Independent Bank Group, Inc.
Form 424B2
July 15, 2014
Table of Contents

Filed pursuant to Rule 424(b)(2)
SEC File No. 333-196627

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 15, 2014

PROSPECTUS SUPPLEMENT

(to prospectus dated June 27, 2014)

$60,000,000

% Subordinated Notes due August 1, 2024

We are offering $60,000,000 aggregate principal amount of our % subordinated notes due August 1, 2024, which we refer to herein as the notes. The notes will mature on August 1, 2024, and will bear interest at a fixed rate of % per year. Interest on the notes will be payable semiannually on August 1 and February 1 of each year, beginning February 1, 2015. The notes will not be redeemable prior to maturity unless certain special events occur as described under Description of the Notes Redemption Upon Special Events in this prospectus supplement. There is no sinking fund for the notes. The notes will not be convertible or exchangeable. The notes will not be listed on any securities exchange or included in any automated dealer quotation system. Currently, there is no market for the notes.

The notes will be unsecured obligations of ours and will be subordinated in right of payment to all our existing and future senior indebtedness, whether secured or unsecured. Because Independent Bank Group, Inc. is a holding company, our cash flows, and, consequently, our ability to pay and discharge our obligations, including the principal of, and premium, if any, and interest on, our debt securities, is dependent on dividends, distributions and other payments made to us by our subsidiaries, primarily Independent Bank, and funds we obtain from our corporate borrowings or sales of our securities. Our right to receive any payments or distribution of assets of our subsidiaries upon their liquidation or reorganization, and the consequent right of the holders of our debt securities to participate in the proceeds of those payments or assets, are effectively subordinated to the claims of our subsidiaries creditors and preferred equity holders, including depositors of Independent Bank.

Investing in the notes involves certain risks. You should consider the information under the heading Risk Factors beginning on page S-9 of this prospectus supplement and the information under the heading Risk Factors beginning on page 1 of the accompanying prospectus before investing in the notes.

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

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

	Per Note	Total
Public offering price[1]	%	$
Underwriting discount	%	$
Proceeds, before offering expenses, to Independent Bank Group, Inc.	%	$

(1) Plus accrued interest, if any, from the original issue date.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company and its participants against payment therefor in immediately available funds on or about July , 2014.

Joint Book-Running Managers

SANDLER O NEILL + PARTNERS, L.P. **US BANCORP**

Co-Managers

EVERCORE **KEEFE, BRUYETTE & WOODS** ***A Stifel Company*** **STERNE AGEE**

Prospectus Supplement dated July , 2014

Table of Contents

TABLE OF CONTENTS

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

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

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

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

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

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

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

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

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

Independent Bank Group, Inc.

Independent Bank Group, Inc. is incorporated in Texas and is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. We are based in McKinney, Texas, and conduct our operations primarily through our bank subsidiary, Independent Bank, a Texas state bank. Independent Bank provides a wide range of relationship-driven commercial banking products and services tailored to meet the needs of businesses, professionals and individuals. We operate 35 banking offices in three market regions located in Dallas/North Texas, Austin/Central Texas and Houston. As of March 31, 2014, we had consolidated total assets of approximately $2.4 billion, total loans of approximately $1.9 billion, total deposits of approximately $1.9 billion and total stockholders equity of approximately $253 million. Our common stock is traded on the NASDAQ Global Select Market under the symbol IBTX.

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

Table of Contents

Summary of the Offering

The following summary of this offering contains basic information about this offering and the terms of the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section of this prospectus supplement entitled Description of the Notes and the section of the accompanying prospectus entitled Description of Debt Securities.

Issuer	Independent Bank Group, Inc.
Securities Offered	% Subordinated Notes due August 1, 2024.
Aggregate Principal Amount	$60,000,000
Maturity Date	August 1, 2024.
Interest Rate	% per annum.
Interest Payment Dates	Interest on the notes will be payable semiannually in arrears on February 1 and August 1 of each year, commencing February 1, 2015.
Record Dates	Interest on each note will be payable to the person in whose name such notes is registered on the January 15 or July 15 immediately preceding the applicable interest payment date.
Subordination; Ranking	The notes will be unsecured, subordinated and:

- will rank junior in right of payment and upon our liquidation to our existing and all of our future senior indebtedness (as defined in the indenture and described below under Description of the Notes in this prospectus supplement);

- will rank equally in right of payment and upon our liquidation with our existing and all of our future indebtedness the terms of which provide that such indebtedness ranks equally with promissory notes, bonds, debentures and other evidences of indebtedness of types that include the notes;

- will rank senior in right of payment and upon our liquidation to (i) our existing junior subordinated debentures underlying outstanding trust preferred securities, and (ii) any indebtedness the terms of which provide that such indebtedness ranks junior to promissory notes, bonds, debentures and other evidences of indebtedness of types that include the notes; and will be effectively subordinated to all of the existing and future indebtedness, deposits and other liabilities of Independent Bank and our other current and future subsidiaries, including without limitation Independent Bank s liabilities to depositors in connection with the deposits in Independent Bank, liabilities to general creditors and liabilities arising during the ordinary course or otherwise.

Table of Contents

As of March 31, 2014, at the holding company level, we had no senior indebtedness outstanding, although, effective June 4, 2014, we established a $35.0 million senior, revolving credit facility under which no amount was outstanding on the date of this prospectus supplement. As of March 31, 2014, we had $7.7 million of subordinated indebtedness that will rank equally with the notes, and $18.1 million of indebtedness consisting of our junior subordinated debentures that will rank junior to the notes.

Because we are a holding company, our cash flows and, consequently, our ability to pay and discharge our obligations, including the principal of, and premium, if any, and interest on, our debt securities depends on the dividends paid and distributions and other payments made to us by our subsidiaries, and funds we obtain from our corporate borrowings or by selling our securities. Accordingly, our right to receive any payments or assets of our subsidiaries upon their liquidation or reorganization, and the consequent right of the holders of the notes to participate in the proceeds of those payments or assets, will be effectively subordinated to the claims of our subsidiaries respective creditors and preferred equity holders. As of March 31, 2014, Independent Bank and our other subsidiaries had outstanding indebtedness, total deposits and other liabilities of $2.1 billion, excluding intercompany liabilities. For more information, see Description of the Notes Subordination of the Notes in this prospectus supplement.

Redemption Upon Special Events

The notes may not be redeemed prior to maturity, except that we may redeem the notes, at our option, in whole if (i) a change or prospective change in law occurs that could prevent us from deducting interest payable on the notes for U.S. federal income tax purposes, (ii) a subsequent event occurs that precludes the notes from being recognized as Tier 2 capital for regulatory capital purposes, or (iii) we are required to register as an investment company under the Investment Company Act of 1940, as amended, in each case, at a redemption price equal to 100% of the principal amount of the notes plus any accrued and unpaid interest through, but excluding, the redemption date. For more information, see Description of the Notes Redemption Upon Special Events in this prospectus supplement.

Events of Default; Remedies

The notes will contain customary payment, covenant and insolvency events of default. The trustee and the holders of the notes may *not* accelerate the maturity of the notes upon the occurrence of any payment or covenant event of default. However, if an insolvency-related event of default occurs, the principal of, and accrued and unpaid interest on, the notes will become immediately due and payable without any action of the trustee or the holders of the notes. In the event of such an acceleration of the maturity of the notes, all of our obligations to holders of our senior indebtedness will be entitled to be paid in full before any payment or distribution, whether in cash, securities or other property, can be made on account of the principal of, or interest on, the notes. See Description of the Notes Events of Default; Limitation on Suits and Description of Debt Securities in the accompanying prospectus.

Table of Contents

Denomination; Form

The notes will be issued only in fully registered form without coupons, in denominations of $1,000 and integral multiples of $1,000. The notes will be evidenced by a global note deposited with the trustee for the notes, as custodian for The Depository Trust Company, or DTC. Beneficial interests in the global note will be shown on, and transfers of those beneficial interests can only be made through, records maintained by DTC and its participants. See Description of the Notes General and Clearance and Settlement.

Further Issuances

The notes will be initially issued in an aggregate principal amount of $60,000,000. We may, however, issue an unlimited principal amount of additional notes in the future without the consent of the holders of the notes.

Use of Proceeds

We estimate that the net proceeds of this offering will be approximately $ million, after deducting the underwriting discount and the payment of the transaction expenses payable by us. We plan to use the net proceeds of the offering to enhance Independent Bank s financial flexibility and support its growth by contributing approximately $ million to Independent Bank as regulatory capital. We intend to retain approximately $16.8 million of the net proceeds for the payment of the cash portion of the merger consideration in our previously announced acquisition of Houston City Bancshares, Inc. and its subsidiary, Houston Community Bank. For more details, see Use of Proceeds in this prospectus supplement.

Directed Notes Program

The underwriters have reserved out of the notes being offered by this prospectus supplement $3,000,000 aggregate principal amount of notes for sale at the public offering price to our officers and directors who have expressed an interest in purchasing our notes in the offering. The amount of notes available for sale to the general public in the offering will be reduced to the extent these persons purchase the reserved notes. Any reserved notes not so purchased will be offered by the underwriters to the general public on the same terms as the other notes.

Risk Factors

Investing in the notes involves certain risks. See Risk Factors beginning on page S-9 of this prospectus supplement and Risk Factors on page 1 of the accompanying prospectus for information regarding risk factors you should consider before investing in the notes.

Trustee

Wells Fargo Bank, National Association, acts as the trustee under the subordinated debt indenture pursuant to which the notes will be issued.

Listing

The notes will not be listed on any national securities exchange or included in any automated dealer quotation system. Currently, there is no market for the notes, and there can be no assurances that any public market for the notes will develop.

Governing Law

The notes and the indenture pursuant to which the notes will be issued will be governed by Texas law.

Table of Contents

SELECTED FINANCIAL INFORMATION

The following selected historical consolidated financial information of our company as of and for the three months ended March 31, 2014 and 2013 has been derived from our unaudited consolidated financial statements as of and for the three months ended March 31, 2014 and 2013, and the following selected consolidated financial information of our company as of and for the years ended December 31, 2013, 2012 and 2011 has been derived from our audited consolidated financial statements, each of which is incorporated herein by reference. The selected consolidated financial information as of and for the years ended December 31, 2010 and 2009, has been derived from our audited consolidated financial statements not incorporated herein by reference.

You should read the following financial information relating to us in conjunction with other information contained in this prospectus supplement and the accompanying prospectus, including our consolidated financial statements and related accompanying notes incorporated therein by reference. Our historical results for any prior period are not necessarily indicative of results to be expected in any future period, and our historical results for the three months ended March 31, 2014, are not necessarily indicative of our results to be expected for all of 2014. We have consummated several acquisitions in recent fiscal periods. The results and other financial information of those acquired operations are not included in the table below for the periods or dates prior to their respective acquisition dates and, therefore, the results for these prior periods are not comparable in all respects and may not be predictive of our future results. 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 (i) BOH Holdings, Inc., which we acquired by merger on April 15, 2014, or (ii) Houston City Bancshares, Inc., with which we have entered into an agreement and plan of reorganization pursuant to which we propose to acquire that entity, with an expected closing in the fourth quarter of 2014.

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
(dollars in thousands except per share)	(unaudited)						
Selected Income Statement Data							
Interest income	$ 25,162	$ 21,421	$ 87,214	$ 71,890	$ 59,639	$ 51,734	$ 48,747
Interest expense	3,027	3,206	12,281	13,337	13,358	13,669	15,721
Net interest income	22,135	18,215	74,933	58,553	46,281	38,065	33,026
Provision for loan losses	1,253	1,030	3,822	3,184	1,650	4,043	3,446
Net interest income after provision for loan losses	20,882	17,185	71,111	55,369	44,631	34,022	29,580
Noninterest income (excluding acquisition gains)	2,334	2,426	11,021	9,168	7,708	5,464	5,212
Gain on acquisitions						6,692	
Noninterest expense	16,076	13,923	57,671	47,160	38,639	33,062	27,136
Net income	4,801	5,688	19,800	17,377	13,700	13,116	7,656
Pro forma net income[1] (unaudited)	n/a	3,822	16,174	12,147	9,357	8,775	5,189
Per Share Data (Common Stock)[2]							
Earnings:							
Basic	$ 0.38	$ 0.69	$ 1.78	$ 2.23	$ 2.00	$ 1.95	$ 1.29
Diluted[3]	0.38	0.68	1.77	2.23	2.00	1.95	1.29
Pro forma earnings:[1] (unaudited)							
Basic	n/a	0.46	1.45	1.56	1.37	1.31	0.87
Diluted[3]	n/a	0.46	1.44	1.56	1.37	1.31	0.87
Dividends[4]	0.06	0.65	0.77	1.12	0.89	0.63	0.57
Book value[5]	20.05	15.01	18.96	15.06	12.55	11.13	9.43
Tangible book value[6]	16.37	11.16	15.89	11.19	10.53	9.02	7.44

Table of Contents

(dollars in thousands except per share)	As of and for the Three Months Ended March 31, 2014	2013	As of and for the Year Ended December 31, 2013	2012	2011	2010	2009
	(unaudited)						
Selected Period End Balance Sheet Data							
Total assets	$ 2,353,675	$ 1,764,134	$ 2,163,984	$ 1,740,060	$ 1,254,377	$ 1,098,216	$ 905,115
Cash and cash equivalents	97,715	80,890	93,054	102,290	56,654	86,346	58,089
Securities available for sale	204,539	114,540	194,038	113,355	93,991	52,611	3,182
Total loans (gross)	1,895,273	1,421,996	1,712,583	1,378,676	988,671	860,128	724,709
Allowance for loan losses	14,841	11,984	13,960	11,478	9,060	8,403	6,742
Noninterest-bearing deposits	352,735	243,235	302,756	259,664	168,849	133,307	114,880
Interest-bearing deposits	1,537,942	1,171,864	1,407,563	1,131,076	861,635	794,236	608,672
Borrowings (other than junior subordinated debentures)	186,727	200,234	195,214	201,118	118,086	75,656	101,682
Junior subordinated debentures(7)	18,147	18,147	18,147	18,147	14,538	14,538	14,538
Total stockholders equity	252,508	124,142	233,772	124,510	85,997	76,044	62,479
Selected Performance Metrics(8)							
Return on average assets(9)	0.84%	1.33%	1.04%	1.17%	1.16%	1.35%	0.87%
Return on average equity(9)	7.90	18.49	9.90	16.54	17.36	19.19	15.75
Pro forma return on average assets(1)(9) (unaudited)	n/a	0.89	0.85	0.82	0.79	0.91	0.59
Pro forma return on average equity(1)(9) (unaudited)	n/a	12.43	8.09	11.56	11.86	12.84	10.68
Net interest margin(10)	4.17	4.67	4.30	4.40	4.42	4.43	4.29
Efficiency ratio(11)	65.70	67.50	67.10	69.64	71.57	75.95	70.97
Dividend payout ratio(12)	15.79	18.84	14.20	11.89	13.26	13.54	20.04
Credit Quality Ratios							
Nonperforming assets to total assets	0.51%	1.35%	0.47%	1.59%	2.85%	2.19%	1.29%
Nonperforming loans to total loans(13)	0.48	0.40	0.39	0.81	1.14	1.89	1.62
Allowance for loan losses to nonperforming loans(13)	162.96	209.73	205.93	104.02	80.32	51.93	57.61
Allowance for loan losses to total loans	0.78	0.85	0.81	0.83	0.92	0.98	0.93
Net charge-offs to average loans outstanding (unaudited)	0.08	0.15	0.09	0.06	0.11	0.31	0.21
Capital Ratios							
Tier 1 capital to average assets	9.77%	6.29%	10.71%	6.45%	6.89%	6.98%	7.22%
Tier 1 capital to risk-weighted assets(14)	11.96	8.01	12.64	8.22	8.59	8.88	8.93
Total capital to risk-weighted assets(14)	13.08	10.20	13.83	10.51	11.19	11.10	11.24
Total stockholders equity to total assets	10.73	7.04	10.80	7.16	6.86	6.92	6.90
Tangible common equity to tangible assets(15)	8.93	5.33	9.21	5.42	5.81	5.68	5.53

(1) Prior to April 1, 2013, we elected to be taxed for federal income tax purposes as an S corporation under the provisions of Sections 1361 through 1379 of the Internal Revenue Code of 1986, as amended, and, as a result, we did not pay U.S. federal income taxes and have not been required to make any provision or recognize any liability for federal income tax in our consolidated financial statements for any period ending on or before March 31, 2013. As of April 1, 2013, we terminated our S corporation election and commenced being subject to federal income taxation as a C corporation. We have calculated our pro forma net income, pro forma earnings per share on a basic and diluted basis, pro forma return on average assets and pro forma return on average equity for each period presented by calculating a pro forma provision for federal income taxes using an assumed annual effective federal income tax rate of 32.8% for the three months ended March 31, 2013, respectively, and 33.9%, 30.1%, 31.7%, 33.1%, and 32.2% for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, respectively, and adjusting our historical net income for each period presented to give effect to the pro forma provision for federal income taxes for such period.

(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 our common stock that was effective as of February 22, 2013.

Table of Contents

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

		As of March 31,		As of December 31,				
		2014	2013	2013	2012	2011	2010	2009
Weighted average shares outstanding	basic	12,403,378	8,125,279	10,921,777	7,626,205	6,668,534	6,518,224	5,667,360
Weighted average shares outstanding	diluted	12,505,030	8,167,726	10,990,245	7,649,366	6,675,078	6,518,224	5,667,360

(4) Dividends declared include quarterly cash distributions paid to our 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 our net taxable income for the three months ended March 31, 2013, and for each other such period shown to our shareholders as holders of shares in an S corporation for federal income tax purposes. The aggregate amounts of such cash distributions relating to the payment of tax liabilities were $0.52 per share for the three months ended March 31, 2013, respectively, and $.0.52 per share, $0.85 per share, $0.63 per share, $0.36 per share and $0.30 per share for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, respectively.

(5) Book value per share equals our total stockholders equity as of the date presented divided by the number of shares of our common stock outstanding as of the date presented. The number of shares of our common stock outstanding as of March 31, 2014 and 2013, was 12,592,935 and 8,269,707, respectively, and as of December 31, 2013, 2012, 2011, 2010 and 2009 was 12,330,158 shares, 8,269,707 shares, 6,850,293 shares, 6,832,328 shares and 6,628,056 shares, respectively.

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

(7) Each of our five wholly-owned, but nonconsolidated, subsidiaries holds a series our 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. We have guaranteed the payment of the amounts payable under each of those issues of trust preferred securities.

(8) The values for the selected performance metrics presented for the three months ended March 31, 2014 and 2013, other than the dividend payout ratio, are annualized.

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

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

(11) Efficiency ratio for a period represents noninterest expenses for that period divided by the sum of net interest income and noninterest income for that period, excluding bargain purchase gains recognized in connection with certain of our acquisitions and realized gains or losses from sales of investment securities for that period.

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

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

(14) We calculate our risk-weighted assets using the standardized method of the Basel II Framework, as implemented by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation.

(15) We calculate 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 calculate tangible assets as of the end of a period as total assets less goodwill and other intangible assets as of the end of the period. Tangible common equity to tangible assets is a non-GAAP financial measure, and as we calculate tangible common equity to tangible assets, the most directly comparable GAAP financial measure is total stockholders equity to total assets. We believe that the presentation of tangible common equity to tangible assets provides useful information to investors regarding our financial

Table of Contents

condition because, as do our management, banking regulators, many financial analysts and other investors, you can use the tangible common equity in conjunction with more traditional bank capital ratios to assess our capital adequacy without the effect of our goodwill and core deposit intangibles and compare our capital adequacy with the capital adequacy of other banking organizations with significant amounts of goodwill and/or core deposit intangibles. A reconciliation of the ratios of tangible common equity to tangible assets to the ratios of total stockholders equity to total assets is presented below.

Reconciliations of Non-GAAP Financial Measures

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

	March 31,				December 31,		
	2014	2013	2013	2012	2011	2010	2009
(dollars in thousands except per share)	(unaudited)						
Tangible Common Equity							
Total stockholders equity	$ 252,508	$ 124,142	$ 233,772	$ 124,510	$ 85,997	$ 76,044	$ 62,479
Adjustments							
Goodwill	(42,575)	(28,742)	(34,704)	(28,742)	(11,222)	(11,222)	(11,222)
Core deposit intangibles	(3,813)	(3,075)	(3,148)	(3,251)	(2,664)	(3,231)	(1,914)
Tangible Common Equity	$ 206,120	$ 92,325	$ 195,920	$ 92,517	$ 72,111	$ 61,591	$ 49,343
Common shares outstanding	12,592,935	8,269,707	12,330,158	8,269,707	6,850,293	6,832,328	6,628,056
Book value per common share	$ 20.05	$ 15.01	$ 18.96	$ 15.06	$ 12.55	$ 11.13	$ 9.42
Tangible book value per common share	16.37	11.16	15.89	11.19	10.53	9.02	7.44
Tangible Assets							
Total assets-GAAP	$ 2,353,675	$ 1,764,134	$ 2,163,984	$ 1,740,060	$ 1,254,377	$ 1,098,216	$ 905,115
Adjustments							
Goodwill	(42,575)	(28,742)	(34,704)	(28,742)	(11,222)	(11,222)	(11,222)
Core deposit intangibles	(3,813)	(3,075)	(3,148)	(3,251)	(2,664)	(3,231)	(1,914)
Tangible Assets	$ 2,307,287	$ 1,732,317	$ 2,126,132	$ 1,708,067	$ 1,240,491	$ 1,083,763	$ 891,979
Total stockholders equity to total assets	10.73%	7.04%	10.80%	7.16%	6.86%	6.92%	6.90%
Tangible common equity to tangible assets	8.93	5.33	9.21	5.42	5.81	5.68	5.53

Table of Contents

RISK FACTORS

Before making an investment decision, you should carefully consider the following risks and all of the other information included in this prospectus supplement, the accompanying prospectus and our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference into the accompanying prospectus. Our business, financial condition, results of operations or liquidity could be materially adversely affected by any of these risks.

For a discussion of the risks and uncertainties related to our business, please read Risk Factors in Item 1A of our Annual Report on Form 10-K filed with the SEC on March 27, 2014, which is incorporated by reference into the accompanying prospectus.

Risks Related to this Offering and the Notes

The notes are subordinated to our senior indebtedness and to the obligations of our subsidiaries.

The notes will be our subordinated, unsecured obligations and, consequently, will be junior in right of payment to all of our secured and unsecured senior indebtedness now existing or that we incur in the future. As a result, if we become subject to any termination, winding up, liquidation or reorganization, including as a result of any liquidation, reorganization or other insolvency proceeding under bankruptcy laws or any other applicable insolvency law, make any assignment for the benefit of our creditors or otherwise engage in any marshalling of our assets and liabilities, the holders of the senior indebtedness would be entitled to have the senior indebtedness paid in full prior to the holders of the notes receiving any payment of principal of, or interest on, the notes. In addition, if a default in the payment of principal of, or premium, if any, or interest on, any senior indebtedness occurs and is continuing past any applicable grace period or if any event of default occurs and is continuing with respect to any senior indebtedness or would occur with respect to any senior indebtedness if we pay the principal of, or any interest on, the notes and that event of default would allow the holders of such senior indebtedness to accelerate the maturity of such senior indebtedness, we may not pay the principal of, or any interest on, the notes until such default or event of default is cured or waived or otherwise ceases to exist. The senior indebtedness to which the notes are subordinated is described below under Description of the Notes Subordination of the Notes.

As of March 31, 2014, we did not have any senior indebtedness outstanding, although, effective June 4, 2014, we established a senior, revolving credit facility under which we may borrow up to a total of $35.0 million to be outstanding at any one time. The subordinated debt indenture, which governs the notes, does not limit the amount of additional indebtedness or senior indebtedness that we may incur, or the amount of indebtedness that Independent Bank may incur. In the future, we may incur other indebtedness, which may be substantial in amount, including senior indebtedness and indebtedness ranking equally with the notes.

As a consequence of the subordination of the notes to our senior indebtedness, an investor in the notes may lose all or some of its investment should we liquidate or become insolvent. In such an event, our assets would be available to pay the principal of and accrued and unpaid interest on the notes only after all of our senior indebtedness has been paid in full. Moreover, we have outstanding certain subordinated debentures that will rank equally in right of payment to the notes. In the event of our liquidation or any liquidation, reorganization or other insolvency proceedings under the U.S. Bankruptcy Code or any other insolvency law, those subordinated debentures and any of our other general, unsecured obligations that do not constitute senior indebtedness will share pro rata in our assets remaining for payment of such obligations after we have paid all of our senior indebtedness in full.

The notes will be structurally subordinated to the obligations of Independent Bank and our other subsidiaries, and the holders of those obligations will be entitled to receive payment in full of those obligations before we participate in any distribution of the assets of Independent Bank and our other subsidiaries in the event of their liquidation or insolvency.

The notes are obligations exclusively of Independent Bank Group and are not obligations of Independent Bank. Independent Bank is a separate and distinct legal entity from Independent Bank Group and has no

Table of Contents

obligation to pay any amounts to Independent Bank Group, including any dividends, to make any other distributions to Independent Bank Group or to provide Independent Bank Group with funds to meet any of Independent Bank Group s obligations. Independent Bank Group s rights and the rights of its creditors, including the holders of the notes, to participate in any distribution of the assets of Independent Bank (either as a shareholder or as a creditor), upon a liquidation, reorganization, insolvency or receivership of Independent Bank (and the consequent right of the holders of the notes to participate in those assets after repayment of our senior indebtedness), will be subject to the claims of the creditors of Independent Bank, including depositors in Independent Bank. As a consequence of the foregoing, the notes are effectively structurally subordinated to all of the liabilities of Independent Bank and Independent Bank Group s other subsidiaries, to the extent that the liabilities of Independent Bank, including its deposit liabilities, and our other subsidiaries equal or exceed their respective assets.

Regulatory guidelines may restrict our ability to pay the principal of, and accrued and unpaid interest on, the notes, regardless of whether we are the subject of an insolvency proceeding.

As a bank holding company, our ability to pay the principal of, and interest on, the notes is subject to the guidelines of the Board of Governors of the Federal Reserve System, or Federal Reserve, regarding capital adequacy. We intend to treat the notes as Tier 2 capital under the Federal Reserve s regulatory capital rules and guidelines. The Federal Reserve guidelines generally require us to review the effects of the cash payment of Tier 2 capital instruments such as the notes on our overall financial condition. The guidelines also require that we review our net income for the current and past four quarters, and the amounts we have paid on Tier 2 capital instruments for those periods, as well as our projected rate of earnings retention. Moreover, under Federal Reserve policy, a bank holding company is required to act as a source of financial and managerial strength to each of its banking subsidiaries and commit resources to their support, including the guarantee of capital plans of an undercapitalized bank subsidiary. Such support may be required at times when a holding company may not otherwise be inclined to provide it. As a result of the foregoing, we may be unable to pay accrued interest on the notes on one or more of the scheduled interest payment dates or at any other time or the principal of the notes at the maturity of the notes.

If Independent Bank Group were to be the subject of a bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code, the bankruptcy trustee would be deemed to have assumed and would be required to cure immediately any deficit under any commitment we have to any of the federal banking agencies to maintain the capital of Independent Bank and any other insured depository institution for which we have such a responsibility, and any claim for breach of such obligation would generally have priority over most other unsecured claims.

We depend primarily on cash dividends from our subsidiary, Independent Bank, to meet our cash obligations. Failure of Independent Bank to pay sufficient cash dividends to us would prevent us from paying interest on the notes or the principal of the notes at maturity.

Independent Bank Group is a holding company and reports financial information on a consolidated basis with its subsidiaries. Substantially all of the assets held by the consolidated companies are held by our subsidiaries, in particular, Independent Bank. Dividends from Independent Bank provide a substantial portion of Independent Bank Group s cash flow and is the source of the funds that we will use to pay interest on the notes. Various regulatory provisions limit the amount of dividends Independent Bank can pay to Independent Bank Group without regulatory approval. In certain cases, regulatory authorities may even prohibit Independent Bank from paying dividends to Independent Bank Group. Moreover, the terms of the notes do not provide for us to make payments into any sinking fund with respect to the notes out of which the principal of, or accrued and unpaid interest on, the notes could be paid. If Independent Bank cannot pay dividends to us for any period as a result of any regulatory limitation or prohibition or cannot, for any reason, pay dividends in an amount sufficient for us to pay the principal of, or accrued and unpaid interest on, the notes, we would be unable to pay the interest on or principal of the notes unless we are able to borrow funds from other sources or sell additional securities of Independent Bank Group to obtain funds necessary to make one or more such payments of accrued and unpaid

Table of Contents

interest on, and the principal of, the notes. Independent Bank paid Independent Bank Group $11.6 million and $2.0 million in dividends during the year ended December 31, 2013, and the three months ended March 31, 2014, respectively.

There is no established trading market for the notes, which could make it more difficult for you to sell your notes and could adversely affect their price in any trading market that develops in the notes following the offering.

The notes constitute a new issue of securities for which no established trading market exists. Consequently, it may be more difficult for you to sell your notes. We do not intend to list the notes on any securities exchange or to apply to have the notes quoted on any automated dealer quotation system. A market for the notes may not develop and if such a market develops it may not continue to exist or provide liquidity for the notes following the offering.

The notes contain limited events of default, and the remedies available thereunder are limited.

As described in Description of the Notes Events of Default; Limitation on Suits, the notes contain limited events of default and remedies. As a result of our intended treatment of the notes as Tier 2 capital, the ability of the trustee under the subordinated debt indenture that will govern the notes and the holders of the notes to accelerate the maturity of and our obligation to pay immediately the principal of, and any accrued and unpaid interest on, the notes will be limited to the events of default that occur upon the entry of a decree or order for relief in respect of Independent Bank Group by a court having jurisdiction in the premises in an involuntary proceeding under Chapter 7 (liquidation) or Chapter 11 (reorganization) of the U.S. Bankruptcy Code as now or hereafter in effect, and such decree or order shall have continued unstayed and in effect for a period of 60 consecutive days or if Independent Bank Group commences a bankruptcy or insolvency proceeding or consents to the entry of an order in an involuntary proceeding under Chapter 7 (liquidation) or Chapter 11 (reorganization) of the U.S. Bankruptcy Code as now or hereafter in effect. Consequently, neither the trustee nor the holders of the notes will have the right to accelerate the maturity of the notes in the case of our failure to pay the principal of, or interest on, the notes or our non-performance of any other covenant or warranty under the notes or the indenture. The holders of our outstanding subordinated debentures and junior subordinated debentures are subject to similar limitations, but the holders of our senior indebtedness are not and will not be subject to limitations of that type. If the holders of our senior indebtedness are able to accelerate the maturity of some or all of our senior indebtedness at a time when a non-insolvency default has occurred, but an insolvency default has not occurred, with respect to the notes, such holders of our senior indebtedness may be able to accelerate the maturity of, and pursue the payment in full of, that senior indebtedness while the holders of the notes would be unable to pursue similar remedies with respect to the notes.

No limit or restriction exists on the amount or type of further securities or indebtedness that we may issue, incur or guarantee, and the indenture governing the notes does not contain any financial covenants.

No limit or restriction exists on the amount of securities or other liabilities that we may issue, incur or guarantee and that rank senior in right of payment to, or *pari passu* with, the notes. The issuance or guarantee of any such securities or the incurrence of any such other liabilities may reduce the amount, if any, recoverable by holders of the notes in any reorganization under the Bankruptcy Code or any liquidation or winding up under the Bankruptcy Code or otherwise of Independent Bank Group and may limit Independent Bank Group s ability to meet its obligations under the notes. In addition, neither the indenture nor the notes contain any restriction on Independent Bank Group s ability to issue securities that may have preferential rights to the notes or securities with provisions similar to or different from the provisions of the indenture. Neither the indenture nor the notes contain any financial covenants that would require us to achieve or maintain any minimum financial results relating to our financial position or results of operations or meet or exceed certain financial ratios as a general matter or in order to incur additional indebtedness or obligations or to maintain any reserves. Moreover, neither the indenture nor the notes contain any covenants prohibiting us from, or limiting our right to, incur additional indebtedness or obligations, to grant liens on our assets to secure our indebtedness or other obligations, to

Table of Contents

repurchase our stock or other securities, including any of the notes, or to pay dividends or make other distributions to our shareholders. In addition, neither the indenture nor the notes contain any provision that would provide protection to the holders of the notes against a sudden and dramatic decline in our credit quality resulting from a merger, takeover, recapitalization or similar restructuring or any other event involving us or our subsidiaries that may adversely affect our credit quality.

The market value of the notes may be influenced by unpredictable factors.

Certain factors, many of which beyond our control, will influence the value of the notes and the price, if any, at which securities dealers and others may be willing to purchase or sell the notes in the secondary market, if any, that develops for the notes, including:

- our creditworthiness and financial condition from time to time;
- prevailing interest rates;
- supply and demand for the notes;
- economic, financial, political or regulatory events or judicial decisions that affect us or the financial markets generally, including the introduction of any financial transactions tax;
- the market for similar securities; and
- the trading price of our common stock.

Accordingly, if an investor in the notes sells those notes in the secondary market, it may not be able to obtain a price that will provide it with a desired yield, a price equal to the principal amount of the notes or a price equal to the price that the investor paid for the notes.

The notes are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

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

Risks Related to the Pending Acquisition of Houston City Bancshares

The transaction may not be completed.

Completion of the transaction with Houston City Bancshares is subject to regulatory approval. We cannot assure you that we will be successful in obtaining required regulatory approvals. If we are not successful in obtaining required regulatory approvals, the transaction will not be completed. If such regulatory approvals are received, there can be no assurance as to the timing of those approvals or whether any conditions will be imposed that would result in certain closing conditions of the transaction not being satisfied.

The consummation of the transaction is also subject to other conditions precedent described in the reorganization agreement between the Company and Houston City Bancshares. These include Houston City Bancshares maintaining minimum capital and allowance for loan loss levels, that there has been no material adverse change in the condition of Houston City Bancshares or the Company, and that the average volume weighted sale price of our common stock over a ten day period prior to closing be at least $37.7416. If a condition of either party is not satisfied, that party may be able to terminate the reorganization agreement and, in such case, the transaction would not be consummated. We cannot assure you that all of the conditions precedent in the reorganization agreement will be satisfied or that the acquisition of Houston City Bancshares will be completed. If the acquisition of Houston City Bancshares is not consummated, we will use the net proceeds of this offering that were to be used to pay the cash portion of the consideration for such acquisition for general corporate purposes, including for the payment of all or a part of the acquisition consideration of one or more future acquisitions and for contribution to Independent Bank as regulatory capital.

Table of Contents

USE OF PROCEEDS

We expect to receive net proceeds from the offering of approximately $ million, after deducting the underwriting discount and estimated transaction expenses payable by us.

We plan to use the net proceeds of the offering to enhance Independent Bank s financial flexibility and support its growth by contributing approximately $ million of the net proceeds to Independent Bank as regulatory capital. We intend to retain approximately $16.8 million of the net proceeds in order to pay the cash portion of the merger consideration in our previously announced acquisition of Houston City Bancshares, Inc. and its subsidiary, Houston Community Bank. Upon the consummation of the merger of Houston Community Bank into Independent Bank in connection with the acquisition of Houston City Bancshares, the capital of Houston Community Bank will become capital of Independent Bank. We currently expect to consummate the acquisition of Houston City Bancshares in the fourth quarter of 2014, although delays could occur. If, for any reason, the acquisition of Houston City Bancshares is not consummated, we will use the net proceeds of the notes that were to be used in connection with such acquisition for general corporate purposes, including for the payment of all or a part of the acquisition consideration of one or more future acquisitions and for contribution to Independent Bank as regulatory capital.

The precise amounts of our net proceeds that we use for either of these purposes and timing of that use will depend upon the final purchase price we pay for, and the date on which we consummate the acquisition of, Houston City Bancshares. However, we will contribute to Independent Bank a substantial part of the net proceeds of the offering shortly after the settlement date with respect to the sale of the notes. Pending the consummation of the proposed acquisition of Houston City Bancshares, we expect to invest the approximately $16.8 million of the net proceeds to be retained by us for the payment of the cash portion of the merger consideration in that acquisition in short-term investments and deposit accounts.

Table of Contents

CAPITALIZATION

The following table sets forth our consolidated capitalization as of March 31, 2014:

- on an actual basis;
- on an actual as-adjusted basis to give effect to this offering;
- on a pro forma basis calculated to give effect to the acquisition of BOH Holdings, Inc. and the related issuance of shares of our Series A Preferred Stock as if such acquisition and issuance had been completed on January 1, 2014; and
- on a pro forma basis calculated to give effect to the acquisition of BOH Holdings, Inc. and the related issuance of shares of our Series A Preferred Stock as if such acquisition and issuance had been completed on January 1, 2014, and adjusted to give effect to this offering.

For a complete description of the borrowings and other debt obligations attributable to us and to Independent Bank, refer to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2014, incorporated by reference in the accompanying prospectus.

	March 31, 2014			
	Actual	As Adjusted	Pro Forma	Pro Forma As Adjusted
	($ in thousands)			
Long-term debt				
% subordinated notes due August 1, 2024	$	$ 60,000	$	$ 60,000
Other borrowings	7,730	7,730	7,730	7,730
Junior subordinated debentures	18,147	18,147	18,147	18,147
Total long-term debt	$ 25,877	$ 85,877	$ 25,877	$ 85,877
Stockholders equity				
Preferred stock, par value $0.01 per share; Authorized 10,000,000 shares:				
Series A Preferred stock Authorized 23,938.35; Issued and outstanding 23,938.35 shares			$ 23,938	$ 23,938
Common stock, par value $0.01 per share; Authorized 100,000,000 shares; issued and outstanding 12,592,935 shares; 16,208,821 shares on a pro forma basis	$ 126	$ 126	162	162
Additional paid-in capital	235,225	235,225	444,007	444,007
Retained earnings	16,708	16,708	16,708	16,708
Accumulated other comprehensive income	449	449	449	449
Total stockholders equity	252,508	252,508	485,264	485,264
Total long-term debt and stockholders equity	$ 278,385	$ 338,385	$ 511,141	$ 571,141
Capital Ratios				
Tier 1 capital to average assets .	9.77%	9.77%	9.51%	9.50%

Tier 1 capital to risk-weighted assets[1]	11.96	11.87	10.66	10.62
Total capital to risk-weighted assets[1]	13.08	16.18	11.46	13.62
Total stockholders equity to total assets	10.73	10.46	13.8	13.5
Tangible common equity to tangible assets[2]	8.93	8.71	7.44	7.31

1 We calculate our risk-weighted assets using the standardized method of the Basel II Framework, as implemented by the Federal Reserve System and the Federal Deposit Insurance Corporation.

2 We calculate 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 calculate tangible assets as of the end of a period as total assets less goodwill and other intangible assets as of the end of the period. Tangible common equity to tangible assets is a non-GAAP financial measure, and as we calculate tangible common equity to tangible assets, the most directly comparable GAAP financial measure is total stockholders equity to total assets. See Selected Financial Information Reconciliations of Non-GAAP Financial Measures for a reconciliation of the ratio of tangible common equity to tangible assets to the ratio of total stockholders equity to total assets.

Table of Contents

RATIOS OF EARNINGS TO FIXED CHARGES

Our historical ratios of earnings to fixed charges for the periods indicated are set forth in the table below. The ratio of earnings to fixed charges is computed by dividing (1) income from continuing operations before income taxes and fixed charges by (2) total fixed charges. For purposes of computing these ratios:

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

The following table includes a pro forma ratio of earnings to fixed charges, excluding interest on deposits, and a pro forma ratio of earnings to fixed charges, including interest on deposits, each calculated to give effect to the acquisition of BOH Holdings, Inc. as if such acquisition had been completed on January 1, 2014.

	Pro Forma Three Months Ended March 31,	Three Months Ended March 31,		Year Ended December 31,				
	2014	2014	2013	2013	2012	2011	2010	2009
Excluding interest on deposits	8.93x	6.95x	4.64x	5.37x	4.37x	4.85x	5.39x	3.39x
Including interest on deposits	3.87x	3.30x	2.73x	2.95x	2.29x	2.02x	1.95x	1.48x

S-15

Table of Contents

DESCRIPTION OF THE NOTES

We will issue the notes under the subordinated debt indenture, dated as of June 25, 2014, between Independent Bank Group, Inc., as the issuer, and Wells Fargo Bank, National Association, as the trustee, as amended and supplemented by a first supplemental indenture dated as of July , 2014. We refer to this subordinated debt indenture, as it is to be amended and supplemented by the first supplemental indenture, as the indenture, and we refer to Wells Fargo Bank, National Association, or Wells Fargo, in its capacity as the trustee under the indenture, as the trustee. You may request a copy of the indenture from us as described under Where You Can Find More Information in the accompanying prospectus. The following summary of certain provisions of the notes and the summary of certain provisions of the indenture in this prospectus supplement and the accompanying prospectus do not purport to be complete and are subject to and qualified in their entirety by reference to all of the provisions of the notes and the indenture, including the definitions of certain terms used in the notes and the indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the notes.

General

The notes will be unsecured, subordinated obligations of ours and will mature on August 1, 2024. The notes will be issued and may be transferred only in denominations of $1,000 or any amount in excess thereof that is an integral multiple of $1,000. Unless previously purchased and cancelled or redeemed prior to maturity, we will repay the notes at 100% of their principal amount, together with accrued and unpaid interest thereon, at their maturity. We will pay principal of and interest on the notes in U.S. dollars. The notes will constitute our unsecured debt obligations and will rank equally among themselves and junior in right of payment to our senior indebtedness as described below in Subordination of the Notes. No sinking fund will exist for the notes, and no sinking fund payments will be made with respect to the notes. The notes will not be convertible into or exchangeable for any other securities or property. The notes will not be subject to defeasance or covenant defeasance. Except as described below under Clearance and Settlement, the notes will be issued only in book-entry form and will be represented by a global note registered in the name of Cede & Co, as the nominee of DTC. See Clearance and Settlement below.

The notes are a part of a series of securities newly established under the indenture and will be initially issued in the aggregate principal amount of $60,000,000. We may, from time to time, without notice to, or the consent of, the holders of the notes, issue additional notes ranking equally with the notes and with identical terms to the notes in all respects (except for issue date, the offering price, the payment of interest accruing prior to the issue date of such additional notes and the first payment of interest following the issue date of such additional notes) in order that such additional notes may be consolidated and form a single series with the notes and have the same terms as to status, redemption or otherwise as the notes. No limit exists on the aggregate principal amount of the notes of this series that we may issue.

The notes will bear interest at the rate of % per annum from July , 2014 until the principal of the notes has been paid in full or a sum sufficient to pay the principal of the notes has been made available for payment. Interest on the notes will be payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2015. Payments of interest will be made to the persons in whose name the notes are registered on the books of the Company on the July 15 immediately preceding each August 1 interest payment date and the January 15 immediately preceding each February 1 interest payment date. Payments will include interest accrued to, but excluding, the relevant interest payment date. If the scheduled maturity date or any other interest payment date falls on a day that is not a business day, the related payment will be made on the next succeeding business day with the same force and effect as if made on the day such payment was due, and no interest will accrue on the amount so payable for the period from and after such maturity date or other interest payment date, as the case may be. The term business day means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law, regulation or executive order to be closed in The City of Dallas, Texas, or The City of New York, New York. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Table of Contents

No recourse will be available for the payment of principal of or interest on any note, for any claim based thereon, or otherwise in respect thereof, against any incorporator, shareholder, employee, agent, officer or director, as such, past, present or future, of ours or of any successor entity.

The indenture contains no covenants or restrictions restricting the incurrence of indebtedness or other obligations by us or by our subsidiaries, including Independent Bank. The indenture contains no financial covenants requiring us to achieve or maintain any minimum financial results relating to our financial position or results of operations or meet or exceed any financial ratios as a general matter or in order to incur additional indebtedness or obligations or to maintain any reserves. Moreover, neither the indenture nor the notes contain any covenants prohibiting us from, or limiting our right to, incur additional indebtedness or obligations, to grant liens on our assets to secure our indebtedness or other obligations that are senior in right of payment to the notes, to repurchase our stock or other securities, including any of the notes, or to pay dividends or make other distributions to our shareholders. In addition, neither the indenture nor the notes contain any provision that would provide protection to the holders of the notes against a sudden and dramatic decline in our credit quality resulting from a merger, takeover, recapitalization or similar restructuring or any other event involving us or our subsidiaries that may adversely affect our credit quality.

The notes and the indenture are governed by, and shall be construed in accordance with, the laws of the State of Texas.

The notes are not deposits in Independent Bank Group or Independent Bank and are not insured or guaranteed by the FDIC or any other government agency or instrumentality. The notes are solely obligations of the Company and are neither obligations of, nor guaranteed by, Independent Bank or any of our other subsidiaries or affiliates.

Subordination of the Notes

Our obligation to make any payment on account of the principal of, or interest on, the notes will be subordinate and junior in right of payment to the prior payment in full of all of our senior indebtedness.

Senior indebtedness means the principal of, and premium, if any, and interest, including interest accruing after the commencement of any bankruptcy proceeding relating to our Company, on, or substantially similar payments we will make in respect of the following categories of indebtedness, whether that indebtedness is outstanding at the time of execution of the indenture or thereafter incurred, created or assumed:

- existing senior indebtedness, which means our indebtedness in the amount of up to $35.0 million that may be incurred pursuant to our revolving credit facility under which U.S. Bank, National Association, is the lender and any renewal or extension thereof or any new facility replacing or refinancing such revolving credit facility;

- our other indebtedness evidenced by notes, debentures, bonds or other securities issued under the provisions of an indenture, fiscal agency agreement, debenture or note purchase agreement or other agreement, including any senior debt securities that may be offered, including by means of the base prospectus and one or more prospectus supplements;

- our indebtedness for money borrowed or represented by purchase-money obligations, as defined below;

- our obligations as lessee under leases of property whether made as part of a sale and leaseback transaction to which we are a party or otherwise;

- indebtedness, obligations and liabilities of others in respect of which we are liable contingently or otherwise to pay or advance money or property or as guarantor, endorser or otherwise or which we have agreed to purchase or otherwise acquire and indebtedness of partnerships and joint ventures that is included in our consolidated financial statements;

- reimbursement and other obligations relating to letters of credit, bankers acceptances and similar obligations;

Table of Contents

- obligations under various hedging arrangements and agreements, including interest rate and currency hedging agreements and swap and nonswap forward agreements;
- all our obligations issued or assumed as the deferred purchase price of property or services other than trade accounts payable and accrued liabilities arising in the ordinary course of business; and
- deferrals, renewals or extensions of any of the indebtedness or obligations described in the eight clauses above.

However, senior indebtedness excludes:

- any indebtedness, obligation or liability referred to in the nine clauses above as to which, in the instrument creating, governing or evidencing that indebtedness, obligation or liability, it is expressly provided that such indebtedness, obligation or liability is not senior in right of payment to, is junior in right of payment to, or ranks equally in right of payment with, other specified types of indebtedness, obligations and liabilities of our Company, including subordinated debt securities of one or more series;
- any indebtedness, obligation or liability that is subordinated to other of our indebtedness, obligations and liabilities to substantially the same extent as or to a greater extent than the subordinated debt securities are subordinated; and
- the notes and any other securities issued pursuant to the indenture and our outstanding junior subordinated indentures and, unless expressly provided in the terms thereof, any of our indebtedness to our subsidiaries.

As used above, the term purchase-money obligations means indebtedness, obligations evidenced by a note, debenture, bond or other instrument, whether or not secured by a lien or other security interest, issued to evidence the obligation to pay or a guarantee of the payment of, and any deferred obligation for the payment of, the purchase price of property but excluding indebtedness or obligations for which recourse is limited to the property purchased, issued or assumed as all or a part of the consideration for the acquisition of property or services, whether by purchase, merger, consolidation or otherwise, but does not include any trade accounts payable.

In accordance with the subordination provisions of the indenture and the notes, we are permitted to make payments of accrued and unpaid interest on the notes on the interest payment dates and at maturity and to pay the principal of the notes at maturity unless:

- we are subject to any termination, winding up, liquidation or reorganization, including pursuant to any liquidation, reorganization or other insolvency proceeding under the bankruptcy or other insolvency laws or we have made an assignment for the benefit of our creditors or otherwise marshalled our assets and liabilities; or
- a default in the payment of principal of, or premium, if any, or interest on, any senior indebtedness, has occurred that is continuing beyond any applicable grace period or an event of default has occurred and is continuing with respect to any senior indebtedness or would occur as a result of a payment of principal of, or interest on, the notes being made and that event of default would permit the holders of any senior indebtedness to accelerate the maturity of that senior indebtedness and such default or event of default has not been cured, waived and otherwise ceases to exist.

Upon our termination, winding up, liquidation or reorganization, including as a result of any action in any liquidation, reorganization or other insolvency proceeding under the bankruptcy laws or any other applicable insolvency law or upon an assignment for the benefit of our creditors or any other marshalling of our assets and liabilities or otherwise, we must pay to the holders of all of our senior indebtedness the full amounts of principal of, and premium, if any, and interest on, that senior indebtedness before any payment is made on the notes. If, after we have paid the senior indebtedness in full, there are any amounts available for payment of the notes and

S-18

Table of Contents

any of our other indebtedness and obligations ranking equally in right of payment with the notes, then we will use such remaining assets to pay the amounts of principal of, premium, if any, and accrued and unpaid interest on, the notes and such other of our indebtedness and obligations that rank equally in right of payment with the notes. If those assets are insufficient to pay in full the principal of, premium, if any, and interest on the notes and such other indebtedness and obligations, those assets will be applicable ratably to the payment of such amounts owing with respect to the notes and such other indebtedness and obligations.

In the event that we are subject any termination, winding up, liquidation or reorganization, including pursuant to any liquidation, reorganization or other insolvency proceeding under the bankruptcy or any other insolvency laws, or we have made an assignment for the benefit of our creditors or otherwise marshalled our assets and liabilities, if the holders of the notes receive for any reason any payment on the notes or other distributions of our assets with respect to the notes before all of our senior indebtedness is paid in full, the holders of the notes will be required to return that payment or distribution to the bankruptcy trustee, receiver, liquidating trustee, custodian, assignee, agent or other person making payment of our assets for all our senior indebtedness remaining unpaid until all that senior indebtedness has been paid in full, after giving effect to any other concurrent payment or distribution to the holders of such senior indebtedness.

By reason of the above subordination in favor of the holders of our senior indebtedness, in the event of our bankruptcy or insolvency, holders of our senior indebtedness may receive more, ratably, and holders of the notes may receive less, ratably, than our other creditors.

We have outstanding subordinated debentures that will rank equally in right of payment with the notes and may create in the future additional indebtedness and obligations that will rank equally in right of payment with the notes. We also have outstanding junior subordinated debentures that relate to outstanding trust preferred securities issued by certain special purpose trusts to which the notes will rank senior in right of payment. In addition, we may incur other indebtedness and obligations, the terms of which provide that such indebtedness ranks either equally or junior in right of payment with or to the notes or promissory notes, bonds, debentures and other evidences of indebtedness of a type that includes the notes. As discussed above, upon our termination, winding up, liquidation or reorganization, including as a result of any liquidation, reorganization or other insolvency proceeding under the bankruptcy laws or any other applicable insolvency law, the indebtedness and obligations, such as our subordinated debentures, ranking equally with the notes will participate ratably in any of our assets remaining after the payment in full of all of our senior indebtedness. In such circumstances, our indebtedness and other obligations junior in right of payment to the notes, such as the junior subordinated debentures, will not be entitled to receive any payments until the notes and all of our indebtedness and obligations ranking equally in right of payment to the notes have been paid in full.

All liabilities of Independent Bank, including deposits, and our other subsidiaries, including each subsidiary s liabilities to general creditors arising during its ordinary course of business or otherwise, will be effectively senior in right of payment to the notes to the extent of the assets of such subsidiary because, as a shareholder of the subsidiary, we do not have any rights to the assets of the subsidiary except if the subsidiary declares a dividend payable to us or if there are assets of the subsidiary remaining after it has discharged its liabilities to its creditors in connection with its liquidati