TIB-The Independent BankersBank

350 Phelps Drive
Irving, TX 75038
Phone: (972) 650-6000
website: www.mybankersbank.com

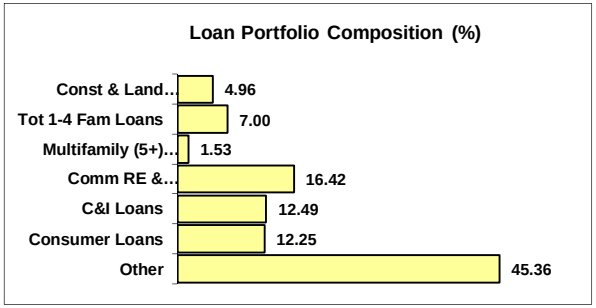
BHC Name: Independent Bankers Financial Corp
BHC State: TX

Primary Regulator: FRB
Public Enforcement Action: No

Correspondent Banking Risk Policy Compliance

CORRESPONDENT BANKING RISK POLICY

	TIB	LIMIT	RESULT
PRIMARY ASSESSMENT RATIOS			
Tier 1 Leverage	10.6%	5.0%	Pass
Tier 1 Risk-Based Capital	22.5%	6.0%	Pass
Total Risk-Based Cap	23.8%	10.0%	Pass
SECONDARY ASSESSMENT RATIOS			
Texas Ratio	5.7%	90.0%	Pass
ALLL/Loans	2.7%	1.0%	Pass
ROAA	1.0%	0.0%	Pass



CRE Portfolio ($) and Limits	9/30/2013	12/31/2012	12/31/2011	12/31/2010
1-4 Fam Const Lns	3,042	2,184	1,174	1,201
Other Const & Dev Lns	28,975	26,089	17,913	30,567
Multifamily (5+) Const Lns	9,877	8,178	8,014	6,061
NFNR Loans Other	68,449	79,302	82,014	106,724
CRE fincd not secured RE	0	0	0	0
Total CRE	110,343	115,753	109,115	144,553
Risk Based Capital	226,344	221,281	203,714	195,241
Tot Const&Dev/RBC (<100%)	14.15	12.78	9.37	16.27
Tot CRE/RBC (<300%)	48.75	52.31	53.56	74.04

Deposit Composition				
Reciprocal Deposits $	0	0	0	0
Brokered Deposits $	304,788	262,313	262,469	261,509

Financial Highlights (%)	9/30/2013	12/31/2012	12/31/2011	12/31/2010
ROAA	0.99	0.82	0.67	0.58
ROAE	10.57	10.26	8.51	7.29
Net Interest Margin (FTE)	1.48	1.37	1.51	1.87
Efficiency Ratio (FTE)	75.09	75.20	79.93	76.44
Provision/AA	0.10	0.12	0.11	0.60
Interest Income/ AA	1.88	1.87	2.08	2.53
Interest Expense/ AA	0.62	0.69	0.83	0.98
Net Interest Income/AA	1.27	1.18	1.25	1.54
Non Interest Income/AA	4.68	4.13	3.93	4.34
Non Interest Expense/ AA	4.60	4.09	4.29	4.71

Balance Sheet Ratios (%)				
Equity Cap/ Total Assets	9.93	8.32	7.57	8.17
Tangible Equity/Tangible Assets	9.65	8.04	7.41	7.96
Total Securities/Assets	25.67	25.89	16.02	15.08
Cash & Cash Equiv/Assets	39.32	44.23	54.61	49.69
Loans/Deposits	38.70	34.99	37.19	50.85
Loans/ Assets	29.98	25.87	26.12	31.80
Goodwill & Other Intang/Assets	0.31	0.31	0.18	0.23
Deposit/ Liabilities	86.02	80.65	76.00	68.10
Pledged Secs/Secs	68.07	76.36	66.18	81.39

Growth Rates (%)				
Asset Growth Rate	-22.34	3.18	9.71	14.98
Loan Growth Rate	-4.70	2.18	-9.87	-13.40
Deposit Growth Rate	-17.03	8.61	23.23	60.21

Regulatory Capital (%)				
Tier 1 Leverage Ratio	10.58	8.32	7.35	7.57
Tier 1 Risk Based Ratio	22.50	21.75	21.68	19.24
Total Risk Based Capital Ratio	23.76	23.01	22.94	20.51

Asset Quality (%)				
Texas Ratio	5.68	5.27	8.35	8.99
NPAs/Total Assets	0.57	0.45	0.65	0.77
NPAs+(Lns 90+PD)/Tot Assets	0.59	0.46	0.68	0.80
NPAs/Loans + Frclsd RE	1.91	1.72	2.48	2.43
NCOs/Avg Loans	0.27	0.58	1.26	1.40
ALLL/Loans	2.71	2.53	2.67	3.11
Reserves/NPAs	141.39	146.99	106.92	128.04
LLP/NCOs	145.23	84.77	33.24	126.44
Lns 90+ Days Past Due/Tot Lns	0.06	0.04	0.09	0.09
Nonaccrual Loans/Total Loans	1.28	0.81	1.81	2.38
Total Noncurrent Loans/ Loans	1.34	0.85	1.90	2.48
NPLs/Tot Lns	1.76	1.31	1.87	2.38
NPAs/Tot Lns	1.92	1.72	2.50	2.43
Reserves/ NPAs + Lns 90 PD	137.07	143.61	103.25	123.23

Yield / Cost Detail (%)				
Yield on Earning Assets	2.01	1.95	2.22	2.68
Cost of Int Bearing Deposits	0.82	0.83	0.96	1.10
Cost of Borrowings	1.69	1.99	2.11	2.32
Cost of Interest Bearing Liab	1.03	1.19	1.41	1.73
Cost of Funds	0.69	0.77	0.94	1.13
Yield/ Cost Spread	0.98	0.76	0.81	0.95

Balance Sheet ($000)	9/30/2013	12/31/2012	12/31/2011	12/31/2010
Cash & Equivalents	846,934	1,144,244	1,369,361	1,135,643
Total Securities	552,797	669,796	401,797	344,589
Total Cash & Secs	1,399,731	1,814,040	1,771,158	1,480,232
Total Lns & Leases	645,784	669,357	655,062	726,805
Total Reserves	17,503	16,958	17,490	22,633
Net Lns & Leases	628,281	652,399	637,572	704,172
Other Real Estate Owned	1,043	2,735	4,108	364
Goodwill & Other Intang	6,684	7,895	4,486	5,148
Total Assets	2,153,724	2,587,134	2,507,508	2,285,632
Total Deposits	1,668,558	1,912,922	1,761,313	1,429,281
FFunds Purch & Repos	141,905	325,836	303,262	435,594
Commercial Paper	NA	NA	NA	NA
FHLB Advances	100,000	100,000	200,000	200,000
Other Borrowings	0	0	3,366	1,000
Total Other Borrowings	100,000	100,000	203,366	201,000
Total Liabilities	1,939,840	2,371,940	2,317,650	2,098,890
Total Equity Cap	213,884	215,194	189,858	186,742
Tier 1 Capital	214,367	209,198	192,532	183,207

Income Statement ($000)				
Int Inc: Total	31,866	47,677	51,356	58,180
Int Exp: Total	10,436	17,598	20,587	22,665
Net Int Inc Before Loss Prov	21,430	30,079	30,769	35,515
Total Prov for Losses	1,750	2,962	2,719	13,720
Net Int Inc after Prov	19,680	27,117	28,050	21,795

Noninterest Income ($000)				
Nonint Inc: Fiduciary Activities	0	0	0	0
Nonint Inc: Svc Chgs on Dep Acct	0	0	6	129
Nonint Inc: Trading Revenue	0	0	0	0
Nonint Inc: Oth Svc Chgs & NII	79,269	105,247	96,983	99,863
Nonint Inc: Fees & Oth Charges	NA	NA	NA	NA
Nonint Inc: Other	NA	NA	NA	NA
Nonint Inc: Total	79,269	105,247	96,989	99,992

Noninterest Expense ($000)				
Nonint Exp: Gen & Admin	29,693	39,685	38,944	39,597
Nonint Exp: Amort of Intang	715	213	563	895
Nonint Exp: Other	47,398	64,531	66,407	67,816
Nonint Exp: Total	77,806	104,429	105,914	108,308
Gain (Loss) on Sale of Secs	2,723	1,036	1,381	2,747
Gain (Loss) on Other Assets	NA	NA	NA	NA

Net Income ($000)				
Net Income before Tax/Adjust	23,866	28,971	20,506	16,226
Income Tax	7,032	8,044	4,092	2,836
Minority Interest	NA	NA	NA	NA
Net Income before Extra Items	16,834	20,927	16,414	13,390
Extraordinary Items	0	0	0	0
Net Income	16,834	20,927	16,414	13,390

Financial Source: SNL Financial