

Independent Bank Group, Inc.
Form S-4
January 15, 2014
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As filed with the Securities and Exchange Commission on January 15, 2014

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM S-4

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

INDEPENDENT BANK GROUP, INC.

(Exact name of registrant as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	6022 (Primary Standard Industrial Classification Code Number) 1600 Redbud Boulevard, Suite 400 McKinney, Texas 75069-3257 (972) 562-9004	13-4219346 (I.R.S. Employer Identification Number)
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(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Mr. David R. Brooks

Chairman and Chief Executive Officer

1600 Redbud Boulevard, Suite 400

McKinney, Texas 75069-3257

(972) 562-9004

(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

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Dallas, Texas 75201

(972) 716-1855

Houston, Texas 77002-2770

(214) 659-4593

(713) 223-2300

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

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

Large accelerated filer Accelerated filer
 Nonaccelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum	Proposed Maximum	Amount of Registration Fee
		Offering Price per Share	Aggregate Offering Price ⁽¹⁾	
Common Stock, \$0.01 par value	3,616,060	\$12.96	\$46,846,533	\$6,033.83

(1) Estimated solely for the purpose of determining the registration fee in accordance with Rule 457(f)(2) and (f)(3) under the Securities Act by multiplying the book value of BOH Holdings, Inc. common stock of \$9.91 per share as of December 31, 2013, by the maximum number of shares of BOH Holdings, Inc. common stock to be acquired by Registrant in the merger described herein, minus the cash portion of the merger consideration to be paid by the Registrant to the holder of shares of BOH Holdings, Inc. common stock.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Independent may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 15, 2014

BOH HOLDINGS, INC.

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

You are cordially invited to attend the special meeting of shareholders of BOH Holdings, Inc., or BOH Holdings, to be held on _____, 2014, at [a.m./p.m.] Central Time, at the offices of Bank of Houston, 750 Bering Drive, Suite 100, Houston, Texas 77057. At this important special meeting, you will be asked to consider and vote on the approval of a reorganization agreement, which provides for the acquisition of BOH Holdings by Independent Bank Group, Inc., or Independent, through certain merger transactions. You may also be asked to adjourn the special meeting to a later date or dates, if the board of directors of BOH Holdings determines an adjournment is necessary.

Under the terms of the reorganization agreement, if the reorganization agreement is approved and the merger is completed, all outstanding shares of BOH Holdings common stock will be converted into an aggregate of 3,616,060 shares of Independent common stock and \$34 million in cash, subject to downward adjustment, as set forth in the reorganization agreement.

The amount of per share merger consideration to be received by the BOH Holdings shareholders is dependent upon the number of shares of BOH Holdings common stock issued and outstanding immediately prior to the effective time of the merger. As of December 31, 2013, BOH Holdings had the following outstanding shares of common stock and securities convertible or exercisable, as the case may be, into common stock:

7,304,322 shares of BOH Holdings common stock issued and outstanding;

102,918 shares of BOH Holdings Series D preferred stock issued and outstanding under its Employee Stock Purchase Plan. On January 8, 2014, an additional 9,124 shares of BOH Holdings Series D preferred stock were issued, and BOH Holdings expects that it could issue up to an additional 30,000 shares of BOH Holdings Series D preferred stock prior to the effective time of the merger. Accordingly, BOH Holdings could have up to a total of 142,042 shares of BOH Holdings Series D preferred stock outstanding prior to the effective time of the merger. At least two business days prior to the effective time of the merger, all of the outstanding shares of BOH Holdings Series D preferred stock will be automatically converted into shares of BOH Holdings common stock on a one-for-one basis; and

711,712 outstanding and unexercised options to purchase shares of BOH Holdings common stock granted under the Amended and Restated 2008 BOHI Equity Incentive Plan (some of which will not vest until the approval of the reorganization agreement at the BOH Holdings special meeting) will, at least one business day prior to the effective time of the merger, be automatically exercised, on either a for-cash or cashless basis, at the election of the holder, into between 514,508 shares of BOH Holdings common

stock if all such options are exercised on a cashless basis, and 711,712 shares of BOH Holdings common stock if all such options are exercised on a for-cash basis.

Under the terms of the reorganization agreement, upon consummation of the merger, each share of BOH common stock issued and outstanding immediately prior to the merger will be converted into the right to receive (a) cash in an amount equal to the quotient of (i) \$34 million divided by (ii) the number of shares of BOH Holdings common stock outstanding immediately before the effective time of the merger, subject to downward adjustment as described in the reorganization agreement) and (b) the fraction of a share of Independent common stock equal to the quotient of (i) the quotient of (x) \$136 million divided by (y) the number of shares of BOH Holdings common stock outstanding immediately before the effective time divided by (ii) \$37.61.

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Based on the share and option amounts on December 31, 2013 and including the additional BOH Holdings Series D preferred stock issued on January 8, 2014, and that are expected to be issued prior to the effective time of the merger, BOH Holdings would have had between 7,960,872 (assuming all option holders exercise on a cashless basis) and 8,158,076 (assuming all option holders exercise for cash) shares of BOH Holdings common stock issued and outstanding immediately prior to the effective time of the merger. Based on these estimates, at the effective time of the merger holders of BOH Holdings common stock will receive between 0.4432 and 0.4542 shares of Independent common stock (with cash in lieu of a fractional share) and between \$4.17 and \$4.27 in cash for each share of BOH Holdings common stock (including shares of BOH Holdings common stock issued upon the automatic conversion of the BOH Holdings Series D preferred stock and the shares of BOH Holdings common stock issued upon the automatic exercise of outstanding options to purchase BOH Holdings common stock) that they own, with the cash portion of the per share merger consideration subject to downward adjustment as set forth in the reorganization agreement.

Independent's common stock was listed on the NASDAQ Stock Market, Inc. Global Market System, or NASDAQ Global Market, through December 31, 2013, and is now listed on the NASDAQ Stock Market, Inc., Global Select Market System, or NASDAQ Global Select Market, under the symbol IBTX. The closing price of Independent's common stock on December 31, 2013 was \$49.66 per share. Based on the closing price of Independent common stock on December 31, 2013 of \$49.66, and assuming no downward adjustment to the cash consideration, shareholders of BOH Holdings would receive merger consideration with a value of between \$26.18 and \$26.83 for each share of BOH Holdings common stock (including shares of BOH Holdings common stock issued upon the automatic conversion of the BOH Holdings Series D preferred stock and the shares of BOH Holdings common stock issued upon the automatic exercise of outstanding options to purchase BOH Holdings common stock) that they own, depending upon the number of shares of BOH Holdings common stock outstanding at the effective time of the merger.

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card to BOH Holdings. We cannot complete the merger unless we obtain the necessary regulatory approvals and unless the holders of two-thirds of the shares of each of (i) BOH Holdings common stock and (ii) BOH Holdings Series D preferred stock, in each case, outstanding on _____, 2014, the record date of the BOH Holdings special meeting, approve the reorganization agreement. The board of directors of BOH Holdings unanimously supports the merger and recommends that you vote in favor of the reorganization agreement.

The accompanying joint proxy statement/prospectus contains a more complete description of the BOH Holdings special meeting and the terms of the reorganization agreement and the acquisition of BOH Holdings. In addition to being a proxy statement of BOH Holdings and Independent, this document is the prospectus of Independent for the shares of its common stock that will be issued in connection with the merger. **We urge you to review this entire document carefully, including the considerations discussed under Risk Factors beginning on page 42, and the appendices to the accompanying joint proxy statement/prospectus, which include the reorganization agreement.** You may also obtain information about Independent from documents that Independent has filed with the Securities and Exchange Commission, or SEC.

Based on our reasons for the merger described in the accompanying joint proxy statement/prospectus, including the fairness opinion issued by our financial advisor, Sandler O'Neill + Partners, L.P., or Sandler O'Neill, our board of directors believes that the transaction is fair from a financial point of view, to and in the best interests of its shareholders. **Accordingly, our board of directors unanimously recommends that you vote FOR approval of the reorganization agreement and adjournment of the BOH Holdings special meeting, if necessary.**

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We appreciate your continuing loyalty and support, and we look forward to seeing you at the special meeting.

James D. Stein

President and Chief Executive Officer,

BOH Holdings, Inc.

Neither the SEC nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities that Independent is offering through this document are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Joint proxy statement/prospectus dated _____, 2014

and first mailed to shareholders of BOH Holdings on or about _____, 2014

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The information in this joint proxy statement/prospectus is not complete and may be changed. Independent may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 15, 2014

INDEPENDENT BANK GROUP, INC.

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

You are cordially invited to attend the special meeting of shareholders of Independent Bank Group, Inc., or Independent, to be held on _____, 2014, at [a.m./p.m.] Central Time, at the branch office of Independent Bank, 1600 Redbud Boulevard, Suite 100, McKinney, Texas 75069-3257. At this important special meeting, you will be asked to consider and vote on the approval of a reorganization agreement, which provides for the acquisition of BOH Holdings, Inc., or BOH Holdings, by Independent through certain merger transactions. You will be asked to approve the issuance of Independent common stock to BOH Holdings shareholders in connection with the merger and to vote on the election of three directors who are designees of BOH Holdings to fill newly created vacancies on the Independent board. You may also be asked to adjourn the special meeting to a later date or dates, if the board of directors of Independent determines it is necessary.

Under the terms of the reorganization agreement, if the reorganization agreement is approved and the merger is completed, all outstanding shares of BOH Holdings common stock will be converted into an aggregate of 3,616,060 shares of Independent common stock and \$34 million in cash, subject to downward adjustment, as set forth in the reorganization agreement.

Independent's common stock was listed on the NASDAQ Stock Market, Inc. Global Market System, through December 31, 2013, and is now listed on the NASDAQ Select Market, Inc. Global Select Market System, under the symbol IBTX. The closing price of Independent's common stock on December 31, 2013 was \$49.66 per share. Based on the closing price of Independent common stock on December 31, 2013 of \$49.66, and assuming no downward adjustment, the amount of total merger consideration to be paid by Independent would have been valued at approximately \$213,573,540.

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card to Independent or by following the instructions to vote via the Internet or by telephone as indicated on the proxy card. We cannot complete the merger unless we obtain the necessary regulatory approvals and unless the holders of at least two-thirds of the outstanding shares of Independent common stock approve the reorganization agreement, the holders of at least a majority of the votes cast at the Independent special meeting approve the issuance of shares of Independent common stock to the BOH Holdings shareholders, and at least a plurality of the votes cast at the Independent special meeting approve the election of the three BOH Holdings director nominees nominated by the Independent board of directors. Also, in order to pass a potential adjournment of the special meeting, at least the majority of the votes cast on this proposal must approve of the adjournment. The board of directors of Independent unanimously supports the merger and recommends that you vote in favor of all four proposals

The accompanying joint proxy statement/prospectus contains a more complete description of the Independent special meeting and the terms of the reorganization agreement and the acquisition of BOH Holdings. In addition to being a proxy statement of BOH Holdings and Independent, this document is the prospectus of Independent for the shares of

its common stock that will be issued in connection with the transaction. **We urge you to review this entire document carefully, including the considerations discussed under Risk Factors beginning on page 42, and the appendices to the accompanying joint proxy statement/prospectus, which include the reorganization agreement.** You may also obtain information about Independent from documents that Independent has filed with the Securities and Exchange Commission, or SEC.

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Based on our reasons for the merger described in the accompanying joint proxy statement/prospectus, including the fairness opinion issued by our financial advisor, Sterne, Agee & Leach, Inc., or Sterne Agee, our board of directors believes that the transaction is fair to Independent from a financial point of view. **Accordingly, our board of directors unanimously recommends that you vote FOR approval of the reorganization agreement, the issuance of shares of Independent common stock to BOH Holdings shareholders, and the election of the aforementioned BOH Holdings director nominees, and adjournment of the Independent special meeting, if necessary.**

We appreciate your continuing loyalty and support, and we look forward to seeing you at the special meeting.

David R. Brooks

Chairman of the Board and Chief Executive Officer

Independent Bank Group, Inc.

Neither the SEC nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities that Independent is offering through this document are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Joint proxy statement/prospectus dated _____, 2014
and first mailed to shareholders of Independent on or about _____, 2014

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HOW TO OBTAIN ADDITIONAL INFORMATION

Certain business and financial information about Independent included in documents filed with the SEC has not been included in or delivered with this document. This information is described on page 291 under **Where You Can Find More Information**. You can obtain free copies of this information by writing or calling:

Independent Bank Group, Inc.

1600 Redbud Boulevard, Suite 400

McKinney, Texas 75069-3257

Attention: Michelle S. Hickox

Executive Vice President and Chief Financial Officer

(972) 562-9004

To obtain timely delivery of the documents before the special meeting of shareholders of Independent or BOH Holdings, you must request the information by _____, 2014.

In addition, if Independent shareholders have specific questions about the merger or the Independent special meeting, need additional copies of this joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, for the Independent special meeting, they may contact Jan Webb, Executive Vice President and Secretary, at the following address or by calling the following telephone number:

Independent Bank Group, Inc.

1600 Redbud Boulevard, Suite 400

McKinney, Texas 75069-3257

(972) 562-9004

If BOH Holdings shareholders have specific questions about the merger or the BOH Holdings special meeting, need additional copies of this joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, for the BOH Holdings special meeting, they may contact John McWhorter, BOH Holdings Executive Vice President, Chief Financial Officer and Corporate Secretary, at the following address or by calling the following telephone number:

BOH Holdings, Inc.

750 Bering Drive, Suite 100

Houston, Texas 77057

(713) 789-6100

BOH Holdings does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act and accordingly does not file documents or reports with the SEC.

PLEASE NOTE

We have not authorized anyone to provide you with any information other than the information included in this document and the documents to which we refer you. If someone provides you with other information, please do not rely on it as being authorized by us.

This joint proxy statement/prospectus has been prepared as of _____, 2014. There may be changes in the affairs of BOH Holdings or Independent since that date, which are not reflected in this document.

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BOH Holdings, Inc.

750 Bering Drive, Suite 100

Houston, Texas 77057

(713) 789-6100

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the holders of BOH Holdings common stock and BOH Holdings Series D preferred stock:

The special meeting of holders of BOH Holdings common stock and BOH Holdings Series D preferred stock will be held on _____, 2014, at [a.m./p.m.] Central Time, at the offices of Bank of Houston, 750 Bering Drive, Suite 100, Houston, Texas 77057 for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Reorganization, or the reorganization agreement, dated as of November 21, 2013, by and between Independent Bank Group, Inc., or Independent, and BOH Holdings, Inc., or BOH Holdings, pursuant to which BOH Holdings will merge with and into Independent, all on and subject to the terms and conditions contained therein, and the merger described therein; and
2. To consider and vote upon any proposal to adjourn the special meeting to a later date or dates if the board of directors of BOH Holdings determines such an adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the special meeting to constitute a quorum or to approve the reorganization agreement.

No other business may be conducted at the special meeting.

Only holders of BOH Holdings common stock and BOH Holdings Series D preferred stock of record as of 5:00 p.m. on _____, 2014, will be entitled to notice of and to vote at the BOH Holdings special meeting and any adjournments thereof. The special meeting may be adjourned from time to time upon approval of holders of BOH Holdings common stock and BOH Holdings Series D preferred stock without any notice other than by announcement at the meeting of the adjournment thereof, and any and all business for which notice is hereby given may be transacted at such adjourned meeting.

Holders of BOH Holdings common stock and BOH Holdings Series D preferred stock have the right to dissent from the merger and obtain payment in cash of the appraised fair value of their shares of BOH Holdings common stock under applicable provisions of the Texas Business Organizations Code, or TBOC. In order for a holder of BOH Holdings to perfect his or her right to dissent, such holder must carefully follow the procedure set forth in the TBOC. A copy of the applicable statutory provisions of the TBOC is included as Appendix D to the accompanying joint proxy statement/prospectus and a summary of these provisions can be found under the caption The Merger Dissenters Rights of BOH Holdings Shareholders.

If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need help voting your shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock, please contact John McWhorter, BOH Holdings Executive Vice President, Chief Financial Officer and Corporate Secretary, at (713) 789-6100.

By Order of the Board of Directors,

Donald L. Poarch

Chairman of the Board

Houston, Texas

, 2014

The board of directors of BOH Holdings unanimously recommends that you vote FOR the proposals to approve the reorganization agreement and any adjournment of the BOH Holdings special meeting, if necessary, among other things, to permit solicitation of additional proxies if there are not sufficient votes at the time of the BOH Holdings special meeting to constitute a quorum or to approve the reorganization agreement.

Your Vote is Very Important

A proxy card is enclosed. Whether or not you plan to attend the BOH Holdings special meeting, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope. You may revoke your proxy card in the manner described in the joint proxy statement/prospectus at any time before it is exercised. If you attend the BOH Holdings special meeting, you may vote in person if you desire, even if you have previously returned your proxy card.

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Independent Bank Group, Inc.

1600 Redbud Boulevard, Suite 400

McKinney, Texas 75069-3257

(972) 562-9004

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the shareholders of Independent:

The special meeting of shareholders of Independent will be held on _____, 2014, at [a.m./p.m.] Central Time, at the branch office of Independent Bank, 1600 Redbud Boulevard, Suite 100, McKinney Texas 75069-3257, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Reorganization, or the reorganization agreement, dated as of November 21, 2013, by and between Independent Bank Group, Inc., or Independent, and BOH Holdings, Inc., or BOH Holdings, pursuant to which BOH Holdings will merge with and into Independent, all on and subject to the terms and conditions contained therein, and the merger described therein;
2. To consider and vote upon a proposal to approve the issuance of shares of Independent common stock to BOH Holdings shareholders in connection with the merger;
3. To consider and vote upon a proposal to elect the following three director nominees to fill the vacancies created when the Independent board expanded the board from ten (10) to thirteen (13) members:

James D. Stein, to serve as a Class I director for a term that will expire at the annual meeting of shareholders to be held in 2014;

Donald L. Poarch, to serve as a Class II director for a term that will expire at the annual meeting of shareholders to be held in 2015; and

J. Webb Jennings, III, to serve as a Class III director for a term that will expire at the annual meeting of shareholders to be held in 2016.

The election of these nominees is subject to, and will only become effective upon, the completion of the merger; and

4. To consider and vote upon any proposal to adjourn the special meeting to a later date or dates, if the board of directors of Independent determines such an adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the special meeting to constitute a quorum or to approve the first three proposals listed above.

No other business may be conducted at the special meeting.

Only shareholders of Independent of record as of 5:00 p.m. on _____, 2014, will be entitled to notice of and to vote at the special meeting and any adjournments thereof. The special meeting may be adjourned from time to time upon approval of Independent's shareholders without any notice other than by announcement at the meeting of the adjournment thereof, and any and all business for which notice is hereby given may be transacted at such adjourned meeting.

If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need help voting your shares of Independent common stock, please contact Jan Webb, Independent's Executive Vice President and Secretary, at (972) 562-9004.

By Order of the Board of Directors,

David R. Brooks

Chairman of the Board

McKinney, Texas

_____, 2014

The board of directors of Independent unanimously recommends that you vote FOR the proposals to approve the reorganization agreement, the issuance of shares of Independent common stock, the election of the BOH Holdings nominees and the adjournment of the Independent special meeting, if necessary, among other things, to permit solicitation of additional proxies if there are not sufficient votes at the time of the Independent special meeting to constitute a quorum or to approve the other proposals.

Your Vote is Very Important

A proxy card is enclosed. Whether or not you plan to attend the Independent special meeting, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope or via the Internet or by telephone pursuant to the instructions provided on the enclosed proxy card. You may revoke your proxy card in the manner described in the joint proxy statement/prospectus at any time before it is exercised. If you attend the Independent special meeting, you may vote in person if you desire, even if you have previously returned your proxy card or submitted your vote via the Internet or by telephone.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

*The following are some questions that you may have regarding the Agreement and Plan of Reorganization, or the reorganization agreement, dated as of November 21, 2013, by and between Independent Bank Group, Inc., or Independent, and BOH Holdings, Inc., or BOH Holdings, and the special meetings, and brief answers to those questions. Independent and BOH Holdings advise you to read carefully the remainder of this joint proxy statement/prospectus because the information contained in this section does not provide all of the information that might be important to you with respect to the merger and the special meetings. Additional important information is also referred to under the caption *Where You Can Find More Information* beginning on page 291.*

Q: What are BOH Holdings shareholders being asked to vote upon?

A: BOH Holdings is proposing to be acquired by Independent through certain merger transactions. As part of the overall transaction, the holders of the common stock of BOH Holdings, or BOH Holdings common stock, and the holders of Series D preferred stock, or BOH Holdings Series D preferred stock, are being asked to consider and vote on the following two proposals:

Proposal One: to approve the reorganization agreement, pursuant to which BOH Holdings will merge with and into Independent, with Independent being the surviving entity following the merger, which transaction is referred to herein as the merger and is further described in the section entitled *The Merger* beginning on page 77; and

Proposal Two: to approve the adjournment of the BOH Holdings special meeting to a later date or dates, if the board of directors of BOH Holdings determines it is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the BOH Holdings special meeting to constitute a quorum or to approve the reorganization agreement.

No other business may be conducted at the BOH Holdings special meeting.

Q: What are Independent shareholders being asked to vote upon?

A: Independent is proposing to acquire BOH Holdings through the merger. As part of the overall transaction, the shareholders of Independent are being asked to consider and vote on the following four proposals:

Proposal One: to approve the reorganization agreement, pursuant to which BOH Holdings will merge with and into Independent, with Independent being the surviving entity following the merger, as is further described in the section entitled *The Merger* beginning on page 77;

Proposal Two: to approve the issuance of shares of Independent common stock to BOH Holdings shareholders in connection with the merger, which is further described in the section entitled *The Merger* beginning on page 77;

Proposal Three: to elect each of the following three director nominees designated pursuant to the reorganization agreement, or BOH Holdings nominees, whose directorships will only become effective upon consummation of the merger, and whose business experience and qualifications are further described in the section entitled *Management Election of BOH Holdings Nominees to Fill New Director Seats* beginning on page 245, to fill the vacant seats, or the

new director seats, created when the Independent board expanded its board from ten (10) to thirteen (13) members:

James D. Stein, to serve as a Class I director for a term that will expire at the annual meeting of shareholders to be held in 2014;

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Donald L. Poarch, to serve as a Class II director for a term that will expire at the annual meeting of shareholders to be held in 2015; and

J. Webb Jennings, III, to serve as a Class III director for a term that will expire at the annual meeting of shareholders to be held in 2016.

Proposal Four: to approve the adjournment of the Independent special meeting to a later date or dates, if the board of directors of Independent determines it is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the Independent special meeting to constitute a quorum or to approve the first three proposals listed above.

No other business may be conducted at the Independent special meeting.

Q: What will happen in the merger?

A: In the merger, BOH Holdings will be merged with and into Independent, with Independent being the surviving entity. At the effective time of the merger, BOH Holdings will cease to exist. Immediately following the merger, Bank of Houston will be merged with and into Independent Bank, with Independent Bank being the surviving bank. Bank of Houston will cease to exist after the bank merger occurs. Bank of Houston is a commercial bank headquartered in Houston, Texas, and a wholly owned subsidiary of BOH Holdings. Independent Bank is a commercial bank headquartered in McKinney, Texas, and a wholly owned subsidiary of Independent. Upon the merger of BOH Holdings with and into Independent, the shares of BOH Holdings common stock will be converted into the right to receive the consideration described below. For ease of reference: (i) the merger of BOH Holdings with and into Independent is referred to in this joint proxy statement/prospectus as the merger and (ii) the merger of Bank of Houston with and into Independent Bank is referred to in this joint proxy statement/prospectus as the bank merger.

Q. Why am I receiving this joint proxy statement/prospectus?

A: BOH Holdings shareholders: BOH Holdings is sending these materials to holders of its common stock and its Series D preferred stock to help them decide how to vote their shares of BOH Holdings common stock and BOH Holdings Series D preferred stock with respect to the proposal to approve the reorganization agreement and the merger and other matters to be considered at the BOH Holdings special meeting and to solicit their proxies in respect of the BOH Holdings special meeting.

Independent shareholders: Independent is sending these materials to its shareholders to help them decide how to vote their shares of Independent common stock with respect to the reorganization agreement and other matters to be considered at the Independent special meeting and to solicit their proxies in respect of the Independent special meeting.

This document constitutes both a proxy statement of BOH Holdings and Independent and a prospectus of Independent. It is a joint proxy statement because the boards of directors of BOH Holdings and Independent are soliciting proxies using this document from their respective shareholders. It is a prospectus because Independent is offering shares of its common stock to BOH Holdings shareholders as part of the merger consideration to be provided to holders of BOH Holdings common stock in the merger.

Q. What is the aggregate amount of consideration to be paid by Independent in the merger?

A: Under the terms of the reorganization agreement, if the reorganization agreement is approved and the merger is completed, all outstanding shares of BOH Holdings common stock (including shares of BOH Holdings common stock issued upon the automatic conversion of the BOH Holdings Series D preferred

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stock and the shares of BOH Holdings common stock issued upon the automatic exercise of outstanding options to purchase BOH Holdings common stock) will be converted into an aggregate of 3,616,060 shares of Independent common stock and \$34 million in cash, subject to downward adjustment, as set forth in the reorganization agreement. Based on the closing price of Independent common stock on the NASDAQ Global Market of \$49.66 on December 31, 2013, the amount of total consideration to be paid by Independent would have been valued at approximately \$213,573,540.

Q: What consideration will BOH Holdings shareholders receive for each share of BOH Holdings common stock as a result of the merger?

A: The amount of per share merger consideration to be received by the BOH Holdings shareholders is dependent upon the number of shares of BOH Holdings common stock issued and outstanding immediately prior to the effective time of the merger. As of December 31, 2013, BOH Holdings had the following outstanding shares of common stock and securities convertible or exercisable, as the case may be, into common stock:

7,304,322 shares of BOH Holdings common stock issued and outstanding;

102,918 shares of BOH Holdings Series D preferred stock issued and outstanding under its Employee Stock Purchase Plan. On January 8, 2014, an additional 9,124 shares of BOH Holdings Series D preferred stock were issued, and BOH Holdings expects that it could issue up to an additional 30,000 shares of BOH Holdings Series D preferred stock prior to the effective time of the merger. Accordingly, BOH Holdings could have up to a total of 142,042 shares of BOH Holdings Series D preferred stock outstanding prior to the effective time of the merger. At least two business days prior to the effective time of the merger, all of the outstanding shares of BOH Holdings Series D preferred stock will be automatically converted into shares of BOH Holdings common stock on a one-for-one basis; and

711,712 outstanding and unexercised options to purchase shares of BOH Holdings common stock granted under the Amended and Restated 2008 BOHI Equity Incentive Plan (some of which will not vest until the approval of the reorganization agreement at the BOH Holdings special meeting) will, at least one business day prior to the effective time of the merger, be automatically exercised, on either a for-cash or cashless basis, at the election of the holder, into between 514,508 shares of BOH Holdings common stock if all such options are exercised on a cashless basis, and 711,712 shares of BOH Holdings common stock if all such options are exercised on a for-cash basis.

Under the terms of the reorganization agreement, upon consummation of the merger, each share of BOH common stock issued and outstanding immediately prior to the merger will be converted into the right to receive (a) cash in an amount equal to the quotient of (i) \$34 million divided by (ii) the number of shares of BOH Holdings common stock outstanding immediately before the effective time of the merger, subject to downward adjustment as described in the reorganization agreement) and (b) the fraction of a share of Independent common stock equal to the quotient of (i) the quotient of (x) \$136 million divided by (y) the number of shares of BOH Holdings common stock outstanding immediately before the effective time divided by (ii) \$37.61.

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Based on the share and option amounts on December 31, 2013 and including the additional BOH Holdings Series D preferred stock issued on January 8, 2014, and that are expected to be issued prior to the effective time of the merger, BOH Holdings would have had between 7,960,872 (assuming all option holders exercise on a cashless basis) and 8,158,076 (assuming all option holders exercise for cash) shares of BOH Holdings common stock issued and outstanding immediately prior to the effective time of the merger.

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Based on these estimates, at the effective time of the merger, holders of BOH Holdings common stock will receive between 0.4432 and 0.4542 shares of Independent common stock (with cash in lieu of a fractional share) and between \$4.17 and \$4.27 in cash for each share of BOH Holdings common stock (including shares of BOH Holdings common stock issued upon the automatic conversion of the BOH Holdings Series D preferred stock and the shares of BOH Holdings common stock issued upon the automatic exercise of outstanding options to purchase BOH Holdings common stock) that they own, with the cash portion of the per share merger consideration subject to downward adjustment as set forth in the reorganization agreement.

No fractional shares of Independent common stock will be issued in the merger. Rather, fractional shares of Independent common stock will be paid in cash, without interest, in an amount equal to the product of the fraction of a share of Independent common stock multiplied by the volume-weighted average of the sale price per share of Independent common stock on the NASDAQ Global Select Market for the twenty consecutive trading days ending on and including the third trading day preceding the effective time. The market price of shares of Independent common stock and the amount of issued and outstanding BOH Holdings Series D preferred stock and BOH Holdings options will fluctuate from the date of this joint proxy statement/prospectus to the date of completion of the merger, and these fluctuations could impact the amount of cash paid for fractional shares.

The aggregate cash consideration will be reduced if BOH Holdings tangible book value, as calculated pursuant to the reorganization agreement, is less than \$70 million as of the closing date. If, as of the closing date, BOH Holdings tangible book value is less than \$70 million, but equal to or more than \$65 million, the aggregate cash consideration will be reduced by an amount equal to the product of (i) the difference between (x) \$70 million minus (y) BOH Holdings tangible book value as of the closing date, multiplied by (ii) 2.4, in each case, as BOH Holdings tangible book value is calculated pursuant to the reorganization agreement. Independent will not be obligated to consummate the merger if BOH Holdings does not have a tangible book value, as calculated pursuant to the reorganization agreement, of at least \$65 million as of the closing.

Q: What is BOH Holdings current tangible book value? Are there factors which could change the tangible book value prior to closing?

BOH Holdings tangible book value was approximately \$70.3 million as of September 30, 2013, before deductions contemplated by the reorganization agreement.

Tangible book value will increase or decrease by the amount of net income or net loss, respectively, of BOH Holdings through the closing date. Unrealized gains or losses in Bank of Houston's securities portfolio and any costs and expenses associated with the redemption of the BOH Holdings Series C preferred stock, if Independent should require such a redemption, are excluded from the calculation of tangible book value. However, all costs and expenses of BOH Holdings and Bank of Houston related to the merger on an after-tax equivalent basis will be included as a deduction in the calculation of tangible book value. For more detail about how BOH Holdings tangible book value will be calculated pursuant to the reorganization agreement, see the section entitled The Merger Potential Downward Adjustment to the Amount of Cash Consideration in the Merger beginning on page 80. Management of BOH Holdings estimates that BOH Holdings will have net income of approximately \$6.0 million from September 30, 2013 through March 31, 2014 and aggregate merger related deductions to tangible book value of approximately \$4.3 million. If these assumptions are correct, the amount of BOH Holdings tangible book value, as calculated pursuant to the reorganization agreement, would be approximately \$72.0 million as of March 31, 2014. Independent may, but will not be required to, effect the merger if the BOH Holdings tangible book value, as calculated pursuant to the reorganization agreement, is less than \$65 million. This amount is only an estimate and is based upon several assumptions, many of which are beyond the control of BOH Holdings. Accordingly, the actual amount of BOH

Holdings tangible book value may vary from this estimated amount.

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Q: Do BOH Holdings shareholders have a choice of the form of consideration that they will receive in the merger?

A: No. In accordance with the reorganization agreement and subject to downward adjustment in certain circumstances, each share of BOH Holdings common stock (including shares of BOH Holdings common stock issued upon the automatic conversion of the BOH Holdings Series D preferred stock and the shares of BOH Holdings common stock issued upon the automatic exercise of outstanding options to purchase BOH Holdings common stock) will be exchanged for the merger consideration, which is comprised of between \$4.17 and \$4.27 per share in cash and between 0.4432 and 0.4542 shares of Independent common stock, depending on the exact number of shares of BOH Holdings common stock issued and outstanding immediately prior to the effective time of the merger.

Q: Will Independent shareholders receive any consideration as a result of the merger?

A: No. Whether or not the merger is completed, Independent shareholders will retain the Independent common stock that they currently own. They will not receive any merger consideration, whether cash or any additional shares of Independent common stock in the merger.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger during the second quarter of 2014, although delays could occur.

Q: Are there any risks I should consider in deciding whether I vote for the reorganization agreement?

A: Yes. Set forth under the heading of Risk Factors, beginning on page 42, are a number of risk factors that you should consider carefully.

Q: When and where will the special shareholders meetings be held?

A: BOH Holdings shareholders: The BOH Holdings special meeting is scheduled to take place at [a.m./p.m.] Central Time, on _____, _____, 2014 at the offices of Bank of Houston, 750 Bering Drive, Suite 100, Houston, Texas 77057.

Independent shareholders: The Independent special meeting is scheduled to take place at [a.m./p.m.] Central Time, on _____, _____, 2014 at the branch office of Independent Bank, 1600 Redbud Boulevard, Suite 100, McKinney, Texas 75069.

Q: Who is entitled to vote at the special meeting?

A: BOH Holdings shareholders: The holders of record of BOH Holdings common stock and holders of record of BOH Holdings Series D preferred stock, as of 5:00 p.m. on _____, 2014, which is the date that BOH Holdings board of directors has fixed as the record date for the BOH Holdings special meeting, or the BOH Holdings record date, are entitled to vote at the BOH Holdings special meeting. Holders of BOH Holdings common stock and holders of BOH Holdings Series D preferred stock will each vote as separate class.

Independent shareholders: The holders of record of Independent common stock as of 5:00 p.m. on _____, 2014, which is the date that Independent's board of directors has fixed as the record date for the Independent special meeting, are entitled to vote at the Independent special meeting.

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Q: What are my choices when voting?

A: With respect to each of the proposals, you may vote for, against or abstain from voting on the proposals in question presented at either the BOH Holdings special meeting or the Independent special meeting as the case may be.

Q: What votes are required for approval of the reorganization agreement?

A: BOH Holdings shareholders: Approval of the reorganization agreement by BOH Holdings shareholders requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of BOH Holdings common stock and holders of at least two-thirds of the outstanding shares of BOH Holdings Series D preferred stock, each voting as a separate class, or _____ shares of BOH Holdings common stock and _____ shares of BOH Holdings Series D preferred stock.

Independent shareholders: Approval of the reorganization agreement by Independent shareholders requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of Independent common stock or _____ shares of Independent common stock.

Q: What votes are required to adjourn the special meeting?

A: BOH Holdings shareholders: Adjournment of the BOH Holdings special meeting requires the approval of a majority of the votes cast by holders of BOH Holdings common stock and a majority of the votes cast by holders of the BOH Holdings Series D preferred stock, each voting as a separate class at the BOH Holdings special meeting.

Independent shareholders: To adjourn the Independent special meeting, the affirmative vote of a majority of votes cast on such proposal at the meeting is required.

Q: What vote is required to approve the issuance of Independent common stock?

A: Independent shareholders: Approval of the issuance of 3,616,060 shares of Independent common stock to be used as consideration in the merger requires the affirmative vote of the holders of the majority of the votes cast by holders of Independent common stock at the Independent special meeting.

Q: What vote is required to elect the BOH Holdings nominees to fill the newly created vacancies on the board of directors of Independent?

A: Independent shareholders: Election of the BOH Holdings nominees to fill the new director seats requires the affirmative vote of the holders of a plurality of all votes cast for such proposal at the Independent special

meeting.

Q: How does the board of directors of BOH Holdings recommend that I vote at the special meeting?

A: The board of directors of BOH Holdings unanimously recommends that BOH Holdings shareholders vote their shares as follows:

Proposal One: FOR the approval of the reorganization agreement and the merger; and

Proposal Two: FOR the adjournment of the BOH Holdings special meeting to a later date or dates if the board of directors of BOH Holdings determines it is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the BOH Holdings special meeting to constitute a quorum or to approve the reorganization agreement.

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Q: How does the board of directors of Independent recommend that I vote at the Independent special meeting?

A: The board of directors of Independent unanimously recommends that Independent shareholders vote their shares as follows:

Proposal One: FOR the approval of the reorganization agreement and the merger;

Proposal Two: FOR the issuance of 3,616,060 shares of Independent common stock to BOH Holdings shareholders in connection with the merger;

Proposal Three: FOR the election of each of James D. Stein, Donald L. Poarch and J. Webb Jennings, III to fill the new director seats on the Independent board, with the election of such directors being subject to the completion of the merger; and

Proposal Four: FOR the adjournment of the Independent special meeting to a later date or dates, if the board of directors of Independent determines it is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the Independent special meeting to constitute a quorum or to approve the first three proposals listed above.

Q: Do I have any rights to avoid participating in the merger?

A: BOH Holdings shareholders: You have the right to dissent from the merger and seek payment of the appraised fair value of your shares in cash. In order for a shareholder of BOH Holdings to perfect his or her right to dissent, such shareholder must (i) deliver to BOH Holdings a written objection to the merger prior to the BOH Holdings special meeting that states that such shareholder will exercise his or her right to dissent if the reorganization agreement is approved and the merger is completed, (ii) vote his or her shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock against approval of the reorganization agreement at the BOH Holdings special meeting, (iii) not later than the 20th day after Independent sends such shareholder notice that the merger was completed, deliver to Independent a written demand for payment of the fair value of his or her shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock that states the number and class of shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock the shareholder owns, his or her estimate of the fair value of such shares and an address to which a notice relating to the dissent and appraisal procedures may be sent and (iv) not later than the 20th day after he or she makes that demand, submit to Independent the certificates representing his or her shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock. The steps you must follow to perfect your right of dissent are described in greater detail under the caption **The Merger Dissenters Rights of BOH Holdings Shareholders** starting on page 127, and this discussion is qualified by that description and by the text of the provisions of the TBOC relating to rights of dissent set forth in Appendix D hereto. The appraised fair value of your shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock may be more or less than the value of the Independent common stock and cash being paid in the merger. If the holders of more than 5% of the outstanding shares of BOH Holdings common stock dissent from the merger, Independent has the right to terminate the reorganization agreement.

Independent shareholders: No. The shareholders of Independent are not entitled to appraisal rights or dissenters rights in connection with the merger under Texas law or under the governing documents of Independent.

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Q: What happens if I transfer my shares after the record date for the special meetings?

A: BOH Holdings shareholders: The record date for the BOH Holdings special meeting is earlier than the expected date of completion of the merger. Therefore, if you transfer your shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock after the applicable record date, but prior to the effective time of the merger, you will retain the right to vote at the BOH Holdings special meeting, but the right to receive the merger consideration will transfer with the shares of stock.

Independent shareholders: The record date for the Independent special meeting is earlier than the expected date of completion of the merger. Therefore, if you transfer your shares of Independent common stock after the applicable record date, but prior to the merger's completion, you will retain the right to vote at the Independent special meeting.

Q: What do I need to do now?

A: BOH Holdings shareholders: After you have thoroughly read and considered the information contained in this joint proxy statement/prospectus, you simply need to vote your shares of BOH Holdings common stock and/or your shares of BOH Holdings Series D preferred stock at the BOH Holdings special meeting. The process for voting your shares depends on how your shares are held. Generally you may hold shares as the record holder (that is, in your own name) or in street name (that is, through a nominee, such as a broker or a bank). If you hold shares in street name, you are considered the beneficial owner of those shares.

If you are a record holder, you may vote by proxy or you may attend the BOH Holdings special meeting and vote in person. If you are a record holder on the record date for the BOH Holdings special meeting and want to vote your shares by proxy, simply indicate on the proxy card(s) applicable to your shares of BOH Holdings common stock and/or your BOH Holdings Series D preferred stock how you want to vote and sign, date and mail your proxy card(s) in the enclosed envelope as soon as possible, but in any event no later than immediately prior to the vote at the BOH Holdings special meeting.

Your proxy card must be received by BOH Holdings by no later than the time the polls close for voting at the BOH Holdings special meeting for your vote to be counted at the BOH Holdings special meeting.

Voting your shares by proxy will enable your shares of BOH Holdings common stock and/or your shares of BOH Holdings Series D preferred stock to be represented and voted at the BOH Holdings special meeting if you do not attend the special meeting and vote your shares in person.

Independent shareholders: After you have thoroughly read and considered the information contained in this joint proxy statement/prospectus, you simply need to vote your shares of Independent common stock at the Independent special meeting. The process for voting your shares depends on how your shares are held. Generally you may hold shares as the record holder (that is, in your own name) or in street name (that is, through a nominee, such as a broker or a bank). If you hold shares in street name, you are considered the beneficial owner of those shares.

If you are a record holder on the record date for the Independent special meeting, you may vote by proxy or you may attend the Independent special meeting and vote in person. If you are a record holder and want to vote your shares by proxy, you have three ways to vote:

simply indicate on the proxy card(s) applicable to your Independent common stock how you want to vote and sign, date and mail your proxy card(s) in the enclosed pre-addressed postage-paid envelope as soon as possible, but in any event no later than immediately prior to the vote at the Independent special meeting;

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call [TOLL-FREE NUMBER] using a touch-tone telephone and follow the instructions provided on the call; or

go to the website [VOTING WEBSITE] and follow the instructions for Internet voting on that website.

Your proxy card must be received by Independent by no later than the time the polls close for voting at the Independent special meeting for your vote to be counted at the meeting. Please note that telephone and Internet voting will close at [a.m./p.m.] Central Time, on _____, 2014.

Voting your shares by proxy will enable your shares of Independent common stock to be represented and voted at the Independent special meeting if you do not attend the Independent special meeting and vote your shares in person.

Q: If my shares of common stock are held in _____ street name by my broker, will my broker vote my shares for me?

A: If your broker has not provided to you a proxy that allows you to vote your shares of common stock that it holds for you, your broker may vote your shares of common stock on the merger proposal only if you provide instructions to your broker on how to vote. You should instruct your broker how to vote your shares of common stock, following the directions your broker provides. If you do not provide instructions to your broker, your shares will not be voted, which will have the same effect as a vote against the proposal to approve the reorganization agreement.

Q: How will my shares be voted if I return a signed and dated proxy card, but don't specify how my shares will be voted?

A: BOH Holdings shareholders: The shares to which such proxy card relates will be voted FOR approval of the reorganization agreement and the merger transactions contemplated therein and FOR any adjournments of the meeting that the board of directors of BOH Holdings deems necessary.

Independent shareholders: The shares to which such proxy card relates will be voted FOR approval of the reorganization agreement and the merger transactions contemplated therein, FOR approval of the issuance of shares of Independent common stock to BOH Holdings shareholders in connection with the merger, FOR election of each of the BOH Holdings nominees to fill the new director seats, and FOR any adjournments of the meeting that the board of directors of Independent deems necessary.

Q: Can I attend the special meeting and vote in person?

A: BOH Holdings shareholders: Yes. All BOH Holdings shareholders are invited to attend the BOH Holdings special meeting. Shareholders of record on the record date for the BOH Holdings special meeting can vote in person at the BOH Holdings special meeting.

Independent shareholders: Yes. All Independent shareholders are invited to attend the Independent special meeting. Shareholders of record on the record date for the Independent special meeting can vote in person at the Independent special meeting.

If your shares of Independent or BOH Holdings are held in street name, then you are not the shareholder of record. In order for you to vote the shares that you beneficially own and that are held in street name in person at the special meeting, you must bring a legal proxy from the broker, bank or other nominee that was the record holder of your shares held in street name as of 5:00 p.m. on _____, 2014,

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confirming that you were the beneficial owner of those shares as of 5:00 p.m. on _____, 2014, stating the number of shares of which you were the beneficial owner that were held for your benefit at that time by that broker, bank or other nominee and appointing you as the record holder's proxy to vote the shares covered by that proxy at the special meeting.

Q: May I change my vote after I have submitted my proxy card?

A: BOH Holdings shareholders: Yes. If a BOH Holdings shareholder is a holder of record, he or she may change his or her vote prior to such time that the proxy card for any such holder of BOH Holdings common stock or BOH Holdings Series D preferred stock must be received by:

delivering to BOH Holdings prior to the BOH Holdings special meeting a written notice of revocation addressed to: John McWhorter, Executive Vice President, Chief Financial Officer and Corporate Secretary, BOH Holdings, Inc., 750 Bering Drive, Suite 100, Houston, Texas 77057;

completing, signing and returning a new proxy card with a later date than your original proxy card, and any earlier proxy will be revoked automatically; or

attending the BOH Holdings special meeting and voting in person by ballot, and any earlier proxy will be revoked. However, simply attending the BOH Holdings special meeting without voting by ballot will not revoke your proxy.

If your shares are held in street name and you desire to change any voting instructions you have previously given to the record holder of the shares of which you are the beneficial owner, you should contact the broker, bank or other nominee holding your shares in street name in order to direct a change in the manner your shares will be voted.

Independent shareholders: Yes. Regardless of the method used to cast a vote, if an Independent shareholder is a holder of record, he or she may change his or her vote by:

delivering to Independent prior to the Independent special meeting a written notice of revocation addressed to: Jan Webb, Executive Vice President and Corporate Secretary, 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069-3257;

completing, signing and returning a new proxy card with a later date than your original proxy card prior to such time that the proxy card for any such holder of Independent common stock must be received, and any earlier proxy will be revoked automatically;

logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card,

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in each case if you are eligible to do so and following the instructions indicated on the proxy card;
or

attending the Independent special meeting and voting in person, and any earlier proxy will be
revoked. However, simply attending the Independent special meeting without voting will not
revoke your proxy.

If your shares are held in street name and you desire to change any voting instructions you have previously given to
the record holder of the shares of which you are the beneficial owner, you should contact the broker, bank or other
nominee holding your shares in street name in order to direct a change in the manner your shares will be voted.

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Q: What happens if I abstain from voting or fail to instruct my broker to vote?

A: BOH Holdings shareholders: If you are a record holder of BOH Holdings common stock and/or BOH Holdings Series D preferred stock and you abstain from voting or fail to instruct your broker to vote your shares and the broker submits a proxy, referred to as a broker nonvote, then the abstention or broker nonvote of shares of BOH Holdings common stock will be counted towards a quorum at the BOH Holdings special meeting, but such shares will have the same effect as a vote against the proposal to approve the reorganization agreement.

Abstentions and broker nonvotes will have no effect on the proposal to adjourn the special meeting, if necessary.

Independent shareholders: If you are a record holder of Independent common stock and you abstain from voting or fail to instruct your broker to vote your shares and the broker submits a proxy, referred to as a broker nonvote, then the abstention or broker nonvote of shares of Independent common stock will be counted towards a quorum at the Independent special meeting, but such shares will have the same effect as a vote against the proposal to approve the reorganization agreement. Abstentions and broker nonvotes will have no effect on the proposals to issue shares of Independent common stock to BOH Holdings shareholders in connection with the merger, elect the BOH Holdings nominees to fill the new director seats, or adjourn the Independent special meeting, if necessary.

Q: Should BOH Holdings shareholders send in their stock certificates now?

A: No. As soon as practical after the effective time, with the intent to be ten business days after the effective time, Wells Fargo Bank, N.A., Independent's exchange agent, will send the BOH Holdings shareholders written instructions for exchanging their stock certificates. BOH Holdings shareholders should not send their BOH Holdings stock certificates with their proxy card.

Q: Who can help answer my questions?

A: BOH Holdings shareholders: If you have additional questions about the merger, you should contact John McWhorter, Executive Vice President, Chief Financial Officer and Corporate Secretary, BOH Holdings, Inc., 750 Bering Drive, Suite 100, Houston, Texas 77057, telephone (713) 789-6100.

Independent shareholders: If you have additional questions about the merger, you should contact Jan Webb, Executive Vice President and Secretary, Independent Bank Group, Inc., 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069, telephone (972) 562-9004.

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SUMMARY

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. Independent and BOH Holdings urge you to carefully read this entire document and the other information that is referred to in this joint proxy statement/prospectus. These documents will give you a more complete description of the items for consideration at the special meeting. For more information about Independent, see *Where You Can Find More Information* on page 292. Independent has included page references in this summary to direct you to other places in this joint proxy statement/prospectus where you can find a more complete description of the topics that Independent has summarized.*

The Companies

Independent Bank Group, Inc.

1600 Redbud Boulevard, Suite 400

McKinney, Texas 75069-3257

(972) 562-9004

Independent, a Texas corporation, is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, or the BHC Act. Through Independent Bank, its wholly owned subsidiary bank, which is a Texas state bank, Independent provides a wide range of relationship driven, commercial banking products and services. Independent currently operates a total of 30 full-service banking centers in 26 communities, with 22 in the Dallas/Fort Worth metropolitan area, including McKinney, Dallas, Plano and Denton, and eight in the greater Austin, Texas area, including Austin and Waco. As of September 30, 2013, on a consolidated basis, Independent had total assets of \$2.0 billion, total loans of \$1.5 billion, total deposits of \$1.5 billion and shareholders' equity of \$219 million.

During fourth quarter of 2013, Independent consummated the acquisition of Collin Bank, a Texas chartered bank. On January 1, 2014, Independent consummated the acquisition of Live Oak Financial Corp. and its subsidiary, Live Oak State Bank, also a Texas chartered bank. A description of these acquisitions is found under the section entitled *Business of Independent - Recent Acquisitions* on page 142.

BOH Holdings, Inc.

750 Bering Drive, Suite 100

Houston, TX 77057

(713) 789-6100

BOH Holdings, Inc., a Texas corporation, is a bank holding company registered under the BHC Act. Bank of Houston, a Texas banking association and wholly owned subsidiary of BOH Holdings, is a full service commercial bank with five offices located in Houston, Texas, and one in Kingwood, Texas. As of September 30, 2013, BOH Holdings had total assets of \$924.6 million, total deposits of \$747.3 million, total net loans of \$704.6 million and total shareholders' equity of \$94.3 million.

Proposed Merger

The reorganization agreement is attached to this joint proxy statement/prospectus as Appendix A. Please read the entire reorganization agreement. It is the legal document that governs the merger.

Independent proposes to merge BOH Holdings with and into Independent, with Independent continuing as the surviving company. At the effective time of the merger, BOH Holdings will cease to exist. Immediately following the merger, Bank of Houston will be merged with and into Independent Bank, with Independent Bank being the surviving bank. After the bank merger occurs, Bank of Houston will cease to exist and the existing

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locations of Bank of Houston will become banking centers of Independent Bank. Independent expects to complete the merger in the second quarter of 2014, although delays could occur. The merger will be accounted for as an acquisition of BOH Holdings and Bank of Houston by Independent and Independent Bank under the acquisition method of accounting in accordance with the Financial Accounting Standard Board's Accounting Standard Codification Topic 805, Business Combinations.

Terms of the Merger (page 77)

If BOH Holdings and Independent shareholders approve the reorganization agreement and the merger is completed, all outstanding shares of BOH Holdings common stock will be converted into an aggregate of 3,616,060 shares of Independent common stock and \$34 million in cash, which cash amount is subject to downward adjustment, as set forth in the reorganization agreement.

The amount of per share merger consideration to be received by the BOH Holdings shareholders is dependent upon the number of shares of BOH Holdings common stock issued and outstanding immediately prior to the effective time of the merger. As of December 31, 2013, BOH Holdings had the following outstanding shares of common stock and securities convertible or exercisable, as the case may be, into common stock:

7,304,322 shares of BOH Holdings common stock issued and outstanding;

102,918 shares of BOH Holdings Series D preferred stock issued and outstanding under its Employee Stock Purchase Plan. On January 8, 2014, an additional 9,124 shares of BOH Holdings Series D preferred stock were issued, and BOH Holdings expects that it could issue up to an additional 30,000 shares of BOH Holdings Series D preferred stock prior to the effective time of the merger. Accordingly, BOH Holdings could have up to a total of 142,042 shares of BOH Holdings Series D preferred stock outstanding prior to the effective time of the merger. At least two business days prior to the effective time of the merger, all of the outstanding shares of BOH Holdings Series D preferred stock will be automatically converted into shares of BOH Holdings common stock on a one-for-one basis; and

711,712 outstanding and unexercised options to purchase shares of BOH Holdings common stock granted under the Amended and Restated 2008 BOHI Equity Incentive Plan (some of which will not vest until the approval of the reorganization agreement at the BOH Holdings special meeting) will, at least one business day prior to the effective time of the merger, be automatically exercised, on either a for-cash or cashless basis, at the election of the holder, into between 514,508 shares of BOH Holdings common stock if all such options are exercised on a cashless basis, and 711,712 shares of BOH Holdings common stock if all such options are exercised on a for-cash basis.

Under the terms of the reorganization agreement, upon consummation of the merger, each share of BOH common stock issued and outstanding immediately prior to the merger will be converted into the right to receive (a) cash in an amount equal to the quotient of (i) \$34 million divided by (ii) the number of shares of BOH Holdings common stock outstanding immediately before the effective time of the merger, subject to downward adjustment as described in the reorganization agreement) and (b) the fraction of a share of Independent common stock equal to the quotient of (i) the quotient of (x) \$136 million divided by (y) the number of shares of BOH Holdings common stock outstanding immediately before the effective time divided by (ii) \$37.61.

Based on the share and option amounts on December 31, 2013 and including the additional BOH Holdings Series D preferred stock issued on January 8, 2014, and that are expected to be issued prior to the effective time of the merger, BOH Holdings would have had between 7,960,872 (assuming all option holders exercise on a cashless basis) and 8,158,076 (assuming all option holders exercise for cash) shares of BOH Holdings common stock issued and outstanding immediately prior to the effective time of the merger.

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Based on these estimates, at the effective time holders of BOH Holdings common stock will receive between 0.4432 and 0.4542 shares of Independent common stock (with cash in lieu of a fractional share) and between \$4.17 and \$4.27 in cash for each share of BOH Holdings common stock (including shares of BOH Holdings common stock issued upon the automatic conversion of the BOH Holdings Series D preferred stock and the shares of BOH Holdings common stock issued upon the automatic exercise of outstanding options to purchase BOH Holdings common stock) that they own, with the cash portion of the per share merger consideration subject to downward adjustment as set forth in the reorganization agreement.

A condition to each party's respective obligation to consummate the merger is that the average sales price calculated as the volume-weighted average of the sale price per share of Independent common stock on the NASDAQ Global Select Market for the twenty consecutive trading days ending on and including the third trading day prior to the closing date, be at least \$30.09 per share. If the average sales price is less than \$30.09 per share either party may determine not to consummate the merger. As of December 31, 2013, the closing sales price for Independent common stock was \$49.66 per share.

Further, the amount of aggregate cash consideration will be reduced if BOH Holdings' tangible book value, as calculated pursuant to the reorganization agreement, is less than \$70 million as of the closing date. If, as of the closing date, BOH Holdings' tangible book value is less than \$70 million, the aggregate cash consideration will be reduced by an amount equal to the product of (i) the difference between (x) \$70 million minus (y) the tangible book value of BOH Holdings at the closing date multiplied by (ii) 2.4, in each case, as BOH Holdings' tangible book value is calculated pursuant to the reorganization agreement. Independent's obligation to consummate the merger is conditioned on BOH Holdings' tangible book value, as calculated pursuant to the reorganization agreement, being at least \$65 million as of the closing date.

BOH Holdings' obligation to consummate the merger, is conditioned upon the election at the Independent special meeting of the BOH Holdings nominees set forth in this joint proxy statement/prospectus to fill the new director seats.

No fractional shares of Independent common stock will be issued in the merger. Rather, fractional shares of Independent common stock will be paid in cash, without interest. The market price of Independent common stock will fluctuate from the date of this joint proxy statement/prospectus to the date of completion of the merger, and these fluctuations will affect the amount of cash paid for fractional shares.

Because of the possibility of a downward adjustment to the per share cash consideration and the uncertainty regarding the exact number of shares of BOH Holdings common stock that will be outstanding immediately prior to the effective time of the merger, BOH Holdings and Independent shareholders will not know the exact fraction of a share of Independent common stock or the exact amount of cash that BOH Holdings shareholders will receive for each share of BOH Holdings common stock (including shares of BOH Holdings common stock issued upon the automatic conversion of the BOH Holdings Series D preferred stock and the shares of BOH Holdings common stock issued upon the automatic exercise of outstanding options to purchase BOH Holdings common stock) held by them as a result of the merger when BOH Holdings and Independent shareholders vote on the reorganization agreement.

Treatment of BOH Holdings Series D Preferred Stock (page 79)

In accordance with the reorganization agreement and pursuant to the terms of the BOH Holdings employee stock purchase plan, the board of directors of BOH Holdings must set a date (which date will be at least two business days before the effective time of the merger) on which all accumulated payroll deductions by participants in the BOH Holdings Employee Stock Purchase Plan as of such date will be applied to purchase BOH Holdings Series D preferred stock. After such date and until the effective time of the merger, participants in the Employee Stock Purchase Plan

will not have the right to purchase and BOH Holdings will not be permitted to issue any additional BOH Holdings Series D preferred stock.

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All shares of BOH Holdings Series D preferred stock issued and outstanding two business days prior to the effective time of the merger will automatically convert into shares of BOH Holdings common stock, on a one-to-one basis, as provided in the certificate of designations of BOH Holdings Series D preferred stock. As a result, immediately prior to the effective time of the merger, all holders of BOH Holdings Series D preferred stock will then hold one share of BOH Holdings common stock for each share of BOH Holdings Series D preferred stock previously held. Following the effective time of the merger, each share of BOH Holdings common stock will represent only the right to receive the merger consideration to be paid pursuant to the reorganization agreement.

Treatment of BOH Holdings Options (page 79)

BOH Holdings issues stock options under the Amended and Restated 2008 BOHI Equity Incentive Plan. As of December 31, 2013, there were outstanding options to purchase an aggregate 711,712 shares of BOH Holdings common stock pursuant to this plan. Under the terms of the reorganization agreement, any outstanding unvested BOH Holdings options will automatically vest upon the approval of the reorganization agreement by the holders of BOH Holdings common stock and BOH Holdings Series D preferred stock at the BOH Holdings special meeting. After this approval has been obtained, the BOH Holdings board of directors shall set a date that must be at least one business day prior to the effective time of the merger on which all outstanding unexercised BOH Holdings options will be automatically exercised, on a for-cash or cashless basis, as determined by the option holder, and BOH Holdings will issue shares of BOH Holdings common stock pursuant to this automatic exercise. Each share of BOH Holdings common stock acquired pursuant to such automatic exercise of an option will thereafter be entitled to receive the merger consideration to be paid pursuant to the reorganization agreement.

Treatment of BOH Holdings Series C Preferred Stock (page 80)

BOH Holdings has 23,938.35 outstanding shares of a class of preferred stock designated as Senior Noncumulative Perpetual preferred stock, Series C, or the BOH Holdings Series C preferred stock, issued to the U.S. Treasury in connection with BOH Holdings participation in the U.S. Treasury's Small Business Lending Fund, or SBLF. Under the terms of the reorganization agreement, Independent may elect either to (i) exchange shares of a new issue of Independent preferred stock, or the Independent preferred stock, for the BOH Holdings Series C preferred stock, or (ii) require BOH Holdings to redeem all of the outstanding BOH Holdings Series C preferred stock prior to the consummation of the merger. If Independent elects the exchange, Independent will exchange each share of the BOH Holdings Series C preferred stock for a share of Independent preferred stock that would provide the same rights, preferences, privileges and voting powers, and be subject to the same limitations and restrictions, as BOH Holdings Series C preferred stock, taken as a whole, existing immediately prior to the consummation of the merger to the extent agreed to by the U.S. Treasury. If Independent elects to require BOH Holdings to redeem the BOH Holdings Series C preferred stock, then such redemption would occur in connection with the completion of the merger. The cost to BOH Holdings to redeem all of the outstanding shares of the BOH Holdings Series C preferred stock as of December 31, 2013, would have been approximately \$23.9 million, and the costs and expenses related to such redemption would not be included in the calculation of BOH Holdings tangible book value for purposes of the reorganization agreement. Therefore, the redemption would not factor into the determination whether there would be a reduction in the amount of cash portion of the merger consideration Independent would be obligated to pay to BOH shareholders pursuant to the merger.

The exchange of the BOH Holdings Series C preferred stock for Independent preferred stock, or Independent preferred stock, is subject to prior review and acceptance by the U.S. Treasury. Independent is discussing the exchange process with the U.S. Treasury and is otherwise considering the merits of the exchange, but has yet to determine whether it will exchange new shares of Independent preferred stock for the BOH Holdings Series C preferred stock or require BOH Holdings to redeem the BOH Holdings Series C preferred stock.

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Material U.S. Federal Income Tax Consequences (page 122)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended, or the Code, for U.S. federal income tax purposes, and the closing is conditioned upon the receipt by Independent of an opinion from Andrews Kurth LLP, special counsel to Independent, and the receipt by BOH Holdings of an opinion from Bracewell & Giuliani LLP, counsel to BOH Holdings, to the effect that the merger so qualifies. This summary of U.S. federal income tax consequences assumes that the merger will be consummated as described in the reorganization agreement and this joint proxy statement/prospectus and that Independent and BOH Holdings will not waive the opinion condition described in *The Merger Material U.S. Federal Income Tax Consequences of the Merger Tax Opinions*. If the merger qualifies as such a reorganization, the material U.S. federal income tax consequences of the merger to U.S. holders of BOH Holdings common stock will generally be as follows: holders of BOH Holdings common stock generally will recognize gain (but not loss) with respect to their BOH Holdings common stock equal to the lesser of cash received (excluding any cash received in lieu of a fractional share of Independent common stock) or gain realized in the merger. The amount of gain realized will equal the amount by which the cash plus the fair market value of the Independent common stock, at the effective time of the merger, exceeds the adjusted tax basis in the BOH Holdings common stock to be surrendered in exchange therefor.

For further information, please refer to *The Merger Material U.S. Federal Income Tax Consequences of the Merger*. The U.S. federal income tax consequences described above may not apply to all holders of BOH Holdings common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Fairness Opinion of Financial Advisor of BOH Holdings (page 93)

Sandler O'Neill + Partners, L.P., or Sandler O'Neill, has delivered a written opinion to the board of directors of BOH Holdings that, as of the date of the reorganization agreement, based upon and subject to certain matters stated in the opinion, the merger consideration is fair to the shareholders of BOH Holdings from a financial point of view. This opinion is attached to this joint proxy statement/prospectus as [Appendix B](#). The opinion of Sandler O'Neill is not a recommendation to any BOH Holdings shareholder as to how to vote on the proposal to approve the reorganization agreement. You should read this opinion completely to understand the procedures followed, matters considered and limitations on the reviews undertaken by Sandler O'Neill in providing its opinion.

Fairness Opinion of Financial Advisor of Independent (page 87)

Sterne, Agee & Leach, Inc., or Sterne Agee, has delivered a written opinion to the board of directors of Independent that, as of the date of the reorganization agreement, based upon and subject to certain matters stated in the opinion, the consideration to be paid in the merger by Independent is fair, from a financial point of view, to Independent. This opinion is attached to this joint proxy statement/prospectus as [Appendix C](#). The opinion of Sterne Agee is not a recommendation to any Independent shareholder as to how to vote on the proposals to approve the reorganization agreement or the issuance of Independent common stock to the shareholders of BOH Holdings in the merger. You should read this opinion completely to understand the procedures followed, matters considered and limitations on the reviews undertaken by Sterne Agee in providing its opinion.

Independent Plans to Continue Payment of Quarterly Dividends (page 273)

Independent paid a cash dividend of \$0.06 per share to its shareholders in the third and fourth quarters of 2013 and, subject to applicable statutory and regulatory restrictions, intends to pay a cash dividend to its shareholders in the first quarter of 2014 and to continue paying quarterly cash dividends following the merger.

Table of Contents**If Independent does not require BOH Holdings to redeem the BOH Holdings Series C preferred stock, then Independent would be Obligated to Pay Dividends on the Independent Preferred Stock Issued as a result of the Merger (page 277).**

If Independent elects not to require BOH Holdings to redeem the BOH Holdings Series C preferred stock prior to the consummation of the merger, then Independent will be obligated to exchange each share of BOH Holdings Series C preferred stock for a share of Independent preferred stock that would provide the same rights, preferences, privileges and voting powers, and be subject to the same limitations and restrictions as BOH Holdings Series C preferred stock, taken as a whole, existing immediately prior to the consummation of the merger to the extent agreed to by the U.S. Treasury. In that event, Independent would be required to pay quarterly dividends on the Independent preferred stock at a rate equal to [1.0%] of the aggregate liquidation amount of the Independent preferred stock, which would be \$23.9 million.

Ownership of Independent After the Merger (page 268 and 269)

Pursuant to the reorganization agreement, Independent will issue 3,616,060 shares of its common stock to BOH Holdings shareholders in connection with the merger. Based on 12,330,158 shares of Independent common stock outstanding as of December 31, 2013, if Independent issues the 3,616,060 shares of Independent common stock to the shareholders of BOH Holdings in connection with the proposed acquisition by Independent of BOH Holdings, the former BOH Holdings shareholders would own approximately 22% of the outstanding shares of Independent common stock. That ownership percentage will be reduced by any future issuances of shares of Independent common stock.

Market Prices of Independent Common Stock (page 272)

Shares of Independent common stock were quoted on the NASDAQ Global Market through December 31, 2013, and are now quoted on the NASDAQ Global Select Market, under the symbol IBTX. On November 21, 2013, the last trading day before the merger was announced, Independent common stock closed at \$41.06 per share. On December 31, 2013, Independent common stock closed at \$49.66 per share. The market price of Independent common stock will fluctuate prior to the merger. You should obtain the most recent closing price for Independent common stock on the NASDAQ Global Select Market prior to deciding how to vote. Shares of BOH Holdings are not traded on any national securities exchange or on an established public trading market and no quotations of any market price exists for BOH Holdings shares.

BOH Holdings Special Meeting (page 72)

The special meeting of shareholders of BOH Holdings will be held on _____, 2014, at [a.m./p.m.] Central Time, at the offices of Bank of Houston, 750 Bering Drive, Suite 100, Houston, Texas 77057. At the BOH Holdings special meeting, holders of (i) shares of BOH Holdings common stock and (ii) shares of BOH Holdings Series D preferred stock, each voting as a separate class, will be asked to consider and vote on the following:

a proposal to approve the reorganization agreement, which provides for Independent to acquire BOH Holdings through the merger; and

a proposal to adjourn the BOH Holdings special meeting to a later date or dates, if the board of directors of BOH Holdings determines such adjournment is necessary to permit solicitation of additional proxies if

there are not sufficient votes at the time of the BOH Holdings special meeting to constitute a quorum or to approve the reorganization agreement.

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Independent Special Meeting (page 66)

The special meeting of shareholders of Independent will be held on _____, 2014, at [a.m./p.m.] Central Time, at the branch office of Independent Bank, 1600 Redbud Boulevard, Suite 100, McKinney, Texas 75069. At the Independent special meeting, you will be asked to consider and vote on the following:

a proposal to approve the reorganization agreement, which provides for Independent to acquire BOH Holdings through the merger;

a proposal to approve the issuance of 3,616,060 shares of Independent common stock to BOH Holdings shareholders in the merger;

a proposal to elect each of James D. Stein, Donald L. Poarch and J. Webb Jennings, III, or the BOH Holdings director nominees, to fill the three new director seats on Independent's board of directors, subject to and conditioned upon the completion of the merger; and

a proposal to adjourn the Independent special meeting to a later date or dates, if the board of directors of Independent determines such adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the Independent special meeting to constitute a quorum or to approve the first three proposals listed above.

BOH Holdings Record Date Set at _____, 2014; Two-Thirds Shareholder Vote Required to Approve the Reorganization Agreement (page 73 and 74)

You may vote at the special meeting of BOH Holdings shareholders if you owned BOH Holdings common stock or BOH Holdings Series D preferred stock as of 5:00 p.m. on _____, 2014. You can cast one vote for each share of BOH Holdings common stock and/or one vote for each share of BOH Holdings Series D preferred stock, as the case may be, that you owned of record at that time. As of December 31, 2013, there were 7,304,322 shares of BOH Holdings common stock and 102,918 shares of BOH Holdings Series D preferred stock outstanding.

Approval of the reorganization agreement requires the affirmative vote of both (i) the holders of at least two-thirds of the shares of BOH Holdings common stock outstanding and entitled to vote as of 5:00 p.m. on the record date and (ii) of holders of at least two-thirds of the shares of BOH Holdings Series D preferred stock outstanding and entitled to vote as of 5:00 p.m. on the record date, each voting as a separate class. If you fail to vote, it will have the effect of a vote against the reorganization agreement. The affirmative vote of a majority of the votes cast by both (i) the holders of BOH Holdings common stock and (ii) the holders of the BOH Holdings Series D preferred stock, each voting as a separate class, at the BOH Holdings special meeting is required to approve the adjournment of the BOH Holdings special meeting.

You may vote your shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock by attending the special meeting and voting in person or by completing and mailing the enclosed proxy card. If you are the record holder of your shares, you can revoke your proxy at any time before the vote is taken at the BOH Holdings special meeting by sending a written notice revoking the proxy or submitting a later-dated proxy to the Secretary of BOH Holdings, which must be received no later than immediately prior to the vote at the BOH Holdings special

meeting, or by voting in person at the BOH Holdings special meeting. If your shares are held in street name and you desire to change any voting instructions you have previously given to the record holder of the shares of which you are the beneficial owner, you should contact the broker, bank or other nominee holding your shares in street name in order to direct a change in the manner your shares will be voted. See The BOH Holdings Special Meeting Voting of Proxies by Holders of Record, Attending the Meeting; Voting in Person and Revocation of Proxies.

Table of Contents**Independent Record Date Set at _____, 2014; Two-Thirds Shareholder Vote Required to Approve the Reorganization Agreement (page 67 and 69)**

You may vote at the special meeting of Independent shareholders if you owned Independent common stock of record as of 5:00 p.m. on _____, 2014. You can cast one vote for each share of Independent common stock you owned of record at that time. As of December 31, 2013, there were 12,330,158 shares of Independent common stock outstanding.

Approval of the reorganization agreement requires the affirmative vote of the holders of at least two-thirds of the shares of Independent common stock outstanding and entitled to vote as of 5:00 p.m. on the Independent record date. If you fail to vote, it will have the effect of a vote against the reorganization agreement. Approval of the issuance of the 3,616,060 shares of Independent common stock to be issued to holders of BOH common stock as consideration in the merger requires the affirmative vote of a majority of votes cast by holders of Independent common stock at the Independent special meeting. Election of the BOH Holdings nominees to fill the three new director seats requires an affirmative vote of at least a plurality of all votes cast at the Independent special meeting. The affirmative vote of a majority of the votes cast on this proposal at the Independent special meeting is required to approve the adjournment of the Independent special meeting.

You may vote your shares of Independent common stock by attending the special meeting and voting in person, by completing and mailing the enclosed proxy card or by following the instructions to vote via the Internet or by telephone as indicated on the proxy card and elsewhere in this joint proxy statement/prospectus. If you are the record holder of your shares, you can revoke your proxy at any time before the vote is taken at the Independent special meeting by sending a written notice revoking the proxy or submitting a later-dated proxy to the Secretary of Independent, which must be received no later than immediately prior to the vote at the Independent special meeting, or by voting in person at the Independent special meeting. If your shares are held in street name and you desire to change any voting instructions you have previously given to the record holder of the shares of which you are the beneficial owner, you should contact the broker, bank or other nominee holding your shares in street name in order to direct a change in the manner your shares will be voted. See *The Independent Special Meeting Voting of Proxies by Holders of Record*, *Attending the Meeting; Voting in Person* and *Revocation of Proxies*.

BOH Holdings Reasons for the Merger and Recommendations of BOH Holdings Board (page 84)

Based on the reasons discussed elsewhere in this joint proxy statement/prospectus, including the fairness opinion of Sandler O'Neill, the board of directors of BOH Holdings believes that the merger is fair, from a financial point of view to and in the best interests of the shareholders of BOH Holdings, and unanimously recommends that you vote FOR the proposal to approve the reorganization agreement. For a discussion of the circumstances surrounding the merger and the factors considered by BOH Holdings board of directors in approving the reorganization agreement, see page 84.

Certain Shareholders of BOH Holdings are Expected to Vote Their Shares For Approval of the Reorganization Agreement (page 122)

The directors and certain officers of BOH Holdings have entered into an agreement to vote the shares of BOH Holdings common stock that they control in favor of approval of the reorganization agreement and the merger and in the manner most favorable to the consummation of the merger and the transactions contemplated by the reorganization agreement; provided, however, that the BOH Holdings shareholders who entered into the voting agreement would be permitted to vote to accept a superior proposal, if any, under the terms of the reorganization agreement. As of the BOH Holdings record date, _____ shares of BOH Holdings common stock, or approximately _____% of the outstanding shares of BOH Holdings common stock, and _____ shares of BOH

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Holdings Series D preferred stock or approximately % of the outstanding shares of BOH Holdings Series D preferred stock, in each case, entitled to vote at the BOH Holdings special meeting, were bound by the voting agreement.

Independent s Reasons for the Merger and Recommendations of Independent s Board (page 85)

Based on the reasons discussed elsewhere in this joint proxy statement/prospectus, including the fairness opinion of Sterne Agee, the board of directors of Independent believes that the merger is fair to and in the best interests of Independent, and unanimously recommends that you vote FOR the proposal to approve the reorganization agreement. For a discussion of the circumstances surrounding the merger and the factors considered by Independent s board of directors in approving the reorganization agreement, see page 85.

Effective Time of the Merger (page 104)

The merger will become effective at the date and time specified in the certificate of merger to be filed with the Texas Secretary of State. If BOH Holdings and Independent shareholders approve the reorganization agreement at the special meetings, and if all necessary regulatory approvals are obtained and the other conditions to the parties respective obligations to effect the merger are satisfied or are waived by the party entitled to do so, Independent anticipates that the merger will be completed in the second quarter of 2014, although delays could occur.

BOH Holdings and Independent cannot assure you that the necessary shareholder and regulatory approvals will be obtained or that the other conditions to completion of the merger can or will be satisfied. See Risk Factors Risks Related to the Merger The merger may not be completed.

Exchange of BOH Holdings Stock Certificates (page 103)

After the effective time of the merger, you will receive a letter and instructions from Wells Fargo Bank, N.A., acting as Independent s exchange and transfer agent, or the exchange agent, describing the procedures for surrendering your stock certificates representing shares of BOH Holdings common stock in exchange for shares of Independent common stock and cash. The shares of Independent common stock issuable in exchange for the shares of BOH Holdings common stock will be issued solely in uncertificated book-entry form and a holder s shares of Independent common stock will be reflected in the shareholder s account established in the Direct Registration System by Independent s stock transfer agent. As soon as practicable after the effective time of the merger, with the intent to be within ten days of the effective time of the merger, Independent will cause the exchange agent to mail to each record holder of BOH Holdings common stock the letter and instructions for exchange. Please do not send BOH Holdings or Independent any of your BOH Holdings stock certificates until you receive these instructions. BOH Holdings stock certificates delivered to the exchange agent without a properly completed letter of transmittal will be rejected and returned for corrective action.

Conditions to Completion of the Merger (page 110)

The completion of the merger depends on a number of conditions being satisfied. These include, among others:

approval of the reorganization agreement and the merger transactions contemplated therein by the holders of two-thirds of the outstanding (i) BOH Holdings common stock and BOH Holdings Series D preferred stock, voting as separate classes and (ii) Independent common stock;

receipt of all approvals and consents required by applicable law from all applicable regulatory authorities in connection with the reorganization agreement, any other agreement contemplated

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thereby and the consummation of the transactions contemplated thereby, which approvals and consents do not impose any material requirement upon Independent or its subsidiaries that are reasonably unacceptable to Independent;

the registration statement of which this joint proxy statement/prospectus forms a part having become effective and no stop order suspending its effectiveness being in effect and no proceedings for that purpose having been initiated and continuing or threatened by the SEC, and all necessary approvals under federal or applicable state securities laws relating to the issuance or trading of the Independent common stock to be issued shall have been received;

the shares of Independent common stock to be issued to BOH Holdings shareholders shall have been authorized for listing on the NASDAQ Global Select Market;

the average closing price of Independent common stock, calculated as the volume-weighted average of the sale price per share on the NASDAQ Global Select Market, for the twenty consecutive trading days ending on and including the third trading day preceding the closing date of the merger, as reported by Bloomberg, being at least \$30.09;

no action having been taken, and no statute, rule, regulation or order shall have been promulgated, enacted, entered, enforced or deemed applicable to the reorganization agreement, or the transactions contemplated thereby, by any governmental authority, including by means of the entry of a preliminary or permanent injunction, that would (i) make the reorganization agreement or any other agreement contemplated thereby, or the transactions contemplated thereby, illegal, invalid or unenforceable, (ii) impose material limits on the ability of any party to consummate the transactions contemplated by the reorganization agreement, or (iii) could reasonably be expected to subject Independent, Independent Bank, BOH Holdings, Bank of Houston or any of their respective subsidiaries, or any of their respective officers, directors, shareholders or employees, to criminal or civil liability upon the consummation of the reorganization agreement or any other agreement contemplated thereby, or the transactions contemplated thereby;

the other party's representations and warranties contained in the reorganization agreement being true and correct as of the date of the reorganization agreement and being true and correct in all material respects as of the date of the closing of the merger and receipt of a certificate signed by an appropriate representative of the other party to that effect;

the absence of a material adverse change, since September 30, 2013, in the assets, properties, business or financial condition of either party or any event that could reasonably be expected to cause or result in a material adverse effect on either party;

the performance or compliance in all material respects by each party with its respective covenants and obligations required by the reorganization agreement to be performed or complied with before the

closing of the merger and receipt of a certificate signed by an appropriate representative of the other party to that effect; and

receipt by each party of all documents required to be delivered by the other party on or before the closing date, all in form and substance reasonably satisfactory to the receiving party.

In addition to the conditions listed above, BOH Holdings' obligations to complete the merger is subject to the satisfaction of the following conditions:

Independent's delivery of the merger consideration to Wells Fargo Bank, N.A., as exchange agent;

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the Independent shareholders having elected all of the BOH Holdings nominees, whose directorships will only become effective upon consummation of the merger, to fill the three new director positions; and

the receipt by BOH Holdings of an opinion from Bracewell & Giuliani LLP to the effect that for federal income tax purposes (i) the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code and (ii) each of Independent and BOH Holdings will be a party to such reorganization within the meaning of Section 368(b) of the Code.

In addition to the conditions listed above, Independent's obligation to complete the merger is subject to the satisfaction of the following conditions:

BOH Holdings' tangible book value as of the closing date of the merger must not be less than \$65 million, as calculated pursuant to the reorganization agreement;

BOH Holdings' allowance for loan and lease losses as of the closing date of the merger must be at least equal to \$5.47 million;

all BOH Holdings employee plans having been terminated in accordance with their respective terms and all applicable laws and regulations and the affected participants must have been notified of such terminations;

each of the employment or change in control agreements between BOH Holdings and/or Bank of Houston and their respective officers specified in the reorganization agreement having been terminated, and each such officer having executed a termination and release with respect to their respective employment or change in control agreement;

receipt of the resignations of each of the directors of BOH Holdings and Bank of Houston, effective as of the closing date of the merger;

holders of no more than 5% of the capital stock of BOH Holdings shall have demanded or exercised their statutory dissenters' rights under the TBOC;

BOH Holdings shall have caused BOH Realty, LLC and General Asset Holdings, LLC, each being subsidiaries of BOH Holdings, to have been liquidated and dissolved;

in the event that Independent has not requested that BOH Holdings redeem the BOH Holdings Series C preferred stock prior to the closing date of the merger, Independent and BOH Holdings will have taken all actions reasonably necessary to provide for, and will have received all regulatory approvals required for the exchange of each share of the then-outstanding BOH Holdings Series C preferred stock for a

share of Independent preferred stock that would provide the same rights, preferences, privileges and voting powers, and subject to the same limitations and restrictions as BOH Holdings Series C preferred stock, taken as a whole, existing immediately prior to the consummation of the merger to the extent agreed to by the U.S. Treasury;

all material consents and approvals from all nongovernmental third parties which are required to be obtained under the terms of any contract, agreement or instrument to which BOH Holdings is a party shall have been obtained; and

the receipt by Independent of an opinion from Andrews Kurth LLP to the effect that (i) the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code and (ii) each of Independent and BOH Holdings will be a party to such reorganization within the meaning of

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Section 368(b) of the Code; and with respect to the bank merger, that (i) the bank merger will be treated as a reorganization within the meaning of Section 368(a) of the Code and (ii) each of Independent Bank and Bank of Houston will be a party to such reorganization within the meaning of Section 368(b) of the Code.

Additionally, the completion of the merger depends on the execution and/or effectiveness of the following agreements, which agreements will not become effective until the effective time of the merger:

employment agreements by Independent, Independent Bank and each of Patrick W. Blossom, Eric Corley, John A. Gonzales, Gregory J. Guarino, Garrett W. Hagendorf, Barry Hawk, Clay H. Hoster, Andrew J. Novarini, Theodore W. Nowak, James D. Stein, Mark A. Turzillo and Dennis R. Watson;

releases from each of the directors and certain officers of BOH Holdings and Bank of Houston, releasing BOH Holdings and Bank of Houston and their respective successors from any and all claims of such directors and officers, subject to certain limited exceptions;

support agreements from each of the directors of BOH Holdings and Bank of Houston, agreeing to support, and not compete with, the business of Bank of Houston following the closing of the merger;

termination of employment and change in control agreements with certain officers of BOH Holdings and Bank of Houston; and

resignations from each of the directors of BOH Holdings and Bank of Houston, resigning from the board of directors of BOH Holdings and Bank of Houston.

Any condition to the completion of the merger other than the required shareholder and regulatory approval and the absence of an order prohibiting the merger, may be waived in writing by the party to the reorganization agreement entitled to the benefit of such condition. A party to the reorganization agreement could choose to complete the merger even though a condition has not been satisfied, as long as permitted by law. Independent cannot be certain when or if the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Regulatory Approvals Required for the Merger (page 127)

The acquisition of BOH Holdings by Independent requires the approval of the Board of Governors of the Federal Reserve System, or Federal Reserve. In addition, the bank merger requires the approval of the Federal Deposit Insurance Corporation, or the FDIC, and the Texas Department of Banking, or TDB. On January 6, 2014, Independent, Independent Bank, BOH Holdings and Bank of Houston filed applications with the Federal Reserve, the FDIC and the TDB to obtain approval of the merger and the bank merger. Independent expects to obtain all necessary regulatory approvals, although Independent cannot be certain if or when Independent will obtain them.

Amendment or Waiver of the Reorganization Agreement (page 118)

Independent and BOH Holdings may amend the reorganization agreement and each party may waive its right to require the other party to adhere to any term or satisfy any condition of the reorganization agreement in accordance

with the terms of the reorganization agreement. However, the merger consideration to be received by the shareholders of BOH Holdings pursuant to the terms of the reorganization agreement may not be decreased after shareholder approval of the reorganization agreement without the further approval each of the BOH Holdings and Independent shareholders.

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No Solicitation (page 109)

Pursuant to the reorganization agreement, BOH Holdings agreed that it will not, and that it will cause Bank of Houston and their respective employees, directors, officers, financial advisors or agents of BOH Holdings and Bank of Houston not to, propose to, solicit, knowingly encourage, initiate or participate in any negotiations or discussions with any third party with respect to any proposal that could reasonably be expected to lead to an acquisition proposal as described in the reorganization agreement, disclose to any third party any information concerning the business, properties, books or records of it in connection with any acquisition proposal, or cooperate with any third party to make any acquisition proposal. Promptly upon receipt of any unsolicited offer, BOH Holdings will communicate to Independent the terms of any proposal or request for information and the identity of the parties involved.

Provided that BOH Holdings has complied with the foregoing restrictions, if after the date of the reorganization agreement but prior to the closing of the merger, BOH Holdings receives a bona fide, unsolicited written acquisition proposal, it may engage in negotiations and discussions with, and furnish any information and other access to, any person making such acquisition proposal if, and only if, BOH Holdings board of directors determines in good faith, after consultation with outside legal and financial advisors, that such acquisition proposal is, or is reasonably, capable of becoming an offer superior to the merger with Independent and the failure of BOH Holdings board of directors to furnish such information or access or enter into such discussions or negotiations would reasonably be expected to be a violation of its fiduciary duties to the shareholders of BOH Holdings and BOH Holdings obtains an appropriately executed confidentiality agreement from such third party.

Termination of the Reorganization Agreement (page 118)

Independent and BOH Holdings can mutually agree at any time to terminate the reorganization agreement without completing the merger. In addition, either Independent or BOH Holdings may decide, without the consent of the other, to terminate the reorganization agreement if:

the conditions to such party's obligations to close have not been satisfied on or before June 30, 2014, subject to a 30-day extension for the receipt of regulatory approvals, provided that, the terminating party is not in breach of the reorganization agreement;

the required regulatory approvals have not been obtained; or

if the reorganization agreement and merger is not approved by the shareholders of Independent and BOH Holdings at their respective special meetings.

BOH Holdings may terminate the reorganization agreement, without the consent of Independent, if:

Independent breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the reorganization agreement or any other agreement contemplated by the reorganization agreement, and such failure has not been cured within a period of 30 calendar days after written notice from BOH Holdings;

at any time prior to the BOH Holdings special meeting in order to enter concurrently with such termination into an acquisition agreement or similar agreement with respect to a superior proposal, that has been received and considered by BOH Holdings and the BOH Holdings board in accordance with all of the requirements of the reorganization agreement; or

there has been any material adverse change, since September 30, 2013, in the assets, properties, business or financial condition of Independent.

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In addition, Independent may terminate the reorganization agreement, without the consent of BOH Holdings, if:

BOH Holdings breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the reorganization agreement or any other agreement contemplated by the reorganization agreement, and such failure has not been cured within a period of 30 calendar days after written notice from Independent;

the BOH Holdings board has (i) recommended to the shareholders of BOH Holdings that they tender their shares in a tender or exchange offer commenced by an unaffiliated third party for more than 15% of the outstanding BOH Holdings common stock, (ii) effected a change in the board's recommendation with respect to the merger or recommended to the BOH Holdings shareholders acceptance or approval of any alternative acquisition proposal or (iii) notified Independent in writing that BOH Holdings intends to accept a superior proposal;

any of the following have occurred with respect to environmental matters regarding BOH Holdings: (i) the factual substance of any of the representations and warranties of BOH Holdings in the reorganization agreement is not materially true and accurate, (ii) the results of any environmental inspection or other environmental survey by Independent are disapproved by Independent because such inspection or survey identifies a material or potential material violation of applicable environmental laws, (iii) BOH Holdings refuses to allow such inspection or survey in a manner that Independent reasonably considers necessary, (iv) such inspection or survey identifies any event, condition or circumstance that would or potentially could reasonably be expected to require a material remedial or cleanup action or result in a material adverse change in the assets, properties, business or financial condition of BOH Holdings, (v) such inspection or survey reveals the presence of any underground or above ground storage tank in, on or under any real property owned or leased by BOH Holdings or Bank of Houston that is not shown to be in material compliance with all applicable environmental laws, or that has had a release of petroleum or some other hazardous material that has not been cleaned up to the satisfaction of the relevant governmental authority or any other party with a right to compel such cleanup or (vi) such inspection or survey identifies the presence of any asbestos-containing material in, on or under any real property owned or leased by BOH Holdings or Bank of Houston, the removal of which could reasonably be expected to result in a material adverse change in the assets, properties, business or financial condition of BOH Holdings, subject, in the case of each of the foregoing, to notice and the right of BOH Holdings to satisfactorily correct any such matter; or

there has been any material adverse change, since September 30, 2013, in the assets, properties, business or financial condition of BOH Holdings or Bank of Houston.

Termination Fee and Expense Reimbursements (page 119)

To compensate Independent for entering into the reorganization agreement, taking actions to consummate the transactions contemplated by the reorganization agreement and incurring the related costs and expenses and other losses and expense, including foregoing the pursuit of other opportunities, the reorganization agreement provides that BOH Holdings has agreed to pay to Independent a termination fee of \$5 million, which shall be Independent's sole remedy, if the reorganization agreement is terminated:

by BOH Holdings because it receives an alternative acquisition proposal and, under certain terms and conditions, determines that it is a superior proposal to that of the reorganization agreement, taking into account any adjustment made by Independent to the merger consideration, provided that BOH Holdings is not in material breach of the reorganization agreement;

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by either Independent or BOH Holdings if the Independent shareholders or BOH Holdings shareholders do not approve the reorganization agreement and the merger by the requisite vote at their respective special meetings or any adjournment thereof and either (i) at the time of such disapproval, there exists an acquisition proposal with respect to BOH Holdings other than that of Independent that has not been withdrawn prior to the special meeting or (ii) within 12 months of the termination of the reorganization agreement, BOH Holdings enters into a definitive agreement with any third party with respect to any acquisition proposal; or

by Independent if the BOH Holdings board has (i) recommended to the BOH Holdings shareholders that they tender their shares in a tender or exchange offer commenced by an unaffiliated third party for more than 15% of the outstanding BOH Holdings common stock, (ii) effected a change in the board's recommendation with respect to the merger or recommended to the BOH Holdings shareholders acceptance or approval of any alternative acquisition proposal, (iii) notified Independent in writing that BOH Holdings is prepared to accept a superior proposal or (iv) resolved to do any of the foregoing.

Except with respect to termination fees and expenses, as discussed above, in the event of the termination of the reorganization agreement without breach by any party, the reorganization agreement will be void and have no effect, without liability on the part of any party or the directors, officers or shareholders of any party, except as specifically contemplated in the reorganization agreement.

Some of the Directors and Officers of BOH Holdings Have Financial Interests in the Merger that Differ from Your Interests (page 120)

Some of the directors and officers of BOH Holdings have interests in the merger that differ from, or are in addition to, their interests as shareholders of BOH Holdings. These interests include:

Each of Messrs. Donald Brunson, John A. Gonzales, Gregory J. Guarino, Barry Hawk, Randy Masters, John McWhorter, James D. Stein, Tim White, Andrew J. Novarini, Eric Corley, Tim Baker, Theodore W. Nowak, Clay H. Hoster, Larry Massey, Mark A. Turzillo, and Dennis R. Watson are executive officers of BOH Holdings and/or Bank of Houston and have entered into employment and/or change in control agreements. Certain of these agreements provide, among other things, for change in control payments to be made in connection with the completion of the merger or in some circumstances, if within a specified period following the merger, such executive is terminated by Independent and/or Independent Bank. The reorganization agreement provides that it is a condition to the closing of the merger that these agreements be terminated. Any amounts paid in connection with the termination of these agreements will reduce the tangible book value of BOH Holdings.

Independent and Independent Bank have entered into employment agreements with each of Messrs. Patrick W. Blossom, Eric Corley, John A. Gonzales, Gregory J. Guarino, Garrett W. Hagendorf, Barry Hawk, Clay H. Hoster, Andrew J. Novarini, Theodore W. Nowak, James D. Stein, Mark A. Turzillo and Dennis R. Watson, to be effective, if at all, upon completion of the merger, that include noncompetition and nonsolicitation obligations to Independent Bank and pursuant to which the executive officer is entitled to receive a salary, a one-time bonus upon completion of the merger, an annual bonus, restricted shares of Independent common stock and certain additional incentives from Independent and Independent Bank; and

the directors and officers of BOH Holdings will receive indemnification from Independent for a period of three years after completion of the merger to the same extent and subject to the conditions set forth in the certificate of formation and bylaws of BOH Holdings and continued director and officer liability coverage for a period of three years after completion of the merger.

Table of Contents**Comparison of Rights of Shareholders of BOH Holdings and Independent (page 281)**

BOH Holdings is a Texas corporation that is a registered bank holding company, and the rights of shareholders of BOH Holdings are governed by Texas law and BOH Holdings' certificate of formation and bylaws. Independent is a Texas corporation that is a registered bank holding company, and the rights of Independent's shareholders are governed by Texas law and Independent's certificate of formation and bylaws. Upon completion of the merger, shareholders of BOH Holdings common stock and, by virtue of their conversion into BOH Holdings common stock prior to the merger, BOH Holdings Series D preferred stock will become shareholders of Independent and their rights as shareholders of Independent will be governed by Independent's certificate of formation and bylaws, in addition to Texas law. Independent's certificate of formation and bylaws will not be amended in the merger, but could be later restated, amended or, with respect to the bylaws, repealed.

If Independent does not require BOH Holdings to redeem the BOH Holdings Series C preferred stock prior to the merger, Independent will exchange each share of the BOH Holdings Series C preferred stock for a share of Independent preferred stock that would provide the same rights, preferences, privileges and voting powers, and be subject to the same limitations and restrictions as BOH Holdings Series C preferred stock, taken as a whole, existing immediately prior to the consummation of the merger to the extent agreed to by the U.S. Treasury. The exchange of the BOH Holdings Series C preferred stock for Independent preferred stock is subject to prior review and acceptance by the U.S. Treasury. Independent is discussing the exchange process with the U.S. Treasury and is otherwise considering the merits of the exchange, but has yet to determine whether it will exchange new shares of Independent preferred stock for the BOH Holdings Series C preferred stock or require BOH Holdings to redeem the BOH Holdings Series C preferred stock.

Dissenters' Rights of BOH Holdings Shareholders (page 127)

As a holder of BOH Holdings common stock and/or BOH Holdings Series D preferred stock, you have the right under Texas law to dissent from the merger and have the appraised fair value of your shares of BOH Holdings common stock or BOH Holdings Series D preferred stock as of the date immediately preceding the effective date of the merger paid to you in cash. The appraised fair value may be more or less than the value of the shares of Independent common stock and cash that shareholders of BOH Holdings will receive for their BOH Holdings shares in the merger.

Persons having beneficial interests in BOH Holdings common stock or BOH Holdings Series D preferred stock held of record in the name of another person, such as a broker, bank or other nominee, must act promptly to cause the record holder to take the actions required under Texas law to exercise their dissenter's rights.

In order to dissent, you must carefully follow the requirements of the TBOC, including providing BOH Holdings, prior to the BOH Holdings special meeting, with a written objection to the merger that states that you will exercise your right to dissent if the BOH Holdings shareholders approve the reorganization agreement and the merger is completed. These steps for perfecting your right of dissent are summarized under the caption "Dissenters' Rights of BOH Holdings Shareholders" on page 127. The provisions of the TBOC pertaining to dissenters' rights are attached to this joint proxy statement/prospectus as [Appendix D](#) and the summaries of those provisions in this joint proxy statement/prospectus should be read in conjunction with, and are qualified in their entirety by, those provisions of the TBOC.

If you intend to exercise dissenters' rights, you should read the provisions of the TBOC governing dissenters' rights carefully and consult with your own legal counsel. You should also remember that if you return a signed proxy card, but fail to provide instructions as to how your shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock are to be voted, you will be considered to have voted in favor of the reorganization agreement. **In that**

event, you will not be able to assert dissenters' rights.

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If the BOH Holdings shareholders approve the reorganization agreement, a holder of BOH Holdings common stock or BOH Holdings Series D preferred stock who delivers to the president and the secretary of BOH Holdings a written objection to the merger prior to the BOH Holdings special meeting that states that such holder will exercise his or her right to dissent if the reorganization agreement is approved and the merger is completed and includes an address for notice of the effectiveness of the merger, who votes his or her shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock against approval of the reorganization agreement at the BOH Holdings special meeting, who, not later than the 20th day after Independent sends such holder notice that the merger was completed, delivers to the president and secretary of Independent a written demand for payment of the fair value of his or her shares of BOH Holdings common stock or BOH Holdings Series D preferred stock that states the number and class of shares of BOH Holdings common stock or BOH Holdings Series D preferred stock such holder owns, his or her estimate of the fair value of such shares and an address to which a notice relating to the dissent and appraisal procedures may be sent, and who, not later than the 20th day after he or she makes that demand for payment, submits to Independent the certificates representing his or her shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock will be entitled under the TBOC to receive the appraised fair value of his or her shares of BOH Holdings common stock and/or BOH Holdings Series D preferred stock, as of the date immediately prior to the effective time of the merger, in cash under the TBOC.

Nomination of Directors (page 247)

Independent's board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms. Independent's board of directors currently has ten (10) members serving on the board, with three vacant seats as a result of the expansion of the Independent board of directors from ten (10) to thirteen (13) members. The expansion of the Independent board, the nomination of the BOH Holdings director nominees named in this joint proxy statement/prospectus to each fill one of the Class I, Class II and Class III positions on the Independent board of directors, whose directorships will only become effective upon consummation of the merger, and the submission of these nominees to the Independent shareholders for election are all obligations of Independent under the terms of the reorganization agreement. See Management Election of BOH Holdings Nominees to Fill New Director Seats beginning on page 245.

Recent Acquisitions (page 142)

On July 19, 2013, Independent entered into a definitive agreement to acquire Collin Bank, Plano, Texas, a Texas state chartered bank with total assets of \$173 million, total deposits of \$121 million and total equity capital of \$26 million as of September 30, 2013. Collin Bank was a full service commercial bank with one office located on the Dallas North Tollway in Plano. This acquisition closed on November 30, 2013 and Collin Bank was then merged with and into Independent Bank. Under the terms of the definitive agreement, Independent paid \$18.4 million in cash and issued 247,731 shares of Independent common stock, resulting in an aggregate transaction value of \$30.3 million.

On August 22, 2013, Independent entered into a definitive agreement to acquire Live Oak Financial Corp. and its subsidiary, Live Oak State Bank, Dallas, Texas, a Texas state chartered bank with total assets of \$127 million, total deposits of \$106 million and total equity capital of \$14 million as of September 30, 2013. Live Oak State Bank was a full service commercial bank with one office located in the Swiss Avenue/Lakewood area east of downtown Dallas. This acquisition closed effective as of January 1, 2014. Under the terms of the agreement, Independent paid aggregate cash consideration of \$10.0 million and issued 235,594 registered shares of Independent common stock, resulting in an aggregate transaction value of approximately \$21.7 million.

Table of Contents**Selected Financial Information of Independent**

The following selected historical consolidated financial information of Independent as of and for the nine months ended September 30, 2013 and 2012 has been derived from Independent's unaudited consolidated financial statements as of and for the nine months ended September 30, 2013 and 2012 appearing elsewhere in this joint proxy statement/prospectus, the following selected consolidated financial information of Independent as of and for the years ended December 31, 2012, 2011 and 2010 has been derived from Independent's audited consolidated financial statements appearing elsewhere in this joint proxy statement/prospectus, and the selected consolidated financial information as of and for the year ended December 31, 2009, has been derived from Independent's audited consolidated financial statements not appearing in this joint proxy statement/prospectus.

You should read the following financial information relating to Independent in conjunction with other information contained in this joint proxy statement/prospectus, including the information set forth under Independent's Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 144 and the consolidated financial statements of Independent and related accompanying notes included elsewhere in this joint proxy statement/prospectus. Independent's historical results for any prior period are not necessarily indicative of results to be expected in any future period, and Independent's historical results for the nine months ended September 30, 2013 are not necessarily indicative of its results to be expected for all of 2013. As described elsewhere in this joint proxy statement/prospectus, Independent has consummated several acquisitions in recent fiscal periods. The results and other financial information of those acquired operations are not included in the information below for the periods 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 Independent's future results. In addition, the selected financial information in the table immediately below does not include, on any basis, the results or financial condition for any period or as of any date of BOH Holdings, Collin Bank, Live Oak Financial or of any other entity the acquisition of which may be consummated by Independent after September 30, 2013.

	As of and for the Nine Months Ended		As of and for the Years Ended December 31,			
	2013	2012	2012	2011	2010	2009
<i>(dollars in thousands except per share)</i>						
	(unaudited)					
Selected Income Statement Data						
Interest income	\$ 64,367	\$ 51,676	\$ 71,890	\$ 59,639	\$ 51,734	\$ 48,747
Interest expense	9,387	9,914	13,337	13,358	13,669	15,721
Net interest income	54,980	41,762	58,553	46,281	38,065	33,026
Provision for loan losses	2,939	2,255	3,184	1,650	4,043	3,446
Net interest income after provision for loan losses	52,041	39,507	55,369	44,631	34,022	29,580
Noninterest income (excluding acquisition gains)	7,609	5,612	9,168	7,708	5,464	5,212
Gain on acquisitions					6,692	
Noninterest expense	41,957	33,831	47,160	38,639	33,062	27,136
Net income	15,521	11,288	17,377	13,700	13,116	7,656

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Pro forma net income ⁽¹⁾ (unaudited)	11,895	7,653	12,147	9,357	8,775	5,189
Per Share Data (Common Stock)⁽²⁾						
Earnings:						
Basic	\$ 1.44	\$ 1.47	\$ 2.23	\$ 2.00	\$ 1.95	\$ 1.29
Diluted ⁽³⁾	1.43	1.47	2.23	2.00	1.95	1.29
Pro forma earnings: ⁽¹⁾ (unaudited)						
Basic	1.10	1.00	1.56	1.37	1.31	0.87
Diluted ⁽³⁾	1.10	1.00	1.56	1.37	1.31	0.87
Dividends ⁽⁴⁾	0.71	0.74	1.12	0.89	0.63	0.57
Book value ⁽⁵⁾	18.09	14.57	15.06	12.55	11.13	9.43
Tangible book value ⁽⁶⁾	15.49	11.21	11.19	10.53	9.02	7.44
Selected Period End Balance Sheet Data						
Total assets	\$ 1,954,754	\$ 1,516,070	\$ 1,740,060	\$ 1,254,377	\$ 1,098,216	\$ 905,115
Cash and cash equivalents	120,281	42,797	102,290	56,654	86,346	58,089

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	As of and for the Nine Months Ended September 30,		As of and for the Years Ended December 31,			
	2013	2012	2012	2011	2010	2009
<i>(dollars in thousands except per share)</i>						
(unaudited)						
Securities available for sale	130,987	98,427	113,355	93,991	52,611	3,182
Total loans (gross)	1,559,852	1,229,831	1,378,676	988,671	860,128	724,709
Allowance for loan losses	13,145	10,901	11,478	9,060	8,403	6,742
Goodwill and core deposit intangible	31,466	27,097	31,965	13,886	14,453	13,136
Other real estate owned	8,376	7,799	6,847	8,392	7,854	5,623
Adriatica real estate owned ⁽⁷⁾	9,678	15,836	9,727	16,065		
Noninterest-bearing deposits	281,452	198,935	259,664	168,849	133,307	114,880
Interest-bearing deposits	1,259,296	1,013,675	1,131,076	861,635	794,236	608,672
Borrowings (other than junior subordinated debentures)	169,237	164,981	201,118	118,086	75,656	101,682
Junior subordinated debentures ⁽⁸⁾	18,147	14,538	18,147	14,538	14,538	14,538
Total stockholders equity	218,511	117,732	124,510	85,997	76,044	62,479
Selected Performance Metrics⁽⁹⁾						
Return on average assets ⁽¹⁰⁾	1.12%	1.06%	1.17%	1.16%	1.35%	0.87%
Return on average equity ⁽¹⁰⁾	10.85	14.62	16.54	17.36	19.19	15.75
Pro forma return on average assets ⁽¹⁾⁽¹⁰⁾ (unaudited)	0.86	0.72	0.82	0.79	0.91	0.59
Pro forma return on average equity ⁽¹⁾⁽¹⁰⁾ (unaudited)	8.31	9.91	11.56	11.86	12.84	10.68
Net interest margin ⁽¹¹⁾	4.33	4.41	4.40	4.42	4.43	4.29
Efficiency ratio ⁽¹²⁾	67.04	71.41	69.64	71.57	75.95	70.97
Dividend payout ratio ⁽¹³⁾	13.39	13.55	11.89	13.26	13.54	20.04
Credit Quality Ratios						
Nonperforming assets to total assets	1.26%	2.30%	1.59%	2.85%	2.19%	1.92%
Nonperforming loans to total loans ⁽¹⁴⁾	0.43	0.92	0.81	1.14	1.89	1.62
Allowance for loan losses to nonperforming loans ⁽¹⁴⁾	197.28	96.83	104.02	80.32	51.93	57.61

Allowance for loan losses to total loans	0.85	0.89	0.83	0.92	0.98	0.93
Net charge-offs to average loans outstanding (unaudited)	0.12		0.06	0.11	0.31	0.21
Capital Ratios						
Tier 1 capital to average assets	10.74%	6.93%	6.45%	6.89%	6.98%	7.22%
Tier 1 capital to risk-weighted assets ⁽¹⁵⁾	13.72	8.68	8.22	8.59	8.88	8.93
Total capital to risk-weighted assets ⁽¹⁵⁾	15.05	11.25	10.51	11.19	11.10	11.24
Total stockholders equity to total assets	11.18	7.77	7.16	6.86	6.92	6.90
Tangible common equity to tangible assets ⁽¹⁶⁾	9.73	6.09	5.42	5.81	5.68	5.53

- (1) Prior to April 1, 2013, Independent 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, Independent did not pay U.S. federal income taxes and has not been required to make any provision or recognize any liability for federal income tax in its consolidated financial statements for any period ending on or before March 31, 2013. As of April 1, 2013, Independent terminated its S corporation election and commenced being subject to federal income taxation as a C corporation. Independent has calculated its 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 32.8% and 32.2% for the nine months ended September 30, 2013 and 2012, respectively, and 30.1%, 31.7%, 33.1% and 32.2% for the years ended December 31, 2012, 2011, 2010 and 2009, respectively, and adjusting its historical net income for each period presented to give effect to the pro forma provision for federal income taxes for such period.
- (2) The per share amounts and the weighted average shares outstanding for each of the periods shown have been adjusted to give effect to the 3.2-for-one split of the shares of Independent's common stock that was effective as of February 22, 2013.

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- (3) Independent calculates its diluted earnings per share for each period shown as its net income divided by the weighted-average number of its common shares outstanding during the relevant period adjusted for the dilutive effect of its outstanding warrants to purchase shares of common stock. The increase in 2013 largely relates to Independent's initial public offering. See Note 1 to Independent's consolidated financial statements appearing elsewhere in this joint proxy statement/prospectus for more information regarding the dilutive effect of its outstanding warrants and regarding certain nonvested shares of common stock, the effect of which is anti-dilutive. 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:

	As of September 30,			As of December 31,		
	2013	2012	2012	2011	2010	2009
Weighted average shares outstanding basic	10,588,554	7,502,758	7,626,205	6,668,534	6,518,224	5,667,360
Weighted average shares outstanding diluted	10,647,428	7,525,884	7,649,366	6,675,078	6,518,224	5,667,360

- (4) Dividends declared include quarterly cash distributions paid to Independent's shareholders in the relevant period to provide them with funds to pay their federal income tax liabilities incurred as a result of the pass-through of Independent's net taxable income for the first three months of the nine months ended September 30, 2013 and for each other such period shown to its 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 and \$0.61 per share for the nine months ended September 30, 2013 and 2012, respectively, and \$0.85 per share, \$0.63 per share, \$0.36 per share and \$0.30 per share for the years ended December 31, 2012, 2011, 2010 and 2009, respectively.
- (5) Book value per share equals Independent's total stockholders' equity as of the date presented divided by the number of shares of its common stock outstanding as of the date presented. The number of shares of its common stock outstanding as of September 30, 2013 and 2012 was 12,076,927 and 8,269,707, respectively, and as of December 31, 2012, 2011, 2010 and 2009 was 8,269,707 shares, 6,850,288 shares, 6,832,323 shares and 6,628,056 shares, respectively.
- (6) Independent calculates tangible book value per share as of the end of a period as total stockholders' equity less goodwill and other intangible assets at the end of the relevant period divided by the outstanding number of shares of its common stock at the end of that period. Tangible book value is a non-GAAP financial measure, and, as Independent calculates tangible book value, the most directly comparable GAAP financial measure is total stockholders' equity. See Independent's reconciliation of non-GAAP financial measures presented in the foregoing selected financial information to their most directly comparable GAAP financial measures under the caption Independent's Management's Discussion and Analysis of Financial Condition and Results of Operations Non-GAAP Financial Measures.
- (7) See Business IBG Adriatica for information regarding the real property owned by Independent's subsidiary, IBG Adriatica.
- (8) Each of five wholly owned, but nonconsolidated, subsidiaries of Independent holds a series of Independent's junior subordinated debentures purchased by the subsidiary in connection with, and paid for with the proceeds of, the issuance of trust issued preferred securities by that subsidiary. Independent has guaranteed the payment of the amounts payable under each of those issues of trust preferred securities.
- (9)

The values for the selected performance metrics presented for the nine months ended September 30, 2013 and 2012, other than the dividend payout ratio, are annualized.

- (10) Independent has calculated its return on average assets and return on average equity for a period by dividing net income for that period by its average assets and average equity, as the case may be, for that period. Independent has calculated its pro forma return on average assets and pro forma return on average equity for a period by calculating its pro forma net income for that period as described in note 1 above and dividing that by its average assets and average equity, as the case be, for that period. Independent calculates its average assets and average equity for a period by dividing the sum of its 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.
- (11) Net interest margin for a period represents net interest income for that period divided by average interest-earning assets for that period.
- (12) 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, excluding bargain purchase gains recognized in connection with certain of Independent's acquisitions and realized gains or losses from sales of investment securities for that period.
- (13) Independent calculates its 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 its basic earnings per share for such period.
- (14) Nonperforming loans include nonaccrual loans, loans past due 90 days or more and still accruing interest, and accruing loans modified under troubled debt restructurings.
- (15) Independent calculates its risk-weighted assets using the standardized method of the Basel II Framework, as implemented by the Federal Reserve and the FDIC.

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(16) Independent calculates tangible common equity as of the end of a period as total stockholders' equity less goodwill and other intangible assets as of the end of the period and calculates 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 Independent calculates tangible common equity to tangible assets, the most directly comparable GAAP financial measure is total stockholders' equity to total assets. See Independent's reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures under the caption Independent's Management's Discussion and Analysis of Financial Condition and Results of Operations - GAAP Financial Measures.

Table of Contents**Selected Financial Information of BOH Holdings**

The following selected historical consolidated financial information and capital ratios of BOH Holdings and Bank of Houston disclosed below as of and for the nine months ended September 30, 2013 and 2012 has been derived from BOH Holdings unaudited financial statements as of and for the nine months ended September 30, 2013 and 2012, appearing elsewhere in the joint proxy statement/prospectus, which BOH Holdings management believes reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its financial position and results of operations as of and for the periods ended on such dates. The following selected historical consolidated financial information of BOH Holdings and Bank of Houston as of and for the years ended December 31, 2012, 2011, 2010 and 2009 have been derived from internal management reports and from BOH Holdings audited consolidated financial statements appearing elsewhere in this joint proxy statement/prospectus. You should read the following financial information relating to BOH Holdings in conjunction with other information contained in this joint proxy statement/prospectus, including the information set forth under BOH Holdings Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 204, and the consolidated financial statements of BOH Holdings and related accompanying notes included elsewhere in this joint proxy statement/prospectus. BOH Holdings historical results for any prior period are not necessarily indicative of results to be expected in any future period, and BOH Holdings historical results for the nine months ended September 30, 2013 are not necessarily indicative of its results to be expected for all of 2013.

	As of and for the Nine Months Ended September 30,		As of and for the Years Ended December 31,			
	2013	2012	2012	2011	2010	2009
	(unaudited)					
<i>(dollars in thousands except per share)</i>						
Selected Income Statement Data						
Interest income	\$28,360	\$25,337	\$34,467	\$30,603	\$27,023	\$22,407
Interest expense	1,865	2,442	3,209	3,776	4,552	4,929
Net interest income	26,495	22,895	31,258	26,827	22,471	17,478
Provision for loan losses	100	50	250	1,060	2,525	2,370
Net interest income after provision for loan losses	26,395	22,845	31,008	25,767	19,946	15,108
Noninterest income	1,796	1,221	1,929	1,199	937	1,926
Noninterest expense	16,103	15,558	21,355	18,200	15,817	13,467
Income before income taxes	12,088	8,508	11,582	8,766	5,066	3,567
Provision for income tax expense	3,804	2,678	3,582	2,518	1,450	1,225
Net income	8,284	5,830	8,000	6,248	3,616	2,342
Per Share Data (Common Stock)⁽¹⁾						
Earnings:						
Basic ⁽²⁾	\$1.16	\$0.83	\$1.14	\$0.89	\$0.61	\$0.39
Diluted	1.09	0.78	1.06	0.84	0.58	0.38

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Book value ⁽³⁾	9.92	9.92	9.00	8.97	7.40	6.80
Selected Period End Balance Sheet Data						
Total assets	\$924,571	\$839,375	\$900,896	\$752,851	\$600,155	\$507,520
Cash and cash equivalents	92,833	118,187	122,730	125,299	84,448	64,698
Securities available for sale	88,724	115,966	107,741	81,151	48,986	45,166
Total loans (gross)	704,641	566,622	629,345	515,682	436,035	380,991
Allowance for loan losses	(6,239)	(5,935)	(6,139)	(5,942)	(5,446)	(4,125)
Other real estate owned	3,377	6,187	5,086	6,708	3,682	903
Noninterest-bearing deposits	302,421	298,696	355,509	270,260	156,090	116,674
Interest-bearing deposits	444,880	389,637	406,903	341,399	360,396	314,621
FHLB advances	80,300	45,000	40,000	45,000	20,000	20,000
Total stockholders equity	94,282	92,129	86,800	84,679	47,957	44,763
Selected Performance Metrics⁽⁴⁾						
Return on average assets ⁽⁵⁾	1.25%	0.97%	0.97%	0.95%	0.65%	0.52%
Return on average equity ⁽⁵⁾	12.15	8.82	8.94	8.76	8.66	5.35
Net interest margin ⁽⁶⁾	4.35	3.96	4.08	4.54	4.19	4.18
Efficiency ratio ⁽⁷⁾	57.21	65.15	65.70	67.65	76.44	85.01

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	As of and for the Nine Months Ended September 30, 2013 2012 (unaudited)		As of and for the Years Ended December 31, 2012 2011 2010 2009			
	<i>(dollars in thousands except per share)</i>					
Credit Quality Ratios						
Nonperforming assets to total assets	0.42%	0.74%	0.56%	0.97%	1.68%	1.05%
Nonperforming assets to loans and other real estate owned	0.55	1.08	0.80	1.40	2.29%	1.40%
Allowance for loan losses to nonperforming assets ⁽⁸⁾	160.84	95.93	120.70	81.05	54.06	77.22
Allowance for loan losses to total loans	0.89	1.05	0.98	1.15	1.25	1.08
Net charge-offs to average loans outstanding	0.00	0.01	0.01	0.12	0.28	0.37
Capital Ratios						
Leverage capital ratio	10.53%	11.15%	9.70%	11.80%	7.90%	9.00%
Tier 1 risk-based capital ⁽⁹⁾	12.60	14.50	12.79	15.01	9.90	10.90
Total risk-based capital ⁽⁹⁾	13.41	15.46	13.10	16.01	11.01	11.90
Tangible common equity to tangible assets ⁽²⁾	10.27	11.05	9.67	11.40	8.02	8.76

- (1) BOH Holdings calculates its diluted earnings per share for each period shown as its net income divided by the weighted-average number of its common shares outstanding during the relevant period adjusted for the dilutive effect of outstanding options to purchase shares of its common stock. The diluted earnings per share include the dilutive effect of outstanding options to purchase 711,712 shares of BOH Holdings 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:

	As of September 30, 2013 2012		2012	As of December 31, 2011 2010 2009		
	Weighted average shares outstanding-basic	6,977,095		6,776,729	6,806,850	6,487,428
Weighted average shares outstanding-diluted	7,462,132	7,226,702	7,305,441	6,840,779	5,335,785	5,307,360

- (2) Book value per share equals BOH Holdings total stockholders equity as of the date presented divided by the number of shares of BOH Holdings common stock outstanding as of the date presented. The number of shares of BOH Holdings common stock outstanding as of September 30, 2013 and 2012 was 6,999,417 and 6,856,972,

respectively, and as of December 31, 2012, 2011, 2010, 2009 and 2008 was 6,953,775 shares, 6,771,952 shares, 5,065,240 shares, 5,037,840 shares and 4,994,240 shares, respectively.

- (3) BOH Holdings has no goodwill, intangibles or other adjustments, and therefore book value and tangible book value are the same.
- (4) The values for the selected performance metrics presented for the nine months ended September 30, 2013 and 2012 are annualized.
- (5) BOH Holdings has calculated its return on average assets and return on average equity for a period by dividing net income for that period by its average assets and average equity, as the case may be, for that period. BOH Holdings has calculated its pro forma return on average assets and pro forma return on average equity for a period by calculating its pro forma net income for that period as described in note (1) above and dividing that by its average assets and average equity, as the case may be, for that period. BOH Holdings calculates its average assets and average equity for a period by dividing the sum of its 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.
- (6) Net interest margin for a period represents net interest income for that period divided by average interest-earning assets for that period.
- (7) 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, excluding realized gains or losses from sales of investment securities for that period.
- (8) Nonperforming loans include nonaccrual loans, loans past due 90 days or more and still accruing interest, and accruing loans modified under troubled debt restructurings.
- (9) BOH Holdings calculates its risk-weighted assets using the standardized method of the Basel II Framework, as implemented by the Federal Reserve and the FDIC.

Selected Unaudited Pro Forma Combined Financial Information

The merger will be accounted for as an acquisition of BOH Holdings and Bank of Houston by Independent and Independent Bank under the acquisition method of accounting in accordance with the Financial Accounting Standard Board's Accounting Standard Codification Topic 805, Business Combinations. The unaudited pro forma combined financial statements of Independent, from which the selected pro forma combined financial information appearing below was derived, were prepared using the acquisition method of accounting. The following selected unaudited pro forma combined income statement data for the nine months ended

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September 30, 2013 and the year ended December 31, 2012 appearing below gives effect to (i) the merger as if the merger had been completed on January 1, 2012 and an aggregate of 3,616,060 shares of Independent common stock were issued in the merger, effective as of January 1, 2012 and (ii) the acquisitions of Collin Bank and Live Oak Financial Corp. as if such acquisitions had been completed on January 1, 2012, and an aggregate of 483,325 shares of Independent common stock were issued in such acquisitions effective as of January 1, 2012. The unaudited pro forma combined balance sheet information as of September 30, 2013, appearing below gives effect to (i) the merger as if the merger was completed on September 30, 2013 and (ii) the acquisitions of Collin Bank and Live Oak Financial Corp. as if such acquisitions were completed on September 30, 2013. You should read this information in conjunction with

Selected Financial Information of Independent, Selected Financial Information of BOH Holdings, the information set forth under Independent's Management's Discussion and Analysis of Financial Condition and Results of Operations, Independent's consolidated financial statements and the related notes, BOH Holdings Management's Discussion and Analysis of Financial Condition and Results of Operations and BOH Holdings consolidated financial statements and related notes, in each case appearing elsewhere in this joint proxy statement/prospectus.

The following selected unaudited pro forma combined financial information is not necessarily indicative of the results that might have occurred had the merger and the acquisitions of Collin Bank and Live Oak Financial Corp. taken place on January 1, 2012 for statement of income purposes and on September 30, 2013 for balance sheet purposes, and is not intended to be a projection of future results. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled Risk Factors beginning on page 42 and the factors discussed under the caption Cautionary Note Regarding Forward-Looking Statements appearing elsewhere in this joint proxy statement/prospectus.

	Pro Forma Independent, Collin Bank and Live Oak Financial Corp. with BOH Holdings			
	Pro Forma Independent with Collin Bank and Live Oak Financial Corp.		As of and for the	
	As of and for the Nine Months Ended September 30, 2013 (unaudited)	For the Year Ended December 31, 2012 (unaudited)	Nine Months Ended September 30, 2013 (unaudited)	For the Year Ended December 31, 2012 (unaudited)
<i>(dollars in thousands except per share)</i>				
Selected Pro Forma Combined Income Statement Data				
Interest income	\$ 72,138	\$ 84,406	\$ 100,497	\$ 118,873
Interest expense	10,680	15,938	12,545	19,147
Net interest income	61,458	68,468	87,952	99,726
Provision for loan losses	2,939	3,020	3,039	3,270
Net interest income after provision for loan losses	58,519	65,448	84,913	96,456
Noninterest income	8,166	10,334	9,901	12,263
Noninterest expense	47,864	56,679	63,906	78,034
Tax expense	2,172		5,986	3,582
Net income	16,649	19,103	24,922	27,103
Tax-adjusted pro forma net income ⁽¹⁾	12,653	13,307	22,547	21,307

**Pro Forma Combined Per Share Data
(Common Stock)⁽²⁾**

Earnings:								
Basic	\$	1.48	\$	2.31	\$	1.67	\$	2.28
Diluted ⁽³⁾		1.47		2.31		1.67		2.28
Tax-adjusted pro forma earnings: ⁽¹⁾ (unaudited)								
Basic		1.12		1.61		1.51		1.79
Diluted ⁽³⁾		1.12		1.61		1.51		1.79
Dividends ⁽⁴⁾		0.79		1.21		0.71		1.71
Book value ⁽⁵⁾		19.27				23.37		
Tangible book value ⁽⁶⁾		15.92				14.64		
Weighted average shares outstanding: ⁽³⁾								
Basic		11,071,869		8,109,530		14,687,929		11,725,590
Diluted		11,130,753		8,132,690		14,746,813		11,748,750

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