



FOR IMMEDIATE RELEASE

Independent Bank's Assets Top \$28 Million in 60 Days

Lakeway bank discloses rapid growth, 3.40% APY Platinum Account, Board of Directors

LAKEWAY, TEXAS (Aug. 29, 2005) – Independent Bank of Austin SSB, which opened June 6 (at 2101 Lakeway Blvd., Ste. 130) in Lakeway, passed the \$28 million mark in assets after two months of operations, management announced today.

The state-chartered savings bank (SSB), Lakeway's independent and locally owned bank, also is negotiating for a permanent location toward the fast-growing south end of RR 620.

“Our full service bank, which began with \$7.5 million in capitalization, now has \$21 million in deposits and \$23 million in loans – more than 100 loans, primarily for commercial development, residential construction and mortgage lending” said Denny Buchanan, President/CEO of Independent Bank.

“We are a loan-driven institution working hard to attract additional deposits that we can put to work in our dynamic Lake Travis/Austin area business and residential communities,” Buchanan emphasized. “To get those funds, we have created a Platinum Account paying 3.40 percent (APY) (eff. 9/1) on deposits of \$50,000 or more, with unlimited check writing for individuals. We also are able to pay the high rates on deposits and certificates of deposit because of loan demand and our low overhead. (See www.ibankaustin.com for rates.)

“Our objective was to grow to \$100 million in assets within five to 10 years. We now believe Independent Bank will be at \$90 million within three years and at \$120 million within five years,” said the 20-year local banking veteran. He is the former SVP-Lending at Village Bank and Hill Country Bank, both in Lakeway, and was on the Board of Directors of Village Bank.

“During the charter process, our bank worked through an arrangement with another Central Texas Bank and was able to warehouse about \$30 million in loans over a seven-month time frame. These loans were available for us to purchase once we opened, which gave us earning assets from the beginning,” Buchanan explained. “Also, the income we received during the interim period while starting the bank offset many of our pre-opening and organizational expenses. This allowed us to reflect a very small loss in our first month of operation, compared to what other start-up banks experience. We believe that this arrangement sets a precedent and forms a model that other start-up institutions will follow.

“If we are to exemplify our motto, ‘The People’s Bank,’ then we must be lean, mean and making them green,” he said with a laugh. “Our seven employees have more than 100 years of combined banking experience. We expect to add five more staff members within our first operating year.

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“The FDIC had told us that we would blow through our projections, and they appear to be right. To be on the safe side, we took its recommendation and raised additional capital to accommodate future growth expectations.”

Key officers include **Kristy Fariss**, Vice President-Loan Operations, who oversees loan operations, and **Julie Buchanan**, Vice President-Operations/Cashier and the CEO’s spouse, who is credited with chartering the bank. They have 15 and five years banking experience, respectively, and both previously held similar positions at Village Bank.

Building...Branch...Directors

Independent Bank management is negotiating for a permanent location in the Lakeway area, with tentative plans to begin construction by fall 2006 on a 3,500-square-foot facility near the Lakeway-Bee Cave area of busy Ranch Road 620. By this September, the young bank also will announce a second area branch.

Other board members in addition to the CEO are:

- **Jack Buchanan**, a long-time Georgetown businessman and respected community real estate developer, is the principal organizer of the bank and serves as Chairman of the Board. Buchanan – no relation to Denny Buchanan – has more than 35 years experience in bank management, having founded three other banks. He was most recently with First State Bank in Georgetown, and owns a private lending and investment company, Buchanan Financial Services Ltd.
- **Doug Baker**, Chief Financial Officer of Seaport Bank in Seadrift, TX. The former Georgetown resident was SVP, Cashier, CFO, COO and a Director of Union State Bank in Florence TX.
- **Nathan Douglas**, D.V.M., of Georgetown, owner of Cedar Park Animal Clinic.
- **Tom Locke** of Georgetown, President of the Texas Methodist Foundation in Austin, a \$250+ million institution that lends money to churches.
- **David Peak** of Georgetown, a marketing manager for Dell Computer for the past three years.

Independent Bank is approved by the Texas Savings and Loan Dept. and the Federal Deposit Insurance Corp. (FDIC).

NOTE TO EDITORS: A photo the bank’s Lakeway staff can be accessed at this URL:
<http://www.ibankaustin/aboutus.html>

FOR MORE INFORMATION OR INTERVIEWS:

Denny Buchanan, President/CEO, Independent Bank of Austin SSB, 512-261-3355, fax 512-261-3356; denny@ibankaustin.com

Preston F. Kirk, APR, Kirk Public Relations, Austin, TX, 830-693-4447; kirk@281.com