

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 RATIOS			
Leverage Ratio	8.85%	5.0%	Pass
CET1 Ratio	16.28%	7.0%	Pass
Tier 1 Capital Ratio	16.28%	8.5%	Pass
Total Capital Ratio	17.26%	10.5%	Pass
SECONDARY RATIOS			
Texas Ratio	0.22%	90.0%	Pass
ALLL/Loans	1.32%	1.0%	Pass
ROAA	0.68%	0.0%	Pass

Financial Highlights (%)	9/30/2016	12/31/2015	12/31/2014	12/31/2013
ROAA	0.68	0.85	0.80	0.90
ROAE	7.58	8.61	8.31	9.44
Net Interest Margin (FTE)	1.68	1.74	1.72	1.52
Efficiency Ratio (FTE)	78.49	76.59	77.83	77.13
Provision/AA	0.06	0.05	0.01	0.08
Interest Income / AA	2.07	1.99	2.01	1.92
Interest Expense / AA	0.60	0.48	0.52	0.61
Net Interest Income/AA	1.47	1.51	1.49	1.31
Non Interest Income / AA	3.76	4.34	4.17	4.58
Non Interest Expense / AA	4.24	4.63	4.56	4.68

Balance Sheet Ratios (%)

Equity Capital / Assets	9.19	9.39	10.62	9.74
Tangible Equity / Tangible Asst	8.99	9.14	10.28	9.47
Total Securities / Assets	16.78	16.42	21.24	24.01
Cash & Equivalents / Assets	37.66	42.88	34.11	40.62
Loans / Deposits	51.85	44.44	47.97	38.31
Loans / Assets	40.84	35.98	39.51	30.44
Goodwill & Other Intang / Asse	0.23	0.27	0.37	0.30
Deposits / Liabilities	86.74	89.36	92.14	88.04
Pledged Securities / Securities	81.13	65.88	71.91	68.31

Growth Rates (%)

Asset Growth Rate	6.32	17.64	-0.16	-15.57
Loan Growth Rate	25.17	7.15	29.56	-0.65
Deposit Growth Rate	2.51	15.66	3.46	-9.25

Regulatory Capital (%)

Tier 1 Leverage Ratio	8.85	9.08	9.91	9.95
Common Equity Tier 1 Ratio	16.28	18.35	18.73	22.88
Tier 1 Risk Based Ratio	16.28	18.35	18.73	22.88
Total Risk Based Capital Ratio	17.26	19.52	19.98	24.13

Asset Quality (%)

Texas Ratio	0.22	0.19	1.23	3.63
NPAs/Total Assets	0.01	0.01	0.13	0.37
NPAs+(Lns 90+PD)/Tot Assets	0.02	0.02	0.15	0.38
NPAs/Loans + Frclsd RE	0.03	0.02	0.34	1.20
NCOs/Avg Loans	0.24	0.19	0.24	0.27
ALLL/Loans	1.32	1.63	1.81	2.57
Reserves/NPAs	NM	NM	532.86	213.35
LLP/NCOs	65.18	68.06	12.11	106.84
Lns 90+ Days Past Due/Tot Ln	0.02	0.04	0.03	0.04
Nonaccrual Loans/Total Loans	0.02	0.01	0.08	0.64
Total Noncurrent Loans/ Loans	0.05	0.05	0.11	0.68
NPLs/Total Loans	0.03	0.01	0.32	1.10
NPAs/Total Loans	0.03	0.02	0.34	1.20
Reserves/ NPAs + Lns 90 PD	NM	NM	488.22	206.13

Yield / Cost Detail (%)

Yield on Earning Assets	2.17	2.10	2.13	2.04
Cost of Int Bearing Deposits	0.99	0.87	0.79	0.83
Cost of Borrowings	0.36	0.07	1.42	1.66
Cost of Interest Bearing Liab	0.89	0.79	0.88	1.02
Cost of Funds	0.69	0.57	0.60	0.69
Yield/ Cost Spread	1.29	1.31	1.26	1.02

Balance Sheet (\$000)	9/30/2016	12/31/2015	12/31/2014	12/31/2013
Cash & Equivalents	1,011,929	1,100,059	743,915	887,352
Total Securities	450,939	421,268	463,192	524,470
Total Cash & Secs	1,462,868	1,521,327	1,207,107	1,411,822
Total Loans & Leases	1,097,379	923,143	861,543	664,996
Total Reserves	14,458	15,083	15,618	17,070
Net Loans & Leases	1,082,921	908,060	845,925	647,926
Other Real Estate Owned	0	90	197	708
Goodwill & Intangibles	6,163	6,949	8,104	6,466
Total Assets	2,687,274	2,565,602	2,180,805	2,184,373
Total Deposits	2,116,522	2,077,355	1,796,044	1,735,903
FFunds Purchased	94,611	101,737	132,839	210,432
Commercial Paper	0	0	0	0
FHLB Advances	200,000	125,000	0	0
Other Borrowings	0	0	0	0
Total Liabilities	2,440,192	2,324,753	1,949,252	1,971,670
Total Equity Capital	247,082	240,849	231,553	212,703
Common Equity Tier 1	240,236	235,963	221,609	217,715
Tier 1 Capital	240,236	235,963	221,609	217,715
Total Capital	254,694	251,046	236,409	229,675
Assets for Leverage	2,714,381	2,597,811	2,236,521	2,188,980
Risk Weighted Assets	1,475,552	1,285,960	1,183,165	951,670

Income Statement (\$000)

Total Interest Income	42,006	48,042	46,565	42,994
Total Interest Expense	12,178	11,543	12,029	13,624
Net Interest Inc Before Provisio	29,828	36,499	34,536	29,370
Provisions for Loan Losses	1,170	1,140	200	1,750
Net Interest Inc After Provisio	28,658	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	76,374	104,821	96,558	102,689
Total Noninterest Income	76,374	104,849	96,562	102,689
General & Administrative	33,097	42,325	40,222	40,472
Intangible Amortization	782	1,061	1,265	953
Other Expenses	52,278	68,462	64,123	63,424
Total Noninterest Expense	86,157	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	18,875	28,360	25,707	28,183
Income Tax	5,084	7,914	7,130	8,113
Minority Interest	0	0	0	0
Extraordinary Items	0	0	0	0
Net Income	13,791	20,446	18,577	20,070
Dividends Declared	9,000	10,500	13,000	12,000

Loan Portfolio Composition (%)

Const & Land Dev Lns	6.75
Tot 1-4 Fam Loans	4.68
Multifamily (5+) Loans	3.00
Comm RE & Farm Lns	9.13
C&I Loans	10.92
Consumer Loans	7.45
Other	58.06

CRE Portfolio (\$) and Limit

	9/30/2016	12/31/2015	12/31/2014	12/31/2013
1-4 Fam Const Lns	17,300	11,891	4,453	1,964
Other Const & Dev Lns	56,785	42,694	21,902	30,220
Multifamily (5+) Const Lns	32,949	30,682	15,418	10,104
NFNR Loans Other	66,958	64,408	70,508	59,747
CRE fincd not secured RE	0	0	0	0
Total Commercial Real Estate	173,992	149,675	112,281	102,035
Tot Const&Dev / RBC (<100%)	29.09	21.74	11.15	14.01
Tot CRE / RBC (<300%)	68.31	59.62	47.49	44.43

Deposit Composition (\$000)

Reciprocal Deposits	0	0	0	0
Brokered Deposits	311,244	306,614	342,011	305,020