FR Y-6
OMB Number 7100-0297
Approval expires September 30, 2018
Page 1 of 2

Board of Governors of the Federal Reserve System

Annual Report of Holding Companies—FR Y-6

RECEIVED
MAR 15 2017
NIC UNIT

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Robert A. Walker
Name of the Holding Company Director and Official

Executive Committee Member
Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Robert A. Walker
Signature of Holding Company Director and Official

03/09/2017
Date of Signature

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2016
Month / Day / Year

None
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

AmTex Bancshares, Inc.
Legal Title of Holding Company

P.O. Box 400
(Mailing Address of the Holding Company) Street / P.O. Box

Bridge City	Texas	77611-0400
City	State	Zip Code

6608 Interstate 10 West Orange, Texas 77632
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Benjamin C. Thacker	CFO
Name	Title

409.882.0071
Area Code / Phone Number / Extension

409.882.9318
Area Code / FAX Number

ben@amtexbanc.com
E-mail Address

bridgecitybank.com
Address (URL) for the Holding Company's web page

For holding companies not registered with the SEC–
Indicate status of Annual Report to Shareholders:

- ☐ is included with the FR Y-6 report
- ☒ will be sent under separate cover
- ☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID 1131899
C.I.

Is confidential treatment requested for any portion of this report submission? .... 0=No 1=Yes: 0

In accordance with the General Instructions for this report (check only one),

1. **a letter justifying this request is being provided along with the report** .... ☐
2. **a letter justifying this request has been provided separately** .... ☐

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

ANNUAL REPORT OF BANK HOLDING COMPANY - FRY-6

1. ANNUAL REPORT TO SHAREHOLDERS -

AmTex's annual report will not be available until sometime after the first of April. Pursuant to Report Item instructions, one will be forwarded as soon as practicable.

2a. ORGANIZATION CHART -

See "Organization Chart"

2b. DOMESTIC BRANCH LISTING -

See enclosed. . .also submitted electronically to the Federal Reserve Bank of Dallas on January 14, 2017.

3. (1) 5 % + SECURITIES HOLDERS (top tier) as of year end -

Name and address	R. E. Odom Orange, Texas USA	
Country of citizenship	United States	
# and % of shares	870,505	82.25%

(2) 5% + SECURITIES HOLDERS (top tier) during the year -

None

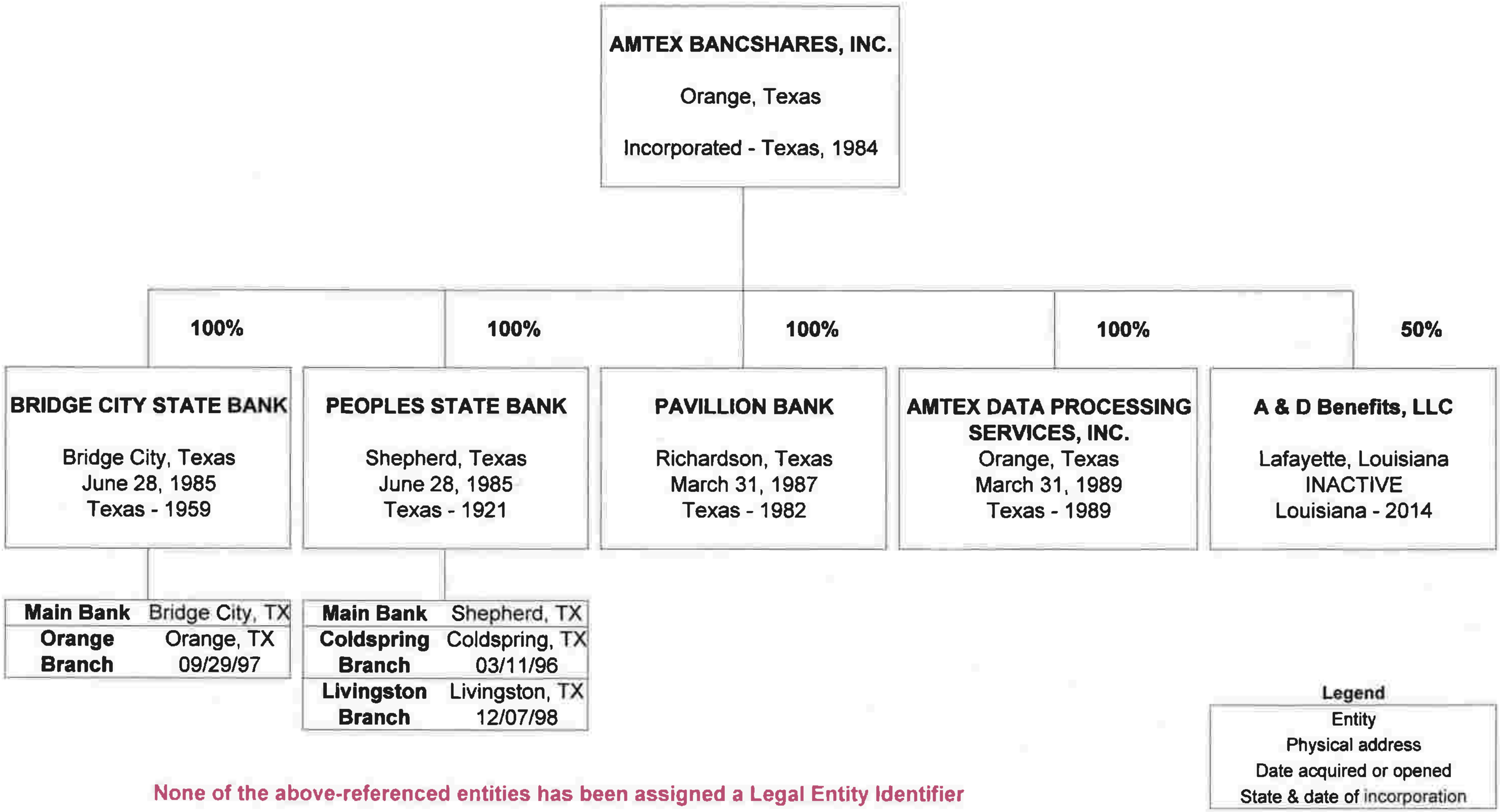
There are no outstanding options, warrants, or other securities or rights that may be converted into or exercised for voting securities.

4. INSIDERS -

See "Officers and Directors"

AMTEX BANCSHARES, INC.

ORGANIZATION CHART



None of the above-referenced entities has been assigned a Legal Entity Identifier

Results: A list of branches for your holding company: AMTEX BANCSHARES, INC. (1131899) of ORANGE, TX.
The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

Reconciliation and Verification Steps
1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions
OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure
When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	43959	BRIDGE CITY STATE BANK	701 W. ROUNDBUNCH	BRIDGE CITY	TX	77611-2435	ORANGE	UNITED STATES	12076	0	BRIDGE CITY STATE BANK	43959	
OK		Full Service	2724814	ORANGE BRANCH	57 STRICKLAND DRIVE	ORANGE	TX	77630	ORANGE	UNITED STATES	495548	2	BRIDGE CITY STATE BANK	43959	
OK		Full Service (Head Office)	500658	PAVILLION BANK	1200 W CAMPBELL RD	RICHARDSON	TX	75080-2945	DALLAS	UNITED STATES	16905	0	PAVILLION BANK	500658	
OK		Full Service (Head Office)	586960	PEOPLES STATE BANK	5850 HIGHWAY 59 SOUTH	SHEPHERD	TX	77371	SAN JACINTO	UNITED STATES	6624	0	PEOPLES STATE BANK	586960	
OK		Full Service	2425652	COLDSPRING BRANCH	15001 HIGHWAY 150 WEST	COLDSPRING	TX	77331	SAN JACINTO	UNITED STATES	222299	1	PEOPLES STATE BANK	586960	
OK		Full Service	3535594	LIVINGSTON BRANCH	2700 HIGHWAY 190 WEST	LIVINGSTON	TX	77351-8700	POLK	UNITED STATES	222300	2	PEOPLES STATE BANK	586960	

Sumitted via email on 01/14/2017

AMTEX BANCSHARES, INC.
OFFICERS AND DIRECTORS
December 31, 2016

NAME/ADDRESS	OCCUPATION	TITLE W/ HOLDING CO	TITLE W/ SUBSIDIARIES	TITLE W/ OTHER COMPANIES	% OF HOLD CO SHARES	SUBSID SHARES	INTERESTS IN OTHER BUSINESS/COMPANIES
John H. Brooks Burkeville, TX USA	Retired Banker	Executive Committee Member/ Director	Director - AmTex Data Process Advisory Director - Bridge City State Bank Peoples State Bank Pavillion Bank	N/A	0.01%	N/A	-N/A-
Odom, Rucie E. Orange, TX USA	Investor/ Rancher	Executive Committee Member/ Director	Director - AmTex Data Process Bridge City State Bank Peoples State Bank Pavillion Bank	1. President/Director - Ta-Lo Co. 2. President/Director - Odom Building Co. 3. Chairman/Director - Duphil, Inc. 4. Director - Medical Hospital of Buna, Texas, Inc. 5. Manager - Odom LA Properties, LLC 6. Manager - FR Ranch Texas, LLC 7. Manager - FR Ranch LA, LLC 8. President/Director - Moore-Odom Wildlife Fndtn	82.25%	N/A	1. 100% - Ta-Lo Co. 2. 100% - Odom Building Co. 3. 99% - Duphil, Inc. 4. 38% - Medical Hospital of Buna, Texas, Inc. 5. 100% - Odom LA Properties, LLC 6. 100% - FR Ranch Texas, LLC 7. 100% - FR Ranch LA, LLC 8. 66.7% voting rights Moore-Odom Wildlife Fndtn

AMTEX BANCSHARES, INC.
OFFICERS AND DIRECTORS
December 31, 2016
(continued)

NAME/ADDRESS	OCCUPATION	TITLE W/ HOLDING CO	TITLE W/ SUBSIDIARIES	TITLE W/ OTHER COMPANIES	% OF HOLD CO SHARES	SUBSID SHARES	INTERESTS IN OTHER BUSINESS/COMPANIES
Walker, Robert A. Orange, TX USA	Retired Chemical Plant Manager	Executive Committee Member/ Director	Director - AmTex Data Process	N/A	0.02%	N/A	-N/A-
Thacker, Benjamin C. Beaumont, TX USA	N/A	CFO/Auditor/ Secretary/ Treasurer	Secretary/Director - AmTex Data Process	Treasurer/Director - Moore-Odom Wildlife Fndtn	0.05%	N/A	-N/A- Moore-Odom Wildlife Fndtn
Turner, K. Alan Pt. Neches, TX USA	N/A	Controller/Auditor	Director of Operations/ Director - AmTex Data Process	N/A	0.00%	N/A	-N/A-
Whitehead, E. Ryne Vidor, TX USA	N/A	Operations Offficer/Auditor	N/A	N/A	0.00%	N/A	-N/A-
Davidson, Jerry W. Orange, TX USA	Retired Banker	Director	Director - Bridge City State Bank	N/A	0.57%	N/A	-N/A-

AMTEX BANCSHARES, INC.
OFFICERS AND DIRECTORS
December 31, 2016
(continued)

AMENDED
JUL 24 2017

NAME/ADDRESS	OCCUPATION	TITLE W/ HOLDING CO	TITLE W/ SUBSIDIARIES	TITLE W/ OTHER COMPANIES	% OF HOLD CO SHARES	SUBSID SHARES	INTERESTS IN OTHER BUSINESS/COMPANIES
Cormier, Robert P. -(1)- Orangefield, TX USA	Oil field supply and service	Director	Director - Bridge City State Bank	1. President - Lynx Well Service, Inc. 2. President - Paul Cormier Well Srvc, Inc. 3. Owner - C & C Cattle, Co. 4. Partner - DKJ Holdings, LP 5. Partner - RP Cormier Holdings, LLC 6. Partner - C & W Cattle 7. Partner - Tri Investment Co. 8. Manager - Cormier General, LLC 9. Manager - Cow Bayou Holdings, LLC	3.92%	N/A	1. 100% Lynx Well Service, Inc. 2. 100% Paul Cormier Well Service 3. 100% C & C Cattle, Co. 4. 100% DKJ Holdings, LP 5. 100% RP Cormier Holdings, LLC 6. 50% C & W Cattle 7. 33% Tri Investment Co. 8 100% Cormier General, LLC 9 100% Cow Bayou Hldngs, LLC

(1) Mr. Cormier has interests in various other entitties through a family limited partnership, through a family trust, and through the estate of his late father. A list will be provided upon request.

AMTEX BANCSHARES, INC.
OFFICERS AND DIRECTORS
December 31, 2016
(continued)

NAME/ADDRESS	OCCUPATION	TITLE W/ HOLDING CO	TITLE W/ SUBSIDIARIES	TITLE W/ OTHER COMPANIES	% OF HOLD CO SHARES	SUBSID SHARES	INTERESTS IN OTHER BUSINESS/COMPANIES
Miller, Clifford W. Point Blank, TX USA	Retired Banker	Director	Director - Peoples State Bank	N/A	0.15%	N/A	-N/A-
Pletcher, Rockney D. Dallas, TX USA	Attorney	Director	Director - Pavillion Bank	N/A	2.52%	N/A	-N/A-
Storey, Steven K. Dallas, TX USA	N/A	Executive Committee Member/ Director	Chairman/President/ CEO/Director - Pavillion Bank	N/A	0.62%	N/A	-N/A-

ANNUAL REPORT
2016

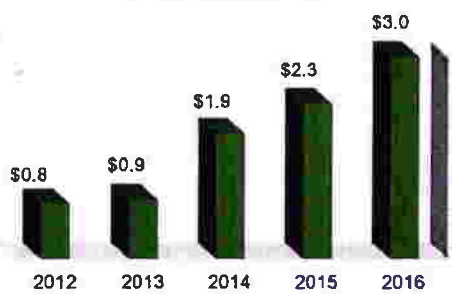
AMTEX BANCSHARES INC.

1131899

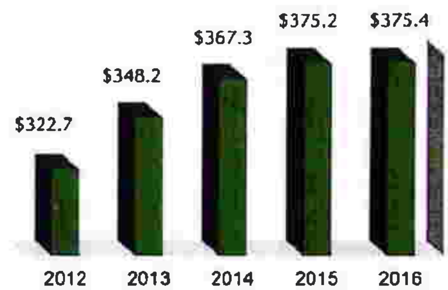
Financial Highlights

	As Of Or For The Years Ended December 31				
(Dollars in millions, except per share amounts)	2016	2015	2014	2013	2012
Operating Results					
Net interest income	$ 11.4	$ 11.5	$ 11.2	$ 10.1	$ 10.3
Provision for loan losses	-0.2	0.2	0.2	0.3	1.0
Noninterest income	1.8	1.9	1.8	1.8	2.0
Noninterest expense	10.3	10.4	10.8	10.6	10.4
Net income	3.0	2.3	1.9	0.9	0.8
Earnings per share	2.81	2.18	1.75	0.83	0.78
Balance Sheet					
Net loans	$ 145.3	$ 158.2	$ 159.0	$ 149.1	$ 142.9
Federal funds sold	...	6.3	26.0	28.4	30.1
Securities	161.9	153.7	144.9	131.0	109.2
Total assets	375.4	375.2	367.3	348.2	322.7
Deposits	336.9	335.8	329.5	314.3	285.9
Shareholders' equity	35.2	34.8	32.7	28.7	31.3
Shareholders' equity per share	33.23	32.68	30.76	26.93	29.36
Ratios					
Return on average assets	0.80%	0.62%	0.52%	0.26%	0.26%
Return on average equity	8.57%	6.81%	6.05%	2.93%	2.68%
Net interest margin	3.25%	3.33%	3.38%	3.29%	3.56%
Operating (1)	2.74%	2.80%	3.01%	3.16%	3.28%
Efficiency (2)	78.03%	77.61%	82.77%	88.90%	84.71%
Allowance for loan losses to total loans	1.17%	1.20%	1.21%	1.28%	1.43%
Nonperforming loans to total loans	1.10%	0.48%	1.03%	2.89%	4.65%
Nonperforming assets to total assets	0.74%	0.58%	0.93%	2.13%	3.35%

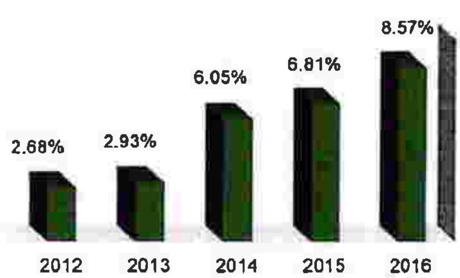
NET INCOME



TOTAL ASSETS



RETURN ON AVERAGE EQUITY



(1) Operating ratio is noninterest expense, excluding net losses on sales of assets, divided by average assets.

(2) Efficiency ratio is noninterest expense, excluding net losses on sales of assets, divided by the sum of net interest income plus noninterest income, excluding net gains on sales of assets and other nonrecurring items.

Contents

For stockholder information, please contact
Benjamin C. Thacker, CFO/Treasurer

Telephone (409) 882-0071
Facsimile (409) 882-0321
E-mail ben@amtexbanc.com

Chris W. Busch, CPA
Allen W. Fehnel, CPA
Brian McClelland, CPA

McClelland Samuel & Fehnel Busch, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

4335 Laurel • Post Office Box 7570
Beaumont, Texas 77726-7570
(409) 899-4900 • (888) 899-1040
FAX (409) 899-1444
www.MSFLLP.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
AmTex Bancshares, Inc.

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of AmTex Bancshares, Inc. and subsidiaries which comprise the consolidated statements of financial condition as of December 31, 2016 and 2015, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended and the year ended December 31, 2014, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AmTex Bancshares, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended and the year ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Report on Information in Consolidating Schedules

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects to the consolidated financial statements as a whole.

McClelland Samuel Fehnel & Busch, LLP

Beaumont, Texas
April 10, 2017

Financial Information

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2016 AND 2015

	2016	2015	Change in %
ASSETS			
Cash and due from banks	$ 11,022,109	$ 15,585,736	(29.3)
Federal funds sold	-	6,281,000	(100.0)
Cash and cash equivalents	11,022,109	21,866,736	(49.6)
Interest-bearing deposits in banks	44,014,480	28,130,999	56.5
Securities available-for-sale (Note 2)	161,947,715	153,653,480	5.4
Loans, net of unearned discount and allowance for loan losses of $1,715,434 in 2016 and $1,919,382 in 2015 (Note 3)	145,278,186	158,230,305	(8.2)
Property and equipment (Note 4)	7,166,883	7,343,959	(2.4)
Foreclosed assets, net of valuation allowance of $455,297 in 2016 and $532,571 in 2015	1,147,195	1,421,749	(19.3)
Unamortized excess of costs over net assets acquired	1,407,508	1,407,508	-
Deferred tax assets (Note 9)	1,146,718	130,626	777.9
Other assets	2,224,918	3,055,982	(27.2)
	$ 375,355,712	$ 375,241,344	-
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits:			
Demand	$ 83,269,590	$ 77,224,671	7.8
Savings	47,799,490	49,061,529	(2.6)
Money market	104,602,472	103,050,898	1.5
Time deposits	57,554,289	58,617,610	(1.8)
Now accounts	43,635,449	47,826,891	(8.8)
	336,861,290	335,781,599	0.3
Federal Home Loan Bank Advances	-	962,025	(100.0)
Notes payable, due to related party (Note 6)	2,500,000	3,000,000	(16.7)
Other liabilities	825,066	732,952	12.6
Total liabilities	340,186,356	340,476,576	-
Stockholders' Equity			
Common stock	1,067,156	1,067,156	-
Treasury stock at cost: 8,799 shares in 2016 and 3,213 shares in 2015	(224,638)	(84,638)	(165.4)
Paid-in capital and surplus	2,778,700	2,778,700	-
Retained earnings	33,402,925	30,850,576	8.3
Accumulated other comprehensive income (loss)	(1,854,787)	152,974	(1,312.5)
Total stockholders' equity	35,169,356	34,764,768	1.2
	$ 375,355,712	$ 375,241,344	-

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014

	2016	2015	2014
Statements of Income			
Interest Income			
Loans, including fees	$ 9,350,961	$ 9,886,808	$ 9,967,685
Non-taxable loans	6,068	4,040	12,841
Securities, taxable	1,932,578	1,865,907	1,713,112
Securities, non-taxable	1,145,686	981,782	919,815
Federal funds sold	-	23,658	13,041
Interest-bearing accounts with other banks	225,960	64,723	63,904
Total interest income	12,661,253	12,826,918	12,690,398
Interest Expense			
Deposits	1,087,455	1,109,009	1,287,513
Short-term borrowings	168,805	217,817	229,040
Total interest expense	1,256,260	1,326,826	1,516,553
NET INTEREST INCOME	11,404,993	11,500,092	11,173,845
Reduction of (provision) for loan losses (Note 3)	225,592	(247,653)	(204,272)
Net interest income after provision for loan losses	11,630,585	11,252,439	10,969,573
Other Operating Income			
Customer service fees	1,656,103	1,687,388	1,650,453
Other	134,051	176,231	173,785
	1,790,154	1,863,619	1,824,238
Other Gains and Non-Recurring Items			
Loss recovery	-	-	367,907
Other gains and non-recurring income	576,377	458,165	62,350
	576,377	458,165	430,257
Other Expenses			
Salaries and employee benefits	5,672,413	5,501,798	5,394,377
Occupancy	1,017,105	1,021,127	1,010,803
Equipment	274,275	249,452	280,369
Computer hardware and software expenses	579,737	547,817	608,370
Accounting and auditing	180,013	211,944	212,079
Directors fees	477,883	440,875	411,300
ATM and debit card	429,894	372,197	367,310
FDIC insurance	207,450	236,031	260,360
Other insurance	167,040	170,191	168,109
Net loss on foreclosed assets	44,001	375,289	548,950
Other	1,229,294	1,276,639	1,517,899
Total other expenses	10,279,105	10,403,360	10,779,926
Net income before income tax expense	3,718,011	3,170,863	2,444,142
Federal income tax expense (Note 9)	742,319	856,741	585,199
NET INCOME	$ 2,975,692	$ 2,314,122	$ 1,858,943
Net income per share	$ 2.812	$ 2.175	$ 1.747
Statements of Comprehensive Income			
Net earnings	$ 2,975,692	$ 2,314,122	$ 1,858,943
Other comprehensive income (loss): Unrealized gain (loss) on marketable securities, net of income tax (benefit) expense of $(1,034,301) in 2016, $(33,867) in 2015, and $1,196,269 in 2014	(2,007,761)	(65,742)	2,322,170
COMPREHENSIVE INCOME	$ 967,931	$ 2,248,380	$ 4,181,113

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014

	Common Stock	Treasury Stock	Paid in Capital and Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
YEAR ENDED DECEMBER 31, 2014:						
Balance at January 1, 2014	$1,067,156	$(26,975)	$ 2,778,322	$ 26,996,718	$(2,103,454)	$ 28,711,767
Net income for 2014				1,858,943		1,858,943
Other comprehensive income:						
Unrealized holding gains on securities available-for-sale (net of deferred tax of $1,196,269)					2,322,170	2,322,170
TOTAL COMPREHENSIVE INCOME						4,181,113
Sales of treasury stock		2,500	378			2,878
Purchases of treasury stock		(53,146)				(53,146)
Dividends declared				(106,418)		(106,418)
Balance at December 31, 2014	$1,067,156	$(77,621)	$ 2,778,700	$ 28,749,243	$ 218,716	$ 32,736,194
YEAR ENDED DECEMBER 31, 2015:						
Balance at January 1, 2015	$1,067,156	$(77,621)	$ 2,778,700	$ 28,749,243	$ 218,716	$ 32,736,194
Net income for 2015				2,314,122		2,314,122
Other comprehensive income (loss):						
Unrealized holding losses on securities available-for-sale (net of deferred tax benefit of $33,867)					(65,742)	(65,742)
TOTAL COMPREHENSIVE INCOME						2,248,380
Purchases of treasury stock		(7,017)				(7,017)
Dividends declared				(212,789)		(212,789)
Balance at December 31, 2015	$1,067,156	$(84,638)	$ 2,778,700	$ 30,850,576	$ 152,974	$ 34,764,768
YEAR ENDED DECEMBER 31, 2016:						
Balance at January 1, 2016	$1,067,156	$(84,638)	$ 2,778,700	$ 30,850,576	$ 152,974	$ 34,764,768
Net income for 2016				2,975,692		2,975,692
Other comprehensive income (loss):						
Unrealized holding losses on securities available-for-sale (net of deferred tax benefit of $1,034,301)					(2,007,761)	(2,007,761)
TOTAL COMPREHENSIVE INCOME						967,931
Purchases of treasury stock		(140,000)				(140,000)
Dividends declared				(423,343)		(423,343)
Balance at December 31, 2016	$1,067,156	$(224,638)	$ 2,778,700	$ 33,402,925	$(1,854,787)	$ 35,169,356

Common Stock:
10,000,000 shares authorized
At December 31, 2014, 1,067,156 issued at $1.00 par value; 1,064,176 outstanding
At December 31, 2015, 1,067,156 issued at $1.00 par value; 1,063,943 outstanding
At December 31, 2016, 1,067,156 issued at $1.00 par value; 1,058,357 outstanding

Book value per share

December 31, 2014	$30.76
December 31, 2015	$32.68
December 31, 2016	$33.23

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014

	2016	2015	2014
OPERATING ACTIVITIES			
Net income	**$ 2,975,692**	$ 2,314,122	$ 1,858,943
Depreciation	**429,912**	442,765	487,047
Net amortization/accretion on securities	**1,010,856**	770,886	675,128
(Reduction) provision for loan losses	**(225,592)**	247,653	204,272
Provision for foreclosed asset losses	**1,955**	189,498	320,563
(Gain) on sale of securities	**(191,748)**	(268,176)	(37,640)
(Gain) on disposal of property and equipment	**(1,928)**	-	-
(Gain) on sale of investment (Note 2)	**(187,732)**	-	-
(Gain) on sale of other real estate	**(124,303)**	(33,928)	(24,711)
Deferred taxes	**18,209**	53,427	109,599
(Increase) decrease in other assets	**38,073**	54,896	(860,840)
Increase (decrease) in other liabilities	**(118,440)**	66,586	(134,374)
Net cash provided by operating activities	**3,624,954**	3,837,729	2,597,987
INVESTING ACTIVITIES			
Net change in interest-bearing deposits in banks	**(15,883,481)**	(7,670,264)	14,453,033
Purchase of property and equipment	**(258,496)**	(163,940)	(196,860)
Purchase of securities available-for-sale	**(94,769,763)**	(63,094,734)	(36,516,901)
Purchase of restricted stock	**-**	(1,400)	(700)
Proceeds from sale of restricted stock	**-**	500,000	-
Proceeds from maturities of securities available-for-sale	**64,170,556**	37,885,575	20,129,713
Proceeds from sale of securities available-for-sale	**18,443,802**	15,876,351	5,341,028
Net (increase) decrease in loans to customers	**13,177,711**	475,050	(10,229,635)
Proceeds from sale of ORE and other assets	**1,385,213**	193,507	1,207,746
Net cash (used) by investing activities	**(13,734,458)**	(15,999,855)	(5,812,576)
FINANCING ACTIVITIES			
Net increase in customer deposits	**1,079,691**	6,273,092	15,211,365
Treasury stock purchased	**(140,000)**	(7,017)	(53,146)
Proceeds from sale of treasury stock	**-**	-	2,878
Decrease in Federal Home Loan Bank Advances	**(962,025)**	(34,695)	(32,901)
Repayment of notes payable	**(500,000)**	(500,000)	-
Dividends paid	**(212,789)**	(106,418)	(106,607)
Net cash provided by (used by) financing activities	**(735,123)**	5,624,962	15,021,589
Increase (decrease) in cash and cash equivalents	**(10,844,627)**	(6,537,164)	11,807,000
Beginning of year	**21,866,736**	28,403,900	16,596,900
End of year	**$ 11,022,109**	$ 21,866,736	$ 28,403,900
SUPPLEMENTAL DISCLOSURES			
Interest paid on deposits	**$ 1,086,219**	$ 1,111,136	$ 1,298,938
Interest paid on debt	**$ 168,805**	$ 217,817	$ 229,040
Income taxes paid	**$ 575,200**	$ 873,000	$ 566,100
NONCASH FINANCING TRANSACTIONS			
Real estate and other assets repossessed	**$ -**	$ -	$ 201,206

The accompanying notes are an integral part of the consolidated financial statements.

Note 1 - Summary of Significant Accounting Policies

Nature of Operations - AmTex Bancshares, Incorporated (the Company) is a bank holding company whose principal activity is the ownership and management of three wholly-owned banks; Bridge City Bank, Peoples State Bank, and Pavillion Bank (the Banks). The Company's other subsidiary is AmTex Data Processing Services, Incorporated which provides data processing services for the Banks. The Banks generate commercial (including agricultural), mortgage, and consumer loans and receive deposits from customers located primarily in the Texas counties of Orange, San Jacinto, and Dallas. The Banks operate under state bank charters and provide full banking services. As state banks, the Banks are subject to regulation by the Texas State Banking Department and the Federal Deposit Insurance Corporation.

Basis of Consolidation - The consolidated financial statements include the accounts of AmTex Bancshares, Incorporated and its wholly-owned subsidiaries after elimination of all material intercompany transactions and balances.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Banks' loans are generally secured by specific items of collateral including real property, consumer assets, and business assets. Although the Banks have a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Banks to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Reclassification - Certain amounts in the 2015 and 2014 consolidated financial statements have been reclassified to conform to the 2016 presentation.

Investment Securities - Debt securities that management has the positive ability and intent to hold to maturity are classified as held-to-maturity and carried at amortized cost. The amortization of premium and accretion of discounts are recognized using methods approximating the interest method. At December 31, 2016 and 2015, the Company and Banks did not own any securities classified as held-to-maturity.

Debt securities not classified as held-to-maturity are classified as available-for-sale. Securities available-for-sale are carried at fair value with unrealized gains and losses reported in other comprehensive income. Realized gains (losses) on securities available-for-sale are included in other gains and losses and, when applicable, are reported as a reclassification adjustment, net of tax, out of other comprehensive income. Gains and losses on sales of securities are determined based on the specific-identification method.

Declines in the fair value of individual held-to-maturity and available-for-sale securities below their cost that are other than temporary result in write-downs of the individual securities to their fair value. The related write-downs are included in earnings as realized losses. See also Note 2.

The Company did not consider any of its securities as "trading securities," which would be any securities held principally for resale in the near term.

Note 1 - Summary of Significant Accounting Policies (continued)

Loans - Loans for which management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances reduced by any charge-offs or specific valuation accounts and net of any deferred fees or costs.

Interest is recognized based on the terms of individual loan agreements.

Unearned discounts on installment loans are recognized as income over the term of the loans using a method that approximates the interest method.

Loan origination and commitment fees, as well as certain direct origination costs, are deferred and amortized as a yield adjustment over the lives of the related loans using the interest method. Amortization of deferred loan fees is discontinued when a loan is placed on nonaccrual status.

See additional discussion in Note 3.

Allowance for Loan Losses - The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of specific, general, and unallocated components. The specific component relates to loans that are classified as doubtful or substandard. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers pass and special mention loans.

See additional discussion in Note 3.

Premises and Equipment - Land is carried at cost. Other premises and equipment are carried at cost net of accumulated depreciation. The Company uses both straight-line and accelerated depreciation methods over the useful lives of the assets based on the Company's judgment for the individual assets. Maintenance and repairs are expensed as incurred, while major additions and improvements are capitalized. Gains and losses on dispositions are included in current operations.

The cost of lease obligations are included in occupancy expense. See also Note 4.

Other Real Estate Owned - Real estate properties acquired through or in lieu of loan foreclosure are initially recorded at the lower of the Banks' carrying amount or fair value less estimated selling cost at the date of foreclosure. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for loan losses. Costs relating to holding property are expensed. Valuations are periodically performed by the Banks, and any subsequent write-downs are recorded as a charge to operations, if necessary, to reduce the carrying value of a property to the lower of its cost or fair value less cost to sell. The Banks continuously pursue the sale of these assets for fair sales prices and have no intention to hold the assets longer than one year if reasonably possible.

Unamortized Excess of Costs Over Net Assets Acquired - Unamortized excess of costs over net assets acquired consists of goodwill purchased in a subsidiary bank in 1987 and goodwill from the purchase of fractional shares and out-of-state shares in subsidiary banks in 1985. During years 1987 through 2001, as was required by generally accepted accounting principles, an amount of the goodwill purchased during 1987 was allocated to federal income tax loss carryforwards when they were realized and the remainder was amortized over a 40 year period. Effective January 1, 2002, the Company ceased amortization of goodwill in accordance with FASB ASC 350, Intangibles - Goodwill and Other. The Company assesses goodwill for impairment annually.

Note 1 - Summary of Significant Accounting Policies (continued)

Advertising - The Company's policy is to expense advertising costs as they are incurred. For the years ended December 31, 2016, 2015, and 2014 total advertising cost was $45,577, $33,516, and $48,846, respectively, and was included in the consolidated statements of income in "other" expense.

Income Taxes - Income taxes are provided for the tax effects of the transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of the allowance for loan losses, unrealized holding gains and losses on securities available-for-sale, and accumulated depreciation. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are reflected at income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

The Company files consolidated income tax returns with its subsidiaries. Current federal income taxes of each subsidiary are calculated independent of consolidation. Each subsidiary is responsible for paying the Company for its share of the current income taxes.

The Company has determined that there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income tax expense. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors. Generally, federal, state, and local authorities may examine the Company's tax returns for three years from the filing date and the current and prior three years remain subject to examination as of December 31, 2016.

Cash and Cash Equivalents - For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash and balances due from banks and federal funds sold, all of which have maturities of 90 days or less.

Interest-bearing Deposits in Banks - Interest-bearing deposits in banks are carried at cost.

Subsidiaries - On June 28, 1985, AmTex Bancshares, Inc. acquired the outstanding shares of common stock of Bridge City Bank, Bridge City, Texas; and Peoples State Bank, Shepherd, Texas. Since both companies were under common control, the acquisition was treated as a reorganization and accounted for as a pooling of interests.

On March 31, 1987, AmTex Bancshares, Inc. acquired the outstanding shares of common stock of Pavillion Bank, Dallas, Texas. The acquisition was accounted for as a purchase.

During 1989, the Company organized AmTex Data Processing Services, Inc. for the purpose of providing data processing services to Company owned Banks.

Accordingly, the consolidated financial statements include the accounts of the individual companies on a basis which conforms with AmTex Bancshares, Inc.'s accounting policies.

The consolidating financial position of the companies at December 31, 2016, and the consolidating results of operations of the individual companies for the year ended December 31, 2016, are shown as supplemental information.

Note 2 - Investment Securities

Securities available-for-sale consist of the following:

	December 31, 2016			
	Amortized Cost	**Gross Un-realized Gains**	**Gross Un-realized Losses**	**Fair Value**
U.S. Government and Federal agencies	**$ 41,510,535**	**$ 4,823**	**$(1,055,637)**	**$ 40,459,721**
Mortgage-backed securities	**57,372,202**	**100,895**	**(1,347,647)**	**56,125,450**
State and municipal government securities	**65,631,240**	**561,859**	**(1,071,966)**	**65,121,133**
U.S. treasury securities	**-**	**-**	**-**	**-**
Other debt securities	**243,687**	**-**	**(2,276)**	**241,411**
	$ 164,757,664	**$ 667,577**	**$(3,477,526)**	**$ 161,947,715**

	December 31, 2015			
	Amortized Cost	Gross Un-realized Gains	Gross Un-realized Losses	Fair Value
U.S. Government and Federal agencies	$ 39,779,568	$ 4,342	$(285,993)	$ 39,497,917
Mortgage-backed securities	55,516,623	169,256	(762,298)	54,923,581
State and municipal government securities	56,525,175	1,154,479	(46,018)	57,633,636
U.S. treasury securities	1,002,671	-	(8,765)	993,906
Other debt securities	597,348	7,911	(819)	604,440
	$ 153,421,385	$ 1,335,988	$(1,103,893)	$ 153,653,480

The following is a summary of the contractual maturities of securities as of December 31, 2016:

	Securities Available-for-Sale	
	Amortized Cost	Fair Value
Amounts maturing in:		
One year or less	$ 5,698,416	$ 5,714,016
After one year through five years	49,987,550	50,079,815
After five years through ten years	36,509,936	35,566,509
Over ten years	72,561,762	70,587,375
	$164,757,664	$ 161,947,715

Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

Note 2 - Investment Securities (continued)

Information pertaining to securities available-for-sale with gross unrealized losses at December 31, 2016 and 2015, aggregated by investment category and length of time individual securities have been in a continuous loss position are as follows:

	December 31, 2016					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale:						
U.S. Government and Federal agencies	$ 35,877,803	$(1,055,637)	$ -	$ -	$ 35,877,803	$(1,055,637)
Mortgage-backed securities	45,619,557	(1,170,586)	3,877,807	(177,061)	49,497,364	(1,347,647)
State and municipal government securities	26,144,893	(1,059,224)	721,512	(12,742)	26,866,405	(1,071,966)
U.S. treasury securities	-	-	-	-	-	-
Other debt securities	241,411	(2,276)	-	-	241,411	(2,276)
	$107,883,664	$(3,287,723)	$ 4,599,319	$(189,803)	$112,482,983	$(3,477,526)

	December 31, 2015					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale:						
U.S. Government and Federal agencies	$ 29,088,032	$(196,167)	$ 7,406,581	$(89,826)	$ 36,494,613	$(285,993)
Mortgage-backed securities	35,625,730	(503,413)	6,990,875	(258,885)	42,616,605	(762,298)
State and municipal government securities	3,750,483	(14,538)	2,137,701	(31,480)	5,888,184	(46,018)
U.S. treasury securities	993,906	(8,765)	-	-	993,906	(8,765)
Other debt securities	294,984	(819)	-	-	294,984	(819)
	$ 69,753,135	$(723,702)	$ 16,535,157	$(380,191)	$ 86,288,292	$(1,103,893)

The Company evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Banks to retain their investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

At December 31, 2016, the 190 debt securities with unrealized losses have depreciated approximately three percent from the Banks' amortized cost basis. These unrealized losses relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, the Company considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As the Banks have the ability to hold debt and equity securities for the foreseeable future, no declines are deemed to be other-than-temporary.

Securities carried at fair value of $42,380,842 with an amortized cost of $42,802,836 at December 31, 2016, and carried at fair value of $44,370,062 with an amortized cost of $44,278,564 at December 31, 2015, were pledged to secure public deposits as required or permitted by law.

Note 2 - Investment Securities (continued)

For the years ended December 31, 2016 and 2015, proceeds from sales of securities available-for-sale amounted to $18,443,802 and $15,876,351, respectively. Gross realized gains were $191,748 and $268,176, respectively, and there were no gross realized losses during the years ended December 31, 2016 and 2015. The tax provision applicable to this net realized gain is $65,194 and $91,180, respectively. The net realized gain also resulted in a reclassification of $126,554 and $176,996 (net of $65,194 and $91,180 deferred tax) out of other accumulated comprehensive income and into earnings for the years ended December 31, 2016 and 2015, respectively, which is calculated based on the specific identification method.

Subsidiary Banks invested $125,700 in Federal Home Loan Bank stock as of December 31, 2016 and 2015. The stock is shown at cost and is classified in the statements of financial condition as "other assets."

As of December 31, 2016 and 2015, the subsidiary Banks have invested a total of $150,000 in the common stock of Texas Independent Bank, a banker's bank. The stock is shown at cost and is classified in the statements of financial condition as "other assets."

During 2014, Pavillion Bank became a minority owner of 0.887 percent in 301 South Gulfview LLC as the result of a participation in a loan that defaulted. The investment was valued using the cost basis, and management regularly evaluates the investment for impairment. As of December 31, 2015, the investment was carried at $750,000 and was included in "other assets" in the statements of financial condition. In 2016 the Bank sold its investment in 301 South Gulfview LLC for $187,732 in excess of carrying value, and the gain is included in "other gains and non-recurring income" in the statements of income and comprehensive income.

Note 3 - Loans and Allowance for Loan Losses

Loans at December 31 are summarized as follows:

	2016	2015
Real estate	$ 117,700,312	$ 127,343,025
Commercial and industrial	15,875,384	18,826,282
Consumer	6,638,959	6,430,813
Other	7,007,573	7,776,750
Total loans	147,222,228	160,376,870
Less:		
Net deferred loan fees and expenses	(228,608)	(227,183)
Allowance for loan losses	(1,715,434)	(1,919,382)
	$ 145,278,186	$ 158,230,305

Allowance for Loan Losses

The Banks have an established methodology to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the their portfolios. For purposes of determining the allowance for loan losses, the Banks segment certain loans in their portfolio by type. The Banks' loans are segmented into the following pools: real estate, commercial and industrial, consumer, and other. The Banks also sub-segment the real estate pool into classes based on the associated risks within that segment. Real estate loans are divided into three classes: (a) construction and land, (b) 1-4 family residential, and (c) other. Analysis of each loan segment requires significant judgment to determine the estimation method that fits the credit risk characteristics of said segments. The Banks use internally developed models for these processes. The Banks must use judgment in establishing input metrics for the modeling processes.

Note 3 - **Loans and Allowance for Loan Losses** (continued)

The following are the factors the Banks use to determine the balance of the allowance account for each segment or class of loans.

Real Estate

Real estate loans are pooled by portfolio classes and historical loss percentages are applied to each class within this segment. The timeframes for the historical loss percentages vary between subsidiary banks, but all use an average of the last three to five years.

The Banks estimate an additional component of the allowance for loan losses for the non-impaired real estate segment. This component includes changes in (a) lending policies and procedures; (b) local, regional, and national economic and business conditions; (c) nature and volume of the portfolio; (d) capabilities of the staff; (e) trends of volume and severity of credit risk; (f) the loan review program and oversight provided by the Board of Directors; and (g) value of underlying credit. Additionally, the Banks estimate a component for the existence and effect of any concentrations of credit and the effects of external factors such as competition, legal, and regulatory requirements.

Commercial and Industrial

Commercial and industrial loans are not assessed at an underlying class level. A historical loss percentage is applied to this segment. The timeframes for the historical loss percentages vary between subsidiary banks, but all use an average of the last three to five years.

The Banks estimate an additional component of the allowance for loan losses for the non-impaired commercial and industrial loan segment. This component includes changes in (a) lending policies and procedures; (b) local, regional, and national economic and business conditions; (c) nature and volume of the portfolio; (d) capabilities of the staff; (e) trends of volume and severity of credit risk; (f) the loan review program and oversight provided by the Board of Directors; and (g) value of underlying credit. Additionally, the Banks estimate a component for the existence and effect of any concentrations of credit and the effects of external factors such as competition, legal, and regulatory requirements.

Consumer

Consumer loans are not assessed at an underlying class level. A historical loss percentage is applied to this segment. The timeframes for the historical loss percentage vary between subsidiary banks, but all use an average of the last three to five years.

The Banks estimate an additional component of the allowance for loan losses for the non-impaired consumer loan segment. This component includes changes in (a) lending policies and procedures; (b) local, regional, and national economic and business conditions; (c) nature and volume of the portfolio; (d) capabilities of the staff; (e) trends of volume and severity of credit risk; (f) the loan review program and oversight provided by the Board of Directors; and (g) value of underlying credit. Additionally, the Banks estimate a component for the existence and effect of any concentrations of credit and the effects of external factors such as competition, legal, and regulatory requirements.

Other

Other loans include loans that do not fall into one of the other segments and include loans such as overdrafts, agricultural loans, etc. Other loans are not assessed at an underlying class level. A historical loss percentage is applied to this segment. The timeframes for the historical loss percentage vary between subsidiary banks, but all use an average of the last three to five years.

The Banks estimate an additional component of the allowance for loan losses for the non-impaired other loan segment. This component includes changes in (a) lending policies and procedures; (b) local, regional, and national economic and business conditions; (c) nature and volume of the portfolio; (d) capabilities of the staff; (e) trends of volume and severity of credit risk; (f) the loan review program and oversight provided by the Board of Directors; and (g) value of underlying credit. Additionally, the Banks estimate a component for the existence and effect of any concentrations of credit and the effects of external factors such as competition, legal, and regulatory requirements.

Note 3 - Loans and Allowance for Loan Losses (continued)

Overdrafts of $63,172 as of December 31, 2016 and $50,861 as of December 31, 2015 were reclassified out of deposits and included in "other" loans.

The Company's Estimation Process

Reflected in the portions of the allowance previously described are amounts for imprecision or uncertainty that incorporate the range of probable outcomes inherent in estimates used for the allowance, which may change from period to period. This amount is the result of the Banks' judgment of risks inherent in the portfolios, economic uncertainties, historical loss experience and other subjective factors, including industry trends, calculated to better reflect the Banks' views of risk in each portfolio. No single statistic or measurement determines the adequacy of the allowance for loan losses. Changes in the allowance for loan losses and the related provision expense can materially affect net income.

Loans by Segment

The total allowance reflects management's estimate of loan losses inherent in the loan portfolio at the balance sheet date. The Company considers the allowance for loan losses of $1,715,434 and $1,919,382 adequate to cover loan losses inherent in the loan portfolio as of December 31, 2016 and 2015, respectively. The following tables present by portfolio segment, the changes in the allowance for loan losses and the recorded investment in loans for the years ended December 31, 2016 and 2015.

	December 31, 2016				
	Real Estate	Commercial & Industrial	Consumer	Other	Total
Allowance for credit losses:					
Beginning balance	$ 1,218,500	$ 442,154	$ 75,062	$ 183,666	$ 1,919,382
Charge-offs	-	(431,698)	(47,471)	(13,704)	(492,873)
Recoveries	195,670	8,358	3,565	281,924	489,517
Provision	(201,982)	330,084	52,540	(381,234)	(200,592)
Ending balance	$ 1,212,188	$ 348,898	$ 83,696	$ 70,652	$ 1,715,434
Ending balance: Individually evaluated for impairment	$ 53,389	$ 183,648	$ 9,586	$ -	$ 246,623
Ending balance: Collectively evaluated for impairment	$ 1,158,799	$ 165,250	$ 74,110	$ 70,652	$ 1,468,811
Loans:					
Ending balance	$ 117,700,312	$ 15,875,384	$ 6,638,959	$ 7,007,573	$ 147,222,228
Ending balance: Individually evaluated for impairment	$ 2,157,405	$ 1,508,362	$ 72,101	$ 527,972	$ 4,265,840
Ending balance: Collectively evaluated for impairment	$ 115,542,907	$ 14,367,022	$ 6,566,858	$ 6,479,601	$ 142,956,388

Note 3 - **Loans and Allowance for Loan Losses** (continued)

	December 31, 2015				
	Real Estate	Commercial & Industrial	Consumer	Other	Total
Allowance for credit losses:					
Beginning balance	$ 1,220,805	$ 517,942	$ 68,792	$ 141,743	$ 1,949,282
Charge-offs	(192,103)	(155,330)	(7,357)	(5,444)	(360,234)
Recoveries	19,075	5,348	7,593	50,665	82,681
Provision	170,723	74,194	6,034	(3,298)	247,653
Ending balance	$ 1,218,500	$ 442,154	$ 75,062	$ 183,666	$ 1,919,382
Ending balance: Individually evaluated for impairment	$ -	$ 48,972	$ 20,725	$ -	$ 69,697
Ending balance: Collectively evaluated for impairment	$ 1,218,500	$ 393,182	$ 54,337	$ 183,666	$ 1,849,685
Loans:					
Ending balance	$ 127,343,025	$ 18,826,282	$ 6,430,813	$ 7,776,750	$ 160,376,870
Ending balance: Individually evaluated for impairment	$ 1,345,677	$ 935,725	$ 58,447	$ 429,057	$ 2,768,906
Ending balance: Collectively evaluated for impairment	$ 125,997,348	$ 17,890,557	$ 6,372,366	$ 7,347,693	$ 157,607,964

Credit Quality Information

Each Bank evaluates the credit quality of its loans and classifies them according to their creditworthiness. The classifications are the same for all loan segments. The following is a general description of each credit quality class:

Pass – Unclassified loans are not considered a greater-than-normal risk. All loans within this credit quality indicator are evaluated on an ongoing basis.

Special Mention – Special mention loans are unclassified loans with a slightly greater than normal risk. All loans within this credit quality indicator are evaluated on an ongoing basis.

Substandard – Substandard loans are loans that are inadequately protected by the current net worth and paying capacity of the obligors or of the collateral pledged, if any. Loans classified substandard must have well-defined weaknesses or weaknesses that jeopardize the liquidation of the debts. The loans are characterized by the distinct possibilities that the Banks will sustain some loss if the deficiencies are not corrected. All loans within this credit quality indicator are evaluated on an ongoing basis.

Doubtful – Doubtful loans have the same weaknesses inherent in substandard loans with the added characteristic that the weaknesses make collection or liquidation highly questionable and improbable based on currently existing facts, conditions, and values. All loans within this credit quality indicator are evaluated on an ongoing basis.

The following tables represent credit exposures by creditworthiness category for the years ended December 31, 2016 and 2015.

Note 3 - Loans and Allowance for Loan Losses (continued)

	December 31, 2016						
	Real Estate						
	Construction & Land	1-4 Family Residential	Other	Commercial & Industrial	Consumer	Other	Total
Grade:							
Pass	$ 44,407,717	$ 39,276,599	$ 29,068,320	$ 13,359,449	$ 6,539,226	$ 6,479,601	$ 139,130,912
Special Mention	125,700	980,199	1,684,372	1,007,573	27,632	-	3,825,476
Substandard	-	1,801,873	355,532	1,275,566	72,101	527,972	4,033,044
Doubtful	-	-	-	232,796	-	-	232,796
Total	$ 44,533,417	$ 42,058,671	$ 31,108,224	$ 15,875,384	$ 6,638,959	$ 7,007,573	$ 147,222,228

	December 31, 2015						
	Real Estate						
	Construction & Land	1-4 Family Residential	Other	Commercial & Industrial	Consumer	Other	Total
Grade:							
Pass	$ 41,690,638	$ 46,714,207	$ 35,654,783	$ 16,573,483	$ 6,333,890	$ 7,347,693	$ 154,314,694
Special Mention	143,782	866,383	927,555	1,317,074	38,476	-	3,293,270
Substandard	26,245	991,849	327,583	881,009	18,660	429,057	2,674,403
Doubtful	-	-	-	54,716	39,787	-	94,503
Total	$ 41,860,665	$ 48,572,439	$ 36,909,921	$ 18,826,282	$ 6,430,813	$ 7,776,750	$ 160,376,870

Age Analysis of Past Due Loans by Class

The following tables include an aging analysis of the recorded investment of past due loans as of December 31, 2016 and 2015. Also included are loans that are 90 days or more past due as to interest and principal and still accruing because they are well-secured and in the process of collection.

	December 31, 2016					
	Current	30-89 Days Past Due	Greater than 90 Days and Still Accruing	Non-Accrual	Total Past Due	Total Loans
Real Estate:						
Construction & Land	$ 44,533,417	$ -	$ -	$ -	$ -	$ 44,533,417
1-4 Family Residential	40,267,608	1,243,011	237,918	310,134	1,791,063	42,058,671
Other	30,572,133	314,574	221,517	-	536,091	31,108,224
Commercial & Industrial	14,703,290	813,278	9,332	349,484	1,172,094	15,875,384
Consumer	6,532,499	53,274	53,186	-	106,460	6,638,959
Other	6,473,566	98,285	435,722	-	534,007	7,007,573
Total	$143,082,513	$ 2,522,422	$ 957,675	$ 659,618	$ 4,139,715	$ 147,222,228

Note 3 - **Loans and Allowance for Loan Losses** (continued)

	December 31, 2015					
	Current	30-89 Days Past Due	Greater than 90 Days and Still Accruing	Non-Accrual	Total Past Due	Total Loans
Real Estate:						
Construction & Land	$ 41,604,522	$ 256,143	$ -	$ -	$ 256,143	$ 41,860,665
1-4 Family Residential	47,967,653	183,778	36,356	384,652	604,786	48,572,439
Other	36,528,074	216,592	-	165,255	381,847	36,909,921
Commercial & Industrial	16,637,290	2,044,278	-	144,714	2,188,992	18,826,282
Consumer	6,298,156	92,870	-	39,787	132,657	6,430,813
Other	7,770,919	5,796	35	-	5,831	7,776,750
Total	$156,806,614	$ 2,799,457	$ 36,391	$ 734,408	$ 3,570,256	$ 160,376,870

For all loan classes, the Banks generally place loans on nonaccrual status when the full and timely collection of interest or principal becomes uncertain, part of the principal has been charged off and no restructuring has occurred, or the loans reach 90 days past due.

When the Banks place loans on nonaccrual status, the Banks reverse the accrued unpaid interest receivable against interest income and account for the loans utilizing cash or cost recovery methods, until they qualify for return to accrual status. Generally, the Banks return loans to accrual status when all delinquent interest and principal become current under the terms of the loan agreements. The accounting for nonaccrual loans is consistent across all classes of loans.

The Banks have determined for all classes of loans that the entire balance of the loan is contractually delinquent if the payment is not received by the specified due date pursuant to the loan agreement. Interest and fees continue to accrue on past due loans until the date the loan goes into nonaccrual status, if applicable.

Impaired Loans

The Banks consider a loan to be impaired when, based on current information and events, they determine that they will not be able to collect all amounts due according to the loan contract, including scheduled interest payments. Determination of impairment is treated the same across all classes of loans. When the Banks identify a loan as impaired, they measure the impairment based on the present value of expected future cash flows, discounted at the loan's effective interest rate, except when the sole (remaining) source of repayment for the loan is the operation or liquidation of the collateral. In these cases, the Banks use the current fair value of the collateral, less selling costs when foreclosure is probable, instead of discounted cash flows (net of previous charge-offs, deferred loan fees or costs and unamortized premium or discount), the Banks recognize impairment through an allowance estimate or a charge-off to the allowance.

The following tables include the recorded investment and unpaid principal balances for impaired loans with the associated allowance amounts, if applicable, as of December 31, 2016, 2015, and 2014.

Also presented is the average recorded investment of the impaired loans and the related amount of interest recognized during the time within the period that the loans were impaired. When the ultimate collectability of the total principal of an impaired loan is in doubt and the loan is on nonaccrual status, all payments are applied to principal, under the cost recovery method. When the ultimate collectability of the total principal of an impaired loan is not in doubt and the loan is on nonaccrual status, contractual interest is credited to interest income when received, under the cash basis method. The average balances are calculated based on the beginning and year-end balances of the loans for the period reported.

Note 3 - Loans and Allowance for Loan Losses (continued)

	December 31, 2016				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Real Estate - Construction & Land	$ -	$ -	$ -	$ -	$ -
Real Estate - 1-4 Family Residential	1,801,873	1,801,873	-	1,831,069	102,457
Real Estate - Other	168,891	168,891	-	174,012	10,554
Commercial & Industrial	1,211,101	1,211,101	-	1,313,293	218,870
Consumer	18,915	18,915	-	21,162	1,210
Other	527,972	527,972	-	527,769	20,972
With an allowance recorded:					
Real Estate - Construction & Land	-	-	-	-	-
Real Estate - 1-4 Family Residential	-	-	-	-	-
Real Estate - Other	133,252	186,641	53,389	191,611	12,006
Commercial & Industrial	113,613	297,261	183,648	308,388	19,486
Consumer	43,600	53,186	9,586	54,355	2,617
Other	-	-	-	-	-
Total					
Real Estate	2,104,016	2,157,405	53,389	2,196,692	125,017
Commercial & Industrial	1,324,714	1,508,362	183,648	1,621,681	238,356
Consumer	62,515	72,101	9,586	75,517	3,827
Other	527,972	527,972	-	527,769	20,972

	December 31, 2015				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Real Estate - Construction & Land	$ 26,245	$ 26,245	$ -	$ 27,076	$ 1,932
Real Estate - 1-4 Family Residential	991,849	991,849	-	1,012,283	47,645
Real Estate - Other	327,583	327,583	-	335,934	10,433
Commercial & Industrial	771,985	771,985	-	871,496	15,257
Consumer	18,660	18,660	-	21,077	1,466
Other	429,057	429,057	-	425,268	30,988
With an allowance recorded:					
Real Estate - Construction & Land	-	-	-	-	-
Real Estate - 1-4 Family Residential	-	-	-	-	-
Real Estate - Other	-	-	-	-	-
Commercial & Industrial	114,768	163,740	48,972	179,864	21,147
Consumer	19,062	39,787	20,725	41,618	1,714
Other	-	-	-	-	-
Total					
Real Estate	1,345,677	1,345,677	-	1,375,293	60,010
Commercial & Industrial	886,753	935,725	48,972	1,051,360	36,404
Consumer	37,722	58,447	20,725	62,695	3,180
Other	429,057	429,057	-	425,268	30,988

Note 3 - Loans and Allowance for Loan Losses (continued)

	December 31, 2014				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Real Estate - Construction & Land	$ 138,794	$ 138,794	$ -	$ 293,839	$ 4,822
Real Estate - 1-4 Family Residential	561,543	561,543	-	576,481	40,331
Real Estate - Other	2,139,013	2,139,013	-	2,168,544	119,882
Commercial & Industrial	-	-	-	-	-
Consumer	19,158	19,158	-	23,913	2,025
Other	-	-	-	-	-
With an allowance recorded:					
Real Estate - Construction & Land	-	-	-	-	-
Real Estate - 1-4 Family Residential	118,200	150,261	32,061	150,604	1,789
Real Estate - Other	132,324	141,856	9,532	144,114	9,553
Commercial & Industrial	239,256	363,053	123,797	408,522	25,157
Consumer	21,725	43,450	21,725	65,675	5,568
Other	-	-	-	-	-
Total					
Real Estate	3,089,874	3,131,467	41,593	3,333,582	176,377
Commercial & Industrial	239,256	363,053	123,797	408,522	25,157
Consumer	40,883	62,608	21,725	89,588	7,593
Other	-	-	-	-	-

Participations

Pavillion Bank purchased loans from unrelated entities with outstanding balances of $522,590 and $161,930 as of December 31, 2016 and 2015, respectively. The Bank serviced loans for others with outstanding balances of $1,226,718 and $3,184,041 as of December 31, 2016 and 2015, respectively. A portion of the loans serviced were transacted with sister banks and directors. The total participations sold to sister banks and directors outstanding at December 31, 2016 and 2015, were $1,109,414 and $1,331,323, respectively.

Bridge City Bank purchased loans from unrelated entities with outstanding principal balances of $4,137,810 and $6,114,525 as of December 31, 2016 and 2015, respectively.

Peoples State Bank purchased loans from unrelated entities with outstanding principal balances of $627,637 and $1,362,307 as of December 31, 2016 and 2015, respectively.

Note 4 – Property and Equipment

Components of property and equipment included in the consolidated statements of financial condition at December 31 were as follows:

	2016	2015
At Cost:		
Land	**$ 1,778,114**	$ 1,778,114
Bank buildings	**8,528,961**	8,524,669
Leasehold improvements	**200,231**	148,001
Furniture and fixtures	**2,867,898**	2,805,723
Computers and equipment	**2,098,275**	2,051,327
Automobiles	**76,517**	52,101
ATMs	**169,115**	160,044
Total	**15,719,111**	15,519,979
Less accumulated depreciation	**(8,552,228)**	(8,176,020)
	$ 7,166,883	$ 7,343,959

Note 4 – Property and Equipment (continued)

Depreciation expense was $429,912, $442,765, and $487,047 for the years ended December 31, 2016, 2015, and 2014, respectively.

The Company leases a portion of its premises under an operating lease agreement with a related party. See also Note 12. The lease expires June 30, 2019, and is accounted for as an operating lease. The rental expense incurred under this lease was $39,000 for each of the years ended December 31, 2016, 2015, and 2014, and is expected to be $39,000 for each of the remaining years of the lease.

In addition to the scheduled lease payments, the Company is also required to pay certain maintenance charges, insurance, and property taxes as established in the contract.

Note 5 – Deposits

At December 31, 2016, the scheduled maturities of time deposits are as follows:

2017	$ 43,902,952
2018	7,868,849
2019	1,730,846
2020	2,166,854
2021 and later	1,884,788
	$ 57,554,289

At December 31, 2016 and 2015, time deposits greater than $250,000 totaled $19,027,616 and $19,931,378, respectively.

Note 6 – Notes Payable

On June 30, 2013, the Company refinanced a $3,500,000 note payable to a director and principal shareholder at a five percent rate of interest with a one-year term. The loan has renewed for a one year term at a five percent rate of interest on June 30. Principal reductions of $500,000 were made in 2016 and in 2015. The balance on the note payable as of December 31, 2016 and 2015 was $2,500,000 and $3,000,000, respectively. Interest is being paid quarterly, and all principal is due at maturity on June 30, 2017.

Note 7 – Financial Instruments With Off-Balance-Sheet Risk

In the normal course of business, the Banks have outstanding commitments and contingent liabilities, such as commitments to extend credit and standby letters of credit, which are not included in the accompanying consolidated financial statements. The Banks' exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and standby letters of credit is represented by the contractual or notional amount of those instruments. The Banks use the same credit policies in making such commitments as they do for instruments that are included in the consolidated statements of financial condition.

Financial instruments whose contract amount represents credit risk as of December 31, 2016, were as follows:

Commitments to extend credit secured by real estate	$ 19,525,622
Other commitments to extend credit	$ 7,173,911
Standby letters of credit	$ 388,772

Note 7 – Financial Instruments With Off-Balance-Sheet Risk (continued)

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition in the contract. Commitments may have fixed or variable rates and generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Banks evaluate each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if it is deemed necessary upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral varies but may include receivables, inventory, property, plant, equipment, and income-producing commercial properties.

Standby letters of credit and financial guarantees are conditional commitments issued by the Banks to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements including commercial paper, bond financing, and similar transactions. Standby letters of credit generally have fixed expiration dates and may require a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

Note 8 – Fair Value of Financial Instruments

Determination of Fair Value: The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with FASB ASC 820 Fair Value Measurements and Disclosures, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in some instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value, a reasonable point within the range, is most representative of fair value under current market conditions.

Fair Value Hierarchy: In accordance with this guidance, the Company groups its financial assets and financial liabilities generally measured at fair value into three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

Cash and Cash Equivalents and Interest-Bearing Deposits in Banks

The carrying amounts of cash and cash equivalents and interest-bearing deposits in banks are estimated to approximate the carrying amounts.

Securities

Where quoted prices are available in an active market, the Company classifies the securities within Level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds and exchange-traded equities.

If quoted market prices are not available, the Company estimates fair values using pricing models and discounted cash flows that consider standard input factors such as observable market data and broker/dealer quotes. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include most debt securities such as mortgage-backed, state and municipal, and pass-through securities.

Loans Receivable

For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. Fair values for certain mortgage loans (for example, one-to-four family residential), credit card loans, and other consumer loans are based on quoted market prices of similar loans sold in conjunction with securitization transactions, adjusted for differences in loan characteristics. Fair values for nonperforming loans are estimated using discounted cash flow analyses or underlying collateral values, where applicable. Management estimates that carrying value approximates fair value.

Deposit Liabilities

The fair values disclosed for demand deposits (for example, interest and noninterest checking, savings, and certain types of money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (that is, their carrying amounts). The carrying amounts of variable-rate, fixed-term money market accounts and certificates of deposit approximate their fair values at the reporting date. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies market interest rates on comparable instruments to a schedule of aggregated expected monthly maturities on time deposits.

Notes Payable, Due to Related Party

Fair values of short-term borrowings are estimated using discounted cash flow analyses based on current market rates for similar types of borrowing arrangements.

Off-Balance-Sheet, Credit-Related Instruments

Fair values for off-balance-sheet, credit-related financial instruments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing.

Note 8 – **Fair Value of Financial Instruments** (continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2016, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value
Securities Available-for-Sale				
U.S. Government and Federal Agencies	$ -	$ 40,459,721	$ -	$ 40,459,721
Mortgaged-backed securities	-	56,125,450	-	56,125,450
State and municipal government securities	-	65,121,133	-	65,121,133
U.S. treasury securities	-	-	-	-
Other debt securities	-	241,411	-	241,411
Total assets at fair value	$ -	$ 161,947,715	$ -	$ 161,947,715

	Fair Value Measurements at December 31, 2015, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value
Securities Available-for-Sale				
U.S. Government and Federal Agencies	$ -	$ 39,497,917	$ -	$ 39,497,917
Mortgaged-backed securities	-	54,923,581	-	54,923,581
State and municipal government securities	-	57,633,636	-	57,633,636
U.S. treasury securities	-	993,906	-	993,906
Other debt securities	-	604,440	-	604,440
Total assets at fair value	-	$ 153,653,480	$ -	$ 153,653,480

Assets Measured at Fair Value on a Nonrecurring Basis

Under certain circumstances, the Company makes adjustments to fair value for assets and liabilities although they are not measured at fair value on an ongoing basis. The following table presents the financial instruments carried on the consolidated statements of financial condition by caption and by level in the fair value hierarchy for which a nonrecurring change in fair value has been recorded:

	Fair Value Measurements at December 31, 2016, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gain (Losses)
Financial assets:				
Impaired loans	$ -	$ -	$ 290,465	$(246,623)
Nonfinancial assets:				
Foreclosed assets	-	-	426,023	(455,297)
Total	$ -	$ -	$ 716,488	$(701,920)

Note 8 – Fair Value of Financial Instruments (continued)

	Fair Value Measurements at December 31, 2015, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gain (Losses)
Financial assets:				
Impaired loans	$ -	$ -	$ 133,830	$(69,697)
Nonfinancial assets:				
Foreclosed assets	-	-	644,231	(532,571)
Total	$ -	$ -	$ 778,061	$(602,268)

In accordance with the provisions of the loan impairment guidance (FASB ASC 310-10-35), individual loans with a carrying amount of $537,088 as of December 31, 2016 and $203,527 as of December 31, 2015 were written down to their fair value of $290,465 as of December 31, 2016 and $133,830 as of December 31, 2015, resulting in total recognized impairment of $246,623 and $69,697, respectively, which was included in the allowance for possible loan losses. Loans applicable to write-downs of impaired loans are estimated using the present value of expected cash flows or the appraised value of the underlying collateral discounted as necessary due to management's estimates of changes in economic conditions.

Other real estate owned is valued at the time the loan is foreclosed upon and the asset is transferred to other real estate owned. The value is based primarily on third party appraisals, less costs to sell. The appraisals are generally discounted based on management's historical knowledge, changes in market condition from the time of valuation, and/or management's expertise and knowledge of the client and client's business. Such discounts are typically significant and result in a Level 3 classification of the inputs for determining fair value. Other real estate owned is reviewed and evaluated on at least an annual basis for additional impairment and adjusted accordingly, based on the same factors identified above. During the years ended December 31, 2016, 2015, and 2014 there were write-downs on real estate owned of approximately $1,955, $189,498, and $320,563, respectively. The write-downs are included in "net loss on foreclosed assets" in the consolidated statements of income.

The estimated fair values, and related carrying or notional amounts, of the Company's financial instruments as of December 31 are as follows:

	2016		2015	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	**$ 11,022,109**	**$ 11,022,109**	$ 21,866,736	$ 21,866,736
Interest-bearing deposits in banks	**44,014,480**	**44,014,480**	28,130,999	28,130,999
Securities available-for-sale	**161,947,715**	**161,947,715**	153,653,480	153,653,480
Loans receivable	**145,278,186**	**145,278,186**	158,230,305	158,230,305
Financial liabilities				
Deposit liabilities	**336,861,290**	**336,861,290**	335,781,599	335,781,599
Notes payable, due to related parties	**2,500,000**	**2,500,000**	3,000,000	3,000,000
Unrecognized financial instruments				
Commitments to extend credit		**26,699,533**		25,200,151
Commercial and standby letters of credit		**388,772**		357,505

Note 9 – Federal Income Taxes and Deferred Income Taxes

The provision for income taxes for 2016, 2015, and 2014 consists of the following:

	2016	2015	2014
Current federal tax expense	**$ 724,110**	$ 803,314	$ 475,600
Deferred federal tax expense	**18,209**	53,427	109,599
	$ 742,319	$ 856,741	$ 585,199

The expected income tax expense at the statutory rate differs from the actual current income tax expense due to certain nontaxable income items (i.e., interest income from tax exempt securities and loans) and certain nondeductible items (i.e., interest expense related to carrying tax-exempt securities).

Deferred tax assets of $955,382 as of December 31, 2016 and deferred tax liabilities of $78,912 as of December 31, 2015 have been provided for the taxable temporary differences related to unrealized losses and gains on available-for-sale securities.

Other temporary differences giving rise to deferred tax assets and liabilities include differences between the financial statements and tax basis of the loan loss reserve, net deferred loan fees, property and equipment, and other real estate owned. The components of the net deferred taxes are summarized below:

	2016	2015
Deferred tax assets (net of valuation allowance of $230,309 for 2016 and $375,792 for 2015)	**$ 1,297,144**	$ 672,191
Deferred tax liabilities	**(150,426)**	(541,565)
	$ 1,146,718	$ 130,626

A valuation allowance for deferred tax assets was established because the Company believes that it is not likely that the Company will realize the tax benefit from the difference in the book and tax loan loss reserve in the foreseeable future.

	2016	2015
Balance of valuation allowance at beginning of year	**$ 375,792**	$ 406,000
Change in valuation allowance related to loan loss reserve	**(145,483)**	(30,208)
Balance of valuation allowance at end of year	**$ 230,309**	$ 375,792

Note 10 – Significant Group Concentrations of Credit Risk

Most of the Banks' business activity is with customers located within the state and their own banking area. As shown in Note 3, the Banks had loans with real estate as collateral in the amount of $117,700,312 and $127,343,025 as of December 31, 2016 and 2015, respectively. The loans are expected to be repaid from cash flow or proceeds from the sale of the collateral.

The Company and its subsidiaries maintain cash balances in financial institutions, which are insured by either the Federal Deposit Insurance Corporation or the Federal Reserve Bank. Under the FDIC and Federal Reserve Bank insured limits in effect at December 31, 2016 and 2015, the Banks exceeded the insured limits by approximately $3,297,631 and $5,730,574, respectively.

As shown in Note 12, as of December 31, 2016 and 2015, there were deposits held for related parties of $93,782,911 and $89,707,393, respectively.

Note 11 – Contingent Liabilities

The Company and its subsidiaries are parties to litigation and claims arising in the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such litigation and claims will not have a material adverse effect on the consolidated financial position of the Company.

Employees are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences and accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the cost of compensated absences when actually paid to employees.

Note 12 – Related Parties

The Company and its subsidiaries have entered into transactions with their directors, employees, and significant shareholders. Such transactions were made in the ordinary course of business consistent with the market for the same terms and conditions, including interest rates and collateral, as those prevailing at the same time for comparable transactions and did not, in the opinion of management, involve more than normal credit risk or present other unfavorable features.

Following is a summary of transactions and balances with related parties:

	2016	2015	2014
Commitments to fund additional loans as of year-end	**$ 267,928**	$ 142,782	$ 243,171
Deposits as of year-end	**$ 93,782,911**	$ 89,707,393	$ 82,596,710
Rent	**$ 39,000**	$ 39,000	$ 39,000
Legal, consulting, and loan fees paid	**$ 113,098**	$ 103,950	$ 173,423
Directors fees	**$ 477,883**	$ 440,875	$ 411,300

Related party loan activity for the years ended December 31 is as follows:

	2016	2015
Beginning balance	**$ 1,987,994**	$ 1,990,703
New loans	**172,699**	438,981
Repayments	**(508,400)**	(441,690)
Ending balance	**$ 1,652,293**	$ 1,987,994

See also Note 6 for information on notes payable to related parties.

Pavillion Bank serviced loans for related parties of $1,109,414 and $1,331,323 as of December 31, 2016 and 2015, respectively.

The Company and its subsidiaries have executed various transactions with each other, the effects of which have been eliminated from the consolidated financial statements. These transactions include data processing services, cash and due from banks/deposits, income taxes payable/receivable, and federal funds purchased and sold.

Note 13 – Employee Benefits

The Company and its subsidiaries have a retirement savings 401(k) plan in which substantially all employees may participate. The Company and subsidiaries match a portion of employee contributions based on a percentage of salary contributed by participants. The Company's consolidated expense for the plan was $100,417 in 2016, $96,487 in 2015, and $97,232 in 2014.

The Company and its subsidiaries provide medical, dental and disability insurance for active employees. The consolidated expense for the years ended December 31, 2016, 2015, and 2014 was $586,805, $545,876, and $573,365, respectively.

Note 14 – Available Lines of Credit

At December 31, 2016, Bridge City Bank had an unused line of credit with a financial institution. Bridge City Bank may draw Federal Fund advances up to $8,500,000 on a variable rate line of credit. Advances are to be repaid in full the next business day. The line of credit is available until terminated by the financial institution and is unsecured.

On June 22, 2016, Bridge City Bank entered into an agreement with First Tennessee Bank in which Bridge City Bank can borrow up to $7,500,000 in Federal Funds, which must be secured by acceptable investments held in safekeeping by First Tennessee Bank. The Federal Funds accommodation carries a variable interest rate and expires on June 30, 2017, if not cancelled earlier by First Tennessee Bank. This accommodation was not used in 2016.

At December 31, 2016 and 2015, Peoples State Bank had an unused line of credit with a financial institution. Peoples State Bank may draw Federal Fund advances up to $3,700,000 on the variable rate line of credit. Advances are to be repaid in full the next business day. The line of credit is available until terminated by Peoples State Bank and is collateralized by all unrestricted instruments or accounts Peoples State Bank maintains with this financial institution. Additional collateral may be required by the financial institution prior to selling Federal Funds to Peoples State Bank.

Peoples State Bank also maintains another unused line of credit with a financial institution at a rate to be determined by the lender when funds are borrowed. At December 31, 2016, Peoples State Bank had available balances on this line of credit of $16,560,000. As of December 31, 2016 and 2015, there were no outstanding balances on this line of credit. The line of credit is available until terminated by Peoples State Bank or the financial institution. Advances on this line of credit are secured under a blanket security agreement with qualifying mortgage loans held by Peoples State Bank whose December 31, 2016 unpaid principal balances approximate the total available under the line of credit.

At December 31, 2016 and 2015, Pavillion Bank had an unused line of credit with a financial institution. Pavillion Bank may draw Federal Fund advances up to $5,000,000 on the variable rate line of credit. Advances are to be repaid in full the next business day. The line of credit is available until terminated by Pavillion Bank and is collateralized by substantially all of Pavillion Bank's assets.

Pavillion Bank also maintains another line of credit with a financial institution at a rate to be determined by the lender when funds are borrowed. At December 31, 2016 and 2015, Pavillion Bank had available balances on this line of credit of $1,614,844 and $1,736,545, respectively. There was an outstanding balance on this line of credit of $962,025 as of December 31, 2015, reflected as Federal Home Loan Bank Advances in the statements of financial condition. The outstanding balance was paid off in full during 2016. The line of credit matures in 2017. The fixed interest rate on the outstanding balance was 5.32 percent. All advances are secured under a blanket security agreement with qualifying mortgage loans held by Pavillion Bank, whose December 31, 2016 unpaid principal balances approximate the total available under the line of credit.

Note 15 – Regulatory Matters

The Banks are subject to various regulatory capital requirements administrated by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Banks must meet specific capital guidelines that involve quantitative measures of the Banks' assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Banks' capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by the regulations to ensure capital adequacy require the Banks to maintain minimum amounts and ratios of total capital, tier 1 capital, and common equity tier 1 capital to risk-weighted assets (as defined in the regulations), and leverage capital, which is tier 1 capital to adjusted average total assets (as defined). Management believes as of December 31, 2016 and 2015, that the Banks meet all capital adequacy requirements to which they are subject.

The most recent notifications from the FDIC and Texas Department of Banking categorized the Banks as well capitalized under the regulatory framework for prompt corrective action. To be categorized as adequately capitalized, the Banks must maintain minimum total capital, common equity tier I capital, tier I capital, and leverage capital ratios as set forth in the tables below. The Banks exceeded these minimum ratio requirements. There are no conditions or events since those notifications that management believes has changed the Banks' category.

The following tables outline the regulatory components of the Banks' capital (in thousands) and capital ratios under the rules applicable at December 31, 2016 and 2015, respectively.

	As of December 31, 2016					
	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under the Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital						
(to Risk-Weighted Assets)						
Bridge City Bank	$18,137	21.17%	≥$6,852	≥ 8.00%	≥$8,566	≥10.00%
Pavillion Bank	$10,642	22.93%	≥$3,712	≥ 8.00%	≥$4,640	≥10.00%
Peoples State Bank	$10,586	21.49%	≥$3,941	≥ 8.00%	≥$4,926	≥10.00%
Tier I Capital						
(to Risk-Weighted Assets)						
Bridge City Bank	$17,438	20.36%	≥$3,426	≥ 4.00%	≥$5,139	≥ 6.00%
Pavillion Bank	$10,088	21.74%	≥$1,856	≥ 4.00%	≥$2,784	≥ 6.00%
Peoples State Bank	$10,078	20.46%	≥$1,970	≥ 4.00%	≥$2,955	≥ 6.00%
Common Equity Tier I Capital						
(to Risk-Weighted Assets)						
Bridge City Bank	$17,438	20.36%	≥$3,855	≥ 4.50%	≥$5,568	≥ 6.50%
Pavillion Bank	$10,088	21.74%	≥$2,088	≥ 4.50%	≥$3,016	≥ 6.50%
Peoples State Bank	$10,078	20.46%	≥$2,217	≥ 4.50%	≥$3,202	≥ 6.50%
Tier I Capital						
(to Average Total Assets)						
Bridge City Bank	$17,438	9.15%	≥$7,623	≥ 4.00%	≥$9,529	≥ 5.00%
Pavillion Bank	$10,088	13.41%	≥$3,010	≥ 4.00%	≥$3,762	≥ 5.00%
Peoples State Bank	$10,078	9.72%	≥$4,148	≥ 4.00%	≥$5,185	≥ 5.00%

Note 15 – Regulatory Matters (continued)

	As of December 31, 2015					
	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under the Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital (to Risk-Weighted Assets)						
Bridge City Bank	$17,106	19.70%	≥$6,945	≥ 8.00%	≥$8,681	≥10.00%
Pavillion Bank	$10,625	19.60%	≥$4,337	≥ 8.00%	≥$5,421	≥10.00%
Peoples State Bank	$ 9,984	19.74%	≥$4,047	≥ 8.00%	≥$5,059	≥10.00%
Tier I Capital (to Risk-Weighted Assets)						
Bridge City Bank	$16,164	18.62%	≥$3,473	≥ 4.00%	≥$5,209	≥ 6.00%
Pavillion Bank	$10,081	18.60%	≥$2,168	≥ 4.00%	≥$3,253	≥ 6.00%
Peoples State Bank	$ 9,481	18.74%	≥$2,033	≥ 4.00%	≥$3,035	≥ 6.00%
Common Equity Tier I Capital (to Risk-Weighted Assets)						
Bridge City Bank	$16,164	18.74%	≥$3,907	≥ 4.50%	≥$5,643	≥ 6.50%
Pavillion Bank	$10,081	18.60%	≥$2,439	≥ 4.50%	≥$3,524	≥ 6.50%
Peoples State Bank	$ 9,481	18.74%	≥$2,276	≥ 4.50%	≥$3,288	≥ 6.50%
Tier I Capital (to Average Total Assets)						
Bridge City Bank	$16,164	8.76%	≥$7,383	≥ 4.00%	≥$9,229	≥ 5.00%
Pavillion Bank	$10,081	12.28%	≥$3,283	≥ 4.00%	≥$4,104	≥ 5.00%
Peoples State Bank	$ 9,481	9.07%	≥$4,180	≥ 4.00%	≥$5,224	≥ 5.00%

Note 16 – Subsequent Events

The Company has evaluated subsequent events through April 10, 2017, the date which the financial statements were available to be issued.

Supplementary Information

Consolidating Schedules of of Financial Condition as of December 31, 2016

ASSETS		AMTEX BANCSHARES, INC.		BRIDGE CITY BANK		PEOPLES STATE BANK
Cash and due from banks	$	651,157	$	26,803,322	$	10,512,865
Securities available-for-sale		...		104,821,270		50,486,409
Federal funds sold		...		...		...
Loans, net of unearned discount		...		61,668,915		38,845,226
Less allowance for loan losses		...		670,191		498,686
Net loans		...		60,998,724		38,346,540
Premises and equipment		131,926		2,044,365		2,900,865
Other real estate		...		307,335		77,953
Investment in Bridge City Bank		16,281,347		...		...
Investment in Peoples State Bank		9,349,182		...		...
Investment in Pavillion Bank		11,468,697		...		...
Investment in AmTex Data Processing		202,115		...		...
Unamortized excess of costs over net assets acquired		53,672		...		...
Deferred tax asset		...		685,368		312,424
Other assets		33,792		1,074,719		694,381
Total assets	$	38,171,888	$	196,735,103	$	103,331,437
LIABILITIES						
Deposits:						
Demand	$	...	$	40,278,583	$	23,308,668
Savings		...		31,315,488		13,321,486
Money market investment		...		71,388,593		5,799,860
Certificates of deposit		...		17,878,145		27,212,165
Now accounts		...		19,391,852		24,243,597
Total deposits		...		180,252,661		93,885,776
Other liabilities		3,002,532		201,095		96,479
Deferred tax liability		...		...		...
Total liabilities		3,002,532		180,453,756		93,982,255
SHAREHOLDERS' EQUITY						
Capital stock authorized and issued		1,067,156		1,000,000		290,000
Capital surplus		2,554,062		5,000,000		3,710,000
Capital injection		...		...		...
Retained earnings		33,402,925		11,438,444		6,078,398
Accumulated other comprehensive gain (loss)		(1,854,787)		(1,157,097)		(729,216)
Total shareholders' equity		35,169,356		16,281,347		9,349,182
Total liabilities and shareholders' equity	$	38,171,888	$	196,735,103	$	103,331,437

PAVILLION BANK	AMTEX DATA PROCESSING	ELIMINATIONS	CONSOLIDATED BALANCE
$ 17,943,873	$ 8,879	$ (883,507)	$ 55,036,589
6,640,036	...	...	161,947,715
...	...	...	...
46,514,609	...	(35,130)	146,993,620
546,557	...	...	1,715,434
45,968,052	...	(35,130)	145,278,186
2,026,123	63,604	...	7,166,883
761,907	...		1,147,195
...	...	(16,281,347)	...
...	...	(9,349,182)	...
...	...	(11,468,697)	...
...	...	(202,115)	...
...	...	1,353,836	1,407,508
...	165,656	(16,730)	1,146,718
419,605	7,596	(5,175)	2,224,918
$ 73,759,596	$ 245,735	$ (36,888,047)	$ 375,355,712
$ 20,349,375	$ ...	$ (667,036)	83,269,590
3,162,516	...	...	47,799,490
27,414,019	...	...	104,602,472
12,463,979	...	...	57,554,289
...	...	...	43,635,449
63,389,889	...	(667,036)	336,861,290
232,929	43,632	(251,601)	3,325,066
16,730	...	(16,730)	...
63,639,548	43,632	(935,367)	340,186,356
1,387,500	1,000	(2,678,500)	1,067,156
4,012,500	5,119	(12,727,619)	2,554,062
4,008,000	373,000	(4,381,000)	...
680,317	(177,016)	(18,020,143)	33,402,925
31,731	...	1,854,582	(1,854,787)
10,120,048	202,103	(35,952,680)	35,169,356
$ 73,759,596	$ 245,735	$ (36,888,047)	$ 375,355,712

Consolidating Schedules of Income for the year ended December 31, 2016

	AMTEX BANCSHARES, INC.	BRIDGE CITY BANK	PEOPLES STATE BANK
INTEREST INCOME			
Commercial	$ ...	$ 572,066	$ 113,915
Real estate	...	2,888,212	1,894,401
Installment	...	114,971	334,524
Federal funds sold	...	...	...
Municipal bonds	...	666,935	318,672
Non-taxable	...	...	856
U.S. Government securities	...	1,356,145	576,433
Other loan income	...	384,896	207,499
Deposits with banks	...	61,455	92,617
Total interest income	...	6,044,680	3,538,917
INTEREST EXPENSE			
Deposits	...	(642,232)	(255,716)
Federal funds purchased	...	...	...
Other borrowed funds	(140,591)	...	...
Total interest expense	(140,591)	(642,232)	(255,716)
NET INTEREST INCOME	(140,591)	5,402,448	3,283,201
Reduction of provision for loan losses	...	(109,400)	274,992
Net interest income after reduction of provision for loan losses	(140,591)	5,293,048	3,558,193
OTHER INCOME (EXPENSE)			
Equity in subsidiaries net income	3,583,020	...	...
Other operating income (expense)	9,649	732,598	855,853
OTHER GAINS AND (LOSSES)			
Non-recurring items	...	...	...
Net gain (loss) on sale of assets	...	148,762	95,485
OTHER EXPENSES			
Salaries and employee benefits	(391,073)	(2,068,380)	(1,521,688)
Occupancy	(111,325)	(322,475)	(270,188)
Equipment	(9,632)	(67,387)	(114,854)
Net (loss) income on foreclosed assets	...	(18,486)	(8,226)
Other	(332,260)	(1,382,876)	(1,398,414)
Total other expense	(844,290)	(3,859,604)	(3,313,370)
Income before income tax (expense) benefit	2,607,788	2,314,804	1,196,161
Applicable income tax (expense) benefit	(744,616)	(540,947)	(224,298)
NET INCOME	1,863,172	1,773,857	971,863
FEDERAL INCOME TAX BENEFIT	1,112,520	...	...
	$ 2,975,692	$ 1,773,857	$ 971,863

PAVILLION BANK	AMTEX DATA PROCESSING	ELIMINATIONS	CONSOLIDATED INCOME
$ 325,195	$ - - -	$ (1,121)	$ 1,010,055
2,257,948	- - -	- - -	7,040,561
53,734	- - -	- - -	503,229
- - -	- - -	- - -	- - -
160,079	- - -	- - -	1,145,686
5,212	- - -	- - -	6,068
- - -	- - -	- - -	1,932,578
204,721	- - -	- - -	797,116
71,888	- - -	- - -	225,960
3,078,777	- - -	(1,121)	12,661,253
(189,507)	- - -	- - -	(1,087,455)
- - -	- - -	- - -	- - -
(28,214)	(1,121)	1,121	(168,805)
(217,721)	(1,121)	1,121	(1,256,260)
2,861,056	(1,121)	- - -	11,404,993
60,000	- - -	- - -	225,592
2,921,056	(1,121)	- - -	11,630,585
- - -	- - -	(3,583,020)	- - -
192,054	707,607	(707,607)	1,790,154
70,666	- - -	- - -	70,666
254,876	6,588	- - -	505,711
(1,196,480)	(494,792)	- - -	(5,672,413)
(257,805)	(55,312)	- - -	(1,017,105)
(42,406)	(39,996)	- - -	(274,275)
(17,289)	- - -	- - -	(44,001)
(742,680)	(122,688)	707,607	(3,271,311)
(2,256,660)	(712,788)	707,607	(10,279,105)
1,181,992	286	(3,583,020)	3,718,011
(344,878)	(100)	1,112,520	(742,319)
837,114	186	(2,470,500)	2,975,692
- - -	- - -	(1,112,520)	- - -
$ 837,114	$ 186	$ (3,583,020)	$ 2,975,692

AmTex Bancshares, Inc.

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Orange, Texas 77632

Executive Committee

John Brooks
Rucie E. Odom
Robert A. Walker
Stephen K. Storey

Officers

Benjamin C. Thacker
CFO/ Auditor/ Secretary/ Treasurer

Alan Turner
Controller/ Auditor

Ryné Whitehead
Operations Officer/ Auditor

Directors

John Brooks
Robert P. Cormier
Jerry W. Davidson
Clifford W. Miller
Rucie E. Odom
Rockney Pletcher
Stephen K. Storey
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Alan Turner
Director in Charge

Benjamin C. Thacker
Secretary

Sarah Halliburton
Director of Operations

Directors

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Chairman of the Board/ *President/ CEO*

Brenda Edwards
Senior Vice President/ COO

Kim Davis
Senior Vice President

Gay Maywald
Vice President/ Secretary

Steve Monk
Vice President

Stacy James
Vice President

Rhonda Wells
Operations Officer/ BSA Officer

Judy Thompson
Assistant *Vice President*

Directors

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Robert P. Cormier
Jerry W. Davidson
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Wayne Peveto
Scott Hale
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Louis Brusini
Senior Vice President

Dale Chandler
Senior *Vice President*

Jo Philo
Compliance Officer/ CRA

Dawn Jackson
Assistant *Vice President*

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Banking Officer

Judy Pressel
Banking Officer

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Marshal W. Dooley
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Rockney Pletcher
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Pam Ellis
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Renee Smith
Assistant Cashier/ BSA Officer

Amber Gentz
Vice President/ Branch Manager

Sherry Taylor
Vice President/ Branch Manager

Ruben Villa
Compliance Officer

Pam Holbrook
Branch Operation Officer

Regina Green
Assistant Branch Manager

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Mark Hamilton
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