Annual Report of Holding Companies—FR Y-6

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.

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

Report's Legal Entity Identifier (LEI) (20-character LEI Code)

N/A

Reporters Name, Street, and Mailing Address

Peoples Bancorp, Inc.
Title of Holding Company
Sr. EVP & CFO, Secretary & Treasurer
Name, Street, City, State, Zip Code

Jon D. Drake

Name of the Holding Company Director and Official
Sr. EVP & CFO, Secretary & Treasurer
Title of the Holding Company Director and Official

5820 82nd Street
(Mailing Address of the Holding Company) Street / P.O. Box
Lubbock TX 79424

City State Zip Code

Physical Location (if different from mailing address)

Jon D. Drake Sr. EVP & CFO

Name Title
806-776-2006
Area Code / Phone Number / Extension
806-771-2288
Area Code / FAX Number

E-mail Address
jd Drake@peoplesbanktexas.com

Address (URL) for the Holding Company's web page
https://www.peoplesbanktexas.com

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

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.

12/2016
Report Item 2:

ORGANIZATIONAL CHART

Peoples Bancorp, Inc.
Lubbock, Texas (a Texas Corp.)

LEI: None

Owns 100% of

Peoples (TX) Statutory Trust I (TPSI)
Lubbock, Texas (a Delaware Corp)

LEI: None

Owns 100% of

Peoples (TX) Statutory Trust II (TPSII)
Lubbock, Texas (a Delaware Corp)

LEI: NONE

Owns 100% of

Peoples Bank (PB)
Lubbock, Texas (a Texas Corp.)

LEI: 549300X7PN8KSYQHY415 - Peoples Bank
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_RSSID columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSID</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM</th>
<th>Office Number</th>
<th>Head Office</th>
<th>Head Office ID_RSSID</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>OK</td>
<td>2018-12-31</td>
<td>Full Service (Head Office)</td>
<td>B19855</td>
<td>PEOPLES BANK</td>
<td>5400 BEND STREET</td>
<td>LUBBOCK</td>
<td>TX</td>
<td>79424-8617</td>
<td>LUBBOCK</td>
<td>UNITED STATES</td>
<td>121582</td>
<td>0</td>
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<td>Full Service</td>
<td>3211419</td>
<td>LORENZO BRANCH</td>
<td>4141 HARRISON AVENUE</td>
<td>LUBBOCK</td>
<td>TX</td>
<td>79423-8620</td>
<td>CROSSY</td>
<td>UNITED STATES</td>
<td>121924</td>
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<td>Full Service</td>
<td>3229533</td>
<td>34TH STREET BRANCH</td>
<td>3800 34TH STREET</td>
<td>LUBBOCK</td>
<td>TX</td>
<td>79410-2635</td>
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<td>1229731</td>
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<td>2018-12-31</td>
<td>Full Service</td>
<td>3734855</td>
<td>NAZARETH BRANCH</td>
<td>101 WEST HWY 66</td>
<td>NAZARETH</td>
<td>TX</td>
<td>79863</td>
<td>CASTRO</td>
<td>UNITED STATES</td>
<td>1442002</td>
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<tr>
<td>OK</td>
<td>2018-12-31</td>
<td>Full Service</td>
<td>7506821</td>
<td>POST BRANCH</td>
<td>815 NORTH BROADWAY STREET</td>
<td>POST</td>
<td>TX</td>
<td>79358</td>
<td>GARZA</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
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<tr>
<td>OK</td>
<td>2018-12-31</td>
<td>Full Service</td>
<td>3031560</td>
<td>SHALLOWATER BRANCH</td>
<td>7303 HIGHWAY 84</td>
<td>SHALLOWATER</td>
<td>TX</td>
<td>79363-3738</td>
<td>LUBBOCK</td>
<td>UNITED STATES</td>
<td>127821</td>
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<tr>
<td>OK</td>
<td>2018-12-31</td>
<td>Full Service</td>
<td>4413849</td>
<td>SLATON BANKING CENTER</td>
<td>1505 WEST DIVISION STREET</td>
<td>SLATON</td>
<td>TX</td>
<td>79364</td>
<td>LUBBOCK</td>
<td>UNITED STATES</td>
<td>131363</td>
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<td>PEOPLES BANK</td>
<td>B19855</td>
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</tbody>
</table>
Report Item 2b:

Verified Branches via http://structurelists.federalreserve.gov/
and emailed to structureverification@dal.frb.org in Microsoft Excel workbook format on 3/21/2017
Report Item 3:
Shareholders exceeding 5%
attached
Form FR Y-6
Peoples Bancorp, Inc.
Lubbock, Texas
Fiscal Year Ending December 31, 2016

Report Item 3: Securities Holders

<table>
<thead>
<tr>
<th>(1)(a)</th>
<th>(1)(b)</th>
<th>(1)(c)</th>
<th>Securities Holders not listed in 3(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name &amp; Address (City, State, Country)</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number and Percentage of Each Class of Voting Securities</td>
<td>Name &amp; Address (City, State, Country)</td>
</tr>
<tr>
<td>Samuel R. Scheef, Lubbock, TX USA 79424</td>
<td>USA</td>
<td>60,420 (9.46%)</td>
<td></td>
</tr>
<tr>
<td>Davron Santa Fe Properties, Ltd., Wolfforth, TX USA 79382 (Partnership between Ronnie Bilbo and David Foster, Lubbock, TX USA 79424 who also each have 1.66% ownership individually)</td>
<td>USA</td>
<td>39,800 (6.23%)</td>
<td></td>
</tr>
<tr>
<td>Shipley Brothers, Inc. Levelland, TX USA 79336</td>
<td>USA</td>
<td>37,252 (5.83%)</td>
<td></td>
</tr>
<tr>
<td>Larry &amp; Vanita Moore, Lubbock, TX USA 79424</td>
<td>USA</td>
<td>36,686 (5.74%)</td>
<td></td>
</tr>
<tr>
<td>Russell Lepard, Lubbock TX USA 79407</td>
<td>USA</td>
<td>34,000 (5.33%)</td>
<td></td>
</tr>
</tbody>
</table>
Report Item 4: Directors and Officers

attached
## Form FR Y-6
Peoples Bancorp, Inc.
Lubbock, Texas
Fiscal Year Ending December 31, 2016

### Report Item 4: Insiders

<table>
<thead>
<tr>
<th>Names &amp; Address (City, State, Country)</th>
<th>Principal Occupation if other than with holding company</th>
<th>Title &amp; Position with holding company</th>
<th>Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>Title &amp; Position with Other Businesses (include names of other businesses)</th>
<th>Percentage of Voting Securities in holding company</th>
<th>Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)</th>
<th>List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larry Allen</td>
<td>Banker</td>
<td>Chairman &amp; CEO &amp; Director</td>
<td>Chairman &amp; CEO &amp; Director Peoples Bank</td>
<td>N/A</td>
<td>3.83% TPSI - N/A</td>
<td>TPSII - N/A</td>
<td>Outerwear USA - 50%</td>
</tr>
<tr>
<td>Ronnie Bilbo</td>
<td>Ind. Business Owner Director</td>
<td>Director</td>
<td>People's Bank</td>
<td>Vice President - Outerwear USA President - Rehab Plus Partner - Davron Santa Fe Prop.</td>
<td>4.78% TPSI - N/A</td>
<td>TPSII - N/A</td>
<td>Outerwear USA - 50%</td>
</tr>
<tr>
<td>David Foster</td>
<td>Ind. Business Owner Director</td>
<td>Director</td>
<td>People's Bank</td>
<td>President - Outerwear USA Executive V. P. - Rehab Plus Partner - Davron Santa Fe Prop.</td>
<td>4.78% TPSI - N/A</td>
<td>TPSII - N/A</td>
<td>Outerwear USA - 50%</td>
</tr>
</tbody>
</table>

Legend:
- TPS I - Peoples Statutory Trust I
- TPSII - Peoples Statutory Trust II
- PB - Peoples Bank
### Peoples Bancorp, Inc.
Lubbock, Texas
Fiscal Year Ending December 31, 2016

**Report Item 4: Insiders**

1. **Names & Address (City, State, Country)**
2. **Principal Occupation if other than with holding company**
3. **Title & Position with holding company**
4. **Title & Position with Subsidiaries (include names of subsidiaries)**
5. **Title & Position with Other Businesses (include names of other businesses)**
6. **Percentage of Voting Securities in holding company**
7. **Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)**
8. **List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)**

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</thead>
<tbody>
<tr>
<td>Walt Hagood</td>
<td>Farmer</td>
<td>Director</td>
<td>Director</td>
<td>J Walt &amp; Glinda Hagood JV Hagood/Lyons LLC Member Hagood Family Trust, Trustee</td>
<td>1.41% TPSI-N/A</td>
<td>TPSI-N/A</td>
<td>J. Walt &amp; Glinda Hagood JV 50% Hagood/Lyons LLC 25% Hagood Family Trust 33.3%</td>
</tr>
<tr>
<td>Walforth, TX 79382</td>
<td></td>
<td></td>
<td>Peoples Bank</td>
<td></td>
<td>TPSII-N/A</td>
<td>PB-N/A</td>
<td></td>
</tr>
<tr>
<td>Samuel A. Hale, Jr.</td>
<td>Doctor</td>
<td>Director</td>
<td>Director</td>
<td>N/A</td>
<td>0.58% TPSI-N/A</td>
<td>TPSI-N/A</td>
<td></td>
</tr>
<tr>
<td>Lubbock, TX 79423</td>
<td></td>
<td></td>
<td>Peoples Bank</td>
<td></td>
<td>TPSII-N/A</td>
<td>PB-N/A</td>
<td></td>
</tr>
<tr>
<td>Russell Leppard</td>
<td>Farmer</td>
<td>Director</td>
<td>Director</td>
<td>President &amp; Owner-Halt Mile Farms, Inc.</td>
<td>5.33% TPSI-N/A</td>
<td>TPSI-N/A</td>
<td>Half Mile Farms, Inc.-50% Russell Leppard Farms-100% Leppard Farm Service, Inc.-50%</td>
</tr>
<tr>
<td>Lubbock, TX 79407</td>
<td></td>
<td></td>
<td>Peoples Bank</td>
<td>President &amp; Owner-Russell Leppard Farms</td>
<td>TPSII-N/A</td>
<td>PB-N/A</td>
<td>86 Inc.-50% Halco Land Co.-25% Leppard Family Ptn (Family Entity)-25%</td>
</tr>
<tr>
<td>Names &amp; Address (City, State, Country)</td>
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</tr>
<tr>
<td>Todd McKee Lubbock, TX 79424</td>
<td>Banker</td>
<td>President &amp; Director</td>
<td>Vice Chairman/CLO, Director Peoples Bank</td>
<td>N/A</td>
<td>4.39%</td>
<td>TPSI-N/A, TPSII-N/A, PB-N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Larry Moore Lubbock, TX 79423</td>
<td>Ind. Business Owner Director</td>
<td>Director</td>
<td>Peoples Bank</td>
<td>President &amp; Owner -MoCo, Inc.</td>
<td>5.74%</td>
<td>TPSI-N/A, TPSII-N/A, PB-N/A</td>
<td>MoCo, Inc.-87%</td>
</tr>
<tr>
<td>Jack Nelson Lubbock, TX 79401</td>
<td>Attorney</td>
<td>Director</td>
<td>Peoples Bank</td>
<td>Partner - Nelson &amp; Nelson Law Firm</td>
<td>4.15%</td>
<td>TPSI-N/A, TPSII-N/A, PB-N/A</td>
<td>Nelson &amp; Nelson -50%</td>
</tr>
<tr>
<td>Tim Farris Lubbock, TX 79407</td>
<td>Banker</td>
<td>EVP &amp; Director</td>
<td>President/Rural Markets, Director Peoples Bank</td>
<td>Partner -Farris Land Partnership 44 Capital LLC Owner - oil &amp; gas 44 AG Services, LLC - Owner-Custom Work</td>
<td>0.81%</td>
<td>TPSI-N/A, TPSII-N/A, PB-N/A</td>
<td>Farris Land Partnership-33%, 44 Capital LLC -50%, 44 AG Services, LLC-100%</td>
</tr>
<tr>
<td>Names &amp; Address</td>
<td>Principal Occupation if other than with holding company</td>
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<tr>
<td>Sam Scheef, Lubbock, TX 79424</td>
<td>Ind. Business Owner</td>
<td>Director</td>
<td>Manager - SMS AG Holdings</td>
<td>9.46%</td>
<td>3%</td>
<td>SMS AG Holdings-100%</td>
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<td></td>
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<td>Peoples Bank</td>
<td>Manager - SMS Leasing LLC</td>
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<td>SMS Leasing LLC-100%</td>
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<td>Manager - SS Consulting LLC</td>
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<td>President - SMS AG Mgt LLC</td>
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<td>Manager - Scheef Capital Co., LLC</td>
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<td>Scheef Capital Co., LLC-100%</td>
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<td>President - Scheef Capital Mgt, LP</td>
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<td>Scheef Capital Mgt, LP-100%</td>
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<td></td>
<td>Partner - Johnson &amp; Scheef Real Estate</td>
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<td>Johnson &amp; Scheef Real Estate-50%</td>
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<td>Partner - Leon &amp; Scheef Real Estate</td>
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<td>Leon &amp; Scheef Real Estate-50%</td>
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<td>Director - ArmTech Inc.</td>
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<td>Vice Chair - ArmTech Holdings, Inc.</td>
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<td>Vice Chair - ArmTech Insurance Service, Inc.</td>
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<td></td>
<td>Vice Chair - American Agri-Business Ins. Co.</td>
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<td></td>
<td>Director - High Point Village (nonprofit)</td>
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<td>Director - Amplisine Holdings LLC</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Director - Amplisine Equity LLC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Names &amp; Address</td>
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<td>---------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| David Teague  
Lubbock, TX 79424 | Retired | Director | Partner - MD Investments  
Pres. - Crystal Devel. II  
Manager - Hub of the Plains Part. VI  
Partner - Keldav Operating  
Pres. - Crystal Development Corp.  
Partner-Milwaukee Partners  
Partner- Kaylor GP LLC  
Partner-Teague GP LLC  
Partner-Kaylor Investments LTD | Partner-Teague Resources LTD | 2.24%  
TPS I - N/A  
TPS II - N/A  
PB - N/A | 30%-MD Investments | 48%-Crystal Development Corp.  
100%-Milwaukee Partners | 100%-Kaylor GP  
100%-Teague Partners | 80%-Kaylor Investments  
100%-Teague Resources |
| Jon D. Drake  
Lubbock, Texas 79407 | Banker | EVP & Director, Secretary | Sr. EVP & CFO, Director  
Peoples Bank | N/A | 1.96%  
TPS I - N/A  
TPS II - N/A  
PB - N/A | N/A | N/A |
| Steve Nieman  
Shallowater, Texas 79363 | Retired | Director | Director  
Peoples Bank | N/A | 0.80%  
TPS I - N/A  
TPS II - N/A  
PB - N/A | N/A | N/A |
| Blake J. Boyd  
Slaton, Texas 79364 | Banker | EVP & Director | President & Director  
Peoples Bank | N/A | 2.59%  
TPS I - N/A  
TPS II - N/A  
PB - N/A | N/A | N/A |
Report Item 1a:
Form 10-K filed with the S.E.C.

N/A
Report Item 1b:
Annual Reports to Shareholders

attached
"Do not go where the path may lead, go instead where there is no path and leave a trail."  – Muriel Strode

To our Shareholders:

We are fortunate to live and work in West Texas. We have beautiful sunrises and sunsets, great days of weather (when the wind is not blowing) and some of the friendliest people you would ever want to call your neighbor. On top of that, we have a great heritage from people who forged a way of life in these lands. Some of those people were Cowboys on historic cattle drives, who endured many dangerous and changing conditions to see their task to completion. In fact, if you rode for a cattle company, it was said you were “Riding for the Brand”. It was an expression that a “ranch’s trademark represented pride, duty, and stewardship while inspiring loyalty, dedication, and cowboy camaraderie.” It was a way of life. It was the Cowboy way.

In a sense, we are “Riding for our Brand”, the Peoples Bank brand. We are extremely proud of what our Company has accomplished since August 1999. We also feel a sense of duty to our core constituents (employees, shareholders and communities) and we are fiercely loyal to those same groups as we steward them to financial success in their lives. And, if you have been around us for any length of time, you know we have a great deal of fun and camaraderie in our Peoples Bank family! Ours is a unique culture that we have intentionally built over the years. It’s a culture that works well for us in West Texas as you’ll see in our Company’s 2016 financial performance below.

We are coming off another excellent year of financial performance for our Company. We enjoyed an outstanding year of operations that led to another strong increase in net income, loans, deposits and capital. Asset and deposit growth continue to be strong due to good economic conditions and a favorable year for our crop producers. All of our locations saw good growth in volumes and numbers of accounts. In fact, the 82nd street branch was recognized nationally by one of our vendors for “excellence in business customer growth”. Finally, we managed our capital in a way that not only supports growth, but also provides for a good return on investment. 2016 is highlighted by a Return on Assets (ROA) of 1.07%, a Return on Equity (ROE) of 10.88% and a high for total assets of $462 million in November 2016.

Net income increased in 2016 due to strong loan demand, fee income from mortgages, checking account growth and an increase in interest rates by the Federal Reserve. For our depositors, that also meant a slight increase in deposit rates, a welcome sign after 8 long years. Peoples Bank remains a top performer in most every important banking metric for asset and shareholder returns, earnings margins and asset quality. Total deposits continue to grow as we added an additional 1,000 checking accounts to our customer base and our branch transactions increased year-over-year. In fact, our branches in Lubbock are so busy we’ve decided to build another one in South Lubbock by the fall of 2017. Finally, we paid our first dividend to our shareholders in April 2016. Although only a small dividend, it was a huge success with our shareholders as it recognized years of support for the bank since its inception. Peoples Bank remains a “Well Capitalized” financial institution for regulatory purposes and a strong working relationship with its banking regulators.

2017 brings many changes, countless opportunities and challenges for our Company. First, we have a new administration in Washington, D.C. along with a new Congressman representing our District. Hopefully, through them, we’ll see tangible regulatory relief for community banks like Peoples Bank. Second, we are encouraged by the record crop production in 2016 and the increase in prices/demand for producer’s goods. But there are still challenges for our cotton producers, including weather conditions, the need for better legislation and improved foreign trade. Third, as mentioned earlier in this letter, we are excited about the growth opportunities in Lubbock through our new branch at 112th and Quaker. Led by Senior Vice President Stephen Leist, we are expecting this branch to help grow our market presence in Lubbock while also providing some daily relief to our two other Lubbock locations. If you have been in our drive through on a Friday afternoon, I’m sure you’ll appreciate the new branch location. Finally, we remain challenged by the regulatory environment where compliance and capital costs are ever increasing. In fact, some regulatory relief may be contingent on banks holding more capital. For this reason, we have elected not to pay a dividend in 2017 as we will retain those monies for future growth and increasing regulatory requirements.

Like the Cowboys who rode for the Brand, we get a satisfaction out of doing our job every day. We enjoy seeing our customers succeed in their financial endeavors and toward their financial goals. We value the relationships formed with our fellow employees who are a second family to us. We are proud of the communities we serve, live in and develop every day. Most of all, we recognize that none of our accomplishments would be possible if it weren’t for your continued support, business, capital and belief in us. It is reassuring to know that we have a shareholder base that believes in the same core values and philosophies that we carry out every day. It is because of this strong support and all the people that are affiliated with our Company that I can say our future is very bright and our Brand is strong!

Best Regards,
Larry C. Allen
Chairman of the Board & Chief Executive Officer
### ASSETS (Dollar Amounts in Thousands)

- **Cash and balances due from depositary institutions:**
  - Noninterest-bearing balances and currency and coin: 11,758
  - Interest-bearing balances: 1,433
- **Securities:**
  - Securities: 48,555
  - Federal funds sold: 7,075
- **Loans:**
  - Loans: 346,063
  - Less: Allowance for loan losses: 3,046
  - Loans, net of allowance for loan losses: 343,017
  - Premises and fixed assets: 13,164
- **Other assets:** 9,817

**TOTAL ASSETS:** 434,873

### LIABILITIES

- **Deposits in domestic offices:** 391,134
- **Other liabilities:** 1,530

**TOTAL LIABILITIES:** 392,664

### EQUITY CAPITAL

- **Common stock:** 1,000
- **Surplus:** 16,527
- **Retained earnings:** 24,715
- **Net unrealized gain/(loss) on securities:** (33)

**TOTAL EQUITY CAPITAL:** 42,209

**TOTAL LIABILITIES AND EQUITY CAPITAL:** 434,873

### INTEREST INCOME

- **Total interest and fee income on loans:**
  - 2015: 15,263
  - 2016: 16,843
- **Income from lease financing receivables:**
  - 2015: 260
  - 2016: 226
- **Interest income on balances on due from depositary institutions:**
  - 2015: 19
  - 2016: 78
- **Interest and dividend income on securities:**
  - 2015: 1,116
  - 2016: 1,129
- **Interest income on federal funds sold and securities purchased to reseell:**
  - 2015: 17
  - 2016: 53
- **Other interest income:**
  - 2015: 46
  - 2016: 54

**TOTAL INTEREST INCOME:**

**2015:** 16,721

**2016:** 18,383

### INTEREST EXPENSE

- **Interest on deposits:**
  - 2015: 1,108
  - 2016: 1,454
- **Interest on trading liabilities or other borrowed money:**
  - 2015: 22
  - 2016: 47

**TOTAL INTEREST EXPENSE:**

**2015:** 1,130

**2016:** 1,501

### NON-INTEREST INCOME

- **Realized gains (losses) on available for sale securities:**
  - 2015: 3,775
  - 2016: 3,915

**TOTAL NON-INTEREST INCOME:**

**2015:** 3,775

**2016:** 3,915

### NET INCOME (LOSS) ATTRIBUTABLE TO BANK

**2015:** 4,008

**2016:** 4,446

---

*CAGR = Compound Annual Growth Rate*
### Total Assets

<table>
<thead>
<tr>
<th>DATE</th>
<th>TOTAL ASSETS</th>
<th>GROWTH (%)</th>
<th>DATE</th>
<th>TOTAL ASSETS</th>
<th>GROWTH (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/99</td>
<td>$44,576</td>
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<td>12/31/08</td>
<td>$217,558</td>
<td>11.17%</td>
</tr>
<tr>
<td>12/31/00</td>
<td>$54,222</td>
<td>17.79%</td>
<td>12/31/09</td>
<td>$237,585</td>
<td>8.43%</td>
</tr>
<tr>
<td>12/31/01</td>
<td>$64,297</td>
<td>15.67%</td>
<td>12/31/10</td>
<td>$262,601</td>
<td>9.53%</td>
</tr>
<tr>
<td>12/31/02</td>
<td>$80,044</td>
<td>20.66%</td>
<td>12/31/11</td>
<td>$264,054</td>
<td>0.55%</td>
</tr>
<tr>
<td>12/31/03</td>
<td>$92,614</td>
<td>12.49%</td>
<td>12/31/12</td>
<td>$310,631</td>
<td>14.99%</td>
</tr>
<tr>
<td>12/31/04</td>
<td>$103,416</td>
<td>10.45%</td>
<td>12/31/13</td>
<td>$331,676</td>
<td>6.35%</td>
</tr>
<tr>
<td>12/31/05</td>
<td>$131,389</td>
<td>21.29%</td>
<td>12/31/14</td>
<td>$360,884</td>
<td>7.89%</td>
</tr>
<tr>
<td>12/31/06</td>
<td>$162,188</td>
<td>18.99%</td>
<td>12/31/15</td>
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<td>12/31/07</td>
<td>$193,258</td>
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<td>12/31/16</td>
<td>$434,873</td>
<td>8.24%</td>
</tr>
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</table>

**13.49% CAGR**

### Total Deposits

<table>
<thead>
<tr>
<th>DATE</th>
<th>TOTAL DEPOSITS</th>
<th>GROWTH (%)</th>
<th>DATE</th>
<th>TOTAL DEPOSITS</th>
<th>GROWTH (%)</th>
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</thead>
<tbody>
<tr>
<td>12/31/99</td>
<td>$36,955</td>
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<td>12/31/08</td>
<td>$187,214</td>
<td>7.68%</td>
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<td>12/31/00</td>
<td>$48,361</td>
<td>19.45%</td>
<td>12/31/09</td>
<td>$212,494</td>
<td>11.90%</td>
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<tr>
<td>12/31/01</td>
<td>$56,127</td>
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<td>12/31/10</td>
<td>$236,163</td>
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</tr>
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<td>$70,243</td>
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<td>$286,067</td>
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<td>$80,965</td>
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<td>$85,916</td>
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<td>$298,032</td>
<td>6.37%</td>
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<tr>
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<td>$113,022</td>
<td>23.98%</td>
<td>12/31/14</td>
<td>$309,772</td>
<td>3.79%</td>
</tr>
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<td>$143,875</td>
<td>21.44%</td>
<td>12/31/15</td>
<td>$358,468</td>
<td>13.58%</td>
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<td>12/31/07</td>
<td>$172,839</td>
<td>16.76%</td>
<td>12/31/16</td>
<td>$392,664</td>
<td>8.77%</td>
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</table>

**13.70% CAGR**

### Total Capital

<table>
<thead>
<tr>
<th>DATE</th>
<th>TOTAL CAPITAL</th>
<th>GROWTH (%)</th>
<th>DATE</th>
<th>TOTAL CAPITAL</th>
<th>GROWTH (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/99</td>
<td>$5,261</td>
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<td>$20,768</td>
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<td>12/31/00</td>
<td>$5,339</td>
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<tr>
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<td>12/31/02</td>
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<td>41.84%</td>
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</tr>
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<td>12/31/03</td>
<td>$10,793</td>
<td>6.32%</td>
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<td>$30,012</td>
<td>13.34%</td>
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<tr>
<td>12/31/04</td>
<td>$11,587</td>
<td>6.85%</td>
<td>12/31/13</td>
<td>$32,291</td>
<td>7.06%</td>
</tr>
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<td>12/31/05</td>
<td>$12,321</td>
<td>5.96%</td>
<td>12/31/14</td>
<td>$36,095</td>
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<tr>
<td>12/31/06</td>
<td>$15,797</td>
<td>22.00%</td>
<td>12/31/15</td>
<td>$39,100</td>
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<td>12/31/07</td>
<td>$17,601</td>
<td>10.25%</td>
<td>12/31/16</td>
<td>$42,209</td>
<td>7.37%</td>
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</table>

**12.26% CAGR**

### Total Income

<table>
<thead>
<tr>
<th>DATE</th>
<th>NET INCOME</th>
<th>GROWTH (%)</th>
<th>DATE</th>
<th>NET INCOME</th>
<th>GROWTH (%)</th>
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</thead>
<tbody>
<tr>
<td>12/31/99</td>
<td>-$36</td>
<td></td>
<td>12/31/08</td>
<td>$1,403</td>
<td>-28.20%</td>
</tr>
<tr>
<td>12/31/00</td>
<td>$189</td>
<td>NM%</td>
<td>12/31/09</td>
<td>$1,827</td>
<td>30.22%</td>
</tr>
<tr>
<td>12/31/01</td>
<td>$416</td>
<td>120.11%</td>
<td>12/31/10</td>
<td>$2,163</td>
<td>18.39%</td>
</tr>
<tr>
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<td>$609</td>
<td>46.39%</td>
<td>12/31/11</td>
<td>$2,295</td>
<td>6.10%</td>
</tr>
<tr>
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<td>$931</td>
<td>52.87%</td>
<td>12/31/12</td>
<td>$2,817</td>
<td>22.75%</td>
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<td>$871</td>
<td>-6.44%</td>
<td>12/31/13</td>
<td>$2,725</td>
<td>-3.27%</td>
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<tr>
<td>12/31/05</td>
<td>$1,143</td>
<td>31.23%</td>
<td>12/31/14</td>
<td>$3,319</td>
<td>21.80%</td>
</tr>
<tr>
<td>12/31/06</td>
<td>$1,594</td>
<td>39.46%</td>
<td>12/31/15</td>
<td>$4,007</td>
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<tr>
<td>12/31/07</td>
<td>$1,954</td>
<td>22.58%</td>
<td>12/31/16</td>
<td>$4,446</td>
<td>10.96%</td>
</tr>
</tbody>
</table>

**19.18% CAGR**

### Stock Price

<table>
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<tr>
<th>DATE</th>
<th>STOCK PRICE</th>
<th>GROWTH (%)</th>
<th>DATE</th>
<th>STOCK PRICE</th>
<th>GROWTH (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/99</td>
<td>$10.00</td>
<td></td>
<td>12/31/08</td>
<td>$32.66</td>
<td>5.08%</td>
</tr>
<tr>
<td>12/31/00</td>
<td>$10.00</td>
<td>0.00%</td>
<td>12/31/09</td>
<td>$35.00</td>
<td>6.69%</td>
</tr>
<tr>
<td>12/31/01</td>
<td>$10.00</td>
<td>0.00%</td>
<td>12/31/10</td>
<td>$38.00</td>
<td>7.89%</td>
</tr>
<tr>
<td>12/31/02</td>
<td>$11.45</td>
<td>12.66%</td>
<td>12/31/11</td>
<td>$40.50</td>
<td>6.17%</td>
</tr>
<tr>
<td>12/31/03</td>
<td>$16.91</td>
<td>32.29%</td>
<td>12/31/12</td>
<td>$46.50</td>
<td>12.90%</td>
</tr>
<tr>
<td>12/31/04</td>
<td>$19.00</td>
<td>11.00%</td>
<td>12/31/13</td>
<td>$48.50</td>
<td>4.12%</td>
</tr>
<tr>
<td>12/31/05</td>
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<td>13.66%</td>
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<td>12/31/06</td>
<td>$27.73</td>
<td>20.63%</td>
<td>12/31/15</td>
<td>$65.00</td>
<td>16.92%</td>
</tr>
<tr>
<td>12/31/07</td>
<td>$31.00</td>
<td>10.55%</td>
<td>12/31/16</td>
<td>$72.50</td>
<td>10.34%</td>
</tr>
</tbody>
</table>

**11.63% CAGR**
OFFICERS

Larry C. Allen - CHAIRMAN, CEO
D. Todd McKee - VICE CHAIRMAN, CLO
Blake J. Boyd - PRESIDENT
Tim Farris - RURAL MARKETS PRESIDENT
Jon Drake - SENIOR EXECUTIVE VICE PRESIDENT, CFO
Michael Phelps - EXECUTIVE VICE PRESIDENT
Troy Vanderburg - EXECUTIVE VICE PRESIDENT
William Booe - EXECUTIVE VICE PRESIDENT, COO
Andrew O. Turner - BRANCH PRESIDENT
Kevin Mitchell - SENIOR VICE PRESIDENT, COMPLIANCE OFFICER
Doug Willis - SENIOR VICE PRESIDENT
Teresa McLean - SENIOR VICE PRESIDENT, CONTROLLER
Stephen Leist - SENIOR VICE PRESIDENT
Renessa Knowles - SENIOR VICE PRESIDENT, MORTGAGE MANAGER
Lacie Walton - SENIOR VICE PRESIDENT, MORTGAGE LENDING
Marcus Brockman - SENIOR VICE PRESIDENT
Anthony Foerster - SENIOR VICE PRESIDENT
Patti Dycus - SENIOR VICE PRESIDENT
Jordan McKay - SENIOR VICE PRESIDENT
Sonia Arismendez - SENIOR VICE PRESIDENT
Chelsea Salazar - SENIOR VICE PRESIDENT, MARKETING
Josh Gandy - VICE PRESIDENT
Sandy Coleman - VICE PRESIDENT
Cody Cypert - VICE PRESIDENT, MORTGAGE LENDING
Linda Coffman - VICE PRESIDENT, DEPOSIT OPS MANAGER
Lynn WOMACK - VICE PRESIDENT
Pat Meeks - VICE PRESIDENT
Mark Woods - VICE PRESIDENT, HUMAN RESOURCES
Clay Miller - VICE PRESIDENT
Kraig Kern - VICE PRESIDENT

Dawn Binder - VICE PRESIDENT
Melanie Emmel - VICE PRESIDENT
Valerie Carpenter - VICE PRESIDENT
Glenda Cox - VICE PRESIDENT
Jake Mahan - VICE PRESIDENT
Tanya Ethridge - ASSISTANT VICE PRESIDENT
Darla Hamer - ASSISTANT VICE PRESIDENT
Jamie White - ASSISTANT VICE PRESIDENT
Kelli Sehon - ASSISTANT VICE PRESIDENT, INTERNAL AUDITOR
Ashley Townsend - ASSISTANT VICE PRESIDENT, MORTGAGE OPS MANAGER
Dora Espinosa - BANKING OFFICER
Angie Kieth - BANKING OFFICER
Peggy Sellers - BANKING OFFICER
Mary Schoepf - BANKING OFFICER
Laura Lomenick - BANKING OFFICER
Johnathan Surratt - BANKING OFFICER, HELP DESK MANAGER
Kay Wallace - BANKING OFFICER
Valerie Grant - BANKING OFFICER
Jason Ballou - BANKING OFFICER
Raquel Britton - BANKING OFFICER
Kevin McEndree - BANKING OFFICER
Alesha Glover - BANKING OFFICER
Denise Womble - BANKING OFFICER
Melissa Rodriguez - BANKING OFFICER
Laura Simpson - BANKING OFFICER
Chad Sauceda - BANKING OFFICER
Denisha Schmucker - BANKING OFFICER

DIRECTORS

Larry Allen - CHAIRMAN, C.E.O
Ronnie Bilbo
Blake J. Boyd
Jon Drake
Tim Farris
David Foster
Walt Hagood
Dr. S.A. Hale, Jr., MD
Russell Lepard
D. Todd McKee
Larry E. Moore
Jack Nelson
Steve Nieman
Sam Scheef
David Teague

NORTHERN PANHANDLE
Ware Brown
Tom Hoelting

SLATON
Wayne Schilling
Keri Bednarz

POST
Tait Crow
Mike Macy

BUSINESS DEVELOPMENT BOARD

LUBBOCK
Maura Crawford
Michael Phelps
Ed Stephens
Michael Kahn
Chuck Darter
Dan Wilson
Keith Leonard

SHALLOWATER
Sandy Peters
Dan Stanton
Josh Keeney

LORENZO & CROSBY COUNTY
Jere Mimms
Brian Aycock