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.)
- ☒ a single-employer plan
- ☐ a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
PILOT POINT BANCORP, INC. EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1981

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)
PILOT POINT BANCORP, INC.

200 S HWY 377
PILOT POINT, TX 76258

2b Employer Identification Number (EIN) 75-2041458

2c Plan Sponsor's telephone number 940-686-7000

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.	10/16/2017	J. RAYMOND DAVID, SR.
	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**	164
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)**	121
a(2) Total number of active participants at the end of the plan year	**6a(2)**	123
b Retired or separated participants receiving benefits	**6b**	4
c Other retired or separated participants entitled to future benefits	**6c**	36
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	163
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	163
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	162
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 2H 2J 2K 2O 2P 2Q 3H

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [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)** [ ] **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 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
PILOT POINT BANCORP, INC. EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
75-2041458

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	1361	28560
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	23461	657911
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		1050
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)		
(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)	1677823	2069688
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	12996162	13658254
	(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	14698807	16415463
	Liabilities			
g	Benefit claims payable	1g		27048
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	800000	657911
k	Total liabilities (add all amounts in lines 1g through1j)	1k	800000	684959
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	13898807	15730504

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)	1117859	
	(B) Participants	2a(1)(B)	165202	
	(C) Others (including rollovers)	2a(1)(C)	214692	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1497753
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)		
	(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)		
	(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)		
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	742417	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		742417

		(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)		
(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)		116363
c Other income	2c		307658
d Total income. Add all **income** amounts in column (b) and enter total	2d		2664191
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	800333	
(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)		800333
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		32161
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(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)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		832494
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1831697
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)** ☒ 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 CPA **(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		4000000
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			
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
PILOT POINT BANCORP, INC. EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
75-2041458

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): 27-4411131

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? 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 ☐ "Prior year" ADP test ☐ "Current 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 _____/_____/_____.

PILOT POINT BANCORP, INC.
EMPLOYEE STOCK
OWNERSHIP AND 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
Statement of Changes in Net Assets Available for Benefits	4
NOTES TO FINANCIAL STATEMENTS	5 - 14
SUPPLEMENTAL SCHEDULE:	
Schedule H - Part IV, Line 4 (i) - Schedule of Assets (Held at End of Year)	16 - 17

PAYNE & SMITH, LLC
Certified Public Accountants

Independent Auditor's Report

To the Sponsor
Pilot Point Bancorp, Inc.
Employee Stock Ownership
and 401(k) Plan
Pilot Point, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Pilot Point Bancorp, Inc. Employee Stock Ownership and 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 statement of changes in net assets available for benefits for the year ended December 31, 2016, 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 Newport Trust Company and John Hancock Life Insurance Company, the trustees of the Plan, except for comparing the information with the related information included in the 2016 financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees held the Plan's investment assets and executed investment transactions during 2016. The plan administrator has obtained a certification from the trustees as of and for the year ended December 31, 2016, 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 is 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.

Other Matter – 2015 Financial Statements

The accompanying statement of net assets available for benefits as of December 31, 2015, has been compiled by us in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We did not audit or review the accompanying 2015 statement of net assets available for benefits nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Plan management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on the accompanying 2015 statement of net assets available for benefits.

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 trustees, 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

Dallas, Texas

October 13, 2017

PILOT POINT BANCORP, INC. EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

STATEMENTS OF NET ASSETS
AVAILABLE FOR BENEFITS

December 31, 2016 and 2015

		COMPILED
	2016	2015
ASSETS		
Cash	$ 28,560	$ 1,361
Investments, at fair value:		
General securities:		
Money market funds	343,168	52,565
Mutual funds	1,726,520	1,625,258
Total general securities	2,069,688	1,677,823
Employer securities:		
Pilot Point Bancorp, Inc., company common stock	13,658,254	12,996,162
Total investments, at fair value	15,727,942	14,673,985
Receivables:		
Employer match contribution	23,194	23,461
Employer contribution for Principal and interest on ESOP loan	657,911	-
Additional Company common stock proceeds from Employer	1,050	-
Total receivables	682,155	23,461
Total assets	16,438,657	14,698,807
LIABILITIES		
Principal and interest payable on ESOP loan	657,911	800,000
ESOP Benefit claims payable	27,048	-
Total liabilities	684,959	800,000
NET ASSETS AVAILABLE FOR BENEFITS	$ 15,753,698	$ 13,898,807

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

PILOT POINT BANCORP, INC. EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2016

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
Investment income:	
Net appreciation in fair value of investments	$ 858,781
Dividend income on Pilot Point Bancorp. Inc., company common stock	307,658
Net investment income	1,166,439
Contributions:	
Employer	1,141,053
Participants'	165,202
Rollover	214,692
Total contributions	1,520,947
Allocation of 3603 shares of Pilot Point Bancorp, Inc., company common stock	1,725,605
Total additions	4,412,991
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefit payments to participants	800,334
ESOP loan interest expense	32,161
Allocation of 3603 shares of Pilot Point Bancorp, Inc., company common stock	1,725,605
Total deductions	2,558,100
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,854,891
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	13,898,807
End of year	$ 15,753,698

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

1. Description of the Plan

The following description of the Pilot Point Bancorp, Inc. Employee Stock Ownership and 401(k) Plan (the Plan) provides only general information. Participants should See the Plan document for a more complete description of the Plan's provisions.

General

Pilot Point Bancorp, Inc. ("the Company") originally established the Plan effective January 1, 1981. The Plan operates, in part, as a leveraged employee stock ownership plan ("ESOP or ESOP portion") and a 401(k) plan ("Non-ESOP portion") designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("IRC") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is administered by the Trustees of the Pilot Point Bancorp, Inc. 401(k) and ESOP ("Trustees of the Plan") which is comprised of four officials appointed by the Company's Board of Directors. Two of the Trustees of the Plan make up the Plan's investment committee that is also appointed by the Company's Board of Directors.

The Plan purchased shares of the Company's common stock using proceeds borrowed from the Company and holds the common stock in a trust established under the Plan. The borrowing ("ESOP loan") is to be repaid in quarterly installments over a period of 4 years by fully deductible discretionary company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. See Note 6 for additional discussion of the ESOP loan.

The ESOP loan is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against shares of common stock once they are allocated under the provisions governing the ESOP portion of the Plan. Accordingly, Note 4 separately presents the ESOP assets and liabilities and changes therein pertaining to:

a) the accounts of employees with vested rights in allocated common stock (Allocated), and

b) Company common stock not yet allocated to employees (Unallocated).

As more fully discussed in Note 12, the Plan was most recently amended effective January 1, 2017, to change certain provisions of the ESOP component of the Plan.

Eligibility

Certain classes of Company employees, as defined by the Plan, are excluded from participating in the Plan. Non-excluded employees are eligible to participate in the Plan on the Entrance Date coincident with or next following the date on which the employee attains the age of 21 years of age and completes one year of service, provided in either event the person is still employed by the Company on such Entrance Date. The plan Entrance Dates are first day of January and July of each plan year following attainment of eligibility. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year are generally not eligible for an allocation of Company contributions for such year.

Contributions and Rollovers

Participants in the Non-ESOP Portion of the Plan may contribute a minimum of 1% and a maximum of 100% of their compensation (as defined) on a tax-deferred basis, subject to certain maximum limitations imposed by the Internal Revenue Code. The Company may make discretionary matching contributions. During 2016, the Plan accrued employer contributions in the amount of $23,194 on the statement of net assets available for benefits. Rollover contributions are allowed only if such contributions will not jeopardize the tax exempt status of the Plan.

The Company shall make an ESOP contribution to the Plan in cash sufficient to pay any currently maturing obligations on the ESOP loan (to the extent that such obligations will not be satisfied by means of contributions paid to ESOP Accounts or by use of dividends in accordance with the applicable plan provisions). Such contributions shall be applied, as the Plan Administrator shall direct the Trustee, to repay any outstanding balance of the ESOP loan in accordance with any pledge or similar agreement. The Company may make additional contributions in cash or Company Stock; provided however, that Rollover Contributions and transfers may be in such other form that may be acceptable to the Trustee and the Plan Administrator.

ESOP Contributions made in the form of Company Stock and Company Stock transferred to the Released and Unallocated Account shall be allocated to the ESOP Accounts in the manner specified in the Adoption Agreement and determined by the Plan Administrator. The shares so allocated shall have a fair market value as of the allocation date equal to the amount of the contributions to which the participant is entitled. During 2016 and 2015, the Company authorized employer contributions of $657,911 and $520,000, respectively, to pay for the principal and interest due on the ESOP loan payable as more fully discussed in Note 6.

Participants are neither required nor permitted to make contributions to the Plan except for rollover contributions representing distributions from other qualified defined benefit or defined contribution plans generally at only one designated time period during the year.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the Company common stock shares allocated to his or her ESOP account or shares of investments allocated to his or her Non-ESOP account in accordance with the Adoption Agreement. Participants are notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated Company common stock shares on behalf of the collective best interest of plan participants and beneficiaries.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's Non-ESOP account is credited with the participant's contribution and an allocation of the Company's discretionary matching contributions (equal to 25% of salary deferrals up to 4% 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.

Each participant's employer contributions to the ESOP account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non vested accounts based on the participant's eligible compensation, relative to total eligible compensation for the plan year. A participant's ESOP rollover account shall be credited with its share of earnings or losses of the Trust but shall not share in employer contributions or forfeitures. Each participant's investment earnings or losses are allocated based on their beginning account balances.

The benefit to which a participant is entitled to the ESOP or Non-ESOP account is the benefit that can be provided from the participant's vested account balance.

Vesting

Participant are always fully vested in their contributions plus earnings or losses thereon. Vesting in the Company's contributions portion of discretionary matching and non-elective contributions is based on years of continuous service according to the following graded vesting schedule:

Years of Vesting Service	Percentage Vested
Less than 2 years	0%
2 but less than 3 years	20%
3 but less than 4 years	40%
4 but less than 5 years	60%
5 but less than 6 years	80%
At least 6 years	100%

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 reallocated as Company contributions) made in accordance with the Adoption Agreement or to pay Plan expenses. At December 31, 2016 and 2015, forfeited non-vested account balances used by the Plan totaled $5,099 and $6,467, respectively.

Payments of Benefits

Upon termination of service due to death, disability or retirement, participants may receive a lump sum payment equal to their vested account balance. A Participant may receive a distribution on attainment of a specified age (59-1/2) from the Accounts specified in the Adoption Agreement. Unless otherwise specified in the Adoption Agreement, a Participant shall only be permitted to receive a specified age distribution from Accounts that are fully vested. Hardship withdrawals are not permitted.

Put Option

Under federal income tax regulations, the Company 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. During 2016, the Plan exercised its put option to make distributions and received or accrued proceeds totaling $80,325 from the sale of 175 shares of Company common stock to the Plan sponsor at the established fair market value of $459 per share based on an independent appraisal at September 30, 2016.

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 company 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

Date of Management's Review and Subsequent Events

The Plan has evaluated subsequent events and transactions for potential recognition or disclosure through October 13, 2017, which is the date the financial statements were available to be issued.

In January 2017, the Plan paid in full, the outstanding ESOP loan balance in the amount of $657,911 pursuant to Plan Amendment 2016-1 that froze the ESOP component of the Plan as more fully discussed in Note 12.

On September 8, 2017, the Internal Revenue Service ("IRS") completed its examination of the Plan's transactions determined to have constituted a failure to meet the requirements of an exempt loan as related to the original ESOP loan transactions (prohibited transactions) during the prior years ended December 31, 2010 through 2015 by accepting the Plan sponsor's corrections filed on the respective Form 5330 and payment of the excise tax due for each of the years under examination. See Note 6 and Note 8 for additional discussion of the amended and restated ESOP loan and Plan's tax status.

Basis of Accounting

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

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.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. See Note 5 for discussion of fair value measurements.

The net appreciation (depreciation) in the fair value of investments consists of the realized gains and losses on investments bought and sold as well as held during the year 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 of securities are recorded on the trade date basis. Dividend income is accrued and recorded on the ex-dividend date.

Operating Expenses

Certain administrative functions are performed by officers or employees of the Company. However, such officers and employees receive no compensation from the Plan. All expenses of maintaining the Plan are paid by the Company, unless paid by the Plan.

Payment of Benefits

Non- ESOP benefits are recorded when paid. ESOP benefits are recorded when incurred.

Administration of Plan Assets

The Plan's assets, which consist principally of Company common stock, are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received, interest and dividend income (if any), and makes distributions to participants. The Trustee also administers the payment of interest and principal on the ESOP loan, which is reimbursed to the Trustee through contributions as determined 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 investment 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 *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 Certified by 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 John Hancock Life Insurance Company, the trustee for the Non-ESOP component or the Plan, and Newport Trust Company, the trustee for the ESOP component of the Plan.

	2016	2015
Cash	$ 28,560	$ 1,361
Investments, at fair value:		
Money market funds	$ 343,168	$ 52,565
Mutual funds	1,726,520	1,625,258
Company common stock	13,658,254	
Total investments, at fair value	$ 15,727,942	
Dividend income on Company common stock	$ 307,658	

4. ESOP Component of the Plan

The Plan's investments in Company common stock presented by allocation at December 31, 2016 and 2015, is as follows:

	2016		2015	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	28,514	-	25,086	3,603
Cost	$ 2,252,766	$ -	$ 1,173,388	$ 1,083,753
Estimated fair value	$ 13,658,254	$ -	$ 11,364,222	$ 1,631,940

The investment in Company common stock represents approximately 28,514 shares and 28,689 of the Company's common stock at December 31, 2016 and 2015, respectively. These shares are recorded at estimated fair value. At December 31, 2016 and 2015, the fair value per share of common stock was appraised to be $479 and $453, respectively.

At December 31, 2016 and 2015, the Plan had approximately 8,962 rollover stock shares (Company common stock allocated to participant accounts as a result of participant-directed rollover contributions) during each of the periods presented. The estimated fair market value of the rollover stock shares totaled $4,292,808 and $4,059,795 at December 31, 2016 and 2015, respectively.

PILOT POINT BANCORP, INC. EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

The Plan's assets and liabilities and the related changes in the ESOP component of the Plan presented by allocation at December 31, 2016 and 2015, is as follows:

	2016 Allocated	2016 Unallocated	2015 Allocated	2015 Unallocated
ASSETS				
Cash	$ 27,108	$ -	$ 903	$ -
Employer contribution for ESOP loan	-	657,911	-	-
Stock proceeds receivable	1,050	-	-	-
Company common stock	13,658,254	-	12,996,162	-
Total assets	$ 13,686,412	$ 657,911	$ 12,997,065	$ -
LIABILITIES				
Benefit claims payable	$ 27,048	$ -	$ -	$ -
Principal and interest on ESOP loan	-	657,911	800,000	-
Total liabilities	$ 27,048	$ 657,911	$ 800,000	$ -
NET ASSETS AVAILABLE FOR BENEFITS	$ 13,659,364	$ -	$ 12,197,065	$ -

	2016 Allocated	2016 Unallocated	2016 Total
CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS			
Employer contribution	$ 324,568	$ 793,291	$ 1,117,859
Dividend income on company stock	268,788	38,870	307,658
Appreciation in fair value of Company common stock	648,751	92,616	741,367
Other income from stock proceeds	-	1,050	1,050
Interest expense	-	(32,161)	(32,161)
Benefit payments	(673,473)	-	(673,473)
Net assets available for benefits:			
Beginning of year	11,365,125	831,939	12,197,064
End of year	$ 11,933,759	$ 1,725,605	$ 13,659,364

5. Fair Value Measurements

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.

.

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

Company common stock - The Company common stock held by the Plan is reported at fair value based on assumptions modeled by an annual independent appraisal. This appraisal was based on a combination of the market and income valuation approaches consistent with prior years. The appraiser took into account historical and projected cash flow and net earnings, weighted average cost of capital, market comparable data, and applicable discounts and premiums.

The Pilot Point Bancorp, Inc. 401KSOP Investment Committee, under the supervision of the Board of Directors, determines the fair value measurement policies and procedures. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

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:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
December 31, 2016:				
Money market funds	$ 343,168	$ 343,168	$ -	$ -
Mutual funds	1,726,520	1,726,520	-	-
Company common stock	13,658,254	-	-	13,658,254
Total investment, at fair value	$ 15,727,942	$ 2,069,688	$ -	$ 13,658,254
December 31, 2015:				
Money market funds	$ 52,565	$ 52,565	$ -	$ -
Mutual funds	1,625,258	1,625,258	-	-
Company common stock	12,996,162	-	-	12,996,162
Total investment, at fair value	$ 14,673,985	$ 1,677,823	$ -	$ 12,996,162

The following table provides further details of the Plan's level 3 fair value measurement for the year ended December 31, 2016:

	Company Common Stock
Balance, beginning of year	$ 12,996,162
Purchases	
Sales	(80,325)
Total gain(loss) included in changes in net assets available for benefits	742,417
Balance, end of year	$ 13,658,254

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2016 are reported in net appreciation in fair value of investments. During 2016, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $858,781.

6. Loan Payable

On December 16, 2015, the Plan amended and restated the terms of the original promissory note ("ESOP loan") in the amount of $1,320,000, issued on May 6, 2015 and paid down the outstanding balance of the ESOP loan to $800,000 at December 31, 2015. As restated, the Principal on the ESOP loan shall be paid by the ESOP in sixteen equal quarterly installments on the first day of each calendar quarter commencing on April 1, 2016 and ending on January 1, 2020. The loan bears interest at a fixed rate of 4% per annum. The proceeds of the ESOP loan were used originally used to purchase approximately 6,060 shares of Company common stock. Unallocated shares are collateral for the ESOP loan. The Plan had 3,603 Unallocated shares at January 1, 2016. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, multiplied by the ratio of the current year payments, divided by the total of this year's payments, plus all future years' principal and interest payments. The fair value of the note payable, determined by using interest rates currently available for issuance of debt with similar terms, maturity dates, and nonperformance risk, approximated $657,911 and $800,000 at December 31, 2016 and 2015, respectively. As disclosed in the Subsequent Events at Note 2, the Plan paid in full, the accrued outstanding ESOP loan balance in the amount of $657,911 in January 2017. All 3,603 shares were effectively released and allocated for the plan year ended December 31, 2016.

7. Related Party Transactions

Parties-in-interest are defined under DOL regulations as any fiduciary of the Plan or any party rendering services to the Plan, the Company, and certain others.

Certain plan investments are shares or units of money market funds and mutual funds managed by John Hancock Life Insurance Company and shares of common stock of Pilot Point Bancorp, Inc. (Plan sponsor) managed by Newport Trust Company. John Hancock Life Insurance Company and Newport Trust Company are the trustees of the Plan as defined by the Plan. These transactions qualify as party-in-interest transactions. These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA. As described under Operating Expenses in Note 2, the Company pays the expenses of the Plan, unless paid by the Plan.

8. Tax Status

The Plan obtained its latest determination letter on November 6, 2015, in which the Internal Revenue Service ("IRS") stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code. As discussed under Subsequent Events at Note 2, the IRS completed its examination of prohibited transactions related to the original ESOP loan transactions during the years ended December 31, 2010 through 2015.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no liability for tax penalties has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2013.

9. 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.

10. Risks and Uncertainties

The Plan provides for various investment options in money market funds, mutual funds, and Company common stock (investments). The Plan's primary investment is Company common stock not traded in active markets. Investments are is exposed to various risks, including interest rate, market, and credit risks as well as valuation assumptions based on earnings and cash flows. Due to the level of risk associated with the investments and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits. At December 31, 2016 and 2015, the Plan's investment in the Company common stock represented concentration of investments comprising 5% or more of the Plan's net assets.

11. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2016 and 2015:

	2016	2015
Net assets available for benefits per the financial statements	$ 15,753,698	$ 13,898,807
less employer contributions receivable per the financial statements	(23,194)	-
Net assets available for benefits per Schedule H of Form 5500	$ 15,730,504	$ 13,898,807

The following is a reconciliation of statement of changes in net assets available for benefits per the financial statements for the year ended December 31, 2016 to Schedule H of Form 5500:

	2016
Net increase in net assets available for benefits per the financial statements	$ 1,854,891
Adjustments :	
add employer contributions receivable per Form 5500	-
less employer contributions per financial statements	(23,194)
Net adjustments	(23,194)
Net income per Schedule H of Form 5500	$ 1,831,697

12. Plan Amendment

On December 30, 2016, the Plan sponsor executed, Amendment 2016-1, that froze participation in the ESOP component of the Plan effective January 1, 2017. The Amendment additionally communicates that: no new participants are allowed to enter the ESOP component of the Plan after December 31, 2016; and, no non-elective contributions will be made to the ESOP component of the Plan for any Plan Years beginning on or after January 1, 2017; and that, all participants' ESOP account balances in the ESOP component of the Plan will be 100% vested. Management does not expect the Amendment to have a material impact on the Plan's financial statements.

SUPPLEMENTAL SCHEDULE

PILOT POINT BANCORP, 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: 75-2041458
PN: 002

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment	Units(Shares)	(d) Cost	(e) Current Value
	Cash	ESOP Cash	28,560	**	$ 28,560
	Money Market Funds				
	John Hancock Ret Income Mngd Portf	Money market fund	678,615	**	$ 343,168
	Mutual Funds				
*	John Hancock S&P 500 Index Fund	Mutual fund	11.0000	**	248
*	John Hancock Disciplined Value	Mutual fund	183.9168	**	4,586
*	John Hancock Financial Ind.Fund	Mutual fund	181.1902	**	4,826
*	John Hancock Fndmntl Large Cap Val	Mutual fund	9.1746	**	251
*	John Hancock LS Agg Active Strategy	Mutual fund	81.6720	**	1,777
*	John Hancock LS Bal Active Strategy	Mutual fund	3,046.3581	**	67,554
*	John Hancock LS Con Active Strategy	Mutual fund	2,474.6590	**	50,643
*	John Hancock LS Grow Active Strategy	Mutual fund	305.1854	**	6,925
*	John Hancock LS Mod Active Strategy	Mutual fund	3,721.6707	**	78,529
*	John Hancock Mid Cap Stock Fund	Mutual fund	27.3958	**	843
*	John Hancock Natural Resources Fund	Mutual fund	1,547.2669	**	41,407
*	John Hancock Real Est. Secs. Fund	Mutual fund	2,359.2137	**	71,531
*	John Hancock Ret To 2025 Mngd Portf	Mutual fund	3,996.1343	**	58,661
*	John Hancock Ret To 2030 Mngd Portf	Mutual fund	29,154.0134	**	449,545
*	John Hancock Ret To 2035 Mngd Portf	Mutual fund	23,006.3239	**	364,607
*	John Hancock Ret To 2040 Mngd Portf	Mutual fund	17,147.1391	**	275,949
*	John Hancock Ret To 2045 Mngd Portf	Mutual fund	6,119.8113	**	98,708
*	John Hancock Ret To 2050 Mngd Portf	Mutual fund	2,558.5277	**	36,200
*	John Hancock Ret To 2055 Mngd Portf	Mutual fund	627.3502	**	7,095
*	John Hancock Ret To 2060 Mngd Portf	Mutual fund	1.1138	**	12
*	John Hancock Science & Tech. Fund	Mutual fund	8.6757	**	275
*	John Hancock Small Cap Index Fund	Mutual fund	30.5283	**	978
*	John Hancock Small Cap Value Fund	Mutual fund	2.6707	**	127
*	John Hancock Strategic Inc. Opp Fund	Mutual fund	8.9357	**	221
	American Balanced Fund	Mutual fund	7.0270	**	241
	American Century Heritage	Mutual fund	6.8975	**	229
	American Funds Capital Income Builder	Mutual fund	46.2376	**	3,667
	American Funds Captl Wrld Grwth & Inc	Mutual fund	2.0855	**	116
	American Funds US Govt Securities	Mutual fund	6.2217	**	107
	ClearBridge Aggressive Growth	Mutual fund	27.3417	**	6,253
	EuroPacific Growth Fund	Mutual fund	61.5101	**	3,530
	Federated High Yield Bond	Mutual fund	16.5488	**	245
	Fidelity ContraFund	Mutual fund	3.4576	**	451
	Massachusetts Investors Fund	Mutual fund	6.7481	**	242
					1,636,579

(Continued)

* Denotes Party in interest to the Plan.

See accompanying independent auditor's report and notes thereto.

PILOT POINT BANCORP, 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: 75-2041458
PN: 002

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment	Units(Shares)	(d) Cost	(e) Current Value
					(Continuation)
	Continuation of mutual funds				1,636,579
	Oppenheimer Global	Mutual fund	7.5569	**	818
	PIMCO Global Bond	Mutual fund	15.4786	**	224
	T. Rowe Price Capital Appreciation Fund	Mutual fund	50.2898	**	1,081
	T. Rowe Price Health Sci	Mutual fund	73.1901	**	6,985
	T. Rowe Price Sci & Tech	Mutual fund	76.9169	**	3,932
	T. Rowe Price Sml Cap Val	Mutual fund	3.0837	**	260
	The Growth Fund of America	Mutual fund	88.0908	**	5,396
	Vanguard Energy Fund	Mutual fund	524.5453	**	41,647
	Vanguard Growth Index Fund	Mutual fund	368.5745	**	22,305
	Vanguard Mid-Cap Growth ETF	Mutual fund	305.5713	**	3,680
	Vanguard Mid-Cap Value ETF	Mutual fund	276.9955	**	3,613
	Total mutual funds				1,726,520
	Company common stock				
	Pilot Point Bancorp. Inc.,	Allocated shares	28,514.1000		13,658,254
	TOTAL ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016				$ 15,756,502

* Denotes Party in interest to the Plan.

See accompanying independent auditor's report and notes thereto.

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.)

☒ a single-employer plan; ☐ a DFE (specify) ___

B This return/report is: ☐ the first return/report; ☐ the final return/report;

☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).

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

D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program;

☐ special extension (enter description)

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

1a Name of plan
Pilot Point Bancorp, Inc. 401(k) Plan

1b Three-digit plan number (PN) ► 002

1c Effective date of plan 01/01/1981

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)

Pilot Point Bancorp, Inc.

200 S Hwy 377

US Pilot Point TX 76258

2b Employer Identification Number (EIN)
75-2041458

2c Plan Sponsor's telephone number
(940) 686-7000

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	Signature of plan administrator	Date: 10/16/2017	Enter name of individual signing as plan administrator: J RAYMOND DAVID, SR.
SIGN HERE	Signature of employer/plan sponsor	Date: 10/16/2017	Enter name of individual signing as employer or plan sponsor: J RAYMOND DAVID, SR.
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)
Skip this question

Preparer's telephone number
Skip this question

PILOT POINT BANCORP, INC.
EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN
DECEMBER 31, 2016
EIN: 75-2041458
PLAN NUMBER: 002

The required Schedule of Assets (Held at End of Year) is included in the Accountant's audit report attachment.