Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

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

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1991

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)
SULPHUR SPRINGS BANCSHARES, INC.

201 CONNALLY STREET
SULPHUR SPRINGS, TX 75482-2611

2b Employer Identification Number (EIN)
75-0191733

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

2d Business code (see instructions)
522110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/14/2017	MICHELLE HANEY
	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**	194
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)**	183
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	199
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	12
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	211
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	211
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	180
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan	**B** Three-digit plan number (PN) ▶	
SULPHUR SPRINGS BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN WITH 401(K) PROVISIONS		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
SULPHUR SPRINGS BANCSHARES, INC.	75-0191733	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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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)

BOK FINANCIAL ASSET MANAGEMENT, INC

75-2009441

(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 16 27 37 50 51 52 65 70	NONE	51577	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

CHARLES SCHWAB BANK

42-1558009

(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?
19 65	NONE	5924	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-0191733

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	168	300
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	1239494
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	37386	114878
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	11038565	6254787
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	5969339	11415080
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	17045458	19024539
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h	0	300
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	300
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	17045458	19024239

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)	195355	
	(B) Participants	2a(1)(B)	540234	
	(C) Others (including rollovers)	2a(1)(C)	880829	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1616418
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4151	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	2101	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		6252
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	82384	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		82384
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(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)	0	
	(B) Other	2b(5)(B)	1250202	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		1250202

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		578658
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		3533914
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1497632	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		1497632
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	7966	
(3) Investment advisory and management fees	2i(3)	49535	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		57501
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1555133
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1978781
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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)** ☒ Disclaimer **(4)** ☐ Adverse

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

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

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

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
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	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		2000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n	X		
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

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 sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-0191733

Part I 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): 94-1737782

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: 0.0 % 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? If "No," skip b	☐ Yes	☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Current year" ADP test	☐ "Prior year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test	☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes	☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter ____/____/____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter ____/____/____.

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

Financial Statements and
Supplemental Schedule

December 31, 2016 and 2015

(With Independent Auditor's Report Thereon)

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
NOTES TO FINANCIAL STATEMENTS	5 - 10
SUPPLEMENTAL SCHEDULE:	
Schedule H - Part IV, Line 4 (i) - Schedule of Assets (Held at End of Year)	12

PAYNE & SMITH, LLC
Certified Public Accountants

Independent Auditor's Report

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 3, which was certified by Charles Schwab Bank and John Hancock Life Insurance Company, the trustees of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that Charles Schwab Bank held the Plan's investment assets and executed investment transactions from October 1, 2015 to December 31, 2016, and that John Hancock Life Insurance Company held the Plan's investment assets and executed investment transactions during the period from January 1, 2015 to September 30, 2015. The plan administrator has obtained a certification from the trustees as of and for the years ended December 31, 2016 and 2015, that the information provided to the plan administrator by the trustees 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 these financial statements.

Other Matter – Supplemental Schedule

The supplemental schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2016 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, 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 schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Payne & Smith, LLC

August 3, 2017

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

STATEMENTS OF NET ASSETS
AVAILABLE FOR BENEFITS

December 31, 2016 and 2015

	2016	2015
ASSETS		
Investments, at fair value:		
Money market funds	$ 1,239,494	$ 1,765,456
Mutual funds	6,254,787	9,273,278
Total	7,494,281	11,038,734
Sponsor company common stock	11,415,080	5,969,339
Total investments, at fair value	18,909,361	17,008,073
Notes receivable from participants	114,878	37,386
Total assets	19,024,239	17,045,459
LIABILITIES	-	-
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 19,024,239	$ 17,045,459

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

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

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2016 and 2015

	2016	2015
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 1,191,831	$ (161,744)
Interest and dividend income on investments	723,563	698,955
Less investment advisory fees	(7,966)	(1,801)
Total investment income	1,907,428	535,410
Interest income on notes receivable from participants	2,101	812
Contributions:		
Participants	540,234	441,393
Employer	195,355	165,553
Rollover	880,829	29,811
Total contributions	1,616,418	636,757
Total additions	3,525,947	1,172,979
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefit payments to participants	1,497,632	450,753
Administrative fees	49,535	7,072
Total deductions	1,547,167	457,825
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,978,780	715,154
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	17,045,459	16,330,305
End of year	$ 19,024,239	$ 17,045,459

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

1. Description of the Plan

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

General

The Plan is a defined contribution plan. Specifically, it is an employee stock ownership plan with 401(k) provisions that is intended to invest primarily in Sulphur Springs Bancshares, Inc. (referred to as the Plan Sponsor or Company) common stock and managed investments which are funded by contributions from both the participants and the Plan Sponsor. The Plan was adopted January 1, 1991, and most recently amended effective January 1, 2016, to incorporate certain additional provisions. See Note 9 for a description of the amendment to the Investment Policy Statement (IPS) of the Plan. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

Employees become eligible for participation upon entering the first of the month of employment following their respective hire date.

Contributions

Participants may contribute up to 15% of their compensation (as defined) on a tax-deferred basis, subject to certain maximum limitations imposed by the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company may make discretionary matching contributions. During 2016 and 2015, discretionary matching contributions totaled $195,355 and $165,553, respectively.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's discretionary matching contributions (any amount equal to $0.50 for every dollar of salary deferral made up to 6% of the participant's total compensation) and plan earnings and charged with an allocation of plan expenses. Allocations are based on participants' investment elections and earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Investment Options

Participants direct the investment of their contributions and the Company's contributions into various investment options offered by the Plan. The Plan currently offers a money market fund, various mutual funds, as well as employer stock (sponsor company common stock) as investment options for participants. At any time, participants may liquidate any mutual fund holdings and invest the funds in cash or a money market fund investment. Additionally, participants may change their investment options within mutual funds on a quarterly basis. Effective, October 1, 2015, the Plan's Qualified Default Investment Alternative ("QDIA") is the American Funds Target date retirement funds.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. The Company's discretionary matching contributions vest to participants immediately, and discretionary profit sharing contributions fully vest after six years of service based on a graded scale of twenty, forty, sixty, eighty and one hundred percent after one, two, three, four, and five years of service, respectively.

Notes from Participants

Participants may borrow from their accounts an amount not to exceed the lesser of: (a) one-half of the participant's vested account balance or (b) $50,000 reduced by the participant's greatest outstanding loan balance during the 12 months preceding the date of the loan. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 3.25% to 4.50%, which are commensurate with local prevailing rates as determined by the Plan administrator at the time of loan origination. The loan must be entirely repaid within five years of the date the loan proceeds are received, unless the loan is to be used to acquire the principal residence of the participant, in which case the loan must be entirely repaid within a period not to exceed 30 years of the date the loan proceeds are received. Principal and interest are repaid ratably through payroll deductions.

Payments of Benefits

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

Forfeitures

Forfeitures represent the portion of non-vested account balances of terminated participants. Amounts forfeited from a Participant's Account shall be used to restore forfeitures, reduce Company contributions or to pay Plan expenses as provided by the Plan. At December 31, 2016 and 2015, there were no forfeited non-vested accounts.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock. The Company may pay the purchase price in a single cash payment or in substantially equal periodic payments over a period of five years.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares (at fair market value of the employer stock based on the most recent valuation) allocated to his or her account, less any shares previously diversified. In the sixth year, the diversification percentage changes to 50 percent.

2. Summary of Significant Accounting Policies

Subsequent Events and Date of Management's Review

The Plan has evaluated subsequent events and transactions for potential recognition or disclosure through August 3, 2017, which is the date the financial statements were available to be issued.

Use of Estimates

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

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments of the Plan are reported at fair value. 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. See Note 4 for discussion of fair value measurements.

The net appreciation (depreciation) in the fair value of investments consists of the realized gains and losses from sales of investments and unrealized appreciation (depreciation) of investments. The net change in unrealized appreciation (depreciation) in the fair value of investments is determined by the change in fair value from the beginning of the year to the end of the year or change in fair value from date of the purchase to the end of the year.

Purchases and sales are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

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

Recent Accounting Pronouncements

In July 2015, the FASB issued Accounting Standards Update 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965)* which implemented the following changes in three parts:

Part (I) *Fully benefit-responsive investment contracts*

Fully benefit-responsive contracts ("FBRICs") should be measured, presented, and disclosed at contract value, instead of fair value. No adjustment from fair value to contract value is required for any FBRICs on the face of the financial statements. Plans must report FBRICs only at contract value.

Part (II) *Plan Investment Disclosures*

The requirement to disclose (1) individual investments that represent 5% or more of net assets available for benefits, (2) the net appreciation (depreciation) for investments by general type, and (3) investment information disaggregated based on nature, characteristics, and risks has been eliminated. Plan investments must be disaggregated only by general type on the statement of net assets available for benefits or in the footnotes. Net appreciation (depreciation) must be disclosed only in aggregate, not by investment type. Self-directed brokerage accounts are considered one general type of investment. Investment strategy disclosures for investments measured at NAV (or its equivalent) using the practical expedient are not required if that investment is in a fund that files an annual report on Form 5500 as a direct-filing entity ("DFE").

Part (III) *Measurement-Date Practical Expedient*

Plans that have a fiscal year-end that does not coincide with a month-end are permitted to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end when the fiscal period does not coincide with a month-end. Plans that apply the practical expedient should disclose the accounting policy election, the alternative measurement date and the amount of any contribution, distribution, and/or significant event that occurs between the alternative measurement date and the plan's fiscal year-end.

The Guidance in this Update is effective for fiscal years beginning after December 15, 2015. The change should be applied retrospectively. The Plan adopted the change in accounting principles required by ASU 2015-12 effective January 1, 2016 to conform with the required financial statement measurement and presentation of FBRICs and *Plan Investment Disclosures*. The accounting policy has been retrospectively applied to prior periods presented as if the policy had always been used. The accounting change has no material impact on the statements of net assets available for benefits and the changes in net assets available for benefits presented in these financial statements.

3. Information Prepared and Certified by Plan Trustee

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Charles Schwab Bank and John Hancock Life Insurance Company, the trustees of the Plan. Charles Schwab Bank held the Plan's investment assets and executed investment transactions from October 1, 2015 to December 31, 2016, and John Hancock Life Insurance Company held the Plan's investment assets and executed investment transactions during the period from January 1, 2015 to September 30, 2015.

	2016	2015
Investments, at fair value:		
Money market funds	$ 1,239,494	$ 1,765,456
Mutual funds	6,254,787	9,273,278
Total	7,494,281	11,038,734
Notes receivable from Participants	114,878	37,386
* Interest and dividends on money market funds and mutual funds	203,648	250,107
Interest income on notes receivable from participants	2,101	812

* At December 31, 2016 and 2015, sponsor company common stock in the amount of $11,415,080 and $5,969,339, respectively, are maintained outside of the Charles Schwab Bank trust. Thus, the sponsor company common stock and the related income has been excluded from the certification prepared by Charles Schwab Bank.

4. Fair Value Disclosures

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three broad levels of the fair value hierarchy are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1).
- Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs are not available. At December 31, 2016 and 2015, there were no plan assets requiring the use of Level 2 inputs.

Level 1 Fair Value Measurements

Money market funds - The money market fund is valued using pricing models maximizing the use of observable inputs for similar securities. Although a money market fund seeks to preserve the value of $1 of investment at $1 per share (unit), it is possible to lose money by investing in such a fund.

Mutual funds - The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Level 3 Fair Value Measurements

Sponsor company common stock - The fair value of sponsor company common stock is measured at estimated fair value based on the evaluation of an independent third party valuation specialist. The fair value is determined using the Combined Valuation approach which is the cumulative sum of the products of the weighted value per share determined using the income approach and the market approach (Guideline and Prior transactions method) adjusted year to year for changing conditions affecting the Company.

The following table set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2016 and 2015:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Unobservable Inputs (Level 3)	Fair Value
December 31, 2016:			
Money market funds	$ 1,239,494	$ -	$ 1,239,494
Mutual funds	6,254,787	-	6,254,787
Sponsor company common stock	-	11,415,080	11,415,080
Total investments, at fair value	7,494,281	11,415,080	18,909,361
December 31, 2015:			
Money market funds	$ 1,765,456	$ -	$ 1,765,456
Mutual funds	9,273,278	-	9,273,278
Sponsor company common stock	-	5,969,339	5,969,339
Total investments, at fair value	11,038,734	5,969,339	17,008,073

The following table reconciles the beginning and ending balances of fair value measurements using unobservable inputs (Level 3) of nonparticipant-directed investments for the year ended December 31, 2016 and 2015:

	Sponsor Company Common Stock	
	2016	2015
Balance, beginning of year	$ 5,969,339	$ 5,624,958
Total gains or (losses) included in changes in net assets available for benefits	940,058	344,381
Purchases	4,731,235	16,528
Sales	(225,552)	(16,528)
Balance, end of year	$ 11,415,080	$ 5,969,339

The sponsor company common stock represents 67,147 shares and 38,265 shares of the Company's common stock held by the Plan at December 31, 2016 and 2015, respectively, and recorded at estimated fair value of $170 and $156 per share, respectively. See Note 5 for additional disclosure of sponsor company common stock.

Gains and losses included in changes in net assets available for benefits for the years ended December 31, 2016 and 2015 are reported in net appreciation (depreciation) in fair value of investments. During 2016, Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $1,191,831. During 2015, the Plan's investments depreciated in value by $161,744.

5. Related Party Transactions

Certain plan investments are shares of mutual funds and money market funds managed by Charles Schwab. Charles Schwab is the trustees as defined by the Plan, and therefore these transactions qualify as party-in-interest transactions. During 2016 and 2015, fees paid by the Plan for the investment management services amounted to $7,966 and $1,801, respectively.

Additionally, a portion of the Plan's assets are investments in the common stock of Sulphur Springs Bancshares, Inc. As Sulphur Springs Bancshares, Inc., is the Plan sponsor, transactions involving the common stock of Sulphur Springs Bancshares, Inc. (sponsor company common stock) qualify as party-in-interest transactions. At December 31, 2016 and 2015, the Plan held 67,147 and 38,265 shares of sponsor company common stock, respectively. During 2016 and 2015, the Plan received dividends in the amount of $515,764 and $448,848 from the sponsor company common stock, respectively.

During 2016, the Plan paid $49,535 in record keeping fees to Bank of Oklahoma Financial Asset Management. During 2015, the Plan paid $7,072 in record keeping fees to John Hancock Life Insurance Company (Plan trustee during the period from January 1 through October 1, 2015).

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

6. Tax Status

The Plan obtained its latest determination letter on November 21, 2014, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code. The Plan Sponsor believes that no events, circumstances, or amendments have changed since the date of the most recent determination letter that would result in non-compliance with the applicable requirements of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying Plan financial statements.

Accounting principles generally accepted in the United States of America require Plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability for uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; there are currently no audits for any tax period in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2013.

7. Plan Termination

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

8. Risks and Uncertainties

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

The following table presents concentrations of investments that represented 5% or more of the Plan's net assets at December 31, 2016 and 2015:

	2016	2015
Mutual funds:		
Schwab Retirement Advantage Money Fund	$ 1,239,494	$ 1,765,287
Vanguard Life Strategy Moderate Growth Fund	2,112,015	2,919,824
Vanguard Life Strategy Conservative Growth Fund	939,377	1,104,842
Vanguard Short Term Federal Admiral	939,140	1,587,778
Sponsor company common stock-		
Sulphur Springs Bancshares, Inc. - Common Stock	11,415,080	5,969,339

9. Plan Amendment

Effective January 1, 2016, the Investment Policy Statement (IPS) of the Plan was amended to permit the employer (Company) to make some or all of its matching and/or discretionary contributions in the form of shares of Company common stock. Such Company contributions shall generally remain in the form of Company stock until liquidated upon the exercise of diversification rights or upon termination of employment or upon other occasions determined by the Plan Administrator. Additionally, Company contributions paid in cash may be designated by the Company for investment in Company stock.

Prior to September 15, 2016, the amendment additionally provided that any S Corporation distributions made to the Plan as a shareholder of the Company would be used to purchase Company stock. On September 15, 2016, this provision was further amended to state that one-half of any S Corporation distributions made to the Plan as a shareholder of the Company shall be used to purchase Company stock to be allocated to the accounts of current employees. Such Company stock shall be held by the Plan until liquidated upon the exercise of diversification rights or upon termination of employment or upon other occasions determined by the Plan Administrator.

The remaining half of such S Corporation distributions and any such S distributions made to the Plan that are allocable to the accounts of participants who are not current employees shall be treated as part of the Non-ESOP Portion of the Plan and shall be invested as directed by such participants.

Participants should refer to the Plan agreement and the IPS amendment for a more complete description of the Plan's provisions.

SUPPLEMENTAL SCHEDULE

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

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

December 31, 2016

EIN: 75-0191733
PN: 001

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment	Units (Shares)	(d) Cost	(e) Current Value
	Money Market Funds and Cash-				
*	Schwab Retirement Advantage Money Fund	Money market fund	1,239,494.000	**	$ 1,239,494
	Mutual Funds:				
	American FD 2020 Target Date Ret R6	Mutual Fund	5,778.695	**	66,339
	American FD 2025 Target Date Ret R6	Mutual Fund	32,236.384	**	387,159
	American FD 2030 Target Date Ret R6	Mutual Fund	16,910.139	**	212,053
	American FD 2035 Target Date Ret R6	Mutual Fund	6,689.108	**	84,417
	American FD 2040 Target Date Ret R6	Mutual Fund	1,470.954	**	18,887
	American FD 2045 Target Date Ret R6	Mutual Fund	8,405.558	**	109,104
	American FD 2050 Target Date Ret R6	Mutual Fund	1,295.068	**	16,434
	American FD 2055 Target Date Ret R6	Mutual Fund	2,652.079	**	41,956
	American FD 2060 Target Date Ret R6	Mutual Fund	658.567	**	6,797
	American FD Europacific Growth	Mutual Fund	99.245	**	4,470
	Dodge & Cox Income Fund	Mutual Fund	2,323.718	**	31,579
	Dodge & Cox Stock Fund	Mutual Fund	124.933	**	23,025
	Fidelity Contra Fund	Mutual Fund	1,864.191	**	183,548
	First Eagle Sogen Global Fund CL I	Mutual Fund	186.552	**	10,165
	Mass Mutual Select Midcap Growth Equity II	Mutual Fund	1,903.989	**	34,710
	Oppenheimer International Small Mid Company I	Mutual Fund	93.870	**	3,453
	PIMCO Diversified Income CL I	Mutual Fund	2,468.254	**	26,065
	T Rowe Price New Horizons Fund	Mutual Fund	358.342	**	15,520
	Vanguard 500 Index Fund Admiral Shares	Mutual Fund	697.900	**	144,165
	Vanguard Life Strategy Conservative Growth Fund I	Mutual Fund	50,942.371	**	939,377
	Vanguard Life Strategy Growth Fund I	Mutual Fund	13,088.555	**	377,867
	Vanguard Life Strategy Income Fund I	Mutual Fund	16,179.369	**	241,073
	Vanguard Life Strategy Moderate Growth Fund I	Mutual Fund	87,454.034	**	2,112,015
	Vanguard Midcap Index Fund Admiral	Mutual Fund	523.624	**	85,319
	Vanguard Short Term Federal Admiral	Mutual Fund	87,852.218	**	939,140
	Vanguard Total International Stock Index Fund Inv.	Mutual Fund	421.958	**	6,216
	Virtus Emerging Markets Opportunity Fund CL I	Mutual Fund	2,206.892	**	19,972
	Virtus Real Estate Securities Fund I	Mutual Fund	3,816.544	**	113,962
					6,254,787
	Employer Securities-				
*	Sulphur Springs Bancshares, Inc.	Common stock	67,147	**	11,415,080
	Notes receivable from participants-				
	Participant loans	Interest rates range from 3.25% to 4.50%, various maturity dates through June 2021			114,878
					$ 19,024,239

* Denotes party-in-interest to the Plan.

** Cost is not required for participant-directed investments.

See accompanying independent auditor's report and notes thereto.

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

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

December 31, 2016

EIN: 75-0191733
PN: 001

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	American FD 2020 Target Date Ret R6	Mutual Fund	5,778.695	**	66,339
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