

Edgar Filing: Independent Bank Group, Inc. - Form 10-Q

Independent Bank Group, Inc.  
Form 10-Q  
July 26, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q  
(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
For the quarterly period ended June 30, 2018.

or  
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-35854

Independent Bank Group, Inc.

(Exact name of registrant as specified in its charter)

Texas

13-4219346

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1600 Redbud Boulevard, Suite 400

75069-3257

McKinney, Texas

(Address of principal executive offices)

(Zip Code)

(972) 562-9004

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Applicable Only to Corporate Issuers

Edgar Filing: Independent Bank Group, Inc. - Form 10-Q

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, Par Value \$0.01 Per Share – 30,468,713 shares as of July 24, 2018.

---

INDEPENDENT BANK GROUP, INC. AND SUBSIDIARIES  
Form 10-Q  
June 30, 2018

PART I. Financial Information

Item 1.	<u>Financial Statements</u>	
	<u>Consolidated Balance Sheets-Unaudited</u>	<u>1</u>
	<u>Consolidated Statements of Income-Unaudited</u>	<u>2</u>
	<u>Consolidated Statements of Comprehensive Income-Unaudited</u>	<u>3</u>
	<u>Consolidated Statements of Changes in Stockholders' Equity-Unaudited</u>	<u>4</u>
	<u>Consolidated Statements of Cash Flows-Unaudited</u>	<u>5</u>
	<u>Notes to Consolidated Financial Statements-Unaudited</u>	<u>6</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>35</u>
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>51</u>
Item 4.	<u>Controls and Procedures</u>	<u>52</u>
PART II.	<u>Other Information</u>	
Item 1.	<u>Legal Proceedings</u>	<u>52</u>
Item 1A.	<u>Risk Factors</u>	<u>53</u>
Item 2	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>54</u>
Item 3.	<u>Defaults Upon Senior Securities</u>	<u>54</u>
Item 4.	<u>Mine Safety Disclosures</u>	<u>54</u>
Item 5.	<u>Other Information</u>	<u>54</u>
Item 6.	<u>Exhibits</u>	<u>55</u>

Signatures

\*\*\*

---

Table of Contents

Independent Bank Group, Inc. and Subsidiaries  
Consolidated Balance Sheets  
June 30, 2018 (unaudited) and December 31, 2017  
(Dollars in thousands, except share information)

	June 30, 2018	December 31, 2017
<b>Assets</b>		
Cash and due from banks	\$321,241	\$187,574
Interest-bearing deposits in other banks	125,808	243,528
Cash and cash equivalents	447,049	431,102
Certificates of deposit held in other banks	1,225	12,985
Securities available for sale, at fair value	791,065	763,002
Loans held for sale	30,056	39,202
Loans, net	7,598,644	6,432,273
Premises and equipment, net	155,187	147,835
Other real estate owned	4,200	7,126
Federal Home Loan Bank (FHLB) of Dallas stock and other restricted stock	39,003	29,184
Bank-owned life insurance (BOLI)	127,848	113,170
Deferred tax asset	14,790	9,763
Goodwill	721,578	621,458
Core deposit intangible, net	48,052	43,244
Other assets	38,340	34,119
<b>Total assets</b>	<b>\$10,017,037</b>	<b>\$8,684,463</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Deposits:</b>		
Noninterest-bearing	\$2,170,639	\$1,907,770
Interest-bearing	5,362,766	4,725,052
<b>Total deposits</b>	<b>7,533,405</b>	<b>6,632,822</b>
FHLB advances	750,626	530,667
Other borrowings	137,098	136,911
Junior subordinated debentures	27,753	27,654
Other liabilities	29,886	20,391
<b>Total liabilities</b>	<b>8,478,768</b>	<b>7,348,445</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Preferred stock (0 and 0 shares outstanding, respectively)	—	—
Common stock (30,468,413 and 28,254,893 shares outstanding, respectively)	305	283
Additional paid-in capital	1,312,432	1,151,990
Retained earnings	235,689	184,232
Accumulated other comprehensive loss	(10,157	) (487 )
<b>Total stockholders' equity</b>	<b>1,538,269</b>	<b>1,336,018</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$10,017,037</b>	<b>\$8,684,463</b>
See Notes to Consolidated Financial Statements		



Table of Contents

Independent Bank Group, Inc. and Subsidiaries  
Consolidated Statements of Income  
Three and Six Months Ended June 30, 2018 and 2017 (unaudited)  
(Dollars in thousands, except per share information)

	Three Months Ended June 30, 2018	2017	Six Months Ended June 30, 2018	2017
Interest income:				&#1