



FOR IMMEDIATE RELEASE

**Independent Bank Reports Six Months of Rapid Growth:
\$53 Million in Total Assets, \$45 Million in Loans at Year-end 2005**

Rates rise: Platinum Account at 3.75 - 3.85% (APY); CDs, 3% to 5% (APY)

LAKEWAY and GEORGETOWN, TEXAS (January 26, 2006) – Independent Bank of Austin, SSB, which began operating in June in Lakeway and opened a limited service branch between Georgetown and Sun City in September, reports \$53 million in total assets, \$45 million in loans and 12 employees at the close of business Dec. 31, 2005. .

The bank, which began with \$7.5 million in capitalization, “also has gotten a fast start in 2006, thanks to a vibrant Central Texas economy and high demand for construction lending,” said Denny Buchanan, President and CEO (Photo: www.ibankaustin.com/aboutus.html) “As of today, Total assets are \$58.5 million.

“Not only is Independent Bank profitable and paying taxes, but in our first 30-days, start-up expenses were only about 1/2% (\$38,000) of total capital, compared to the typical 10% in new bank opening costs,” Buchanan disclosed. “In our case, it could have been as much as \$750,000, but we were determined to keep our operations lean, keen and making green.

“Service has been critical to our amazing market acceptance. We made online banking capabilities available to our customers on Sept. 30,” he noted. “That 24/7 service has been readily received. We are now carefully studying the technology and potential benefits of Online Cash Management for our business accountholders,” he added.

“We remain committed to delivering more new services, our trademark rapid lending response and enviable returns on deposits for our customers. It’s why we call ourselves ‘The People’s Bank’,” Buchanan emphasized.

“To attract deposits that will fund our growing loan portfolio -- commercial development, residential construction and mortgages – we offer a highly competitive Platinum Accounts paying a 3.75 to 3.85 percent (APY) interest rate. These accounts, available to individuals and corporations, require deposits of \$50,000 or more, with unlimited check writing for individuals,” he explained.

“We can pay some of the most attractive rates in the area on money market accounts, savings, checking and certificates of deposit because of our cost structure and low overhead,” he added. (For current rates, see www.ibankaustin.com or call 512-261-3355.)

“Our original objective was to generate \$100 million in assets for Independent Bank within five to 10 years,” he recalled. Our current, educated estimate is that Independent Bank will be at \$80 million within two years and at \$120 million within four years.”

(more)

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Three Staff Promotions

Julie Buchanan has been elevated from Vice President-Operations/Cashier to Senior Vice President-Operations. Kristy Fariss was promoted from VP to SVP-Loan Operations, and Beth Gidley was named VP- Operations. The bank plans to hire another four or five employees this year.

The three women, all former employees of Village Bank of Lakeway, have six, 15 and 25 years of banking experience, respectively. Buchanan has a finance degree from Texas A&M University. Fariss previously worked at Compass Bank and Hill Country Bank. Gidley holds an economics degree from Stanford University.

2006 Outlook Bright

Independent Bank management also reported plans to finalize acquisition this quarter for a permanent headquarters location in the Lakeway area. “We expect to begin construction by summer on a 3,500-square-foot facility near the Lakeway-Bee Cave area of busy Ranch Road 620, and to relocate our operations there in early 2007,” Buchanan stated.

“The resurgence of the high-tech industry in the Austin area has created a ripple effect in new job creation touching many other industries,” he observed. In combination with the decrease in available residential properties – from Austin’s core to well beyond its suburbs – its safe to say that home and apartment construction will rise along with additional service businesses.

“Those prevailing factors compel Independent Bank to continue to be a deposit and loan-driven institution if it is to meet the needs of its customers and the commercial markets simultaneously,” Buchanan said. “We anticipate Central Texans seeing a lot more ‘Financing by . . .’ signs with our name on them!”

Independent Bank is approved by the Texas Department of Savings and Mortgage Lending and the Federal Deposit Insurance Corp. (FDIC). Its deposits are insured by the FDIC.

FOR MORE INFORMATION OR INTERVIEWS:

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