally Street

US Sulphur Springs TX 75482

2b Employer Identification Number (EIN)
75-0191733

2c Sponsor's telephone number
(903) 885-7523

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	Richard Reynolds	7-19-12	Richard Reynolds
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Richard Reynolds	7-19-12	Richard Reynolds
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") Same	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: **a** Sponsor's name	**4b** EIN	
	4c PN	
5 Total number of participants at the beginning of the plan year	**5**	158
6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a Active participants	**6a**	151
b Retired or separated participants receiving benefits	**6b**	2
c Other retired or separated participants entitled to future benefits	**6c**	14
d Subtotal. Add lines **6a, 6b,** and **6c**	**6d**	167
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f Total. Add lines **6d** and **6e**	**6f**	167
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	138
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2J 2K 2G 2F 2R 2O 2Q

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

9a Plan funding arrangement (check all that apply)	**9b** Plan benefit arrangement (check all that apply)
(1) [X] Insurance	(1) [X] Insurance
(2) [ ] Code section 412(e)(3) insurance contracts	(2) [ ] Code section 412(e)(3) insurance contracts
(3) [X] Trust	(3) [X] Trust
(4) [ ] General assets of the sponsor	(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	**b** General Schedules	
(1) [ ] **R** (Retirement Plan Information)	(1) [X]	**H** (Financial Information)
(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) [ ]	**I** (Financial Information - Small Plan)
	(3) [X] 2	**A** (Insurance Information)
	(4) [X]	**C** (Service Provider Information)
(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(5) [ ]	**D** (DFE/Participating Plan Information)
	(6) [ ]	**G** (Financial Transaction Schedules)

SULPHUR SPRINGS BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP 401(k) PLAN

SCHEDULE H, PART IV, LINE 4 (j) – SCHEDULE OF REPORTABLE TRANSACTIONS

For the Year Ended December 31, 2011

Identity of party involved	Description of asset	Number of Transactions	Purchase price	Selling price	Cost of asset	Current value of asset	Net gain/ (loss)
Pooled Separate Accounts:							
*John Hancock	Money Market Fund	29	$ 985,377	$ -	$ 985,377	$ 712,586	$ -
*John Hancock	Lifestyle Moderate	11	-	745,746	738,291	-	7,455
*John Hancock	Lifestyle Conservative Fund	20	-	575,923	562,262	-	13,661

* Party in interest to the Plan

See accompanying independent auditor's report and notes thereto.

SULPHUR SPRINGS BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP 401(k) PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2011

Identity of issuer, borrower, lessor or similar party	Description of investment	Cost	Current Value
Registered Investment Companies:			
John Hancock*	6,401 units Lifestyle Conservative	$ 1,280,388	$ 1,320,643
John Hancock*	5,675 units Lifestyle Balanced	1,311,620	1,279,412
John Hancock*	2,599 units Lifestyle Growth	846,709	802,655
John Hancock*	54,791 units Money Market Fund	713,494	713,494
John Hancock*	2,748 units Lifestyle Moderate	501,892	504,778
John Hancock*	17,368 units Short-Term Federal	355,463	363,542
John Hancock*	4,044 units Oppenheimer Developing Mkt	270,858	227,472
John Hancock*	1,251 units Fidelity ContraFund	190,202	188,687
John Hancock*	3,645 units Washington Mutual Investors	134,285	141,115
John Hancock*	4,510 units Total Return Fund	119,977	123,831
John Hancock*	3,020 units Fundamental Investors	117,506	113,707
John Hancock*	1,921 units Franklin Small-Mid Growth	95,155	90,317
John Hancock*	2,949 units Aston/Fairpointe Mid Cap Fund	97,413	88,633
John Hancock*	263 units Lifestyle Aggressive	87,101	81,472
John Hancock*	1,396 units T. Rowe Price Sml Cap Val	77,116	76,044
John Hancock*	5,921 units Retirement Living at 2030	64,380	60,757
John Hancock*	2,008 units Small Cap Value Fund	59,668	59,864
John Hancock*	2,618 units Lord Abbett Value Opps Fund	43,279	40,084
John Hancock*	1,047 units DFA Emerging Markets Value	50,653	38,899
John Hancock*	907 units T. Rowe Price Equity Inc.	34,888	34,575
John Hancock*	2,801 units Retirement Living at 2025	30,682	29,530
John Hancock*	390 units Mutual Global Discovery	27,459	26,552
John Hancock*	1,618 units Retirement Living at 2010	18,947	18,454
John Hancock*	1,726 units Retirement Living at 2045	18,859	17,772
John Hancock*	1,299 units Small Cap Growth Fund	18,627	16,214
John Hancock*	988 units Retirement Living at 2020	10,927	10,661
John Hancock*	423 units Fidelity Adv New Insights	8,570	8,445
John Hancock*	348 units DFA U.S. Small Cap Fund	8,800	8,226
John Hancock*	191 units Mid Cap Index Fund	5,001	4,868
John Hancock*	44 units Oppenheimer Global	1,865	1,745
John Hancock*	104 units Retirement Living at 2040	1,140	1,067
		6,602,924	6,493,515
Notes and Mortgages:			
Participant loans	Interest rates range between 3.25% and 8.25%; maturity dates through April 2017	-	14,333
Employer Securities:			
Sulphur Springs Bancshares, Inc.	36,065 shares Sulphur Springs Bancshares, Inc. common stock	1,694,699	4,327,802
		$ 8,297,623	$ 10,835,650

* Party in interest to the Plan.

The above information, except for $14,333 of participant loans and $4,327,802 of employer securities, has been certified by John Hancock, the Custodian, as complete and accurate.

See accompanying independent auditor's report and notes thereto.