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***San Antonio, Austin, Texas Hill Country Banks sign
Definitive Merger Agreement to create Central Texas Banking Franchise
with Pro Forma Total Assets of approximately \$1.5 Billion***

SAN ANTONIO – Three affiliated banks have agreed to merge to form a unique Central Texas banking franchise in San Antonio, Austin and the Texas Hill Country.

Southwest Bancshares, Inc. (SWB), bank holding company for The Bank of San Antonio (bankofsa.com), Capitol of Texas Bancshares, Inc. (COTB), bank holding company for The Bank of Austin (thebankofaustin.com) and Texas Hill Country Bancshares, Inc. (THCB), bank holding company for Texas Hill Country Bank (texashillcountrybank.com) announced today they have agreed to merge into one bank holding company, as Southwest Bancshares, Inc., subject to regulatory and shareholder approvals. The merger agreement has been unanimously approved by the Independent Committees for Capitol of Texas Bancshares, Inc. and Texas Hill Country Bancshares, Inc. and the Board of Directors of all three bank holding companies.

The transaction is expected to close in the fourth quarter of this year, according to J. Bruce Bugg Jr., Chairman, President and Chief Executive Officer of all three bank holding companies. Upon completion of the transaction, Bugg will continue as Chairman, President and Chief Executive Officer of the surviving holding company, Southwest Bancshares, Inc.

As of May 31, 2020, on a proforma basis, the combined banks would have total assets of \$1,467,136,824, total deposits of \$1,284,611,686 and total equity of \$133,647,901.

“These three bank holding companies have many common shareholders and are affiliated with each other,” Bugg said. “It just made strategic sense for them to combine into one Central Texas banking franchise which covers San Antonio and Austin, the second and third fastest-growing large American cities, respectively, and the Texas Hill Country which also has a strong and growing economic base.”

“It’s very humbling for me to remember how we started The Bank of San Antonio in 2007 with a small group of friends among San Antonio’s business and civic leaders who made up the Board of Directors and founding shareholders, with the goal of serving locally-owned businesses in San Antonio,” he said. “We began The Bank of San Antonio with \$25 million in capital and assets, and it has grown remarkably to more than \$1 billion in assets in just 13 years.”

“In 2009, again joined by a small group of friends, we built a great Board of Directors and founding shareholders, to start Texas Hill Country Bank, and then again in 2017 with a small group of friends and business leaders in Austin, we started The Bank of Austin,” Bugg said.

“Today, we announce that these three banks are merging with a combined proforma asset base of approximately \$1.5 billion. The service promise for all three banks serving locally owned businesses has proven to be a successful strategy, and this merger will continue the culture and tradition of serving local businesses and communities throughout our new Central Texas banking franchise.”

Under the definitive merger agreement, Capitol of Texas Bancshares, Inc. and Texas Hill Country Bancshares, Inc. will merge with and into Southwest Bancshares, Inc. The banks will be merged into one bank charter, but each of the banks will maintain their existing names, executive

management teams and board of directors to preserve their culture and continue to serve the needs of their respective communities.

“The combination of these three banks under a single bank holding company will create a Central Texas banking franchise to provide enhanced scale that will drive organic growth and increase profitability,” Bugg said.

The Bank of San Antonio has five banking centers in San Antonio, The Bank of Austin currently has one banking center in Austin and Texas Hill Country Bank has two banking centers in Kerrville, one in Bandera and one in Fredericksburg.

The Bank of San Antonio President and CEO Brent R. Given said, “In our 13-year history, The Bank of San Antonio has seen extraordinary growth as clients have embraced our business model – relationship-centric, concierge-quality service and targeted strategic solutions. The Bank of San Antonio’s broad depth of resources, together with our new partners’ strong local ownership, management and market intelligence, makes for a powerful combination that will enable us to continue to expand our Central Texas market share.”

Jon Eckert, President and CEO of The Bank of Austin, said, “The Bank of Austin was founded by a diverse group of Austin’s business leaders to be our city’s business bank. It’s been only three years since we opened the doors, but this bank has already had a strong impact on our community. This merger will give The Bank of Austin the ability to deliver a higher level of service, unparalleled in the Austin market.”

Texas Hill Country Bank President and CEO Roy Thompson said, “Becoming part of such a strong banking combination with our neighbors in San Antonio and Austin just brings more opportunities for our clients and easy access to more resources. Combining these three geographic elements of Central Texas into one, regionally-focused banking group just adds to our advantage.”

After the merger of these three banks is completed, The Bank of San Antonio will continue to operate under the trade name “The Bank of San Antonio”, and will continue to be led by Brent Given, its President and CEO. Texas Hill Country Bank will continue to operate under the trade name “Texas Hill Country Bank”, with continuing leadership by Roy Thompson, its President and CEO. Jon Eckert, President and CEO, will continue his leadership of The Bank of Austin, which will continue to operate under the trade name “The Bank of Austin.”

In addition, Brent Given was elected by the Board of Southwest Bancshares, Inc. to serve as Executive Vice President and Chief Operating Officer of Southwest Bancshares, Inc., overseeing the bank operations of all three banks.

Southwest Bancshares, Inc., Capitol of Texas Bancshares, Inc., and Texas Hill Country Bancshares, Inc. are privately owned by shareholders in each of the respective areas of San Antonio, Austin and the Texas Hill Country. Terms of the transaction were not disclosed.