

# TIB-The Independent BankersBank

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BHC Name: Independent Bankers Financial Corp  
BHC State: TX

Primary Regulator: FRB  
Public Enforcement Action: No

## Correspondent Banking Risk Policy Compliance

### CORRESPONDENT BANKING RISK POLICY

TIB      LIMIT      RESULT

#### PRIMARY ASSESSMENT RATIOS

Tier 1 Leverage	9.9%	5.0%	Pass
Tier 1 Risk-Based Capital	18.7%	6.0%	Pass
Total Risk-Based Cap	20.0%	10.0%	Pass

#### SECONDARY ASSESSMENT RATIOS

Texas Ratio	1.3%	90.0%	Pass
ALLL/Loans	1.8%	1.0%	Pass
ROAA	0.8%	0.0%	Pass

### Loan Portfolio Composition (%)

Const & Land Dev Lns	3.06
Tot 1-4 Fam Loans	5.11
Multifamily (5+) Loans	1.79
Comm RE & Farm Lns	14.03
C&I Loans	12.33
Consumer Loans	9.65
Other	54.03

### CRE Portfolio (\$) and Limits

	12/31/2014	12/31/2013	12/31/2012	12/31/2011
1-4 Fam Const Lns	4,453	1,964	2,184	1,174
Other Const & Dev Lns	21,902	30,220	26,089	17,913
Multifamily (5+) Const Lns	15,418	10,104	8,178	8,014
NFNR Loans Other	70,508	59,747	79,302	82,014
CRE find not secured RE	0	0	0	0
Total CRE	112,281	102,035	115,753	109,115
Risk Based Capital	236,409	229,675	221,281	203,714
Tot Const&Dev/RBC (<100%)	11.15	14.01	12.78	9.37
Tot CRE/RBC (<300%)	47.49	44.43	52.31	53.56

### Deposit Composition

Reciprocal Deposits \$	0	0	0	0
Brokered Deposits \$	342,011	305,020	262,313	262,469

### Financial Highlights (%)

	12/31/2014	12/31/2013	12/31/2012	12/31/2011
ROAA	0.80	0.90	0.82	0.67
ROAE	8.31	9.44	10.26	8.51
Net Interest Margin (FTE)	1.72	1.52	1.37	1.51
Efficiency Ratio (FTE)	77.83	77.13	75.20	79.93
Provision/AA	0.01	0.08	0.12	0.11
Interest Income/ AA	2.01	1.92	1.87	2.08
Interest Expense/ AA	0.52	0.61	0.69	0.83
Net Interest Income/AA	1.49	1.31	1.18	1.25
Non Interest Income/AA	4.17	4.58	4.13	3.93
Non Interest Expense/ AA	4.56	4.68	4.09	4.29

### Balance Sheet Ratios (%)

Equity Cap/ Total Assets	10.62	9.74	8.32	7.57
Tangible Equity/Tangible Assets	10.28	9.47	8.04	7.41
Total Securities/Assets	21.24	24.01	25.89	16.02
Cash & Cash Equiv/Assets	34.11	40.62	44.23	54.61
Loans/Deposits	47.97	38.31	34.99	37.19
Loans/ Assets	39.51	30.44	25.87	26.12
Goodwill & Other Intang/Assets	0.37	0.30	0.31	0.18
Deposit/ Liabilities	92.14	88.04	80.65	76.00
Pledged Secs/Secs	71.91	68.31	76.36	66.18

### Growth Rates (%)

Asset Growth Rate	-0.16	-15.57	3.18	9.71
Loan Growth Rate	29.56	-0.65	2.18	-9.87
Deposit Growth Rate	3.46	-9.25	8.61	23.23

### Regulatory Capital (%)

Tier 1 Leverage Ratio	9.91	9.95	8.32	7.35
Tier 1 Risk Based Ratio	18.73	22.88	21.75	21.68
Total Risk Based Capital Ratio	19.98	24.13	23.01	22.94

### Asset Quality (%)

Texas Ratio	1.34	3.71	5.27	8.35
NPAs/Total Assets	0.13	0.37	0.45	0.65
NPAs+(Lns 90+PD)/Tot Assets	0.15	0.38	0.46	0.68
NPAs/Loans + Frclsd RE	0.34	1.20	1.72	2.48
NCOs/Avg Loans	0.24	0.27	0.58	1.26
ALLL/Loans	1.81	2.57	2.53	2.67
Reserves/NPAs	532.86	213.35	146.99	106.92
LLP/NCOs	12.11	106.84	84.77	33.24
Lns 90+ Days Past Due/Tot Lns	0.03	0.04	0.04	0.09
Nonaccrual Loans/Total Loans	0.08	0.64	0.81	1.81
Total Noncurrent Loans/ Loans	0.11	0.68	0.85	1.90
NPLs/Tot Lns	0.32	1.10	1.31	1.87
NPAs/Tot Lns	0.34	1.20	1.72	2.50
Reserves/ NPAs + Lns 90 PD	488.22	206.13	143.61	103.25

### Yield / Cost Detail (%)

Yield on Earning Assets	2.14	2.04	1.95	2.22
Cost of Int Bearing Deposits	0.79	0.83	0.83	0.96
Cost of Borrowings	1.42	1.66	1.99	2.11
Cost of Interest Bearing Liab	0.88	1.02	1.19	1.41
Cost of Funds	0.60	0.69	0.77	0.94
Yield/ Cost Spread	1.26	1.03	0.76	0.81

### Balance Sheet (\$000)

	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Cash & Equivalents	743,915	887,352	1,144,244	1,369,361
Total Securities	463,192	524,470	669,796	401,797
Total Cash & Secs	1,207,107	1,411,822	1,814,040	1,771,158
Total Lns & Leases	861,543	664,996	669,357	655,062
Total Reserves	15,618	17,070	16,958	17,490
Net Lns & Leases	845,925	647,926	652,399	637,572
Other Real Estate Owned	197	708	2,735	4,108
Goodwill & Other Intang	8,104	6,466	7,895	4,486
Total Assets	2,180,805	2,184,373	2,587,134	2,507,508
Total Deposits	1,796,044	1,735,903	1,912,922	1,761,313
FFunds Purch & Repos	132,839	210,432	325,836	303,262
Commercial Paper	NA	NA	NA	NA
FHLB Advances	0	0	100,000	200,000
Other Borrowings	0	0	0	3,366
Total Other Borrowings	0	0	100,000	203,366
Total Liabilities	1,949,252	1,971,670	2,371,940	2,317,650
Total Equity Cap	231,553	212,703	215,194	189,858
Tier 1 Capital	221,609	217,715	209,198	192,532

### Income Statement (\$000)

Int Inc: Total	46,565	42,994	47,677	51,356
Int Exp: Total	12,029	13,624	17,598	20,587
Net Int Inc Before Loss Prov	34,536	29,370	30,079	30,769
Total Prov for Losses	200	1,750	2,962	2,719
Net Int Inc after Prov	34,336	27,620	27,117	28,050

### Noninterest Income (\$000)

Nonint Inc: Fiduciary Activities	0	0	0	0
Nonint Inc: Svc Chgs on Dep Acct	4	0	0	6
Nonint Inc: Trading Revenue	0	0	0	0
Nonint Inc: Oth Svc Chgs & Nil	96,558	102,689	105,247	96,983
Nonint Inc: Fees & Oth Charges	6,959	13,098	14,553	14,165
Nonint Inc: Other	89,599	89,591	90,694	82,818
Nonint Inc: Total	96,562	102,689	105,247	96,989

### Noninterest Expense (\$000)

Nonint Exp: Gen & Admin	40,222	40,472	39,685	38,944
Nonint Exp: Amort of Intang	1,265	953	213	563
Nonint Exp: Other	64,123	63,424	64,531	66,407
Nonint Exp: Total	105,610	104,849	104,429	105,914

Gain (Loss) on Sale of Secs	419	2,723	1,036	1,381
Gain (Loss) on Other Assets	51	12	10	149

### Net Income (\$000)

Net Income before Tax/Adjust	25,707	28,183	28,971	20,506
Income Tax	7,130	8,113	8,044	4,092
Minority Interest	NA	NA	NA	NA
Net Income before Extra Items	18,577	20,070	20,927	16,414
Extraordinary Items	0	0	0	0
Net Income	18,577	20,070	20,927	16,414