

# TIB The Independent BankersBank, National Association

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BHC Name: Independent Bankers Financial Corp Primary Regulator: OCC  
BHC State: TX Public Enforcement Action: No

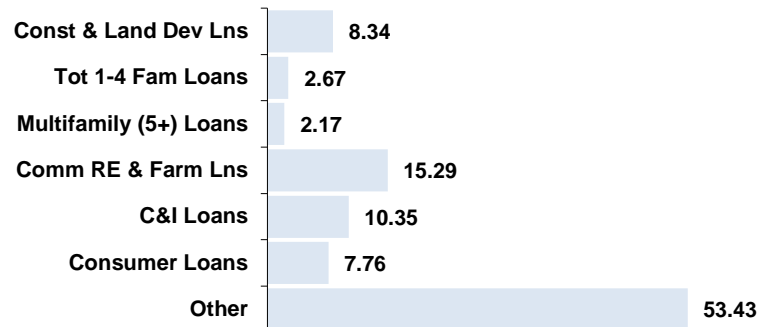


## Correspondent Banking Risk Policy Compliance

### CORRESPONDENT BANKING RISK POLICY

	TIB	LIMIT	RESULT
<b>PRIMARY RATIOS</b>			
Leverage Ratio	10.45%	5.0%	Pass
CET1 Ratio	17.79%	7.0%	Pass
Tier 1 Capital Ratio	17.79%	8.5%	Pass
Total Capital Ratio	18.71%	10.5%	Pass
<b>SECONDARY RATIOS</b>			
Texas Ratio	1.11%	90.0%	Pass
ALLL/Loans	1.28%	1.0%	Pass
ROAA	0.84%	0.0%	Pass

### Loan Portfolio Composition (%)



## CRE Portfolio (\$) and Limit

	6/30/2018	12/31/2017	12/31/2016	12/31/2015
1-4 Fam Const Lns	20,739	9,848	16,458	11,891
Other Const & Dev Lns	64,838	51,904	77,873	42,694
Multifamily (5+) Const Lns	22,226	18,445	27,213	30,682
NFNR Loans Other	121,143	117,561	83,723	64,408
CRE fincd not secured RE	0	0	0	0
Total Commercial Real Estat	228,946	197,758	205,267	149,675
Tot Con&Dev/RBC (<100%)	32.03	23.45	36.77	21.74
Tot CRE / RBC (<300%)	85.69	75.11	80.02	59.62

## Deposit Composition (\$000)

	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Reciprocal Deposits	0	0	0	0
Brokered Deposits	205,503	205,239	385,775	306,614

Financial Highlights (%)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
ROAA	0.84	0.74	0.69	0.85
ROAE	8.14	7.58	7.80	8.61
Net Interest Margin (FTE)	1.83	1.79	1.67	1.74
Efficiency Ratio (FTE)	79.34	77.33	78.08	76.59
Provision/AA	0.09	0.09	0.04	0.05
Interest Income / AA	2.92	2.49	2.07	1.99
Interest Expense / AA	1.26	0.92	0.60	0.48
Net Interest Income/AA	1.66	1.57	1.47	1.51
Non Interest Income / AA	4.07	3.90	3.71	4.34
Non Interest Expense / AA	4.65	4.38	4.18	4.63

Balance Sheet Ratios (%)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Equity Capital / Assets	10.12	10.35	9.20	9.39
Tangible Equity / Tangible Ass	9.98	10.19	9.01	9.14
Total Securities / Assets	16.70	18.35	15.26	16.42
Cash & Equivalents / Assets	38.04	35.36	38.50	42.88
Loans / Deposits	52.95	51.40	52.01	44.44
Loans / Assets	40.36	41.01	41.30	35.98
Goodwill & Other Intang / Asse	0.16	0.18	0.22	0.27
Deposits / Liabilities	84.80	88.99	87.47	89.36
Pledged Securities / Securities	63.84	45.49	60.90	65.88

Growth Rates (%)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Asset Growth Rate	5.15	-7.56	4.53	17.64
Loan Growth Rate	1.91	-8.22	19.99	7.15
Deposit Growth Rate	-4.01	-7.14	2.53	15.66

Regulatory Capital (%)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Tier 1 Leverage Ratio	10.45	9.39	8.57	9.08
Common Equity Tier 1 Ratio	17.79	17.40	16.03	18.35
Tier 1 Risk Based Ratio	17.79	17.40	16.03	18.35
Total Risk Based Capital Ratio	18.71	18.32	16.94	19.52

Asset Quality (%)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Texas Ratio	1.11	0.49	0.19	0.19
NPAs/Total Assets	0.11	0.05	0.01	0.01
NPAs+(Lns 90+PD)/Tot Asset	0.12	0.05	0.02	0.02
NPAs/Loans + Frclsd RE	0.27	0.11	0.03	0.02
NCOs/Avg Loans	0.23	0.31	0.24	0.19
ALLL/Loans	1.28	1.29	1.25	1.63
Reserves/NPAs	469.48	NM	NM	NM
LLP/NCOs	100.00	76.05	48.51	68.06
Lns 90+ Days Past Due/Tot Ln	0.02	0.02	0.01	0.04
Nonaccrual Loans/Total Loans	0.27	0.10	0.02	0.01
Total Noncurrent Loans/ Loans	0.28	0.12	0.04	0.05
NPLs/Total Loans	0.27	0.10	0.03	0.01
NPAs/Total Loans	0.27	0.11	0.03	0.02
Reserves/ NPAs + Lns 90 PD	443.59	NM	NM	NM

Yield / Cost Detail (%)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Yield on Earning Assets	3.08	2.62	2.17	2.10
Cost of Int Bearing Deposits	1.93	1.40	0.99	0.87
Cost of Borrowings	0.85	0.89	0.38	0.07
Cost of Interest Bearing Liab	1.79	1.32	0.89	0.79
Cost of Funds	1.47	1.05	0.69	0.57
Yield/ Cost Spread	1.29	1.30	1.28	1.31

Balance Sheet (\$000)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Cash & Equivalents	967,251	876,627	1,032,525	1,100,059
Total Securities	424,667	454,816	409,342	421,268
Total Cash & Secs	1,391,918	1,331,443	1,441,867	1,521,327
Total Loans & Leases	1,026,309	1,016,604	1,107,640	923,143
Total Reserves	13,108	13,108	13,841	15,083
Net Loans & Leases	1,013,201	1,003,496	1,093,799	908,060
Other Real Estate Owned	35	127	25	90
Goodwill & Intangibles	4,043	4,543	5,800	6,949
Total Assets	2,543,007	2,479,145	2,681,854	2,565,602
Total Deposits	1,938,172	1,977,839	2,129,839	2,077,355
FFunds Purchased	123,980	75,173	87,154	101,737
Commercial Paper	NA	NA	NA	NA
FHLB Advances	200,000	150,000	200,000	125,000
Other Borrowings	0	0	0	0
Total Liabilities	2,285,594	2,222,555	2,435,041	2,324,753
Total Equity Capital	257,413	256,590	246,813	240,849
Common Equity Tier 1	254,031	250,150	242,675	235,963
Tier 1 Capital	254,031	250,150	242,675	235,963
Total Capital	267,164	263,283	256,516	251,046
Assets for Leverage	2,430,917	2,664,927	2,832,588	2,597,811
Risk Weighted Assets	1,427,791	1,437,330	1,514,056	1,285,960

Income Statement (\$000)	6/30/2018	12/31/2017	12/31/2016	12/31/2015
Total Interest Income	36,204	65,114	56,649	48,042
Total Interest Expense	15,594	24,039	16,459	11,543
Net Interest Inc Before Provisic	20,610	41,075	40,190	36,499
Provisions for Loan Losses	1,151	2,327	1,170	1,140
Net Interest Inc After Provision:	19,459	38,748	39,020	35,359
Fiduciary Activities Charges	0	0	0	0
Deposit Service Charges	1	1	1	28
Trading Revenue	0	0	0	0
Other Charges and Fees	50,452	101,945	101,542	104,821
Total Noninterest Income	50,453	101,946	101,543	104,849
General & Administrative	21,472	42,755	43,545	42,325
Intangible Amortization	501	1,020	1,043	1,061
Other Expenses	35,654	70,559	69,799	68,462
Total Noninterest Expense	57,627	114,334	114,387	111,848
Gain (Loss) on Securities	0	-9	-3	0
Gain (Loss) on Other Assets	0	1	0	2,371
Net Income before Taxes	12,285	26,351	26,173	28,360
Income Tax	1,877	7,150	7,161	7,914
Minority Interest	NA	NA	NA	NA
Extraordinary Items	0	0	0	0
Net Income	10,408	19,201	19,012	20,446
Dividends Declared	6,000	12,000	12,000	10,500