

TIB The Independent BankersBank, National Association

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BHC Name: Independent Bankers Financial Corp
BHC State: TX

Primary Regulator: OCC
Public Enforcement Action: No



Correspondent Banking Risk Policy Compliance

CORRESPONDENT BANKING RISK POLICY

	<u>TIB</u>	<u>LIMIT</u>	<u>RESULT</u>
PRIMARY RATIOS			
Leverage Ratio	7.17%	5.0%	Pass
CET1 Ratio	16.02%	7.0%	Pass
Tier 1 Capital Ratio	16.02%	8.5%	Pass
Total Capital Ratio	17.28%	10.5%	Pass
SECONDARY RATIOS			
Texas Ratio	0.34%	90.0%	Pass
ALLL/Loans	2.33%	1.0%	Pass
ROAA	0.68%	0.0%	Pass

Loan Portfolio Composition (%)

Const & Land Dev Lns	7.00
Tot 1-4 Fam Loans	2.03
Multifamily (5+) Loans	2.79
Comm RE & Farm Lns	12.32
C&I Loans	7.47
Consumer Loans	5.50
Other	62.89

CRE Portfolio (\$) and Limits	12/31/2020	12/31/2019	12/31/2018	12/31/2017
1-4 Fam Const Lns	2,824	10,330	24,831	9,848
Other Const & Dev Lns	89,041	105,020	96,060	51,904
Multifamily (5+) Const Lns	36,616	30,447	19,143	18,445
NFNR Loans Other	116,804	110,998	111,553	117,561
CRE fincd not secured RE	0	0	0	0
Total Commercial Real Estate	245,285	256,795	251,587	197,758
Tot Con&Dev/RBC (<100%)	30.58	40.81	44.40	23.45
Tot CRE / RBC (<300%)	81.65	90.85	92.41	75.11

Deposit Composition (\$000)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Reciprocal Deposits	0	0	0	0
Brokered Deposits	205,391	205,400	205,503	205,239

Financial Highlights (%)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
ROAA	0.68	0.93	0.86	0.73
ROAE	8.53	8.82	8.18	7.58
Net Interest Margin (FTE)	1.50	1.90	1.88	1.79
Efficiency Ratio (FTE)	67.52	76.02	78.50	77.33
Provision/AA	0.51	0.13	0.09	0.09
Interest Income / AA	1.82	3.32	3.11	2.49
Interest Expense / AA	0.45	1.59	1.40	0.92
Net Interest Income/AA	1.38	1.73	1.71	1.57
Non Interest Income / AA	2.85	3.88	4.02	3.90
Non Interest Expense / AA	2.91	4.34	4.62	4.37

Balance Sheet Ratios (%)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Equity Capital / Assets	7.70	10.15	10.36	10.35
Tangible Equity / Tangible Asse	7.63	10.06	10.23	10.19
Total Securities / Assets	7.01	12.44	15.54	18.35
Cash & Equivalents / Assets	55.46	38.76	37.13	35.36
Loans / Deposits	40.36	52.71	56.85	51.40
Loans / Assets	34.95	44.96	42.38	41.01
Goodwill & Other Intang / Asset:	0.07	0.10	0.14	0.18
Deposits / Liabilities	93.82	94.93	83.16	88.99
Pledged Securities / Securities	85.17	94.35	93.98	45.49

Growth Rates (%)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Asset Growth Rate	38.35	7.95	1.37	-7.56
Loan Growth Rate	7.55	14.50	4.77	-8.22
Deposit Growth Rate	40.46	23.51	-5.28	-7.14

Regulatory Capital (%)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Tier 1 Leverage Ratio	7.17	9.64	10.84	9.38
Common Equity Tier 1 Ratio	16.02	16.03	16.87	17.40
Tier 1 Risk Based Ratio	16.02	16.03	16.87	17.40
Total Risk Based Capital Ratio	17.28	16.87	17.72	18.32

Asset Quality (%)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Texas Ratio	0.34	0.75	0.68	0.49
NPAs/Total Assets	0.03	0.06	0.07	0.05
NPAs+(Lns 90+PD)/Tot Assets	0.03	0.08	0.07	0.05
NPAs/Loans + Frcld RE	0.08	0.14	0.16	0.11
NCOs/Avg Loans	0.13	0.20	0.21	0.31
ALLL/Loans	2.33	1.16	1.23	1.29
Reserves/NPAs	2,900.47	828.88	775.07	1,170.36
LLP/NCOs	NM	144.60	100.05	76.05
Lns 90+ Days Past Due/Tot Lns	0.00	0.04	0.01	0.02
Nonaccrual Loans/Total Loans	0.01	0.14	0.16	0.10
Total Noncurrent Loans/ Loans	0.01	0.18	0.17	0.12
NPLs/Total Loans	0.01	0.14	0.16	0.10
NPAs/Total Loans	0.08	0.14	0.16	0.11
Reserves/ NPAs + Lns 90 PD	2,817.68	652.36	718.89	1,005.99

Yield / Cost Detail (%)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Yield on Earning Assets	1.90	3.50	3.28	2.62
Cost of Int Bearing Deposits	0.65	2.31	2.15	1.40
Cost of Borrowings	0.28	0.85	0.76	0.89
Cost of Interest Bearing Liab	0.64	2.14	1.91	1.32
Cost of Funds	0.50	1.81	1.60	1.03
Yield/ Cost Spread	1.26	1.36	1.37	1.30

Balance Sheet (\$000)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Cash & Equivalents	2,081,486	1,051,453	933,012	876,627
Total Securities	<u>263,276</u>	<u>337,521</u>	<u>390,435</u>	<u>454,816</u>
Total Cash & Secs	2,344,762	1,388,974	1,323,447	1,331,443
Total Loans & Leases	1,311,636	1,219,554	1,065,079	1,016,604
Total Reserves	<u>30,600</u>	<u>14,091</u>	<u>13,091</u>	<u>13,108</u>
Net Loans & Leases	1,281,036	1,205,463	1,051,988	1,003,496
Other Real Estate Owned	954	0	0	127
Goodwill & Intangibles	<u>2,701</u>	<u>2,721</u>	<u>3,568</u>	<u>4,543</u>
Total Assets	3,753,249	2,712,795	2,513,109	2,479,145
Total Deposits	3,250,128	2,313,894	1,873,433	1,977,839
FFunds Purchased	183,811	97,080	78,251	75,173
Commercial Paper	NA	NA	NA	NA
FHLB Advances	0	0	280,000	150,000
Other Borrowings	0	0	0	0
Total Liabilities	3,464,342	2,437,552	2,252,859	2,222,555
Total Equity Capital	288,907	275,243	260,250	256,590
Common Equity Tier 1	278,577	268,543	259,131	250,150
Tier 1 Capital	278,577	268,543	259,131	250,150
Total Capital	300,424	282,659	272,247	263,283
Assets for Leverage	3,883,949	2,785,786	2,390,631	2,666,717
Risk Weighted Assets	1,739,005	1,675,236	1,536,078	1,437,330

Income Statement (\$000)	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total Interest Income	64,623	83,972	75,680	65,114
Total Interest Expense	<u>15,897</u>	<u>40,315</u>	<u>34,168</u>	<u>24,039</u>
Net Interest Inc Before Provision	48,726	43,657	41,512	41,075
Provisions for Loan Losses	<u>18,124</u>	<u>3,242</u>	<u>2,204</u>	<u>2,327</u>
Net Interest Inc After Provisions	30,602	40,415	39,308	38,748
Fiduciary Activities Charges	0	0	0	0
Deposit Service Charges	3	4	3	1
Trading Revenue	0	0	0	0
Other Charges and Fees	<u>101,037</u>	<u>98,105</u>	<u>97,906</u>	<u>101,945</u>
Total Noninterest Income	101,040	98,109	97,909	101,946
General & Administrative	43,578	41,875	42,476	42,755
Intangible Amortization	414	540	1,413	1,020
Other Expenses	<u>59,004</u>	<u>67,392</u>	<u>68,452</u>	<u>70,559</u>
Total Noninterest Expense	102,996	109,807	112,341	114,334
Gain (Loss) on Securities	-1	-8	-5	-9
Gain (Loss) on Other Assets	83	37	-584	1
Net Income before Taxes	28,645	28,709	24,871	26,351
Income Tax	4,631	5,144	3,838	7,150
Minority Interest	NA	NA	NA	NA
Extraordinary Items	0	0	0	0
Net Income	24,014	23,565	21,033	19,201
Dividends Declared	14,000	15,000	12,000	12,000