

PROMOTION? GRAND OPENING? EXPANSION? E-MAIL NEWS@LTVIEW.COM

Lakeway's Independent Bank earns top national ranking

Independent Bank of Austin, SSB, based in Lakeway, ranks number one in the nation in return on average equity (ROAE) among all 174 de novo (new) banks formed in 2005, according to Highline Data's most recent report for year-end 2006 performance.

"With an ROAE of 16.78 percent, we finished just behind Sallie Mae, a government student loan program, which is not a bank," noted Denny Buchanan, President and CEO of the 21-month-old state savings bank. "Additionally, we were number two in ROAE from among more than 460 de novos formed in the years 2004, 2005 and 2006, just behind a new bank formed in 2004.

"In fact, our ROAE would have been higher, but we added \$3 million in new capital from our shareholders just before year-end to provide additional equity to fund our substantial growth," Buchanan observed.

Independent Bank also had a 40.81 percent efficiency ratio — well below average for community banks in its asset class.

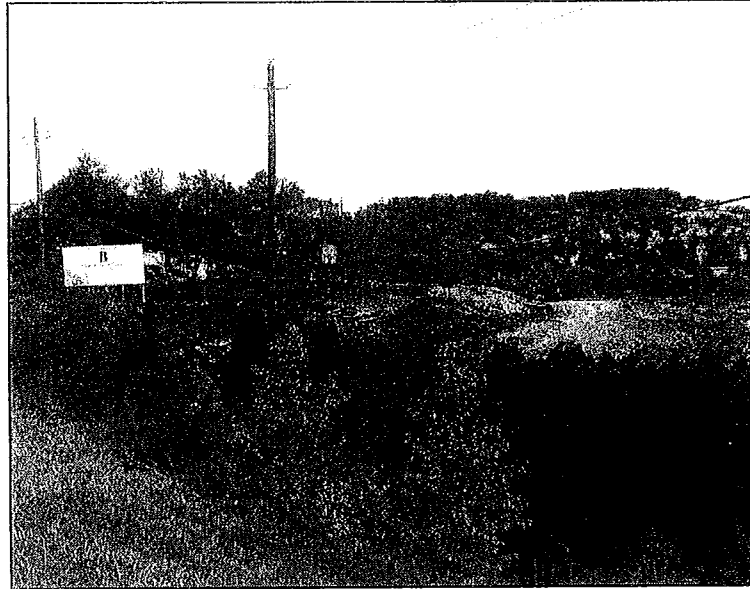
"A dynamic Central Texas marketplace and new deposits are fueling our expanding loan portfolio,

which is primarily comprised of commercial development, residential construction and mortgages," he emphasized. "We primarily target small home builders and their customers with the majority of our loans being for single-family construction projects. The average life of a loan is 13 months; the average size, about \$500,000."

The bank, which officially opened its doors June 6, 2005, with \$7.5 million in capitalization provided by about 65 investors, was making loans the day it opened and making money within three months.

Management's original objective — to generate \$100 million in assets within five to 10 years — was achieved in an amazing 18 months. A year-end estimate provided to state regulatory authorities indicates Independent Bank will surpass \$120 million in deposits by July and \$150 million by year-end 2008.

Independent's total assets at Dec. 31, 2006, were \$101.7 million, up 11.4 percent over the \$91.3 million at Sept. 30, 2006, and up 89.8 percent over the year-end 2005 total. Loans at Dec. 31 represented \$87.8 million, up 10.2



The site is a portion of what was known as Schramm Ranch and fronts RR 620 near the Alta Vista Development in a project to be known as Honey Creek Development Center.

percent over the \$79.7 million reported in the second quarter. Fourth quarter 2006 net profit of \$502,120 was up 10.9 percent over third quarter profit of \$452,544. (First Quarter 2007 results will be reported later this month.)

Year-end deposits were \$88.4 million, up 8.01 percent over the \$81.8 million reported at Sept. 30, 2006. Local deposits were up 7.8

percent over the prior quarter, and customer relationships exceed 1,250.

New HQ Construction Underway

Following a seven-month delay on getting approvals from the Texas Department of Transportation for ingress and egress to the property,

Independent Bank broke ground in April (at 3209 Ranch Road 620, across from Lake Travis High School) for its new corporate headquarters. The site is a portion of what was known as Schramm Ranch and fronts RR620 near the Alta Vista Development in a project to be known as Honey Creek Development Center.

Kerry Martin and Dan Brouillette, partners in SG Builders of Austin have begun construction on the 3,500-square-foot facility designed by architect Gary Devin of Solution Studio in Austin. Plans call for relocating operations there in late December.

The new offices, with spectacular canyon and Hill Country vistas, will be adjacent to a major planned community and rapidly expanding residential developments in southwest Travis County. The burgeoning business-residential corridor is between Bee Cave, on Austin's southwest fringe and Georgetown in Williamson County, 25 miles north of the capitol city.

Independent Bank is approved by the Texas Savings and Mortgage Lending Dept. and the Federal Deposit Insurance Corp. (FDIC). The bank's deposits are insured by the FDIC.