

Independent Bank plans headquarters, Austin expansion

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Independent Bank of Texas NA has made its home in Lakeway for the past year, nestled among the crystal-blue waters of Lake Travis and million-dollar homes.

After experiencing explosive growth since it was founded a year ago — thanks in part to the booming commercial real estate market — Independent Bank is seeking about \$3 million to fund more growth, which could eventually bring the bank into Austin.

So far, Independent only has two locations — its headquarters in Lakeway and a soon-to-be-built branch in Georgetown.

The bank is in the process of building a new \$1.5 million headquarters office at 3209 RR 620, across from Lake Travis High School. The new building will give the bank relief from its already cramped headquarters, which are currently located in a business park on Lakeway Boulevard at Lohman's Crossing. The new 3,500-square-foot building is being constructed by SG Builders of Austin.

Plans call for relocating operations to the new building in about a year.

Although Independent Bank is operating out of a temporary branch at 3613 Williams Drive, the bank is proposing to build a new 2,500-square-foot branch next to the temporary one, pending approvals from banking regulators.

In line with its growth, President and CEO Denny Buchanan says Independent Bank also has its eye on growing into the Austin market within the next two

years or so. But, instead of building a branch and staking its claim on land, Buchanan says the bank will first hire a commercial real estate lender and a mortgage lender to tackle Austin proper.

Buchanan says the bank plans to add those positions within the next year or so.

"We want to make sure we have the right person in place before launching into Austin," Buchanan says.

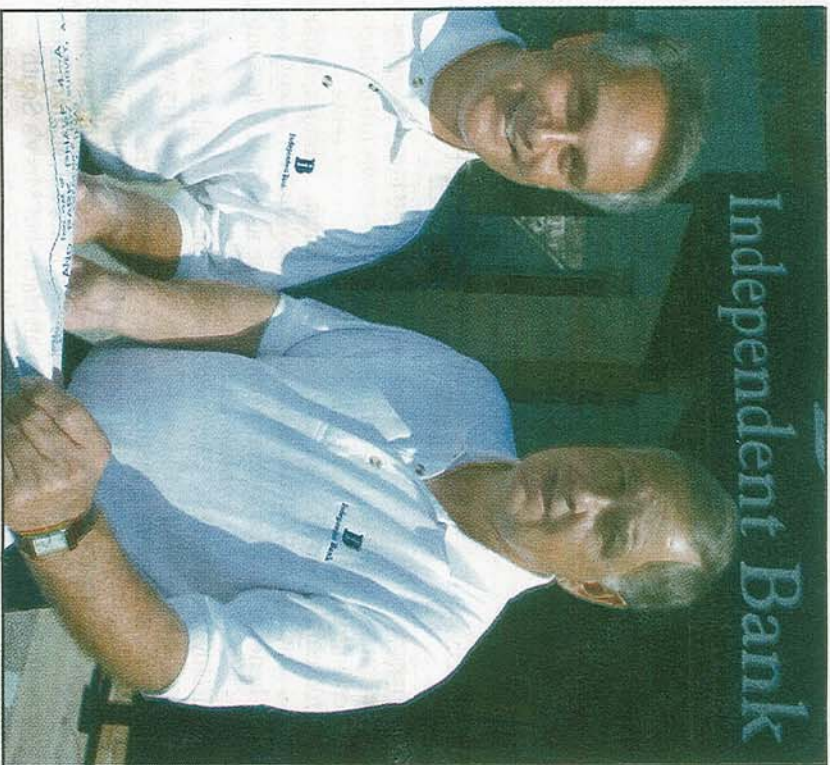
In early July, the bank added Andy Vaughn, senior vice president of lending and formerly with Wells Fargo, for its Georgetown operation. The bank has 16 employees overall.

Launched with only \$7.5 million in capitalization a year ago in June, the bank reported total assets as of June 30 at \$87.7 million. Loans in the second quarter represented \$75.9 million, up 24 percent from \$61.2 million reported in the first quarter, and deposits were \$79 million, up 26.4 percent from \$62.5 million reported in the first quarter 2006.

At its Georgetown branch, the bank's deposits grew to \$14.3 million by June 30, up 55.4 percent from \$9.3 million in the previous quarter.

Buchanan says the bank's original goal was to generate \$100 million in assets within five to 10 years. The latest figures indicate that Independent Bank will have more than \$100 million under its belt by December, and \$150 million by the end of 2008.

With an 8.9 percent average return on equity, Independent Bank is ranked No. 10 among 174 banks started in the United States in 2005, according to Highline Data's most recent report, which was published on March 30.



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Denny Buchanan (left) and Jack Buchanan (no relation) have major growth plans for Independent Bank of Texas.