

TIB-The Independent BankersBank

11701 Luna Road
Farmers Branch, TX 75234
Phone: 972.444.3500

Website: www.mybankersbank.com

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 RATIOS			
Leverage Ratio	8.89%	5.0%	Pass
CET1 Ratio	16.66%	7.0%	Pass
Tier 1 Capital Ratio	16.66%	8.5%	Pass
Total Capital Ratio	17.71%	10.5%	Pass
SECONDARY RATIOS			
Texas Ratio	0.16%	90.0%	Pass
ALLL/Loans	1.46%	1.0%	Pass
ROAA	0.67%	0.0%	Pass

Loan Portfolio Composition (%)

Const & Land Dev Lns	6.19
Tot 1-4 Fam Loans	3.99
Multifamily (5+) Loans	3.35
Comm RE & Farm Lns	9.75
C&I Loans	12.39
Consumer Loans	7.94
Other	56.41

CRE Portfolio (\$) and Limit

	6/30/2016	12/31/2015	12/31/2014	12/31/2013
1-4 Fam Const Lns	13,579	11,891	4,453	1,964
Other Const & Dev Lns	50,163	42,694	21,902	30,220
Multifamily (5+) Const Lns	34,468	30,682	15,418	10,104
NFNR Loans Other	60,151	64,408	70,508	59,747
CRE fincd not secured RE	0	0	0	0
Total Commercial Real Estate	158,361	149,675	112,281	102,035
Tot Const&Dev / RBC (<100%)	25.16	21.74	11.15	14.01
Tot CRE / RBC (<300%)	62.51	59.62	47.49	44.43

Deposit Composition (\$000)

Reciprocal Deposits	0	0	0	0
Brokered Deposits	260,683	306,614	342,011	305,020

Financial Highlights (%)

	6/30/2016	12/31/2015	12/31/2014	12/31/2013
ROAA	0.67	0.85	0.80	0.90
ROAE	7.49	8.61	8.31	9.44
Net Interest Margin (FTE)	1.64	1.74	1.72	1.52
Efficiency Ratio (FTE)	78.16	76.59	77.83	77.13
Provision/AA	0.09	0.05	0.01	0.08
Interest Income / AA	2.05	1.99	2.01	1.92
Interest Expense / AA	0.61	0.48	0.52	0.61
Net Interest Income/AA	1.44	1.51	1.49	1.31
Non Interest Income / AA	3.79	4.34	4.17	4.58
Non Interest Expense / AA	4.23	4.63	4.56	4.68

Balance Sheet Ratios (%)

Equity Capital / Assets	9.39	9.39	10.62	9.74
Tangible Equity / Tangible Asst	9.16	9.14	10.28	9.47
Total Securities / Assets	18.40	16.42	21.24	24.01
Cash & Equivalents / Assets	36.67	42.88	34.11	40.62
Loans / Deposits	51.81	44.44	47.97	38.31
Loans / Assets	39.76	35.98	39.51	30.44
Goodwill & Other Intang / Asse	0.25	0.27	0.37	0.30
Deposits / Liabilities	84.69	89.36	92.14	88.04
Pledged Securities / Securities	81.07	65.88	71.91	68.31

Growth Rates (%)

Asset Growth Rate	1.86	17.64	-0.16	-15.57
Loan Growth Rate	23.03	7.15	29.56	-0.65
Deposit Growth Rate	-8.70	15.66	3.46	-9.25

Regulatory Capital (%)

Tier 1 Leverage Ratio	8.89	9.08	9.91	9.95
Common Equity Tier 1 Ratio	16.66	18.35	18.73	22.88
Tier 1 Risk Based Ratio	16.66	18.35	18.73	22.88
Total Risk Based Capital Ratio	17.71	19.52	19.98	24.13

Asset Quality (%)

Texas Ratio	0.16	0.19	1.23	3.63
NPAs/Total Assets	0.00	0.01	0.13	0.37
NPAs+(Lns 90+PD)/Tot Assets	0.02	0.02	0.15	0.38
NPAs/Loans + Frclsd RE	0.01	0.02	0.34	1.20
NCOs/Avg Loans	0.26	0.19	0.24	0.27
ALLL/Loans	1.46	1.63	1.81	2.57
Reserves/NPAs	NM	NM	532.86	213.35
LLP/NCOs	97.01	68.06	12.11	106.84
Lns 90+ Days Past Due/Tot Ln	0.03	0.04	0.03	0.04
Nonaccrual Loans/Total Loans	0.00	0.01	0.08	0.64
Total Noncurrent Loans/ Loans	0.03	0.05	0.11	0.68
NPLs/Total Loans	0.00	0.01	0.32	1.10
NPAs/Total Loans	0.01	0.02	0.34	1.20
Reserves/ NPAs + Lns 90 PD	NM	NM	488.22	206.13

Yield / Cost Detail (%)

Yield on Earning Assets	2.15	2.10	2.13	2.04
Cost of Int Bearing Deposits	1.01	0.87	0.79	0.83
Cost of Borrowings	0.36	0.07	1.42	1.66
Cost of Interest Bearing Liab	0.90	0.79	0.88	1.02
Cost of Funds	0.70	0.57	0.60	0.69
Yield/ Cost Spread	1.25	1.31	1.26	1.02

Balance Sheet (\$000)

	6/30/2016	12/31/2015	12/31/2014	12/31/2013
Cash & Equivalents	949,565	1,100,059	743,915	887,352
Total Securities	476,533	421,268	463,192	524,470
Total Cash & Secs	1,426,098	1,521,327	1,207,107	1,411,822
Total Loans & Leases	1,029,439	923,143	861,543	664,996
Total Reserves	15,047	15,083	15,618	17,070
Net Loans & Leases	1,014,392	908,060	845,925	647,926
Other Real Estate Owned	99	90	197	708
Goodwill & Intangibles	6,528	6,949	8,104	6,466
Total Assets	2,589,426	2,565,602	2,180,805	2,184,373
Total Deposits	1,987,002	2,077,355	1,796,044	1,735,903
FFunds Purchased	79,708	101,737	132,839	210,432
Commercial Paper	0	0	0	0
FHLB Advances	250,000	125,000	0	0
Other Borrowings	0	0	0	0
Total Liabilities	2,346,204	2,324,753	1,949,252	1,971,670
Total Equity Capital	243,222	240,849	231,553	212,703
Common Equity Tier 1	238,274	235,963	221,609	217,715
Tier 1 Capital	238,274	235,963	221,609	217,715
Total Capital	253,321	251,046	236,409	229,675
Assets for Leverage	2,681,471	2,597,811	2,236,521	2,188,980
Risk Weighted Assets	1,430,522	1,285,960	1,183,165	951,670

Income Statement (\$000)

Total Interest Income	27,709	48,042	46,565	42,994
Total Interest Expense	8,240	11,543	12,029	13,624
Net Interest Inc Before Provisio	19,469	36,499	34,536	29,370
Provisions for Loan Losses	1,170	1,140	200	1,750
Net Interest Inc After Provisio	18,299	35,359	34,336	27,620
Fiduciary Activities Charges	0	0	0	0
Deposit Service Charges	0	28	4	0
Trading Revenue	0	0	0	0
Other Charges and Fees	51,154	104,821	96,558	102,689
Total Noninterest Income	51,154	104,849	96,562	102,689
General & Administrative	21,885	42,325	40,222	40,472
Intangible Amortization	521	1,061	1,265	953
Other Expenses	34,647	68,462	64,123	63,424
Total Noninterest Expense	57,053	111,848	105,610	104,849
Gain (Loss) on Securities	0	0	419	2,723
Gain (Loss) on Other Assets	0	2,371	51	12
Net Income before Taxes	12,400	28,360	25,707	28,183
Income Tax	3,353	7,914	7,130	8,113
Minority Interest	0	0	0	0
Extraordinary Items	0	0	0	0
Net Income	9,047	20,446	18,577	20,070
Dividends Declared	6,000	10,500	13,000	12,000