Independent Bank Group, Inc.
Form 424B7
August 02, 2016
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Filed Pursuant to Rule 424(b)(7)
Registration No. 333-196627

PROSPECTUS SUPPLEMENT

(to prospectus dated June 27, 2014)

205,000 Shares

Common Stock

This prospectus supplement relates to the offer for sale of 205,000 shares of our common stock, par value $0.01 per share, or the Shares, by the selling shareholders identified in this prospectus supplement. See Selling Shareholders below. The selling shareholders are offering and selling the Shares in an offering underwritten by Sandler O Neill + Partners, L.P. See Underwriting below.

We are not selling any shares of our common stock in the offering described in this prospectus supplement, and, accordingly, we will not receive any proceeds from the sale of any of the Shares by the selling shareholders hereunder. The selling shareholders will receive all of the net proceeds from the sale of the Shares.

Our common stock is listed for trading on the NASDAQ Global Select Market of the NASDAQ Stock Market LLC under the trading symbol IBTX. On August 1, 2016, the closing price of our common stock on the NASDAQ Global Select Market was $41.73 per share.

Investing in our common stock involves certain risks. You should consider the information under the heading Risk Factors on page S-9 of this prospectus supplement and the information under the heading Risk Factors on page 1 of the accompanying prospectus before investing in the Shares offered hereby.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Selling Shareholders
Per share	$40.50	$0.10	$40.40
Total	$8,302,500	$20,500	$8,282,000

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of the shares of our common stock offered hereby or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Shares of our common stock are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The underwriter expects to deliver the Shares to purchasers in book-entry form only through the facilities of The Depository Trust Company and its participants against payment therefor in immediately available funds on or about August 5, 2016.

SANDLER O NEILL + PARTNERS, L.P.

Prospectus Supplement dated August 1, 2016

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You should rely on the information contained or incorporated by reference into this prospectus supplement or the accompanying prospectus in evaluating, and deciding whether to make, an investment in the Shares offered hereby. No one has been authorized to provide you with different information. If this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

This prospectus supplement and the accompanying prospectus may only be used in connection with the offering of the Shares offered hereby. The Shares offered hereby are being offered for sale only in jurisdictions where it is lawful to make such offers.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the offering. We use the term prospectus herein to refer to both parts combined.

The selling shareholders are offering to sell the Shares offered hereby and seeking offers to buy the Shares offered hereby only in jurisdictions where offers and sales of the Shares offered hereby are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offer or sale of the Shares offered hereby in certain jurisdictions may be restricted by law. We and the selling shareholders require persons into whose possession this prospectus supplement and the accompanying prospectus come to inform themselves about and to observe any applicable restrictions. This prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation, and this prospectus may not be delivered to any person to whom it is unlawful to make such offer or solicitation. See Underwriting in this prospectus supplement.

The underwriter expects to deliver the Shares against payment on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which is the fourth business day following the date of this prospectus supplement. Under Rule 15c6-1 of the SEC under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if any purchaser wishes to trade the Shares on the date of pricing of the Shares, it will be required, by virtue of the fact that the Shares initially will settle on the fourth business day following the day of this prospectus supplement, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of each document regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of the Shares offered hereby. In case there are any differences or inconsistencies between this prospectus supplement, the accompanying prospectus and the information incorporated by reference, you should rely on the information in the document with the latest date.

All references in this prospectus supplement to Independent Bank Group, the Company, we, our Company, us, our or similar references r
Independent Bank Group, Inc. and its successors, and include our consolidated subsidiaries where the context requires.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary contains basic information about us and this offering. Because it is a summary, it does not contain all the information that may be important to you. Before making an investment decision, you should read this entire prospectus supplement and accompanying prospectus carefully, including the section entitled Risk Factors in this prospectus supplement, and the documents incorporated by reference herein, including the financial statements and the accompanying notes contained in such documents.

Independent Bank Group, Inc.

Independent Bank Group is a registered bank holding company headquartered in McKinney, Texas, which is located in the northern portion of the Dallas-Fort Worth metropolitan area. Our Company was organized as a Texas corporation on September 20, 2002. Through our wholly owned subsidiary, Independent Bank, a Texas state chartered bank, we provide a wide range of relationship-driven commercial banking products and services tailored to meet the needs of businesses, professionals and individuals. We operate 42 banking offices in the Dallas-Fort Worth metropolitan area, the Austin/Central Texas area, and the Houston metropolitan area. As of June 30, 2016, we had consolidated total assets of approximately $5.4 billion, total loans held for investment of approximately $4.3 billion, total deposits of approximately $4.2 billion and total stockholders equity of approximately $630 million. Our common stock is traded on the NASDAQ Global Select Market under the symbol IBTX. At July 29, 2016, we had 18,660,282 shares of our common stock outstanding on a fully diluted basis.

Our primary function is to own all of the stock of Independent Bank. Independent Bank is a locally managed community bank that seeks to provide personal attention and professional assistance to its customer base, which consists principally of small to medium sized businesses, professionals and individuals. Independent Bank s philosophy includes offering direct access to its officers and personnel, providing friendly, informed and courteous service, local and timely decision making, flexible and reasonable operating procedures, and consistently applied credit policies.

Our principal executive offices are located at 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069-3257. Our telephone number is (972) 562-9004, and our website is www.ibtx.com. References to our website and those of our subsidiaries are not intended to be active links and the information on such websites is not, and you must not consider that information to be, a part of this prospectus supplement or the accompanying prospectus except as expressly set forth herein.

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Summary of the Offering

The following summary of this offering contains basic information about this offering and is not intended to be complete. It does not contain all the information that is important to you. For a description of our common stock, please refer to the section of this prospectus supplement entitled Description of Our Common Stock and the section of the accompanying prospectus entitled Description of Common Stock.

Issuer	Independent Bank Group, Inc.
Securities offered	Common stock, par value $0.01 per share
Number of shares offered by selling shareholders	205,000 shares
Shares of common stock outstanding before and after the offering	18,660,282[1]
Use of Proceeds	We will not receive any of the proceeds from the offering described in this prospectus supplement. The selling shareholders will receive all of the net proceeds from the sale of the Shares in such offering.
Dividend Policy	We have paid a quarterly dividend on our common stock in each quarter commencing with the third quarter of 2013. We currently expect to continue to pay (when, as and if declared by our board of directors out of funds legally available for that purpose and subject to regulatory restrictions) regular quarterly cash dividends on our common stock; however, there can be no assurance that the Company will continue to pay dividends in the future. The payment of future dividends on our common stock will depend upon our earnings and financial condition, liquidity and capital requirements, regulatory restrictions on our payment of dividends to the holders of our common stock, the general economic and regulatory climate, our ability to service any equity or debt obligations senior to our common stock and other factors deemed relevant by our board of directors. Moreover, our payment of dividends on the common stock is dependent on our receipt of dividends from our subsidiary, Independent Bank. Independent Bank s ability to pay dividends to us is subject to certain regulatory restrictions. See Business Supervision and Regulation, Independent Bank Group as a Bank Holding Company, and Regulation of Independent Bank in our most recently filed Annual Report on Form 10-K for certain information regarding regulatory restrictions on our ability to pay dividends and the ability of Independent Bank to pay dividends and Risk Factors in such Annual Report on Form 10-K for a discussion of certain risks relating to our continued payment of dividends on the common stock.

1 Shares of our common stock outstanding on a fully diluted basis on July 29, 2016, which includes 150,544 shares of common stock issuable on the exercise of outstanding warrants to purchase shares of common stock and 33,760 shares of common stock issuable upon the vesting of outstanding restricted stock rights.

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NASDAQ Global Select Market trading symbol	IBTX
Risk Factors	Investing in our common stock involves certain risks. See Risk Factors on page S-9 of this prospectus supplement and Risk Factors on page 1 of the accompanying prospectus for information regarding risk factors you should consider before investing in the Shares offered hereby.

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SELECTED FINANCIAL INFORMATION

The following selected historical consolidated financial information of our Company as of and for the six months ended June 30, 2016 and 2015 has been derived from our unaudited consolidated financial statements as of and for the six months ended June 30, 2016 and 2015, which are incorporated herein by reference, and the following selected consolidated financial information of our Company as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 has been derived from our audited consolidated financial statements for the years ended December 31, 2015, 2014 and 2013, each of which is incorporated herein by reference, and for the years ended December 31, 2012 and 2011.

You should read the following financial information relating to us in conjunction with other information contained in this prospectus supplement and the accompanying prospectus, including our consolidated financial statements and related accompanying notes incorporated therein by reference. Our historical results for any prior period are not necessarily indicative of results to be expected in any future period, and our historical results for the six months ended June 30, 2016, are not necessarily indicative of our results to be expected for all of 2016. We have consummated several acquisitions in recent fiscal periods. The results and other financial information of those acquired operations are not included in the table below for the periods or dates prior to their respective acquisition dates and, therefore, the results for these prior periods are not comparable in all respects and may not be predictive of our future results.

	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(dollars in thousands except per share)	(unaudited)						
Selected Income Statement Data							
Interest income	$ 103,405	$ 83,483	$ 174,027	$ 140,132	$ 87,214	$ 71,890	$ 59,639
Interest expense	11,862	9,625	19,929	15,987	12,281	13,337	13,358
Net interest income	91,543	73,858	154,098	124,145	74,933	58,553	46,281
Provision for loan losses	5,120	3,329	9,231	5,359	3,822	3,184	1,650
Net interest income after provision for loan losses	86,423	70,529	144,867	118,786	71,111	55,369	44,631
Noninterest income	9,399	8,075	16,128	13,624	11,021	9,168	7,708
Noninterest expense	59,542	48,841	103,198	88,512	57,671	47,160	38,639
Net income	24,261	20,023	38,786	28,978	19,800	17,377	13,700
Preferred stock dividends	8	120	240	169			
Net income available to common shareholders	24,523	19,903	38,546	28,809	19,800	17,377	13,700
Pro forma net income(1) (unaudited)	n/a	n/a	n/a	n/a	16,174	12,147	9,357
Per Share Data (Common Stock)(2)							
Earnings:							
Basic	$ 1.31	$ 1.16	$ 2.23	$ 1.86	$ 1.78	$ 2.23	$ 2.00
Diluted(3)	1.31	1.16	2.21	1.85	1.77	2.23	2.00
Pro forma earnings:(1) (unaudited)							
Basic	n/a	n/a	n/a	n/a	1.45	1.56	1.37
Diluted(3)	n/a	n/a	n/a	n/a	1.44	1.56	1.37
Dividends(4)	0.16	0.16	0.32	0.24	0.77	1.12	0.89
Book value(5)	34.08	31.30	32.79	30.35	18.96	15.06	12.55
Tangible book value(6)	19.28	17.18	17.85	16.15	15.89	11.19	10.53

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(dollars in thousands except per share)	As of and for the Six Months Ended June 30, 2016	2015 (unaudited)	As of and for the Year Ended December 31, 2015	2014	2013	2012	2011
Selected Period End Balance Sheet Data							
Total assets	$ 5,446,797	$ 4,375,727	$ 5,055,000	$ 4,132,639	$ 2,163,984	$ 1,740,060	$ 1,254,377
Cash and cash equivalents	436,605	424,196	293,279	324,047	93,054	102,290	56,654
Securities available for sale	287,976	180,465	273,463	206,062	194,038	113,355	93,991
Total loans (gross)	4,265,399	3,382,790	4,001,704	3,205,537	1,726,543	1,378,676	988,671
Allowance for loan losses	30,916	21,764	27,043	18,552	13,960	11,478	9,060
Goodwill and core deposit intangible	273,480	241,534	275,000	241,912	37,852	31,993	13,886
Other real estate owned	1,567	2,958	2,168	4,763	3,322	6,819	8,392
Adriatica real estate owned						9,727	16,065
Noninterest-bearing deposits	1,107,620	886,087	1,071,656	818,022	302,756	259,664	168,849
Interest-bearing deposits	3,100,785	2,581,397	2,956,623	2,431,576	1,407,563	1,131,076	861,635
Borrowings (other than junior subordinated debentures)	578,169	271,504	371,283	306,147	195,214	201,118	118,086
Junior subordinated debentures[7]	18,147	18,147	18,147	18,147	18,147	18,147	14,538
Series A Preferred Stock		23,938	23,938	23,938			
Total stockholders equity	629,628	559,447	603,371	540,851	233,772	124,510	85,997
Selected Performance Metrics[8]							
Return on average assets[9]	0.92%	0.96%	0.88%	0.87%	1.04%	1.17%	1.16%
Return on average equity[9]	7.83	7.27	6.83	6.65	9.90	16.54	17.36
Return on average common equity[9]	7.85	7.60	7.13	6.89	9.90	16.54	17.36
Pro forma return on average assets[1][9] (unaudited)	n/a	n/a	n/a	n/a	0.85	0.82	0.79
Pro forma return on average equity[1][9] (unaudited)	n/a	n/a	n/a	n/a	8.09	11.56	11.86
Net interest margin[10]	4.02	4.08	4.05	4.19	4.30	4.40	4.42
Efficiency ratio[11]	58.99	59.61	60.62	64.25	67.10	69.64	71.57
Dividend payout ratio[12]	12.21	13.79	14.35	12.90	14.20	11.89	13.26
Credit Quality Ratios							
Nonperforming assets to total assets	0.34%	0.37%	0.36%	0.36%	0.58%	1.59%	2.85%
Nonperforming loans to total loans[13]	0.40	0.40	0.37	0.32	0.53	0.81	1.14
Allowance for loan losses to nonperforming loans[13]	179.97	163.12	181.99	183.43	152.93	104.02	80.32
Allowance for loan losses to total loans	0.73	0.64	0.68	0.58	0.81	0.83	0.92
Net charge-offs to average loans outstanding (unaudited)[8]	0.06	0.01	0.02	0.03	0.09	0.06	0.11
Capital Ratios							
Common equity tier 1 capital to risk-weighted assets[14]	7.89%	8.33%	7.94%	n/a	n/a	n/a	n/a
Tier 1 capital to average assets	7.42	8.40	8.28	8.15%	10.71%	6.45%	6.89%
Tier 1 capital to risk-weighted assets[14]	8.27	9.49	8.92	9.83	12.64	8.22	8.59
Total capital to risk-weighted assets[14]	11.35	12.05	11.14	12.59	13.83	10.51	11.19
Total stockholders equity to total assets	11.56	12.79	11.94	13.09	10.80	7.16	6.86
Total common equity to total assets[14]	11.56	12.24	11.94	12.51	10.80	7.16	6.86
Tangible common equity to tangible assets[15]	6.88	7.11	6.87	7.07	9.21	5.42	5.81

(1) Prior to April 1, 2013, we elected to be taxed for federal income tax purposes as an S corporation under the provisions of Sections 1361 through 1379 of the Internal Revenue Code of 1986, as amended, and, as a result, we did not pay U.S. federal income taxes and have not been required to make any provision or

recognize any liability for federal income tax in our consolidated financial statements for any period ended on or before March 31, 2013. As of April 1, 2013, we terminated our S corporation election and commenced being subject to federal income taxation as a C corporation. We have calculated our pro forma net income, pro forma earnings per share on a basic and diluted basis, pro forma return on average assets and pro forma return on average equity for each period presented by calculating a pro forma provision for federal income taxes using an assumed annual effective federal income tax rate of 33.9%, 30.1%, and 31.7% for the years ended December 31, 2013, 2012, 2011, respectively, and adjusting our historical net income for each period presented to give effect to the pro forma provision for federal income taxes for such period.

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(2) The per share amounts and the weighted average shares outstanding for the years ended December 31, 2013, 2012 and 2011 shown have been adjusted to give effect to the 3.2-for-one split of the shares of our common stock that was effective as of February 22, 2013.

(3) We calculate our diluted earnings per share for each period shown as our net income divided by the weighted-average number of our common shares outstanding during the relevant period adjusted for the dilutive effect of our outstanding warrants to purchase shares of common stock. Earnings per share on a basic and diluted basis and pro forma earnings per share on a basic and diluted basis were calculated using the following outstanding share amounts, which includes participating shares (those shares with dividend rights):

		As of June 30,		As of December 31,				
		2016	2015	2015	2014	2013	2012	2011
Weighted average shares outstanding	basic	18,456,705	17,101,872	17,321,513	15,208,544	10,921,777	7,626,205	6,668,534
Weighted average shares outstanding	diluted	18,527,426	17,184,724	17,406,108	15,306,998	10,990,245	7,649,366	6,675,078

(4) Dividends declared for the years ended December 31, 2013, 2012 and 2011 include quarterly cash distributions paid to our shareholders as to the three months ended March 31, 2013 and the years ended December 31, 2012 and 2011 to provide them with funds to pay their federal income tax liabilities incurred as a result of the pass-through of our net taxable income for such periods to our shareholders as holders of shares in an S corporation for federal income tax purposes. The aggregate amounts of such cash distributions relating to the payment of tax liabilities were $0.52 per share, $0.85 per share and $0.63 per share for the years ended December 31, 2013, 2012 and 2011, respectively.

(5) Book value per share equals our total common stockholders equity (excludes preferred stock) as of the date presented divided by the number of shares of our common stock outstanding as of the date presented. The number of shares of our common stock outstanding as of June 30, 2016 and 2015 was 18,475,978 and 17,108,394, respectively, and as of December 31, 2015, 2014, 2013, 2012 and 2011 was 18,399,194 shares, 17,032,669 shares, 12,330,158 shares, 8,269,707 shares and 6,850,293 shares, respectively.

(6) We calculate tangible book value per share as of the end of a period as total common stockholders equity (excluding preferred stock) less goodwill and other intangible assets at the end of the relevant period divided by the outstanding number of shares of our common stock at the end of that period. Tangible book value is a non-GAAP financial measure, and, as we calculate tangible book value, the most directly comparable GAAP financial measure is total stockholders equity. We believe that the presentation of tangible book value per share provides useful information to investors regarding our financial condition because, as do our management, banking regulators, many financial analysts and other investors, you can use the tangible book value in conjunction with more traditional bank capital ratios to assess our capital adequacy without the effect of our goodwill and other intangible assets and compare our capital adequacy with the capital adequacy of other banking organizations with significant amounts of goodwill and/or other intangible assets, which typically stem from the use of the purchase accounting method of accounting for mergers and acquisition. A reconciliation of tangible book value to total stockholders equity is presented below.

(7) Each of five wholly owned, but nonconsolidated, subsidiaries of Independent Bank Group holds a series of our junior subordinated debentures purchased by the subsidiary in connection with, and paid for with the proceeds of, the issuance of trust preferred securities by that subsidiary. We have guaranteed the payment of the amounts payable under each of those issues of trust preferred securities.

(8) The values for the selected performance metrics presented and for the net charge-offs to average loans outstanding ratio presented for the six months ended June 30, 2016 and 2015, other than the dividend payout ratio, are annualized.

(9) We have calculated our return on average assets and return on average equity for a period by dividing net income for that period by our average assets and average equity, as the case may be, for that period. We have calculated our pro forma return on average assets and pro forma return on average equity for a period by calculating our pro forma net income for that period as described in note 1 above and dividing that by our average assets and average equity, as the case may be, for that period. We calculate our average assets and average equity for a period by dividing the sum of our total asset balance or total stockholder s equity balance, as the case may be, as of the close of business on each day in the relevant period and dividing by the number of days in the period. We calculate our return on average common equity by excluding the preferred stock dividends to derive our net income available to common stockholders and excluding the average balance of our Series A preferred stock from the total average equity to derive our common average equity. We calculate our return on average common equity by excluding the preferred stock dividends to derive our net income available to common stockholders and excluding the average balance of our Series A preferred stock from the total average equity to derive our common average equity.

(10) Net interest margin for a period represents net interest income for that period divided by average interest-earning assets for that period.

(11) Efficiency ratio for a period represents noninterest expenses for that period divided by the sum of net interest income and noninterest income for that period.

(12) We calculate our dividend payout ratio for each period presented as the dividends paid per share for such period (excluding cash distributions made to shareholders in connection with tax liabilities as described in note (4) above) divided by our basic earnings per share for such period.

(13) Nonperforming loans include nonaccrual loans, loans past due 90 days or more and still accruing interest, and accruing loans modified under troubled debt restructurings.

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(14) Prior to 2015, we calculated our risk-weighted assets using the standardized method of the Basel II Framework, as implemented by the Federal Reserve and the FDIC. Beginning January 1, 2015, we calculated our risk-weighted assets using the Basel III Framework. The common equity tier 1 capital to risk-weighted assets ratio was a new ratio required under the Basel III Framework, effective January 1, 2015. This ratio is not applicable for periods prior to January 1, 2015. We calculate common equity as of the end of the period as total stockholders equity less the preferred stock at period end.

(15) We calculate tangible common equity as of the end of a period as total common stockholders equity (excluding preferred stock) less goodwill and other intangible assets as of the end of the period and calculate tangible assets as of the end of a period as total assets less goodwill and other intangible assets as of the end of the period. Tangible common equity to tangible assets is a non-GAAP financial measure, and as we calculate tangible common equity to tangible assets, the most directly comparable GAAP financial measure is total stockholders equity to total assets. We believe that the presentation of tangible common equity to tangible assets provides useful information to investors regarding our financial condition because, as do our management, banking regulators, many financial analysts and other investors, you can use the tangible common equity in conjunction with more traditional bank capital ratios to assess our capital adequacy without the effect of our goodwill and core deposit intangibles and compare our capital adequacy with the capital adequacy of other banking organizations with significant amounts of goodwill and/or core deposit intangibles. A reconciliation of the ratios of tangible common equity to tangible assets to the ratios of total stockholders equity to total assets is presented below.

Reconciliations of Non-GAAP Financial Measures

The following information reconciles: (i) our tangible book value per common share, a non-GAAP financial measure, as of the dates presented to our book value per common share, a financial measure calculated and presented in accordance with GAAP, as of the dates presented; and (ii) our ratio of tangible common equity to tangible assets, a non-GAAP financial measure, as of the dates presented to our ratios of total stockholders equity to total assets, a financial measure calculated and presented in accordance with GAAP, as of the dates presented.

	June 30,		December 31,				
	2016	**2015**	**2015**	**2014**	**2013**	**2012**	**2011**
(dollars in thousands except per share)	**(unaudited)**						
Tangible Common Equity							
Total common equity	$ 629,628	$ 535,509	$ 603,371	$ 516,913	$ 233,772	$ 124,510	$ 85,997
Adjustments							
Goodwill	(258,319)	(229,818)	(258,643)	(229,457)	(34,704)	(28,742)	(11,222)
Core deposit intangibles, net	(15,161)	(11,716)	(16,357)	(12,455)	(3,148)	(3,251)	(2,664)
Tangible Common Equity	$ 356,148	$ 293,975	$ 328,371	$ 275,001	$ 195,920	$ 92,517	$ 72,111
Common shares outstanding	18,475,978	17,108,394	18,399,194	17,032,669	12,330,158	8,269,707	6,850,293
Book value per common share	$ 34.08	$ 31.30	$ 32.79	$ 30.35	$ 18.96	$ 15.06	$ 12.55
Tangible book value per common share	$ 19.28	$ 17.18	$ 17.85	$ 16.15	$ 15.89	$ 11.19	$ 10.53
Tangible Assets							
Total assets-GAAP	$ 5,446,797	$ 4,375,727	$ 5,055,000	$ 4,132,639	$ 2,163,984	$ 1,740,060	$ 1,254,377
Adjustments							
Goodwill	(258,319)	(229,818)	(258,643)	(229,457)	(34,704)	(28,742)	(11,222)
Core deposit intangibles	(15,161)	(11,716)	(16,357)	(12,455)	(3,148)	(3,251)	(2,664)
Tangible Assets	$ 5,173,317	$ 4,134,193	$ 4,780,000	$ 3,890,727	$ 2,126,132	$ 1,708,067	$ 1,240,491
Total common equity to total assets	11.56%	12.24%	11.94%	12.51%	10.80%	7.16%	6.86%
Tangible common equity to tangible assets	6.88	7.11	6.87	7.07	9.21	5.42	5.81

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RISK FACTORS

Investment in the Shares involves certain risks. You should consider carefully the risks and uncertainties described under the caption Risk Factors in our most recent Annual Report on Form 10-K and that may be discussed in our Quarterly Reports on Form 10-Q filed with the SEC after that Annual Report on Form 10-K, as well as in any of the other information that is incorporated by reference into this prospectus, before you decide whether to purchase any of the Shares. In addition, from time to time we may describe risks relating to our financial condition and results of operations in our Management s Discussion and Analysis of Financial Condition and Results of Operations in our most recently filed Annual Report on Form 10-K or included in one of our subsequently filed Quarterly Reports on Form 10-Q. Any of the risks so discussed could materially adversely affect our business, financial condition, results of operations and cash flows. As a result, the market price of our common stock could decline, and you may lose all or part of your investment in the Shares. For more information, see Where You Can Find More Information and Incorporation of Information by Reference on pages 53 and 54 of the accompanying prospectus.

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USE OF PROCEEDS

We are not selling any Shares of our common stock or other securities in this offering, and we will not receive any proceeds from the sale of any of the Shares by any selling shareholder. All proceeds from the sale of any of the Shares by selling shareholders will be for the account of such selling shareholders.

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SELLING SHAREHOLDERS

The selling shareholders are: Mr. David R. Brooks, Chairman of the Board, Chief Executive Officer and a director of the Company; Mr. Daniel W. Brooks, Vice Chairman, Chief Risk Officer and a director of the Company; Mr. Brian E. Hobart, Vice Chairman and Chief Lending Officer of the Company; and Ms. Jan C. Webb, Corporate Secretary of the Company. As of the date hereof, the selling shareholders held 8.5 % of our outstanding shares of common stock in the aggregate. The following table sets forth the number of Shares that are offered by each of the selling shareholders and information concerning the beneficial ownership of the Shares of each of the selling shareholders as of July 29, 2016. Unless otherwise indicated, based on information furnished by such selling shareholders, management of the Company believes that each person has sole voting and dispositive power over the shares indicated as beneficially owned by such person.

Name of Selling Shareholder(1)	Shares of Common Stock Beneficially Owned Before Offering Number(2)	Percent(3)	Shares of Common Stock Offered in the Offering Number	Shares of Common Stock to be Beneficially Owned After Offering* Number(2)	Percent(3)
David R. Brooks	1,103,652(4)	6.0%	100,000	1,003,652(4)	5.4%
Daniel W. Brooks	227,484(5)	1.2%	45,000	182,484(5)	1.0%
Brian E. Hobart	225,037(6)	1.2%	45,000	180,037(6)	1.0%
Jan C. Webb	52,804(7)	(8)	15,000	37,804(7)	(8)

* Assumes all shares offered are sold.

(1) The address of Mr. Brooks who is the beneficial owner of more than 5% of the common stock is as follows: David R. Brooks, 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069.

(2) Beneficial ownership does not include certain officers restricted share rights granted pursuant to our 2012 Stock Grant Plan that have not vested and cannot vest within sixty days of the date of this prospectus supplement.

(3) Ownership percentages are based on 18,475,978 shares of our common stock outstanding on July 29, 2016, and reflect the ownership percentage of each selling shareholder assuming that such person, but no other person, exercises all warrants to acquire shares of our common stock held by such person that are currently exercisable.

(4) Of these shares, 1,000,382 are held of record by David R. Brooks and 80,000 shares are held of record by trusts for his children of which he and his wife are trustees. Mr. Brooks holds warrants to purchase 23,270 shares, which are included in his total shares, and 400,000 of Mr. Brooks shares are pledged as security for bank loans.

(5) Includes warrants to purchase 4,656 shares and 100,000 shares pledged as security for certain bank loans.

(6) Includes warrants to purchase 4,218 shares and 100,000 shares pledged as security for certain bank loans.

(7) Includes warrants to purchase 1,309 shares.

(8) Ownership less than 1%.

The Shares offered for sale by each selling shareholder were initially acquired by such selling shareholder in one or more separate private stock purchase transactions with us occurring in 2009 and 2012, in a private acquisition by the Company in 2009, or pursuant to grants we made to such selling shareholder as part of the compensation we paid him or her in connection with his or her employment with us for various periods.

Information with respect to the beneficial ownership of all or any part of the Shares appearing in any prospectus supplement, report or post-effective amendment that we file with the SEC relating to any selling shareholder or to a particular offer of any of the Shares will be based on our records, information filed with the SEC or information furnished to us by one or more of the selling shareholders. Beneficial ownership of the Shares has been and will be determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power and investment power with respect to those securities.

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The selling shareholders are offering and selling the Shares in reliance on our currently effective registration statement on Form S-3 by which we have registered under the Securities Act of 1933, as amended, or the Securities Act, the offer and sale of shares of our common stock and other securities. That registration statement contemplates as a part of the plan of distribution described therein that selling shareholders may offer and sell shares of our common stock through underwriters in reliance on that registration statement from time to time. As a result, those persons who are not affiliates of the Company and purchase the Shares in the offering made hereby may freely trade the Shares they purchase.

In connection with the offering made hereby, we and the selling shareholders have entered into a letter agreement that contains certain indemnity provisions under which the selling shareholders have agreed to indemnify us and our controlling persons (other than a selling shareholder) against certain liabilities, including liabilities arising under the Securities Act. The letter agreement also provides that the selling shareholders will reimburse us for fifty percent (50%) of the expenses we incur in connection with the offers and sales of the Shares by the selling shareholders pursuant to our registration statement described above, including the expenses we have incurred and may incur in connection with the preparation and filing of this prospectus supplement and any other offering documentation and any offer and sale of the Shares, as well as all related registration and filing fees.

We have not agreed to register or otherwise qualify any of the Shares for offer and sale in any other country or to seek to have the Shares admitted to trading on any foreign securities exchange.

We have agreed to become a party to an underwriting agreement relating to the offer and sale of the Shares by the selling shareholders. However, we will not pay any underwriting discounts, commissions or transfer taxes of the selling shareholders.

DESCRIPTION OF OUR COMMON STOCK

A description of our common stock is set forth under the caption Description of Common Stock beginning on page 25 of the accompanying prospectus.

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UNDERWRITING

The selling shareholders are offering the Shares in an underwritten offering pursuant to an underwriting agreement to which we, the selling shareholders and the underwriter, Sandler O Neill + Partners, L.P., or Sandler, are the parties. Subject to the terms and conditions contained in the underwriting agreement, Sandler has agreed to purchase from the selling shareholders the number of shares of our common stock set forth opposite its name below:

Name	Numbers of Shares
Sandler O Neill + Partners, L.P.	205,000
Total	205,000

Sandler proposes to offer the Shares directly to a limited number of persons at the offering price set forth on the cover page of this prospectus. After the public offering of our common stock, Sandler may change the offering price, concessions and other selling terms. Sandler reserves the right to reject an order for the purchase of Shares, in whole or in part.

The underwriting agreement provides that Sandler s obligation to purchase the Shares from the selling shareholders depends on the satisfaction of the conditions contained in the underwriting agreement, including:

- the representations and warranties made by us and the selling shareholders are true and complete and our and the selling shareholders agreements under the underwriting agreement have been performed;
- in Sandler s determination, there is no material adverse change in the financial markets or in our business;
- the delivery of customary closing documents; and
- the approval of certain matters by Sandler s legal counsel.

Subject to these conditions, Sandler is committed to purchase and pay for all of the Shares offered by this prospectus if any such Shares are purchased. Sandler has advised us that they do not intend to confirm sales to any account over which they exercise discretionary authority.

Commissions and Expenses

The selling shareholders will pay any underwriting discounts and commissions payable to Sandler. We estimate that the total expenses of this offering payable by us, which do not include any underwriting discounts and commissions, will be approximately $50,000. The selling shareholders estimate that the total expenses of this offering payable by them, which do not include any underwriting discounts and commissions, will be approximately $50,000.

Indemnification

We and the selling shareholders have agreed to indemnify Sandler, and persons who control Sandler, against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that Sandler may be required to make in respect of those liabilities. The selling shareholders have agreed to indemnify us against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that we may be required to make in respect to those liabilities.

Listing on the NASDAQ Global Select Market

Shares of our common stock are listed on the NASDAQ Global Select Market under the symbol IBTX.

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Stabilization

In order to facilitate the offering of the Shares, Sandler may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, Sandler may sell more shares of our common stock than it is obligated to purchase under the underwriting agreement, creating a short position. Because Sandler has no over-allotment option from the selling shareholders, any short sale will be a naked short sale. Sandler must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if Sandler is concerned that there may be downward pressure on the price of the shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, Sandler may bid for, and purchase, shares of our common stock in the open market to stabilize the price of the shares of our common stock. These activities may raise or maintain the market price of our shares of common stock above independent market levels or prevent or retard a decline in the market price of our common stock. Sandler is not required to engage in these activities. If it does engage in any of these activities, Sandler may end any of these activities at any time.

Our Relationship with the Underwriter

Sandler and its affiliates have engaged, and may in the future engage, in investment banking transactions, financial advisory engagements and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of business activities, Sandler and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Sandler and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Settlement

The underwriter expects to deliver the Shares against payment on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which is the fourth business day following the date of this prospectus supplement. Under Rule 15c6-1 of the SEC under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if any purchaser wishes to trade the Shares on the date of pricing of the Shares, it will be required, by virtue of the fact that the Shares initially will settle on the fourth business day following the day of this prospectus supplement, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

Other Matters

Other than in the United States, no action has been taken by us, the selling shareholders or Sandler that would permit a public offering of the Shares offered by this prospectus supplement in any jurisdiction where action for that purpose is required. The Shares offered by this prospectus supplement may not be offered or sold, directly or indirectly, nor may this prospectus supplement, the accompanying prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. We and Sandler require that the persons into whose possession this prospectus supplement comes inform themselves about and to observe any restrictions relating the offering and the distribution of this prospectus supplement and the accompanying prospectus. This prospectus supplement does not constitute an offer to sell or a solicitation of any offer to buy any securities offered by this prospectus supplement in any jurisdiction in which such an offer or a solicitation is unlawful.

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LEGAL MATTERS

The validity of the Shares will be passed upon for us by Andrews Kurth, LLP, Dallas, Texas. Certain legal matters will be passed upon for the underwriter by Bracewell LLP, Houston, Texas.

EXPERTS

The consolidated financial statements of Independent Bank Group, Inc. appearing in Independent Bank Group, Inc. s Annual Report on Form 10-K for the year ended December 31, 2015, have been audited by RSM US LLP, an independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated in the accompanying prospectus by reference. Such consolidated financial statements are incorporated in the accompanying prospectus by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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PROSPECTUS

1600 Redbud Boulevard, Suite 400

McKinney, Texas 75069-3257

(972) 562-9004

Debt Securities, Common Stock, Preferred Stock and Units

By this prospectus, Independent Bank Group, Inc. may offer from time to time:

- debt securities of one or more series;
- shares of its common stock;
- shares of one or more series of its preferred stock; and
- units of our securities.

In addition, this prospectus may be used to offer securities for the account of selling securityholders.

When each of Independent Bank Group, Inc. or selling securityholders offers securities, we or they will provide you with a prospectus supplement describing the terms of the specific issue of securities being offered, including the price at which those securities are being offered to the public.

We or any selling securityholders may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

You should read this prospectus and any prospectus supplement carefully before you decide to invest. This prospectus may not be used to sell securities unless it is accompanied by a prospectus supplement that further describes the securities being offered to you.

Our common stock is listed for trading on the NASDAQ Stock Market, Inc. Global Select Market, or NASDAQ Global Select Market, under the symbol IBTX. We have not yet determined whether any of the other securities that may be offered by this prospectus will be listed on any exchange. If we decide to apply to list any such securities on a securities exchange upon their issuance, the prospectus supplement relating to those securities will disclose the exchange on which we will apply to have those securities listed.

Investing in our securities involves risks. See Risk Factors in our most recent Annual Report on Form 10-K, which is incorporated herein by reference, and in any of our subsequently filed quarterly and current reports that are incorporated herein by reference. We may include specific risk factors in an applicable prospectus supplement under the heading Risk Factors. You should carefully read this prospectus together with the documents we incorporate by reference and the prospectus supplement before you invest in our securities.

This prospectus is not an offer to sell any securities other than the securities offered hereby. This prospectus is not an offer to sell securities in any jurisdictions or in any circumstances in which such an offer is unlawful.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The offered securities are not savings accounts, deposits or other obligations of any bank or savings associations and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this prospectus is June 27, 2014.

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You should rely only on the information contained in or incorporated by reference in this prospectus and in the applicable prospectus supplement deciding whether to invest. We have not, and no selling securityholder has, authorized anyone to give oral or written information about this offering, our Company, or the securities offered hereby that is different from the information included or incorporated by reference in this prospectus. If anyone provides you with different information, you should not rely on it. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf registration statement, we may offer and sell, from time to time and in one or more offerings, either separately or together, shares of our common stock, shares of one or more series of our preferred stock, senior debt securities of one or more series, and subordinated debt securities of one or more series and unit purchase agreements as described in this prospectus and an applicable prospectus supplement.

Each time we sell securities we will provide a prospectus supplement containing specific information about the terms of the securities being offered thereby. The prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus (including the information incorporated by reference herein) and information in any prospectus supplement, you should rely on the information in the applicable prospectus supplement as it will control. You should carefully read both this prospectus and the applicable prospectus supplement together with additional information described under the heading Where You Can Find More Information or incorporated herein by reference as described under the heading

Incorporation of Certain Documents by Reference.

References in this prospectus to our Company, we, us and our are to Independent Bank Group, Inc. In this prospect
we sometimes refer to the debt securities, common stock, preferred stock, unit purchase agreements we may offer and the securities that may be offered by selling securityholders collectively as offered securities.

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ABOUT INDEPENDENT BANK GROUP, INC.

Independent Bank Group, Inc. is incorporated in Texas and is a bank holding company registered under the Bank Holding Company Act of 1956. We are based in McKinney, Texas, and conduct our operations primarily through our bank subsidiary, Independent Bank. Independent Bank provides a wide range of relationship-driven commercial banking products and services tailored to meet the needs of businesses, professionals and individuals. It operates 35 banking offices in three market regions located in the Dallas-Fort Worth, Austin/Central Texas and Houston, Texas areas. Our common stock is traded on the NASDAQ Global Select Market under the symbol IBTX.

Our principal executive offices are located at 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069-3257. Our telephone number is (972) 562-9004. Our website is www.ibtx.com. References to our website and those of our subsidiaries are not intended to be active links and the information on such websites is not, and you must not consider that information to be, a part of this prospectus.

RISK FACTORS

An investment in our securities involves certain risks. Before making an investment decision, you should carefully read and consider the risk factors set forth in our most recent Annual Report on Form 10-K filed with the SEC (our Latest Form 10-K) , under the heading Risk Factors as well as any updated or additional disclosure about risk factors included in any of our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K or other filings that we have made with the SEC since the date of the Latest Form 10-K that are incorporated by reference in this prospectus. We may include specific risk factors in an applicable prospectus supplement under the heading Risk Factors. Additional risks and uncertainties of which we are not aware or that we believe are not material at the time could also materially and adversely affect our business, financial condition, results of operations or liquidity. In any case, the value of the securities offered by means of this prospectus and any applicable prospectus supplement could decline and you could lose all or part of your investment.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, the documents incorporated by reference herein and any prospectus supplement may contain statements that we believe are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are statements or projections with respect to matters such as our future results of operations, including our future revenues, operating income, net interest income, net income, expenses, provision for taxes, effective tax rate, earnings per share and cash flows, our future capital expenditures and dividends, our future financial condition and changes therein, including changes in our loan portfolio and allowance for loan losses, our future capital structure or changes therein, the plan and objectives of management for future operations, our future or proposed acquisitions, the future or expected effect of acquisitions on our operations, results of operations and financial condition, our future economic performance, and the statements of the assumptions underlying any such statement. Such statements are typically identified by the use in the statements of words or phrases such as aim, anticipate, estimate, expect, goal, guidance, intend, is anticipated, is estimated, intended, objective, plan, projected, projection, will affect, will be, will continue, will decrease, will impact, will increase, will incur, will reduce, will remain, will result, would be, variations of such words or (including where the word could, may or would is used rather than the word will in a phrase) and similar words and phrases indicating that the statement addresses some future result, occurrence, plan or objective. The forward-looking statements that we make are based on our current expectations and assumptions regarding its business, the economy, and other future conditions. Because forward-looking statements relate to future results and occurrences, they are subject to inherent uncertainties, risks and changes in circumstances that

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are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. Many possible events or factors could affect our future financial results and performance and could cause such results or performance to differ materially from those expressed in forward-looking statements. These factors include, but are not limited to, the following:

- worsening business and economic conditions nationally, regionally and in our target markets, particularly in Texas and the geographic areas within Texas in which we operate;
- our dependence on our management team, including our Chief Executive Officer, David R. Brooks, and our ability to attract, motivate and retain qualified personnel;
- the concentration of our business within our geographic areas of operation in Texas;
- deteriorating asset quality and higher loan charge-offs;
- concentration of our loan portfolio in commercial and residential real estate loans and changes in the prices, values and sales volumes of commercial and residential real estate;
- inaccuracy of the assumptions and estimates we make in establishing reserves for probable loan losses and other estimates;
- lack of liquidity, including as a result of a reduction in the amount of sources of liquidity we currently have;
- material decreases in the amount of deposits we hold;
- regulatory requirements to maintain higher minimum capital levels;
- changes in market interest rates that affect the pricing of our loans and deposits and our net interest income;
- fluctuations in the market value and liquidity of the securities we hold for sale;
- effects of competition from a wide variety of local, regional, national and other providers of financial, investment and insurance services;

changes in economic and market conditions that affect the amount of assets we have under administration;

the institution and outcome of litigation and other legal proceedings against us or to which we become subject;

the occurrence of market conditions adversely affecting the financial industry generally;

the impact of recent and future legislative and regulatory changes, including changes in banking, securities and tax laws and regulations and their application by our regulators, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act;

changes in accounting policies, practices and auditing standards, as may be adopted by bank regulatory agencies, the Financial Accounting Standards Board, the SEC and Public Company Accounting Oversight Board, as the case may be;

governmental monetary and fiscal policies;

changes in the scope and cost of FDIC insurance and other coverage;

the effects of war or other conflicts, acts of terrorism (including cyber attacks) or other catastrophic events, including storms, droughts, tornadoes and flooding, that may affect general economic conditions;

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- our actual cost savings resulting from the acquisitions of BOH Holdings, Live Oak Financial Corp. and Collin Bank and other financial institutions that we may hereafter acquire are less than expected, we are unable to realize those cost savings as soon as expected or we incur additional or unexpected costs in connection with the integration and operation of those institutions;

- our revenues after the BOH Holdings, Inc., Live Oak Financial Corp. and Collin Bank acquisitions and other financial institutions that we may hereafter acquire are less than expected;

- deposit attrition, operating costs, customer loss and business disruption before and after our completed acquisitions, including, without limitation, difficulties in maintaining relationships with employees, may be greater than we expected;

- the risk that our businesses, and financial institutions that we have or will acquire, will not be integrated successfully, or such integrations may be more difficult, time-consuming or costly than expected;

- the quality of the assets acquired from other organizations is lower than we had determined in our due diligence investigation and related exposure to unrecoverable losses on loans acquired;

- changes occur in business conditions and inflation;

- personal or commercial customer bankruptcies increase;

- technology-related changes are harder to make or are more expensive than expected; and

- the other factors that are described or referenced in Part II, Item 1A. of our Latest Form 10-K under the caption Risk Factors.

We urge you to consider all of these risks, uncertainties and other factors carefully in evaluating all such forward-looking statements we may make. As a result of these and other matters, including changes in facts, assumptions not being realized or other factors, the actual results relating to the subject matter of any forward-looking statement may differ materially from the anticipated results expressed or implied in that forward-looking statement. Any forward-looking statement made by us in any report, filing, press release, document, report or announcement speaks only as of the date on which it is made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

We may disclose the assumptions that underlie a forward-looking statement that we make. We believe we have chosen these assumptions in good faith and that such assumptions were reasonable at the time the forward-looking statement was made. However, we caution you that actual results often vary, at least to some degree, from the projected results or expectations discussed or implied by forward-looking statements as a result of assumptions not being realized, changes in facts and other circumstances and the differences between projected results or expectations discussed in forward looking statements and actual results can be material.

RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO

COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

Our historical ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for the periods indicated are set forth in the table below. As of March 31, 2014, we did not have any shares of preferred stock outstanding. On April 15, 2014, we issued 23,938.35 shares of our Senior Non-Cumulative Perpetual Preferred Stock, Series A, or Series A preferred stock, in connection with the acquisition of BOH Holdings, Inc. on such date. As a result of the time at which such issuance occurred, our Series A preferred stock did not affect any of the five years ended December 31, 2013, or the three months ended March 31, 2014 and 2013. We expect the dividend on our Series A preferred stock to be approximately $60,000 per quarter, beginning with the quarter ended June 30, 2014.

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The ratio of earnings to fixed charges is computed by dividing (1) income from continuing operations before income taxes and fixed charges by (2) total fixed charges. The ratio of earnings to combined fixed charges and preferred stock dividends is computed by dividing (1) income from continuing operations before income taxes and fixed charges by (2) total fixed charges and preferred stock dividends.

For purposes of computing these ratios:

- earnings consist of income before income taxes plus fixed charges;
- fixed charges, excluding interest on deposits, include interest expense (other than on deposits) and the estimated portion of rental expense attributable to interest, net of income from subleases; and
- fixed charges, including interest on deposits, include all interest expense and the estimated portion of rental expense attributable to interest, net of income from subleases.

	Three Months Ended March 31,		Year Ended December 31,				
	2014	**2013**	**2013**	**2012**	**2011**	**2010**	**2009**
Ratio of Earnings to Fixed Charges:							
Excluding Interest on Deposits	6.95x	4.64x	5.37x	4.37x	4.85x	5.39x	3.39x
Including Interest on Deposits	3.30x	2.73x	2.95x	2.29x	2.02x	1.95x	1.48x

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we expect to use the net proceeds from the sale of offered securities by us for general corporate purposes, including:

- maintenance of consolidated capital to support our growth, enabling us to continue to satisfy our regulatory capital requirements;
- contributions of capital to Independent Bank to support Independent Bank s growth, enabling it to continue to satisfy its regulatory capital requirements;
- financing of acquisitions of financial institutions; and
- refinancing, reduction or repayment of debt.

The prospectus supplement with respect to an offering of offered securities may identify different or additional uses for the proceeds of that offering.

Except as otherwise stated in an applicable prospectus supplement, pending the application of the net proceeds from the sale of offered securities, we expect to either deposit such net proceeds in deposit accounts or invest them in short-term obligations.

We will not receive proceeds from sales of securities by selling securityholders except as otherwise stated in an applicable prospectus supplement.

THE SECURITIES WE MAY OFFER

The descriptions of the securities contained in this prospectus, together with the applicable prospectus supplements, summarize certain material terms and provisions of the various types of securities that we or selling securityholders may offer. The particular material terms of the securities offered by a prospectus supplement, to the extent not described in this prospectus, will be described in that prospectus supplement. If indicated in the applicable prospectus supplement, the terms of the offered securities may differ from the terms summarized

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below. The prospectus supplement will also supplement, where applicable, material U.S. federal income tax considerations relating to the offered securities, and will contain information regarding the securities exchange, if any, on which the offered securities will be listed. The descriptions of our securities being offered appearing herein and in the applicable prospectus supplement do not contain all of the information that you may find useful or that may be important to you. You should refer to the provisions of the actual documents that govern those securities and whose terms are summarized herein and in the applicable prospectus supplement, because those documents, and not the summaries, define your rights as holders of the relevant securities. For more information, please review the forms of these documents, which are or will be filed with the SEC and will be available as described under the heading Where You Can Find More Information below.

We may offer and sell from time to time, in one or more offerings, the following:

- our debt securities of one or more series, which debt securities may be our senior, unsecured debt securities or our subordinated, unsecured debt securities;
- shares of our common stock;
- shares of one or more series of our preferred stock other than shares of our outstanding Series A preferred stock; and/or
- unit purchase agreements to which investors would acquire units of two or more of the foregoing securities.

Selling securityholders may offer and sell from time to time, in one or more offerings, the following:

- shares of our common stock owned by the selling securityholders; and/or
- shares of our Series A preferred stock owned by the selling securityholder.

DESCRIPTION OF DEBT SECURITIES

General

We may issue senior debt securities and subordinated debt securities, which in each case will be unsecured, direct, general obligations of our Company.

The senior debt securities will rank equally in right of payment with all of our other unsecured and unsubordinated debt. The subordinated debt securities will be subordinate and junior in right of payment to our senior indebtedness, including our senior debt securities as described below under Subordinated Debt Securities and in the prospectus supplement applicable to any subordinated debt securities that we may offer. For purposes of the descriptions under the heading Description of Debt Securities, we may refer to the senior debt securities and the subordinated debt securities collectively as the debt securities. The debt securities will be effectively subordinated to the creditors and preferred equity holders of our subsidiaries, if any.

We will issue senior debt securities under a senior debt indenture, dated June 25, 2014, and issue subordinated debt securities under a subordinated debt indenture, dated June 25, 2014, which indentures will be, in each case, between us and Wells Fargo Bank, National Association, in its capacity as the indenture trustee. We refer to the senior debt indenture or subordinated debt indenture, together with any applicable supplemental indentures thereto, in this prospectus as an indenture and collectively as the indentures. The indentures permit one or more series of senior debt securities or subordinated debt securities, as the case may be, to be established and issued thereunder. Any such series of senior debt securities or subordinated debt securities and their terms and conditions will be established by means of the adoption of a supplemental indenture, the adoption of a resolution of our board of directors or the adoption of a resolution of our board of directors and the action of certain officers of our Company acting pursuant to authority delegated to them by such resolution of the board

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and evidenced by an officers certificate setting forth the terms and conditions of the series of debt securities established by that resolution and the action of such authorized officers. Generally, multiple series of debt securities will vary from one another with regard to the rate at which interest accrues on such debt securities and the term of such debt securities, and the senior debt securities and subordinated debt securities will vary from one another with regard to the priority of payment.

The indentures meet the requirements of the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act and will be qualified under and governed by the Trust Indenture Act. The trustee meets the requ