August 8, 2013

To Our Valued Customers and Shareholders:

It is our pleasure to share with you exciting news that will benefit everyone who is an Independence Bank customer or shareholder.

On August 5, 2013, we signed a definitive agreement to be acquired by Allegiance Bancshares of Houston. Allegiance is similar to Independence Bank in that it is focused on the Houston area market, provides a variety of traditional loan and deposit products to its primary small and medium sized business and consumer customers, and is dedicated to building long-term customer relationships by providing exceptional community banking service.

By joining with Allegiance Bancshares, we at Independence Bank will be able to combine our own solid resources with a partner that has the substantial size to support strong future market growth. Allegiance's total assets, total deposits and total loan portfolio are all three to four times larger than those of Independence. By joining together our two organizations will have more than $1 billion in assets and nearly $1 billion in deposits, with a combined network of 10 full-service branches in the Houston metro area.

For the customers of both banks this merger creates a dynamic new community lender dedicated to continued enhancement of our ability to meet the financial needs of business owners, professionals, executives, and middle market companies. The merger has been approved by the Boards of Directors of both companies and is expected to close during the fourth quarter of 2013, although delays may occur. The merger is subject to regulatory and shareholder approval. Until then we will be working toward integrating our employees, data systems and operating strategies so that we can hit the ground running and begin immediately serving our customers' needs when the merger is consummated.

For Independence Bank investors, completion of this transaction fulfills our pledge to deliver the highest possible shareholder value. As we have grown Independence Bank it has been with a firm plan in mind to pursue future market opportunities that position us to join with a larger community banking partner that could leverage our strengths. This opportunity with Allegiance Bancshares is the culmination of that plan, and we are excited about what it means for the future.

In the nearly twelve years of our Bank's existence, our Board, management and employees focused on achieving the best results for our shareholders and the best service for our customers. We are proud to tell you that our merger with Allegiance Bancshares achieves both these objectives.

Sincerely,

Lawrence G. Fraser
Chairman of the Board

Okan I. Akin
President & CEO