# 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

**2015**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**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); 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

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

**1a** Name of plan
TEXAS INDEPENDENT BANCSHARES, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN

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

**1c** Effective date of plan 01/01/1989

**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)
TEXAS INDEPENDENT BANCSHARES

3232 PALMER HWY
TEXAS CITY, TX 77590-6724

**2b** Employer Identification Number (EIN)
74-2022764

**2c** Plan Sponsor's telephone number
409-948-1990

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

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/12/2016 | DENNIS BETTISON |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

| | | | |
|---|---|---|---|
| **3a** | Plan administrator's name and address [X] Same as Plan Sponsor | **3b** | Administrator's EIN |
| | | **3c** | Administrator's telephone number |
| **4** | If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: | **4b** | EIN |
| **a** | Sponsor's name | **4c** | PN |

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 336 |
| **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)** | 239 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 364 |
| **b** | Retired or separated participants receiving benefits | **6b** | 37 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 401 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 2 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 403 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 288 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 14 |
| **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 2K 2J 3D

**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) | | **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**

**(1)** [X] **R** (Retirement Plan Information)

**(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

**(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

**(1)** [X] **H** (Financial Information)

**(2)** [ ] **I** (Financial Information – Small Plan)

**(3)** [X] 1 **A** (Insurance Information)

**(4)** [X] **C** (Service Provider Information)

**(5)** [X] **D** (DFE/Participating Plan Information)

**(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 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

**2015**

**This Form is Open to Public Inspection**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**A** Name of plan
TEXAS INDEPENDENT BANCSHARES, 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
TEXAS INDEPENDENT BANCSHARES

**D** Employer Identification Number (EIN)
74-2022764

**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
HARTFORD LIFE

| (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 |
|---|---|---|---|---|---|
| 06-0974148 | 88072 | 512043-000 | 183 | 01/01/2015 | 12/31/2015 |

**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 |
|---|---|
| 23076 | 4615 |

**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
SWBC INVESTMENT SERVICES, LLC
9311 SAN PEDRO, SUITE 600
SAN ANTONIO, TX 78216

| (b) Amount of sales and base commissions paid | Fees and other commissions paid (c) Amount | (d) Purpose | (e) Organization code |
|---|---|---|---|
| 23076 | 0 | ADMINISTRATIVE FEES | 3 |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid
THE ALLOCATION COMPANY, INC.
P O BOX 79160
HOUSTON, TX 77279

| (b) Amount of sales and base commissions paid | Fees and other commissions paid (c) Amount | (d) Purpose | (e) Organization code |
|---|---|---|---|
| | 4615 | ADMINISTRATIVE FEES | 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 | |
| | | | |

**(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 | 242074 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 8697939 |

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| **b** | Premiums paid to carrier | 6b | 0 |
| **c** | Premiums due but unpaid at the end of the year | 6c | 0 |
| **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 | 0 |

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 | 214724 |
| **c** | Additions: (1) Contributions deposited during the year | 7c(1) | 8849 | | |
| | (2) Dividends and credits | 7c(2) | 4942 | | |
| | (3) Interest credited during the year | 7c(3) | 28250 | | |
| | (4) Transferred from separate account | 7c(4) | 0 | | |
| | (5) Other (specify below) | 7c(5) | 0 | | |
| | ▶ | | | | |
| | (6) Total additions | | | 7c(6) | 42041 |
| **d** | Total of balance and additions (add lines **7b** and **7c(6)**). | | | 7d | 256765 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 14764 | | |
| | (2) Administration charge made by carrier | 7e(2) | 15 | | |
| | (3) Transferred to separate account | 7e(3) | | | |
| | (4) Other (specify below) | 7e(4) | | | |
| | ▶ | | | | |
| | (5) Total deductions | | | 7e(5) | 14779 |
| **f** | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 241986 |

## 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)** | 0 |
| **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)** | 0 |
| (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)** | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

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

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2015**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

| | |
|---|---|
| **A** Name of plan<br>TEXAS INDEPENDENT BANCSHARES, 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<br>TEXAS INDEPENDENT BANCSHARES | **D** Employer Identification Number (EIN)<br>74-2022764 |

## 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

HARTFORD LIFE

06-0974148

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

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**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)

THE ALLOCATION COMPANY, INC.

76-0354750

| (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? |
|---|---|---|---|---|---|---|
| 15 37 64 | TPA | 0 | Yes [X] No [ ] | Yes [ ] No [X] | | Yes [ ] No [X] |

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

MASS MUTUAL LIFE INSURANCE COMPANY

04-1590850

| (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? |
|---|---|---|---|---|---|---|
| 15 23 37 38 54 55 59 60 62 63 64 65 66 99 50 | RECORDKEEPER | 3176 | Yes [X] No [ ] | Yes [ ] No [X] | 0 | Yes [ ] No [X] |

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

MESIROW FINANCIAL INVESTMENT MGMT

36-3429599

| (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 49 | FIDUCIARY SERVICE | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 0 | Yes [ ] No [X] |

**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)

SWBC INVESTMENT SERVICES, LLC

20-1484586

| (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? |
|---|---|---|---|---|---|---|
| 22 23 53 55 | BROKER | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 0 | Yes [ ] No [X] |

**(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 |
|---|---|---|
| | | |

| **(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: WHITLEY PENN

**b** EIN: 75-2393478

**c** Position: AUDITOR

**d** Address: 3411 RICHMOND AVENUE
SUITE 500
HOUSTON, TX 77046

**e** Telephone: 713-621-1515

Explanation: REPLACE FOR A LOCAL HOUSTON FIRM

**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

**2015**

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

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**A** Name of plan
TEXAS INDEPENDENT BANCSHARES, 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
TEXAS INDEPENDENT BANCSHARES

**D** Employer Identification Number (EIN)
74-2022764

**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: MM LIFE INSURANCE COMPANY

**b** Name of sponsor of entity listed in (a): INVESCO EQUITY AND INCOME FUND 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) |
|---|---|---|
| 06-0974148-000 | P | 3412155 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: THE HARTFORD LIFE INSURANCE COMPANY

**b** Name of sponsor of entity listed in (a): MM BALANCED INCOME R4

| **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) |
|---|---|---|
| 06-0974148-000 | P | 2055477 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY

**b** Name of sponsor of entity listed in (a): MASSACHUSETTS INV TRUST R3

| **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) |
|---|---|---|
| 06-0974148-000 | P | 377415 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY

**b** Name of sponsor of entity listed in (a): AMERICAN FUNDS GR FUN OF AMERICA R3

| **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) |
|---|---|---|
| 06-0974148-000 | P | 357416 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY

**b** Name of sponsor of entity listed in (a): MFS UTILITIES R3

| **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) |
|---|---|---|
| 06-0974148-000 | P | 203709 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY

**b** Name of sponsor of entity listed in (a): HARTFORD LTIF

| **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) |
|---|---|---|
| 06-0974148-000 | P | 91 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY

**b** Name of sponsor of entity listed in (a): INVESCO DEVELOPING MARKETS 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) |
|---|---|---|
| 06-0974148-000 | P | 163998 |

| | | | |
|---|---|---|---|
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): EATON VANCE ATL CAP SMID CAP A | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 224803 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): MM MIDCAP VALUE R4 | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 171555 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): INVESCO COMSTOCK A | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 166475 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): PIMCO TOTAL RETURN A | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 149590 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2050 R4 | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 83380 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): OPPENHEIMER GLOBAL A | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 97662 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): IVY SCIENCE AND TECHNOLOGY Y | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 103799 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): BNY MELLON DL SM CAP STOCK IND A | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 102545 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): PRUD JENN NATURAL RESOURCES A | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 56154 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): OPPENHEIMER INTERNATIONAL GROWTH A | | | |
| **c** EIN-PN 06-0971148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 72123 |

| | | | |
|---|---|---|---|
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): OPPENHEIMER REAL ESTATE A | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 82770 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): MFS INTERNATIONAL VALUE R3 | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 86004 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): MFS RESEARCH INTERNATIONAL R3 | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 80378 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2030 R4 | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 74670 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): MFS NEW DISCOVERY R3 | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 53528 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2040 R4 | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 63999 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): FRANKLIN HIGH INCOME A | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 71720 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): ALLIANCE BERNSTEIN GLOBAL BOND A | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 63477 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): HARTFORD INDEX HLS IB | | | |
| **c** EIN-PN 06-0974148-000 | **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: MM LIFE INSURANCE COMPANY | | | |
| **b** Name of sponsor of entity listed in (a): ALLIANCE BERNSTEIN HIGH INCOME A | | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 57569 |

| | | |
|---|---|---|
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INS COMPANY | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2045 R4 | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 46263 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | |
| **b** Name of sponsor of entity listed in (a): INVESCO SMALL CAP VALUE A | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27722 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2020 R4 | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27448 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | |
| **b** Name of sponsor of entity listed in (a): THE HARTFORD HEALTHCARE R4 | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 33865 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM RETIRESMART | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2015 R4 | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 30097 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM RETIRESMART | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2035 R4 | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15083 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM RETIRESMART | | |
| **b** Name of sponsor of entity listed in (a): RETIREMENT 2025 R4 | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5122 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM RETIRESMART | | |
| **b** Name of sponsor of entity listed in (a): REETIREMENT 2055 R4 | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 14639 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | |
| **b** Name of sponsor of entity listed in (a): HIMCO VIT | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 52909 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: MM LIFE INSURANCE COMPANY | | |
| **b** Name of sponsor of entity listed in (a): BNYMEL DLN | | |
| **c** EIN-PN 06-0974148-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7158 |

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

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

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

OMB No. 1210-0110

**2015**

**This Form is Open to Public Inspection**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**A** Name of plan
TEXAS INDEPENDENT BANCSHARES, 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
TEXAS INDEPENDENT BANCSHARES

**D** Employer Identification Number (EIN)
74-2022764

## 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 | 184572 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 932999 | 988115 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 2663 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 517427 | 236623 |
| **(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) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(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) | 8865837 | 9734497 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 214723 | 241982 |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | 16748200 | 19333050 |
| **(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 | 27466421 | 30534267 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 0 | 0 |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | 0 | 0 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 27466421 | 30534267 |

## 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) | 988116 | |
| **(B)** Participants | 2a(1)(B) | 737385 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 2624 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1728125 |
| **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) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(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) | | 0 |
| **(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) | | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (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) | | 2565102 |
| (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) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 4293227 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1186471 | |
| (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) | | 1186471 |
| 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) | 38910 | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 38910 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1225381 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 3067846 |
| 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: BENTLEY BRATCHER & ASSOCIATES, P.C. **(2)** EIN: 20-2733640

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | N/A | 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 | | |

| | | | Yes | No | N/A | Amount |
|---|---|---|---|---|---|---|
| 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 | | | 500000 |
| 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 | X | | | |
| o | Did the plan trust incur unrelated business taxable income? | 4o | | | | |
| p | Were in-service distributions made during the plan year? | 4p | | | | |

**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) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

## Part V Trust Information

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

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

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

OMB No. 1210-0110

**2015**

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

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**A** Name of plan
TEXAS INDEPENDENT BANCSHARES, 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
TEXAS INDEPENDENT BANCSHARES

**D** Employer Identification Number (EIN)
74-2022764

## 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): 74-2022764 39-0989781

**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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

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

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

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

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

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

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

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If 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):

## Part VII IRS Compliance Questions

| | | |
|---|---|---|
| **20a** Is the plan a 401(k) plan? | ☐ Yes | ☐ No |
| **20b** If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)? | ☐ Design-based safe harbor method | ☐ ADP/ACP test |
| **20c** If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))? | ☐ Yes | ☐ No |
| **21a** Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): | ☐ Ratio percentage test | ☐ Average benefit test |
| **21b** Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? | ☐ Yes | ☐ No |
| **22a** Has the plan been timely amended for all required tax law changes? | ☐ Yes | ☐ No ☐ N/A |

**22b** Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

**22c** If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

**22d** If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

| | | |
|---|---|---|
| **23** Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)? | ☐ Yes | ☐ No |

# TEXAS INDEPENDENT BANCSHARES, INC. 401(k) EMPLOYEE PROFIT SHARING PLAN

## AUDITED FINANCIAL STATEMENTS

## DECEMBER 31, 2015 AND 2014

CONTENTS

INDEPENDENT AUDITORS' REPORT ..... 3

FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits ..... 5

Statement of Changes in Net Assets Available for Benefits ..... 6

Notes to the Financial Statements ..... 7

SUPPLEMENTAL SCHEDULE

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) ..... 20

BENTLEY, BRATCHER & ASSOCIATES, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator of
Texas Independent Bancshares, Inc. 401(k) Employee Profit Sharing Plan
Houston, Texas

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Texas Independent Bancshares, Inc. 401(k) Employee Profit Sharing Plan, which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in *Note 4*, which was certified by Massachusetts Mutual Life Insurance Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the Custodian as of December 31, 2015, that the information provided to the Plan Administrator by the Custodian is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the 2015 financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

**Other Matter – Supplemental Schedules**

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at Year End) as of December 31, 2015, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

**Report on Form and Content in Compliance With DOL Rules and Regulations**

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 Custodian, 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.

Bentley, Bratcher & Associates, P.C.

BENTLEY, BRATCHER & ASSOCIATES, P.C.
Houston, Texas
October 3, 2016

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2015 AND 2014

| | 2015 | 2014 |
|---|---|---|
| ASSETS | | |
| Non-Participant Directed Accounts | | |
| Cash and Cash Equivalents | $ 148,646 | $ 614,679 |
| Certificates of Deposit | 87,977 | 87,321 |
| Investments, at Fair Value | | |
| Plan Sponsor Common Stock | 19,333,050 | 16,748,200 |
| Participant Directed Accounts | | |
| Investments, at Fair Value | | |
| Mutual Funds | 9,734,497 | 8,865,836 |
| Fully Benefit-Responsive Investment Contract | 241,982 | 214,723 |
| Total Cash and Investments, at Fair Value | 29,546,152 | 26,530,759 |
| Receivables | | |
| Employer | 988,115 | 932,998 |
| Other | - | 2,663 |
| Total Receivables | 988,115 | 935,661 |
| Total Assets | 30,534,267 | 27,466,420 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 30,534,267 | $ 27,466,420 |

See the Accompanying Independent Auditors' Report and Notes to the Financial Statements

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | |
|---|---|
| CHANGES ATTRIBUTED TO: | |
| Investment Activities | |
| Net Appreciation in Fair Value of Investments | $ 1,803,597 |
| Interest and Dividend Income | 761,506 |
| Net Increase from Investment Activities | 2,565,103 |
| Contributions | |
| Participant | 737,385 |
| Employer | 988,116 |
| Rollover | 2,624 |
| Total Contributions | 1,728,125 |
| Benefits Paid to Participants | (1,186,471) |
| Administrative Expenses | (38,910) |
| CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS | 3,067,847 |
| NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING | 27,466,420 |
| NET ASSETS AVAILABLE FOR BENEFITS, ENDING | $ 30,534,267 |

See the Accompanying Independent Auditors' Report and Notes to the Financial Statements

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

## *NOTE 1* – DESCRIPTION OF PLAN

The following description of the Texas Independent Bancshares Inc. 401(k) Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan document is controlling at all times. The Plan is sponsored by Texas Independent, Inc. (the "Company"), and the Plan's trustee is Dennis Bettison (the "Trustee"). The Plan's custodian is Massachusetts Mutual Life Insurance Company (the "Custodian").

### GENERAL

The Plan is a defined contribution plan covering substantially all employees of the Company. The Plan is subject to the provision of the Employment Retirement and Income Security Act of 1974 ("ERISA").

### CONTRIBUTIONS

Participants may make an elective deferral, for each Plan year, in an amount equal to the maximum percentage allowable under law of pretax annual compensation, as defined in the Plan. Participants may also contribute rollover amounts from other qualified defined benefit or defined contribution retirement plans. The Company may also make discretionary non-elective contributions, subject to certain limitations, to the Plan. For the year ended December 31, 2015, the Company made matching contributions in the amount of $988,116.

Matching contributions are allocated proportionate to the elective contributions made by each participant to total elective annual contributions. Allocations of employer discretionary non-elective contributions, if any, are based on each participant's compensation, whether or not they are eligible to participate in the Plan. If available, 51% of matching contributions will be invested in Plan Sponsor common stock. The remainder will be placed in Plan Sponsor bank accounts, Plan Sponsor certificates of deposit or low-risk mutual funds offered through the Custodian.

### PARTICIPANT ACCOUNTS

Participants may direct their contributions to selected investments as made available by the Plan administrator. Participants may change their investment options twice per year via direct access to the Custodian.

Each participant's account is credited with the participant's contribution and allocations of the Company's contributions and plan earnings. The benefit to which a participant is entitled is the benefit that can be derived from the participant's vested account.

## *NOTE 1* – DESCRIPTION OF PLAN (CONTINUED)

### INVESTMENT OPTIONS

Upon enrollment in the Plan, participants may direct the investment of their individual accounts among alternative investment funds provided under the Plan. Alternatively, participants have an option to retain the trustee-directed investments, which include Plan Sponsor common stock, certificates of deposit and cash. Participants may change their investment elections twice a year, as well as transfer existing balances between investment funds and transfer a portion of the balance of the trustee-directed investment to the participant directed investments. At December 31, 2015, the Plan offered 39 mutual funds, one fully benefit-responsive investment contract and common stock.

### PAYMENT OF BENEFITS

On termination of service, a participant may receive their vested account balance in a single lump sum payment or have the payment paid as a "direct rollover" to an individual retirement account or to another employer's tax qualified plan. Hardship withdrawals are permitted from participant deferrals and rollovers, within limitations and conditions as defined by the Plan.

### VESTING

Participants are immediately vested in salary deferrals and distributions from other qualified defined benefit or defined contribution retirement plans, along with any earnings thereon. After six years of service, participants become 100% vested in all contributions made by the Company and any earnings thereon. Participants become 100% vested upon death or disability.

| Years of Service | Vested Percentage |
|---|---|
| Less than 2 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 or more | 100% |

## *NOTE 1* – DESCRIPTION OF PLAN (CONTINUED)

### FORFEITURES

Forfeited non-vested accounts are available to be used to reduce administrative expenses or employer matching contributions. For the year ended December 31, 2015, the Plan applied no forfeitures to reduce administrative expenses or reduce employer contributions and there was no balance of forfeited non-vested accounts.

## *NOTE 2* – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

The accompanying financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and schedules. Accordingly, actual results could differ from those estimates.

### INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are stated at fair value, as determined by the Custodian. 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. The net change in the fair value of investments is reported in the statement of changes in net assets available for benefits in the period of change.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement for the portion of the net assets available for benefits attributable to fully benefit-responsive investment contracts. Contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits includes a line item showing an adjustment of fair value to contract value. See *Note 6* for further discussion of the fully benefit-responsive investment contract.

**INVESTMENT VALUATION AND INCOME RECOGNITION (CONTINUED)**

***NOTE 2* – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Purchases and sales of securities are recorded on a trade-date basis. Expenses related to the purchase or sale of investments are added to cost or deducted from proceeds. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**PAYMENT OF BENEFITS**

Benefits are recorded when paid.

**PLAN EXPENSES**

Certain fees for services charged by the Custodian may be directly charged to a participant. Investment management and advisory fees are charged to the Plan. Other administrative costs of the Plan charged by the Custodian are generally paid by the Company.

**RECLASSIFICATIONS**

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassification had no effect on the net assets available for benefit or the increase in net assets available for benefit.

**CASH AND CASH EQUIVALENTS**

All highly liquid investments with a maturity of three months or less when purchased are treated as cash equivalents. The Company maintained cash balances and temporary cash investments in U.S. financial banking institutions at December 31, 2015. Non-interest bearing and interest bearing accounts are insured by the Federal Deposit Insurance Corporation on aggregate balances up to $250,000. As of December 31, 2015, the Company had no uninsured banking cash.

## *NOTE 3* – FAIR VALUE MEASUREMENTS

The Plan measures and reports certain assets and liabilities at fair value within a hierarchal disclosure framework which prioritized and ranks the level of observable inputs used in measuring fair value. Level one inputs include inputs that are unadjusted, quoted prices for identical assets or liabilities in active markets. Level two measurements include inputs that are either observable prices for identical assets or liabilities in inactive markets, observable prices for similar assets or liabilities, or other inputs derived principally from, or corroborated by, observable market data at the measurement date. Level three inputs are unobservable inputs that are significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair value of the fully benefit-responsive investment contract is based on the present value of future guaranteed account values and participant benefit withdrawals, assuming a certain annual benefit withdrawal rate, as determined by the Custodian. The fair value of the Plan Sponsor common stock per share is determined as of the Plan year-end by an independent appraiser. There have been no changes in the methodologies used at December 31, 2015.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Plan's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

***NOTE 3* – FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015:

| | Quoted Market Prices in Active Markets (Level One) | Other Observable Inputs (Level Two) | Unobservable Inputs (Level Three) |
|---|---|---|---|
| Mutual Funds | | | |
| Conservative Allocation | $ 2,055,477 | $ - | $ - |
| Diversified Emerging Markets | 164,000 | - | - |
| Foreign Large Blend | 166,383 | - | - |
| Foreign Large Growth | 72,123 | - | - |
| Health | 33,866 | - | - |
| High Yield Bond | 71,720 | - | - |
| Intermediate-Term Bond | 149,590 | - | - |
| Large Blend | 1,466,791 | - | - |
| Large Growth | 364,575 | - | - |
| Large Value | 166,475 | - | - |
| Mid-Cap Blend | 5,250 | - | - |
| Mid-Cap Growth | 396,358 | - | - |
| Multisector Bond | 57,570 | - | - |
| Moderate Allocation | 3,412,156 | - | - |
| Natural Resources | 56,154 | - | - |
| Real Estate | 82,770 | - | - |
| Small Blend | 102,545 | - | - |
| Small Growth | 81,341 | - | - |
| Target Date | 360,706 | - | - |
| Technology | 103,799 | - | - |
| Utilities | 203,709 | - | - |
| World Bond | 63,477 | - | - |
| World Stock | 97,662 | - | - |
| Fully Benefit-Responsive Contract | - | 241,982 | - |
| Plan Sponsor Common Stock | - | - | 19,333,050 |
| Total Assets at Fair Value | $ 9,734,497 | $ 241,982 | $ 19,333,050 |

## *NOTE 3* – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014:

| | Quoted Market Prices in Active Markets (Level One) | Other Observable Inputs (Level Two) | Unobservable Inputs (Level Three) |
|---|---|---|---|
| Mutual Funds | | | |
| Conservative Allocation | $ 2,021,489 | $ - | $ - |
| Diversified Emerging Markets | 173,261 | - | - |
| Foreign Large Blend | 138,195 | - | - |
| Foreign Large Growth | 72,369 | - | - |
| Health | 23,658 | - | - |
| High Yield Bond | 48,447 | - | - |
| Intermediate-Term Bond | 120,717 | - | - |
| Large Blend | 418,028 | - | - |
| Large Growth | 279,738 | - | - |
| Large Value | 139,555 | - | - |
| Mid-Cap Blend | 2,713 | - | - |
| Mid-Cap Growth | 332,394 | - | - |
| Multisector Bond | 35,633 | - | - |
| Moderate Allocation | 3,893,412 | - | - |
| Natural Resources | 68,271 | - | - |
| Real Estate | 81,834 | - | - |
| Small Blend | 105,747 | - | - |
| Small Growth | 77,917 | - | - |
| Target Date | 330,073 | - | - |
| Technology | 109,101 | - | - |
| Utilities | 233,801 | - | - |
| World Bond | 43,569 | - | - |
| World Stock | 115,914 | - | - |
| Fully Benefit-Responsive Contract | - | 214,723 | - |
| Plan Sponsor Common Stock | - | - | 16,748,200 |
| Total Assets at Fair Value | $ 8,865,836 | $ 214,723 | $ 16,748,200 |

## *NOTE 3* – FAIR VALUE MEASUREMENTS (CONTINUED)

These items are classified in their entirety based on the lowest priority level of input that significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the placement of assets and liabilities within the levels of the fair value hierarchy.

The table below sets a summary of changes in the fair value of the Plan's Level 3 asset for the years ended December 31, 2015 and 2014:

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Plan Sponsor Common Stock | | |
| Balance, Beginning | $ 16,748,200 | $ 15,586,080 |
| Unrealized Gains Relating to Instruments Still Held at the Reporting Date | 2,109,060 | 1,162,120 |
| Purchases | 475,790 | - |
| Balance, Ending | $ 19,333,050 | $ 16,748,200 |

The following table sets forth the participation units outstanding and participants' equity per unit, at December 31, 2015 and 2014:

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Plan Sponsor Common Stock | | |
| Number of Shares | 70,302 | 68,360 |
| Cost | $ 6,186,540 | $ 5,710,750 |
| Fair Value | $ 19,333,050 | $ 16,748,200 |
| Fair Value per Share | $ 275 | $ 245 |

At December 31, 2015, the Company accrued a matching contribution in the amount $988,116, of which $487,025 was used to purchase 1,771 shares of Plan Sponsor common stock on April 11, 2016 increasing the number of shares to 72,073 and the cost to $6,673,565.

## *NOTE 4* – INFORMATION CERTIFIED BY THE CUSTODIAN

At December 31, 2015 and 2014, the Plan's investments were held by the Custodian. The following is a summary of the Plan's financial information included in the financial statements and supplemental schedule based on the information certified by the Custodian as complete and accurate in accordance with 29 CFR 2520.103-5(c) of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

The fair values of investments representing 5% or more of the Plan's net assets at December 31, 2015 and 2014 as reported by the Custodian are summarized as follows:

| | 2015 | 2014 |
|---|---|---|
| The Hartford Balanced Income R4 | $ 2,055,477 | $ 2,021,489 |
| Invesco Equity and Income A | 3,412,156 | 3,893,412 |
| Plan Sponsor Common Stock | 19,333,050 | 16,748,200 |
| Other Investments Less than 5% of Plan Net Assets | 4,508,846 | 3,165,658 |
| Total Investments | $ 29,309,529 | $ 25,828,759 |

During the year ended December 31, 2015, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

| | |
|---|---|
| Mutual Funds | $ (203,810) |
| Plan Sponsor Common Stock | 2,109,060 |
| Total Appreciation | $ 1,905,250 |

## *NOTE 5* – UNCERTIFIED INFORMATION PROVIDED BY SWBC

The Plan holds funds with SWBC. SWBC did not provide certification over the investments or investment activities, therefore audit procedures were applied to these accounts. The ending balance of the funds at December 31, 2015 and 2014 totaled $1,036,361 and $1,211, respectively. Investment losses on the funds totaled $101,653 for the year ended December 31, 2015

## *NOTE 6* – FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT

The Plan entered into a fully benefit-responsive investment contract with the Custodian. Funds allocated to this contract are placed in the Custodian's general account where they are invested in accordance with the Custodian's investment policy. The account is credited with earnings on the underlying investments and charged with participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

The guaranteed investment contract is fully benefit-responsive; therefore, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by the Custodian, 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 investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the guaranteed investment contract as of December 31, 2015 and 2014 was $241,982 and $214,723, respectively. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (a) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan); (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (c) 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 (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption of ERISA. The Plan administrator does not believe any such events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date. The guaranteed annual interest rate will not be less than 3.00%.

The average yield for the guaranteed investment contract based on actual earnings at December 31, 2015 and 2014 was 1.7% and 1.7%, respectively. This percentage represents the annualized earnings of the guaranteed investment contract divided by the fair value of the guaranteed investment contract at December 31, 2015 and 2014.

## *NOTE 6* – FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT (CONTINUED)

The average yield adjusted to reflect the actual interest rate credited to participants at December 31, 2015 and 2014 was 3.00%. This percentage represents the annualized earnings credited to participants in the guaranteed investment contract divided by the fair value of the guaranteed investment contract at December 31, 2015 and 2014.

## *NOTE 7* – INCOME TAXES

The Plan obtained its latest determination letter on September 17, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## *NOTE 8* – ADMINISTRATION OF PLAN ASSETS

The Plan's assets are held and certain administrative functions are performed by the Custodian of the Plan. The Company provides certain administrative functions and absorbs certain administrative costs on behalf of the Plan.

## *NOTE 9* – PARTY-IN-INTEREST

Net assets available for benefits include certain Plan investments which are shares of Company stock, certificates of deposit with its subsidiary banks as well as investments managed by the Custodian at December 31, 2015 and 2014. As a result, these assets and all transactions relating to these assets qualify as party-in-interest transactions. These transactions are exempt from being prohibited transactions by ERISA. There were no fees paid by the Plan to the Custodian for administrative services for the year ended December 31, 2015.

Additionally, the third-party administrator and Plan auditors are considered parties-in-interest. Fees paid by the Plan to the third-party administrator and the Plan auditors totaled $38,911 for the year ended December 31, 2015. These transactions are exempt from being prohibited transactions by ERISA.

## *NOTE 10* – RISKS AND UNCERTAINTIES

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

## *NOTE 11* – 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 in whole or in part subject to the provisions of ERISA. In the event of Plan termination, including partial Plan termination, active participants will become 100% vested in their accounts and the Custodian will distribute all assets remaining after payment of any expenses chargeable to the Plan to participants or their beneficiaries in accordance with the Plan's provisions.

## *NOTE 12* – SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 3, 2016, the date which the financial statements were available to be issued. No matters affecting the accompanying financial statements were noted.

# SUPPLEMENTAL SCHEDULE

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 74-2022764, PLAN NO. 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2015

| (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 | (e) Current Value |
|---|---|---|---|
| | | Mutual Funds: | |
| * | Mass Mutual | AF Growth Fund Amer R3 | $ 357,416 |
| * | Mass Mutual | AllianceBernstein Global Bond A | 63,477 |
| * | Mass Mutual | AllianceBernstein High Income A | 57,570 |
| * | Mass Mutual | BNY Mellon DL Internat Stk Ind A | 7,159 |
| * | Mass Mutual | BNY Mellon DL Sm Cap Stock Ind A | 102,545 |
| * | Mass Mutual | Eaton Vance Atl Cap Smid Cap A | 224,803 |
| * | Mass Mutual | Franklin High Income A | 71,720 |
| * | Mass Mutual | Himco VIT Index IB | 52,909 |
| * | Mass Mutual | Invesco Comstock A | 166,475 |
| * | Mass Mutual | Invesco Developing Markets A | 164,000 |
| * | Mass Mutual | Invesco Equity and Income A | 3,412,156 |
| * | Mass Mutual | Invesco Small Cap Value | 27,722 |
| * | Mass Mutual | Ivy Science and Tech Y | 103,799 |
| * | Mass Mutual | MA Inv Trust R3 | 377,416 |
| * | Mass Mutual | MFS Intl Value R3 | 86,004 |
| * | Mass Mutual | MFS New Discovery R3 | 53,528 |
| * | Mass Mutual | MFS Research Intl R3 | 80,379 |
| * | Mass Mutual | MFS Utilities A | 203,709 |
| * | Mass Mutual | Nuveen Mid Cap Index A | 5,250 |
| * | Mass Mutual | Oppenheimer Global A | 97,662 |
| * | Mass Mutual | Oppenheimer Intlgr A | 72,123 |
| * | Mass Mutual | Oppenheimer Real Estate Y | 82,770 |
| * | Mass Mutual | Pimco Total Return | 149,590 |
| * | Mass Mutual | Prudential Jennison Natural Resources A | 56,154 |
| * | Mass Mutual | Retiresmart 2015 R4 | 30,097 |
| * | Mass Mutual | Retiresmart 2020 R4 | 27,448 |
| * | Mass Mutual | Retiresmart 2025 R4 | 5,122 |
| * | Mass Mutual | Retiresmart 2030 R4 | 74,670 |
| * | Mass Mutual | Retiresmart 2035 R4 | 15,084 |
| * | Mass Mutual | Retiresmart 2040 R4 | 63,999 |
| * | Mass Mutual | Retiresmart 2045 R4 | 46,267 |
| * | Mass Mutual | Retiresmart 2050 R4 | 83,380 |
| * | Mass Mutual | Retiresmart 2055 R4 | 14,639 |
| * | Mass Mutual | The Hartford Balanced Income R4 | 2,055,477 |
| * | Mass Mutual | The Hartford Healthcare R4 | 33,866 |
| * | Mass Mutual | The Hartford Lifetime Income A | 91 |

See the Accompanying Independent Auditors' Report

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 74-2022764, PLAN NO. 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2015

| (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 | (e) Current Value |
|---|---|---|---|
| * | Mass Mutual | The Hartford MidCap Value R4 | 171,555 |
| * | Mass Mutual | Stadion Tactical Defensive | 507,784 |
| * | Mass Mutual | MFS Diversified Income | 528,682 |
| | | Fixed Annuity: | |
| * | Mass Mutual | Fully Benefit-Responsive Contract | 241,982 |
| * | Plan Sponsor Common Stock | | 19,333,050 |
| * | Cash and Cash Equivalents | | 148,646 |
| * | Certificates of Deposit | | 87,977 |
| | | | $ 29,546,152 |

* Party-In-Interest

# 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

**2015**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**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); 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

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

**1a** Name of plan
TEXAS INDEPENDENT BANCSHARES, INC. 401(k) EMPLOYEE STOCK OWNERSHIP PLAN

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

**1c** Effective date of plan 01/01/1989

**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)
Texas Independent Bancshares

3232 Palmer Hwy

Texas City TX 77590-6724

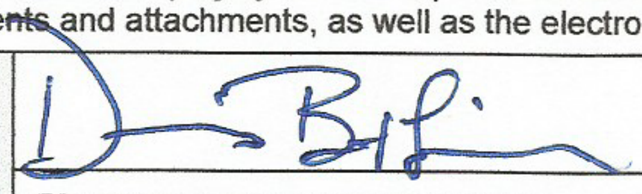
**2b** Employer Identification Number (EIN) 74-2022764

**2c** Plan Sponsor's telephone number 409-948-1990

**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** |  | 10/12/2016 | Dennis Bettison |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

# TEXAS INDEPENDENT BANCSHARES, INC. 401(k) EMPLOYEE PROFIT SHARING PLAN

## AUDITED FINANCIAL STATEMENTS

## DECEMBER 31, 2015 AND 2014

CONTENTS

INDEPENDENT AUDITORS' REPORT ..... 3

FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits ..... 5

Statement of Changes in Net Assets Available for Benefits ..... 6

Notes to the Financial Statements ..... 7

SUPPLEMENTAL SCHEDULE

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) ..... 20

BENTLEY, BRATCHER & ASSOCIATES, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator of
Texas Independent Bancshares, Inc. 401(k) Employee Profit Sharing Plan
Houston, Texas

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Texas Independent Bancshares, Inc. 401(k) Employee Profit Sharing Plan, which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in *Note 4*, which was certified by Massachusetts Mutual Life Insurance Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the Custodian as of December 31, 2015, that the information provided to the Plan Administrator by the Custodian is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the 2015 financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

**Other Matter – Supplemental Schedules**

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at Year End) as of December 31, 2015, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

**Report on Form and Content in Compliance With DOL Rules and Regulations**

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 Custodian, 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.

Bentley, Bratcher & Associates, P.C.

BENTLEY, BRATCHER & ASSOCIATES, P.C.
Houston, Texas
October 3, 2016

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2015 AND 2014

| | 2015 | 2014 |
|---|---|---|
| ASSETS | | |
| Non-Participant Directed Accounts | | |
| Cash and Cash Equivalents | $ 148,646 | $ 614,679 |
| Certificates of Deposit | 87,977 | 87,321 |
| Investments, at Fair Value | | |
| Plan Sponsor Common Stock | 19,333,050 | 16,748,200 |
| Participant Directed Accounts | | |
| Investments, at Fair Value | | |
| Mutual Funds | 9,734,497 | 8,865,836 |
| Fully Benefit-Responsive Investment Contract | 241,982 | 214,723 |
| Total Cash and Investments, at Fair Value | 29,546,152 | 26,530,759 |
| Receivables | | |
| Employer | 988,115 | 932,998 |
| Other | - | 2,663 |
| Total Receivables | 988,115 | 935,661 |
| Total Assets | 30,534,267 | 27,466,420 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 30,534,267 | $ 27,466,420 |

See the Accompanying Independent Auditors' Report and Notes to the Financial Statements

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | |
|---|---|
| CHANGES ATTRIBUTED TO: | |
| Investment Activities | |
| Net Appreciation in Fair Value of Investments | $ 1,803,597 |
| Interest and Dividend Income | 761,506 |
| Net Increase from Investment Activities | 2,565,103 |
| Contributions | |
| Participant | 737,385 |
| Employer | 988,116 |
| Rollover | 2,624 |
| Total Contributions | 1,728,125 |
| Benefits Paid to Participants | (1,186,471) |
| Administrative Expenses | (38,910) |
| CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS | 3,067,847 |
| NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING | 27,466,420 |
| NET ASSETS AVAILABLE FOR BENEFITS, ENDING | $ 30,534,267 |

See the Accompanying Independent Auditors' Report and Notes to the Financial Statements

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

## *NOTE 1* – DESCRIPTION OF PLAN

The following description of the Texas Independent Bancshares Inc. 401(k) Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan document is controlling at all times. The Plan is sponsored by Texas Independent, Inc. (the "Company"), and the Plan's trustee is Dennis Bettison (the "Trustee"). The Plan's custodian is Massachusetts Mutual Life Insurance Company (the "Custodian").

### GENERAL

The Plan is a defined contribution plan covering substantially all employees of the Company. The Plan is subject to the provision of the Employment Retirement and Income Security Act of 1974 ("ERISA").

### CONTRIBUTIONS

Participants may make an elective deferral, for each Plan year, in an amount equal to the maximum percentage allowable under law of pretax annual compensation, as defined in the Plan. Participants may also contribute rollover amounts from other qualified defined benefit or defined contribution retirement plans. The Company may also make discretionary non-elective contributions, subject to certain limitations, to the Plan. For the year ended December 31, 2015, the Company made matching contributions in the amount of $988,116.

Matching contributions are allocated proportionate to the elective contributions made by each participant to total elective annual contributions. Allocations of employer discretionary non-elective contributions, if any, are based on each participant's compensation, whether or not they are eligible to participate in the Plan. If available, 51% of matching contributions will be invested in Plan Sponsor common stock. The remainder will be placed in Plan Sponsor bank accounts, Plan Sponsor certificates of deposit or low-risk mutual funds offered through the Custodian.

### PARTICIPANT ACCOUNTS

Participants may direct their contributions to selected investments as made available by the Plan administrator. Participants may change their investment options twice per year via direct access to the Custodian.

Each participant's account is credited with the participant's contribution and allocations of the Company's contributions and plan earnings. The benefit to which a participant is entitled is the benefit that can be derived from the participant's vested account.

## *NOTE 1* – DESCRIPTION OF PLAN (CONTINUED)

### INVESTMENT OPTIONS

Upon enrollment in the Plan, participants may direct the investment of their individual accounts among alternative investment funds provided under the Plan. Alternatively, participants have an option to retain the trustee-directed investments, which include Plan Sponsor common stock, certificates of deposit and cash. Participants may change their investment elections twice a year, as well as transfer existing balances between investment funds and transfer a portion of the balance of the trustee-directed investment to the participant directed investments. At December 31, 2015, the Plan offered 39 mutual funds, one fully benefit-responsive investment contract and common stock.

### PAYMENT OF BENEFITS

On termination of service, a participant may receive their vested account balance in a single lump sum payment or have the payment paid as a "direct rollover" to an individual retirement account or to another employer's tax qualified plan. Hardship withdrawals are permitted from participant deferrals and rollovers, within limitations and conditions as defined by the Plan.

### VESTING

Participants are immediately vested in salary deferrals and distributions from other qualified defined benefit or defined contribution retirement plans, along with any earnings thereon. After six years of service, participants become 100% vested in all contributions made by the Company and any earnings thereon. Participants become 100% vested upon death or disability.

| Years of Service | Vested Percentage |
|---|---|
| Less than 2 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 or more | 100% |

## *NOTE 1* – DESCRIPTION OF PLAN (CONTINUED)

### FORFEITURES

Forfeited non-vested accounts are available to be used to reduce administrative expenses or employer matching contributions. For the year ended December 31, 2015, the Plan applied no forfeitures to reduce administrative expenses or reduce employer contributions and there was no balance of forfeited non-vested accounts.

## *NOTE 2* – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

The accompanying financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and schedules. Accordingly, actual results could differ from those estimates.

### INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are stated at fair value, as determined by the Custodian. 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. The net change in the fair value of investments is reported in the statement of changes in net assets available for benefits in the period of change.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement for the portion of the net assets available for benefits attributable to fully benefit-responsive investment contracts. Contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits includes a line item showing an adjustment of fair value to contract value. See *Note 6* for further discussion of the fully benefit-responsive investment contract.

**INVESTMENT VALUATION AND INCOME RECOGNITION (CONTINUED)**

***NOTE 2* – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Purchases and sales of securities are recorded on a trade-date basis. Expenses related to the purchase or sale of investments are added to cost or deducted from proceeds. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**PAYMENT OF BENEFITS**

Benefits are recorded when paid.

**PLAN EXPENSES**

Certain fees for services charged by the Custodian may be directly charged to a participant. Investment management and advisory fees are charged to the Plan. Other administrative costs of the Plan charged by the Custodian are generally paid by the Company.

**RECLASSIFICATIONS**

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassification had no effect on the net assets available for benefit or the increase in net assets available for benefit.

**CASH AND CASH EQUIVALENTS**

All highly liquid investments with a maturity of three months or less when purchased are treated as cash equivalents. The Company maintained cash balances and temporary cash investments in U.S. financial banking institutions at December 31, 2015. Non-interest bearing and interest bearing accounts are insured by the Federal Deposit Insurance Corporation on aggregate balances up to $250,000. As of December 31, 2015, the Company had no uninsured banking cash.

## *NOTE 3* – FAIR VALUE MEASUREMENTS

The Plan measures and reports certain assets and liabilities at fair value within a hierarchal disclosure framework which prioritized and ranks the level of observable inputs used in measuring fair value. Level one inputs include inputs that are unadjusted, quoted prices for identical assets or liabilities in active markets. Level two measurements include inputs that are either observable prices for identical assets or liabilities in inactive markets, observable prices for similar assets or liabilities, or other inputs derived principally from, or corroborated by, observable market data at the measurement date. Level three inputs are unobservable inputs that are significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair value of the fully benefit-responsive investment contract is based on the present value of future guaranteed account values and participant benefit withdrawals, assuming a certain annual benefit withdrawal rate, as determined by the Custodian. The fair value of the Plan Sponsor common stock per share is determined as of the Plan year-end by an independent appraiser. There have been no changes in the methodologies used at December 31, 2015.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Plan's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

***NOTE 3* – FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015:

| | Quoted Market Prices in Active Markets (Level One) | Other Observable Inputs (Level Two) | Unobservable Inputs (Level Three) |
|---|---|---|---|
| Mutual Funds | | | |
| Conservative Allocation | $ 2,055,477 | $ - | $ - |
| Diversified Emerging Markets | 164,000 | - | - |
| Foreign Large Blend | 166,383 | - | - |
| Foreign Large Growth | 72,123 | - | - |
| Health | 33,866 | - | - |
| High Yield Bond | 71,720 | - | - |
| Intermediate-Term Bond | 149,590 | - | - |
| Large Blend | 1,466,791 | - | - |
| Large Growth | 364,575 | - | - |
| Large Value | 166,475 | - | - |
| Mid-Cap Blend | 5,250 | - | - |
| Mid-Cap Growth | 396,358 | - | - |
| Multisector Bond | 57,570 | - | - |
| Moderate Allocation | 3,412,156 | - | - |
| Natural Resources | 56,154 | - | - |
| Real Estate | 82,770 | - | - |
| Small Blend | 102,545 | - | - |
| Small Growth | 81,341 | - | - |
| Target Date | 360,706 | - | - |
| Technology | 103,799 | - | - |
| Utilities | 203,709 | - | - |
| World Bond | 63,477 | - | - |
| World Stock | 97,662 | - | - |
| Fully Benefit-Responsive Contract | - | 241,982 | - |
| Plan Sponsor Common Stock | - | - | 19,333,050 |
| Total Assets at Fair Value | $ 9,734,497 | $ 241,982 | $ 19,333,050 |

## *NOTE 3* – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014:

| | Quoted Market Prices in Active Markets (Level One) | Other Observable Inputs (Level Two) | Unobservable Inputs (Level Three) |
|---|---|---|---|
| Mutual Funds | | | |
| Conservative Allocation | $ 2,021,489 | $ - | $ - |
| Diversified Emerging Markets | 173,261 | - | - |
| Foreign Large Blend | 138,195 | - | - |
| Foreign Large Growth | 72,369 | - | - |
| Health | 23,658 | - | - |
| High Yield Bond | 48,447 | - | - |
| Intermediate-Term Bond | 120,717 | - | - |
| Large Blend | 418,028 | - | - |
| Large Growth | 279,738 | - | - |
| Large Value | 139,555 | - | - |
| Mid-Cap Blend | 2,713 | - | - |
| Mid-Cap Growth | 332,394 | - | - |
| Multisector Bond | 35,633 | - | - |
| Moderate Allocation | 3,893,412 | - | - |
| Natural Resources | 68,271 | - | - |
| Real Estate | 81,834 | - | - |
| Small Blend | 105,747 | - | - |
| Small Growth | 77,917 | - | - |
| Target Date | 330,073 | - | - |
| Technology | 109,101 | - | - |
| Utilities | 233,801 | - | - |
| World Bond | 43,569 | - | - |
| World Stock | 115,914 | - | - |
| Fully Benefit-Responsive Contract | - | 214,723 | - |
| Plan Sponsor Common Stock | - | - | 16,748,200 |
| Total Assets at Fair Value | $ 8,865,836 | $ 214,723 | $ 16,748,200 |

## *NOTE 3* – FAIR VALUE MEASUREMENTS (CONTINUED)

These items are classified in their entirety based on the lowest priority level of input that significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the placement of assets and liabilities within the levels of the fair value hierarchy.

The table below sets a summary of changes in the fair value of the Plan's Level 3 asset for the years ended December 31, 2015 and 2014:

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Plan Sponsor Common Stock | | |
| Balance, Beginning | $ 16,748,200 | $ 15,586,080 |
| Unrealized Gains Relating to Instruments Still Held at the Reporting Date | 2,109,060 | 1,162,120 |
| Purchases | 475,790 | - |
| Balance, Ending | $ 19,333,050 | $ 16,748,200 |

The following table sets forth the participation units outstanding and participants' equity per unit, at December 31, 2015 and 2014:

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Plan Sponsor Common Stock | | |
| Number of Shares | 70,302 | 68,360 |
| Cost | $ 6,186,540 | $ 5,710,750 |
| Fair Value | $ 19,333,050 | $ 16,748,200 |
| Fair Value per Share | $ 275 | $ 245 |

At December 31, 2015, the Company accrued a matching contribution in the amount $988,116, of which $487,025 was used to purchase 1,771 shares of Plan Sponsor common stock on April 11, 2016 increasing the number of shares to 72,073 and the cost to $6,673,565.

## *NOTE 4* – INFORMATION CERTIFIED BY THE CUSTODIAN

At December 31, 2015 and 2014, the Plan's investments were held by the Custodian. The following is a summary of the Plan's financial information included in the financial statements and supplemental schedule based on the information certified by the Custodian as complete and accurate in accordance with 29 CFR 2520.103-5(c) of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

The fair values of investments representing 5% or more of the Plan's net assets at December 31, 2015 and 2014 as reported by the Custodian are summarized as follows:

| | 2015 | 2014 |
|---|---|---|
| The Hartford Balanced Income R4 | $ 2,055,477 | $ 2,021,489 |
| Invesco Equity and Income A | 3,412,156 | 3,893,412 |
| Plan Sponsor Common Stock | 19,333,050 | 16,748,200 |
| Other Investments Less than 5% of Plan Net Assets | 4,508,846 | 3,165,658 |
| Total Investments | $ 29,309,529 | $ 25,828,759 |

During the year ended December 31, 2015, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

| | |
|---|---|
| Mutual Funds | $ (203,810) |
| Plan Sponsor Common Stock | 2,109,060 |
| Total Appreciation | $ 1,905,250 |

## *NOTE 5* – UNCERTIFIED INFORMATION PROVIDED BY SWBC

The Plan holds funds with SWBC. SWBC did not provide certification over the investments or investment activities, therefore audit procedures were applied to these accounts. The ending balance of the funds at December 31, 2015 and 2014 totaled $1,036,361 and $1,211, respectively. Investment losses on the funds totaled $101,653 for the year ended December 31, 2015

## *NOTE 6* – FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT

The Plan entered into a fully benefit-responsive investment contract with the Custodian. Funds allocated to this contract are placed in the Custodian's general account where they are invested in accordance with the Custodian's investment policy. The account is credited with earnings on the underlying investments and charged with participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

The guaranteed investment contract is fully benefit-responsive; therefore, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by the Custodian, 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 investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the guaranteed investment contract as of December 31, 2015 and 2014 was $241,982 and $214,723, respectively. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (a) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan); (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (c) 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 (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption of ERISA. The Plan administrator does not believe any such events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date. The guaranteed annual interest rate will not be less than 3.00%.

The average yield for the guaranteed investment contract based on actual earnings at December 31, 2015 and 2014 was 1.7% and 1.7%, respectively. This percentage represents the annualized earnings of the guaranteed investment contract divided by the fair value of the guaranteed investment contract at December 31, 2015 and 2014.

## *NOTE 6* – FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT (CONTINUED)

The average yield adjusted to reflect the actual interest rate credited to participants at December 31, 2015 and 2014 was 3.00%. This percentage represents the annualized earnings credited to participants in the guaranteed investment contract divided by the fair value of the guaranteed investment contract at December 31, 2015 and 2014.

## *NOTE 7* – INCOME TAXES

The Plan obtained its latest determination letter on September 17, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## *NOTE 8* – ADMINISTRATION OF PLAN ASSETS

The Plan's assets are held and certain administrative functions are performed by the Custodian of the Plan. The Company provides certain administrative functions and absorbs certain administrative costs on behalf of the Plan.

## *NOTE 9* – PARTY-IN-INTEREST

Net assets available for benefits include certain Plan investments which are shares of Company stock, certificates of deposit with its subsidiary banks as well as investments managed by the Custodian at December 31, 2015 and 2014. As a result, these assets and all transactions relating to these assets qualify as party-in-interest transactions. These transactions are exempt from being prohibited transactions by ERISA. There were no fees paid by the Plan to the Custodian for administrative services for the year ended December 31, 2015.

Additionally, the third-party administrator and Plan auditors are considered parties-in-interest. Fees paid by the Plan to the third-party administrator and the Plan auditors totaled $38,911 for the year ended December 31, 2015. These transactions are exempt from being prohibited transactions by ERISA.

## *NOTE 10* – RISKS AND UNCERTAINTIES

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

## *NOTE 11* – 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 in whole or in part subject to the provisions of ERISA. In the event of Plan termination, including partial Plan termination, active participants will become 100% vested in their accounts and the Custodian will distribute all assets remaining after payment of any expenses chargeable to the Plan to participants or their beneficiaries in accordance with the Plan's provisions.

## *NOTE 12* – SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 3, 2016, the date which the financial statements were available to be issued. No matters affecting the accompanying financial statements were noted.

# SUPPLEMENTAL SCHEDULE

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 74-2022764, PLAN NO. 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2015

| (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 | (e) Current Value |
|---|---|---|---|
| | | Mutual Funds: | |
| * | Mass Mutual | AF Growth Fund Amer R3 | $ 357,416 |
| * | Mass Mutual | AllianceBernstein Global Bond A | 63,477 |
| * | Mass Mutual | AllianceBernstein High Income A | 57,570 |
| * | Mass Mutual | BNY Mellon DL Internat Stk Ind A | 7,159 |
| * | Mass Mutual | BNY Mellon DL Sm Cap Stock Ind A | 102,545 |
| * | Mass Mutual | Eaton Vance Atl Cap Smid Cap A | 224,803 |
| * | Mass Mutual | Franklin High Income A | 71,720 |
| * | Mass Mutual | Himco VIT Index IB | 52,909 |
| * | Mass Mutual | Invesco Comstock A | 166,475 |
| * | Mass Mutual | Invesco Developing Markets A | 164,000 |
| * | Mass Mutual | Invesco Equity and Income A | 3,412,156 |
| * | Mass Mutual | Invesco Small Cap Value | 27,722 |
| * | Mass Mutual | Ivy Science and Tech Y | 103,799 |
| * | Mass Mutual | MA Inv Trust R3 | 377,416 |
| * | Mass Mutual | MFS Intl Value R3 | 86,004 |
| * | Mass Mutual | MFS New Discovery R3 | 53,528 |
| * | Mass Mutual | MFS Research Intl R3 | 80,379 |
| * | Mass Mutual | MFS Utilities A | 203,709 |
| * | Mass Mutual | Nuveen Mid Cap Index A | 5,250 |
| * | Mass Mutual | Oppenheimer Global A | 97,662 |
| * | Mass Mutual | Oppenheimer Intlgr A | 72,123 |
| * | Mass Mutual | Oppenheimer Real Estate Y | 82,770 |
| * | Mass Mutual | Pimco Total Return | 149,590 |
| * | Mass Mutual | Prudential Jennison Natural Resources A | 56,154 |
| * | Mass Mutual | Retiresmart 2015 R4 | 30,097 |
| * | Mass Mutual | Retiresmart 2020 R4 | 27,448 |
| * | Mass Mutual | Retiresmart 2025 R4 | 5,122 |
| * | Mass Mutual | Retiresmart 2030 R4 | 74,670 |
| * | Mass Mutual | Retiresmart 2035 R4 | 15,084 |
| * | Mass Mutual | Retiresmart 2040 R4 | 63,999 |
| * | Mass Mutual | Retiresmart 2045 R4 | 46,267 |
| * | Mass Mutual | Retiresmart 2050 R4 | 83,380 |
| * | Mass Mutual | Retiresmart 2055 R4 | 14,639 |
| * | Mass Mutual | The Hartford Balanced Income R4 | 2,055,477 |
| * | Mass Mutual | The Hartford Healthcare R4 | 33,866 |
| * | Mass Mutual | The Hartford Lifetime Income A | 91 |

See the Accompanying Independent Auditors' Report

TEXAS INDEPENDENT BANCSHARES, INC. 401(k)
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 74-2022764, PLAN NO. 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2015

| (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 | (e) Current Value |
|---|---|---|---|
| * | Mass Mutual | The Hartford MidCap Value R4 | 171,555 |
| * | Mass Mutual | Stadion Tactical Defensive | 507,784 |
| * | Mass Mutual | MFS Diversified Income | 528,682 |
| | | Fixed Annuity: | |
| * | Mass Mutual | Fully Benefit-Responsive Contract | 241,982 |
| * | Plan Sponsor Common Stock | | 19,333,050 |
| * | Cash and Cash Equivalents | | 148,646 |
| * | Certificates of Deposit | | 87,977 |
| | | | $ 29,546,152 |

* Party-In-Interest