Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
WOODFOREST FINANCIAL GROUP ESOP EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1981

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
WOODFOREST FINANCIAL GROUP

1330 LAKE ROBBINS DRIVE, SUITE 150
THE WOODLANDS, TX 77380

2b Employer Identification Number (EIN)
76-0163373

2c Sponsor's telephone number
832-375-2515

2d Business code (see instructions)
551111

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	KELLY HOLMES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	KELLY HOLMES
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
WOODFOREST FINANCIAL GROUP

1330 LAKE ROBBINS DRIVE, SUITE 150
THE WOODLANDS, TX 77380

3b Administrator's EIN
76-0163373

3c Administrator's telephone number
832-375-2515

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	4560
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	4003
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	214
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	4217
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	4217
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	3830
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	956
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2H 2I 2J 2K 2O 2Q

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)	X	**G** (Financial Transaction Schedules)

SCHEDULE G (Form 5500)	Financial Transaction Schedules	OMB No. 1210-0110
Department of Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan:
WOODFOREST FINANCIAL GROUP ESOP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
WOODFOREST FINANCIAL GROUP

D Employer Identification Number (EIN):
76-0163373

Part I Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible

Complete as many entries as needed to report all loans or fixed income obligations in default or classified as uncollectible. Check box (a) if obligor is known to be a party in interest. Attach Overdue Loan Explanation for each loan listed. See Instructions.

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

Part II Schedule of Leases in Default or Classified as Uncollectible

Complete as many entries as needed to report all leases in default or classified as uncollectible. Check box (a) if lessor or lessee is known to be a party in interest. Attach Overdue Lease Explanation for each lease listed. (See instructions)

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

Part III Nonexempt Transactions

Complete as many entries as needed to report all nonexempt transactions. **Caution:** If a nonexempt prohibited transaction occurred with respect to a disqualified person, file Form 5330 with the IRS to pay the excise tax on the transaction.

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
PAR REAL ESTATE HOLDINGS, LLC	10% OWNER/EMPLOYEE OF PLAN SPONSOR	SALE OF INVESTMENT IN PAR REAL ESTATE HOLDINGS, LLC MEMBER INTEREST TO PAR REAL ESTATE HOLDINGS, LLC. OVE	

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
5263868			5103259	5263868	160609

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
WOODFOREST FINANCIAL GROUP ESOP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
WOODFOREST FINANCIAL GROUP

D Employer Identification Number (EIN)
76-0163373

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	425741	1409285
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	8272803	8612171
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	2029910	3027530
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	5491453	10532791
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	83511597	102305460
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	99731504	125887237
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k		
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	99731504	125887237

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	4378816	
	(B) Participants	2a(1)(B)	5914360	
	(C) Others (including rollovers)	2a(1)(C)	292774	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		10585950
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	142038	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		142038
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	12162573	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	158803	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		12321376
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	5263868	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	5103259	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		160609

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	14896102	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		14896102
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		489
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		38106564
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	11604875	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		11604875
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		274406
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	71550	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		71550
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		11950831
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		26155733
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HARPER & PEARSON COMPANY. P.C. (2) EIN: 74-1695589

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**	X		5263868
e	Was this plan covered by a fidelity bond?	**4e**	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
WOODFOREST FINANCIAL GROUP ESOP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
WOODFOREST FINANCIAL GROUP

D Employer Identification Number (EIN)
76-0163373

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 86-0691833

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

WOODFOREST FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN
(WITH 401(K) PROVISIONS)
(AMENDED AND RESTATED,
EFFECTIVE MARCH 1, 2006)

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Woodforest Financial Group Employee Stock Ownership Plan
The Woodlands, Texas

We were engaged to audit the accompanying statements of net assets available for plan benefits of Woodforest Financial Group Employee Stock Ownership Plan (With 401(k) Provisions) (Amended and Restated, Effective March 1, 2006) (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2009 and the supplemental schedules of nonexempt transactions, assets (held at end of the year) and reportable transactions as of December 31, 2009. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Charles Schwab Trust Company and AST Trust Company, the Asset Custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the Asset Custodians hold a portion of the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications from the Asset Custodians as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan Administrator by the Asset Custodians is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the Asset Custodians, have been audited by us in accordance with generally accepted auditing standards in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Security Act of 1974.

Harper + Pearson Company, P.C.

Houston, Texas
October 14, 2010

One Riverway · Suite 1000 · Houston, Texas 77056-1973 · 713.622.2310 · 713.622.5613 fax
harperpearson.com

WOODFOREST FINANCIAL GROUP EMPLOYEE STOCK OWNERSHIP PLAN
(WITH 401(K) PROVISIONS) (AMENDED AND RESTATED, EFFECTIVE MARCH 1, 2006)
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Investments, at fair value		
Interest bearing cash	$ 9,210,947	$ 8,272,803
Registered investment companies	9,934,015	5,491,453
Woodforest Financial Group, Inc. common stock	102,305,460	83,511,597
Participant loans	3,027,530	2,029,910
Total investments	124,477,952	99,305,763
Receivables		
Securities sold	983,544	-
IRS refund	425,741	425,741
Total receivables	1,409,285	425,741
TOTAL ASSETS	125,887,237	99,731,504
NET ASSETS AVAILABLE FOR BENEFITS	$ 125,887,237	$ 99,731,504

See accompanying notes.

WOODFOREST FINANCIAL GROUP EMPLOYEE STOCK OWNERSHIP PLAN
(WITH 401(K) PROVISIONS) (AMENDED AND RESTATED, EFFECTIVE MARCH 1, 2006)
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009

ADDITIONS	
INVESTMENT INCOME	
Net appreciation in Woodforest Financial Group, Inc. common stock	$ 13,153,071
Dividends on Woodforest Financial Group, Inc. common stock - cash	7,059,314
Dividends on Woodforest Financial Group, Inc. common stock - PAR Real Estate Holdings, LLC	5,103,259
Net appreciation in registered investment companies	1,743,520
Dividends on registered investment companies	158,803
Net appreciation on PAR Real Estate Holdings, LLC	160,609
Other interest	142,038
TOTAL INVESTMENT INCOME	27,520,614
CONTRIBUTIONS	
Employee contributions	5,914,360
Employer contributions	4,378,816
Rollover contributions	292,774
TOTAL CONTRIBUTIONS	10,585,950
TOTAL ADDITIONS	38,106,564
DEDUCTIONS	
Benefits paid to participants	11,604,875
Deemed distributions of participant loans	274,406
Administrative fees	71,550
TOTAL DEDUCTIONS	11,950,831
NET INCREASE	26,155,733
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of year	99,731,504
End of Year	$ 125,887,237

See accompanying notes.

NOTE A BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General - The Woodforest Financial Group Employee Stock Ownership Plan (With 401(k) Provisions) (Amended and Restated, Effective March 1, 2006) (the Plan) was adopted effective January 1, 1981 to establish a savings and investment plan for the exclusive benefit of the employees of Woodforest Financial Group, Inc. (the Company and the Plan Administrator) and their beneficiaries. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Certain officers of the Company are named Trustees of the Plan.

Basis of Presentation - The financial statements of the Plan are prepared on the accrual basis of accounting, which is acceptable under the Department of Labor Rules and Regulations. Benefit payments are recorded upon distribution. Purchases and sales of securities are recorded on a trade date basis.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Risks and Uncertainties - The Plan invests in several investment securities, which are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits. At December 31, 2009 and 2008, approximately 81% and 84%, respectively, of the Plan's total assets were invested in Woodforest Financial Group, Inc. common stock (Company stock).

Valuation of Investments - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with the policy of stating investments at fair value, net investment gain or loss is included in the carrying value of related investments in the statements of net assets available for plan benefits and the changes in the net investment gain or loss are reflected in the statement of changes in net assets available for plan benefits. See Note D for discussion of fair value measurements.

Income Recognition - Realized and unrealized gains and losses in fair values of investments are included in the statement of changes in net assets available for plan benefits. Interest income is recognized when earned. Dividends are recorded on the ex-dividend date.

NOTE A BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Tax - The Plan obtained its latest determination letter on October 22, 1996, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended and restated since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore no provision for income taxes has been included in the Plan's financial statements, other than the unrelated business income tax, which was overpaid in previous years. Management has requested a refund of this overpayment from the IRS in the amount of $425,741.

Generally accepted accounting principles (GAAP) provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an entity's financial statements. GAAP requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Plan Administrator believes that all significant tax positions utilized by the Plan will more likely than not be sustained upon examination. As of December 31, 2009, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2006 forward (with limited exceptions). Tax penalties and interest, if any, would be accrued as incurred and would be classified as tax expense in the statement of changes in net assets available for plan benefits.

NOTE B PLAN DESCRIPTION

The following description of the Plan provides only general information about the Plan. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

Participation - Substantially all employees are eligible to become participants in the Plan following completion six months of service and attaining age 18.

Participant Contributions - Participants may elect to make contributions to the Plan in an amount up to 100% of their annual compensation not to exceed the limits of the IRC sections 401(k), 402(g), 404 and 415. Eligible employees are automatically enrolled in the Plan with deferral elections set at 3% unless the employee elects an alternative deferral percentage or elects not to participate in the Plan. Contributions are made through authorized payroll reductions. These contributions by individual employees were limited to $16,500 (participants under 50 years of age) and $22,000 (participants 50 years of age or older) in 2009. This limitation is generally adjusted annually to reflect cost-of-living increases. Participants may also make rollover contributions from other qualified plans, as defined in the Plan.

NOTE B PLAN DESCRIPTION (CONTINUED)

Employer Contributions - The Company may make a matching contribution up to 100% of the first 6% of compensation that a participant contributes to the Plan. During 2009, the Company contributed the maximum matching amount. The Company may also make other discretionary contributions to the Plan in the form of safe harbor, qualified nonelective, and employer optional contributions. No additional discretionary contributions were made in 2009.

Vesting - Participants are immediately 100% vested in participant contributions plus actual earnings thereon. Vesting in employer matching, safe harbor, and employer optional contributions plus earnings thereon is based on years of continuous service. Participants in the Plan prior to March 15, 2006 are 100% vested after five years of credited service, at a rate of 20% each year.

Participants who became participants on or after March 15, 2006 are vested after six years of credited service, based on the following vesting schedule for employer matching and safe harbor contributions:

Years of Service With the Company	Percent of Vested Account Balance
Less than 2 Years	0%
2 Years but less than 3	20%
3 Years but less than 4	40%
4 Years but less than 5	60%
5 Years but less than 6	80%
6 or more years	100%

Participants who became participants on or after March 15, 2006 are vested after seven years of credited service, based on the following vesting schedule for employer optional contributions:

Years of Service With the Company	Percent of Vested Account Balance
Less than 3 Years	0%
3 Years but less than 4	20%
4 Years but less than 5	40%
5 Years but less than 6	60%
6 Years but less than 7	80%
7 or more years	100%

All participants or their beneficiaries shall be immediately vested in all contributions credited to their account upon death, retirement, or termination of employment due to disability.

NOTE B PLAN DESCRIPTION (CONTINUED)

Forfeited Accounts - Forfeitures from non-vested account balances can be used both to pay the administrative expenses of the Plan and also to reduce future employer contributions. During 2009, $394,522 in forfeitures was used to reduce employer contributions and administrative expenses and $146,565 was carried forward to 2010.

Investment Options - Each participant directs the investment of participant contributions into various investment options designated by the Plan Administrator. The Plan currently offers certain registered investment companies, as well as Company stock as investment options. Employer contributions are invested in Company stock.

Participant Accounts - Each participant's account is credited with the participant's contribution, an allocation of the Company's contribution and Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan.

Put Option - Under Federal income tax regulations, any employer stock that is held by the Plan and its participants that is not readily tradable on an established market, or is subject to trading limitations, must include a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the Company stock, less a minority discount. The Company can pay for the purchase over a period of five years plus interest. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash for employer stock.

Voting Rights - Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustees prior to the time that such rights are to be exercised. The Trustees are not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustees are required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

Diversification - Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify can either receive a cash distribution or invest in at least three alternative investments offered by the Plan.

NOTE B PLAN DESCRIPTION (CONTINUED)

Payment of Benefits - Upon retirement, death, disability, or termination of service, a participant or their beneficiaries may elect to receive the vested interest in their account either in a lump-sum amount or in periodic installments over a specified time period not exceeding five years, provided that such period does not exceed the life expectancy of the participant. Under certain circumstances, the timing of a distribution may be delayed if the Plan lacks sufficient cash liquidity to convert a participant's Company stock account to cash. The Plan may automatically distribute participant accounts owned by terminated employees with vested balances between $1,000 and $5,000 to an individual retirement account, if no election from the participant is received.

As for Company stock held in the participant's account, if a participant terminates employment by reason of the attainment of age 65, death, or disability, the participant's vested account balance will be distributed no later than one year after the close of the Plan year in which that event occurs. If the participant terminates employment for any other reason, the vested account balance attributable to Company stock will be distributed no later than one year after the close of the fifth Plan year in which the participant terminates employment.

Effective January 1, 2009 the Plan has been amended to allow hardship withdrawals in any amount necessary to satisfy the hardship. The distribution may be taken from the Participant's salary reduction, matching contribution or employer optional contribution that has been credited to the Participant's account.

Participant Loans - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50 percent of their account balance, whichever is less. Loan transactions are treated as a transfer between the investment fund and the participant loan fund. All loans are repaid in level payments of principal and interest over a maximum of a five year period. The loans are secured by the balance in the participant's account and bear interest at prevailing rates. Interest rates on loans outstanding at December 31, 2009 range from 4.25% to 9.25%.

Administrative Expenses - The Company, as the Plan Administrator, may pay certain administrative expenses. Expenses not paid by the Company are paid from Plan assets. Direct costs such as loan fees are charged to the individual participant account. Group costs are allocated to participant accounts using the same ratio that the participant account bears to the total of all accounts in the Plan.

NOTE C INVESTMENTS

Investments at December 31, 2009 and 2008 are recorded at fair value as determined by Charles Schwab Trust Company and AST Trust Company, the Asset Custodians. All investments are held with the Asset Custodians, with the exception of all Company stock in 2008 and 180,271 shares of Company stock in 2009, which are held by the Company, and participant loans.

Individual investments that represent 5% or more of the Plan's net assets at December 31, 2009 and 2008 are as follows:

	2009	2008
Woodforest Financial Group, Inc. common stock, 3,410,182 and 3,224,386 shares, respectively	$ 102,305,460	$ 83,511,597
Schwab Value Advantage Money Market	$ 9,050,200	$ -
U.S. Treasury Money Fund of America	$ -	$ 7,766,983

The Asset Custodians have certified the fair value of certain investments as of December 31, 2009 and 2008 as follows:

	2009	2008
Interest bearing cash	$ 9,210,947	$ 8,272,803
Registered investment companies	$ 9,934,015	$ 5,491,453
Woodforest Financial Group, Inc. common stock	$ 96,897,330	$ -
Participant loans	$ -	$ 2,029,910

The Asset Custodians have also certified investment income information for the year ended December 31, 2009 as follows:

Net appreciation in Woodforest Financial Group, Inc, common stock	$ 13,153,071
Dividends on Woodforest Financial Group, Inc, common stock - cash	$ 7,059,314
Net appreciation in registered investment companies	$ 1,743,520
Dividends on registered investment companies	$ 158,803
Other interest	$ 142,038

Charles Schwab Trust Company also certified the information contained in the supplemental schedule of assets (held at end of year) excluding 180,271 shares of WoodForest Financial Group, Inc. stock and participant loans.

The Plan's independent auditors did not perform auditing procedures with respect to the certified information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

NOTE C INVESTMENTS (CONTINUED)

Woodforest Financial Group, Inc., the Plan Sponsor, entered into an agreement whereby it contributed certain real estate and other assets to PAR Real Estate Holdings, LLC (PAR) in 2009 and distributed as a dividend ownership of PAR to the shareholders of WoodForest Financial Group, Inc. PAR was formed to acquire, hold, finance and liquidate real estate assets and other forms of property. The PAR shares owned by the Plan were subsequently sold to other PAR shareholders at a value based upon the Plan's pro-rata share of the underlying value of PAR, discounted for non-marketability, in the amount of $5,103,259 and earned a net appreciation in these holdings in the amount of $160,609 for the period the Plan held the shares. Upon liquidation, the majority of the proceeds were used to purchase Woodforest Financial Group, Inc. common shares. These shares were not delivered to the Plan's custodian until 2010. Shares in Woodforest Financial Group, Inc. stock (180,271 shares valued at $5,408,130) were held by the Company in the name of the Plan and are included in the investment in Woodforest Financial Group, Inc. common stock. The balance of the PAR proceeds of $983,544 were invested in various mutual funds in 2010 and are reflected as a receivable as of December 31, 2009.

NOTE D FAIR VALUE DISCLOSURES

Generally accepted accounting principles provide a framework for measuring fair value using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon whether the inputs to those valuation techniques are observable or unobservable. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments and the lowest priority to unobservable inputs. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The financial instrument's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. These inputs are summarized in the three broad levels listed below:

Level 1 – Unadjusted quoted prices for identical financial instruments in active markets that the Plan has the ability to access.

Level 2 – Other significant observable inputs (including quoted prices in active markets for similar financial instruments), or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the financial instruments.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the financial instruments. The fair value of Level 3 financial instruments is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

NOTE D FAIR VALUE DISCLOSURES (CONTINUED)

Following is a description of the valuation methodologies used for Plan assets measured at fair value. There have been no changes in the methodologies used during 2009 and 2008.

The fair value of interest bearing cash is reflective of the face amount invested or held in these accounts due to the liquid nature of the investments.

Registered investment companies are valued based on the net asset value of shares held by the Plan at year end.

Shares of common stock in Woodforest Financial Group, Inc. are valued by an independent service based upon a valuation methodology that considers both an income and market approach and a minority interest discount.

Participant loans are valued at amortized cost, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair values of investments are categorized as follows at December 31, 2009 and 2008:

	2009			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	$ 9,210,947	$ -	$ -	$ 9,210,947
Registered investment companies	9,934,015	-	-	9,934,015
Woodforest Financial Group, Inc. common stock	-	-	102,305,460	102,305,460
Participant loans	-	-	3,027,530	3,027,530
Total investments at fair value	$ 19,144,962	$ -	$ 105,332,990	$ 124,477,952

NOTE D FAIR VALUE DISCLOSURES (CONTINUED)

	2008			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	$ 8,272,803	$ -	$ -	$ 8,272,803
Registered investment companies	5,491,453	-	-	5,491,453
Woodforest Financial Group, Inc. common stock	-	-	83,511,597	83,511,597
Participant loans	-	-	2,029,910	2,029,910
Total investments at fair value	$ 13,764,256	$ -	$ 85,541,507	$ 99,305,763

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009 and 2008:

	Woodforest Financial Group, Inc. Common Stock
Balance, as of December 31, 2007	$ 72,202,198
Purchase of stock	1,952,904
Sales of stock	(466,936)
Net unrealized gain	9,823,431
Balance, as of December 31, 2008	83,511,597
Purchase of stock	9,652,312
Sales of stock	(4,011,520)
Net unrealized gain	13,153,071
Balance, as of December 31, 2009	$ 102,305,460

NOTE D FAIR VALUE DISCLOSURES (CONTINUED)

	Participant Loans
Balance, as of December 31, 2007	$ 1,481,349
Loan Repayments	(1,118,312)
Loan Issuances	1,774,921
Deemed Distributions	(108,048)
Balance, as of December 31, 2008	2,029,910
Loan Repayments	(1,317,262)
Loan Issuance	2,589,288
Deemed Distributions	(274,406)
Balance, as of December 31, 2009	$ 3,027,530

NOTE E PARTIES-IN-INTEREST

The Plan invests in Company stock, a money market fund owned by one of the Company's subsidiaries, and certain investments that are managed by the Asset Custodians. These transactions qualify as party-in-interest transactions, and are covered by an exemption from the prohibited transaction provisions of ERISA and the IRC. The Plan Administrator has approved of these investment options. During 2009, assets managed by AST Trust Company were transferred to the new custodian, Charles Schwab Trust Company.

NOTE F PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE G SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 14, 2010, the date the financial statements were available to be issued. Significant subsequent events are as follows:

On April 23, 2010, without admitting or denying liability, the Plan Sponsor agreed to an Order to Cease and Desist with the Office of Thrift and Supervision and to pay $4,000,000 in a Civil Money Penalty to the U.S. Treasury and has reserved $12,173,000 for fee refunds to customers. The Plan froze the purchase of Company stock until an updated stock appraisal could be obtained. The Plan obtained an independent third party appraisal of the stock which stated that the stock price of the Company stock at June 30, 2010 was $24 per share compared to the $30 per share price at December 31, 2009.

Additionally, in October 2010, the Office of the Comptroller of the Currency (OCC) has entered into a settlement with Woodforest National Bank, a subsidiary of the Company, which requires the Bank to pay approximately $32 million in reimbursement to consumers who were harmed by the Bank's overdraft program. The settlement also requires the Bank to pay a Civil Money Penalty of $1 million to the U.S. Treasury. The settlement was based on the OCC's conclusion that the Bank engaged in unfair or deceptive practices that violated the Federal Trade Commission Act.

Plan Number 001, EIN 76-0163373

(a) Identity of Party Involved	(b) Relationship to Plan, Employer, or Other Party-in-Interest	(c) Description of Transaction	(e) Selling Price	(h) Cost of Asset	(i) Current Value of Asset	(j) Net Gain
PAR Real Estate Holdings, LLC	10% Owner/Employee of Plan Sponsor	Sale of investment in PAR Real Estate Holdings, LLC member interest to PAR Real Estate Holdings, LLC. Over 10% of PAR Real Estate Holdings, LLC is owned by an employee, officer, director or 10% or more shareholder of the Plan Sponsor, Woodforest Financial Group, Inc.	$ 5,263,868	$ 5,103,259	$ 5,263,868	$ 160,609

Note 1: Columns (d), (f) and (g) not shown as they are not applicable.

WOODFOREST FINANCIAL GROUP EMPLOYEE STOCK OWNERSHIP PLAN
(WITH 401(K) PROVISIONS) (AMENDED AND RESTATED, EFFECTIVE MARCH 1, 2006)
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FOR THE YEAR ENDED DECEMBER 31, 2009

Plan Number 001, EIN 76-0163373

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investments, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Woodforest National Bank	Money Market Account, 0.75%	**	$ 160,747
*	Charles Schwab Trust Company	Schwab Value Advantage MoneyMarket	**	9,050,200
	American Funds	Growth Fund of America	**	1,360,796
	American Funds	Europacific Growth Fund	**	1,520,061
	American Funds	American Balance Fund	**	3,139,286
	American Funds	Investment Company of America	**	497,185
	American Funds	Washington Mutual Investors Fund	**	129,487
	American Funds	Small Cap World Fund	**	620,031
	American Funds	The New Economy Fund	**	565,950
	American Funds	New Perspective Fund	**	517,519
	American Funds	Bond Fund of America	**	390,799
	American Funds	Income Fund of America	**	474,034
	American Funds	Fundamental Investors	**	718,867
*	Woodforest Financial Group, Inc.	Woodforest Financial Group, Inc. Common Stock (3,410,182 shares)	48,176,789	102,305,460
*	Participant Loans	Various maturity dates and interest rates ranging from 4.25% to 9.25%	-	3,027,530
				$ 124,477,952

* Represents a party-in-interest.
** Cost omitted for participant directed investments.

Plan Number 001 EIN 76-0163373

(a) Identity of Party Involved	(b) Description of Asset (Includes Interest Rate in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(i) Net Gain or (Loss)
	Individual Transactions				
PAR Real Estate Holdings, LLC *	PAR Real Estate Holdings, LLC Common Stock	$ 5,103,259	$ -	$ 5,103,259	$ -
PAR Real Estate Holdings, LLC *	PAR Real Estate Holdings, LLC Common Stock	$ -	$ 5,263,868	$ 5,103,259	$ 160,609
	Series Transactions				
Woodforest Financial Group, Inc. *	Woodforest Financial Group, Inc. Common Stock	$ 9,652,312	$ -	$ 9,652,312	$ -
Woodforest Financial Group, Inc. *	Woodforest Financial Group, Inc. Common Stock	$ -	$ 4,011,520	$ 4,011,520	$ -

* Party-in-interest transaction.

(1) Column (e) is not applicable. There were no expenses incurred in connection with any of the reported transactions; therefore column (f) is not applicable. All items were executed at current value; therefore, column (h) is not included.

A reportable transaction is any purchase or sale of an investment security which individually or in a series of transactions exceeds 5% of net assets available for benefits at the beginning of the plan year.