



# TEXAS CAPITAL BANCSHARES, INC.

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## TEXAS CAPITAL BANCSHARES ANNOUNCES OPERATING RESULTS FOR 2007

DALLAS – January 30, 2008 - Texas Capital Bancshares, Inc. (NASDAQ: TCBI), the parent company of Texas Capital Bank, announced earnings and operating results for the fourth quarter and full year of 2007.

- Net income increased 8% for the year and decreased 15% for the quarter
- EPS increased 7% for the year and decreased 17% for the quarter
- Loans held for investment grew 27%
- Total deposits remained constant

"We are pleased with the progress we are making in our operating metrics, along with our strong loan growth," said Jody Grant, Chairman and CEO. "It positions us well as we enter 2008."

### FINANCIAL SUMMARY

(dollars and shares in thousands)

	2007	2006	% Change
<b>ANNUAL OPERATING RESULTS</b>			
Net Income <sup>(1)</sup>	\$ 31,353	\$ 28,981	8%
Diluted EPS <sup>(1)</sup>	\$1.18	\$1.10	7%
ROA <sup>(1)</sup>	.80%	.88%	
ROE <sup>(1)</sup>	11.51%	12.62%	
Diluted Shares	26,679	26,469	
	Q4 2007	Q4 2006	% Change
<b>QUARTERLY OPERATING RESULTS</b>			
Net Income <sup>(1)</sup>	\$ 6,538	\$ 7,714	(15%)
Diluted EPS <sup>(1)</sup>	\$.24	\$.29	(17%)
ROA <sup>(1)</sup>	.63%	.87%	
ROE <sup>(1)</sup>	8.88%	12.53%	
Diluted Shares	26,791	26,374	
	2007	2006	% Change
<b>BALANCE SHEET</b>			
Total Assets <sup>(1)</sup>	\$4,286,718	\$3,658,505	17%
Demand Deposits	529,334	513,930	3%
Total Deposits	3,066,377	3,069,330	-
Loans Held for Investment	3,462,608	2,722,097	27%
Total Loans <sup>(1)</sup>	3,636,774	2,921,111	25%
Stockholders' Equity	295,138	253,515	16%

(1) From continuing operations

## DETAILED FINANCIALS

Texas Capital Bancshares, Inc. reported net income from continuing operations of \$31.4 million for the year ended December 31, 2007 and \$6.5 million for the fourth quarter of 2007 compared to \$29.0 million and \$7.7 million for the year ended and fourth quarter of 2006, respectively. On a fully diluted basis, earnings per share from continuing operations were \$1.18 for the year ended December 31, 2007 and \$.24 for the three months ended December 31, 2007, compared to \$1.10 for 2006 and \$.29 for the same quarter last year. Results of discontinued operations were net losses of \$1.9 million and \$57,000 for 2007 and 2006 and net losses of \$1.2 million and net income of \$356,000 for the fourth quarter 2007 and 2006, respectively. The discussion below relates only to continuing operations.

Return on average equity was 11.51 percent and return on average assets was .80 percent for 2007, compared to 12.62 percent and .88 percent, respectively for 2006. Return on average equity was 8.88 percent and return on average assets was .63 percent for the fourth quarter of 2007, compared to 12.53 and .87 percent, respectively, for the fourth quarter of 2006.

Net interest income was \$37.8 million for the fourth quarter of 2007, compared to \$31.8 million for the fourth quarter of 2006. The increase was due to an increase in average earning assets of \$615.3 million over levels reported in the fourth quarter of 2006. The increase in average earning assets included a \$717.7 million increase in average loans held for investment offset by a decrease of \$33.4 million in average loans held for sale, and a decrease of \$68.2 million in average securities. The net interest margin in the fourth quarter of 2007 was 3.86 percent, the same as the fourth quarter of 2006 and the third quarter of 2007.

Average total deposits increased by \$195.4 million from the fourth quarter of 2006 and decreased by \$95.5 million from the third quarter of 2007. For the same periods, the average balance of demand deposits increased by \$14.5 million or 3 percent to \$485.2 million from \$470.7 million during the fourth quarter of 2006 and increased \$15.6 million, or 3 percent, from the third quarter of 2007. Average interest bearing liabilities increased \$521.8 million from the fourth quarter of 2006. Of the increase in average interest bearing liabilities, total borrowings grew due to combined effects of maturities of transaction-specific deposits and strong loan growth during the last half of Q4.

Key measures of credit quality remain favorable. As discussed in our release on January 14, we have a single commercial credit totaling \$12.5 million that has driven our non-performing ratios higher than evidenced in prior quarters. For 2007, net charge-offs were \$2.2 million, or .07 percent. In the fourth quarter of 2007, net charge-offs were \$2.5 million, compared to net charge-offs of \$838,000 in the fourth quarter of 2006 and net charge-offs of \$59,000 in the third quarter of 2007. Non-accrual loans were \$21.4 million, or .62 percent of loans, at the end of the fourth quarter of 2007, compared to \$9.1 million, or .33 percent of loans, at the end of fourth quarter of 2006, and \$8.7 million, or .26 percent at the end of the third quarter of 2007. Loans 90 days past due and still accruing were \$4.1 million at the end of the fourth quarter of 2007 compared to \$2.1 million at the end of the fourth quarter of 2006. At year-end 2007, the \$4.1 million of past due loans included \$1.8 million in premium finance loans. The Company recorded a \$9.3 million provision for loan losses in the fourth quarter of 2007 compared to \$1.0 million in the fourth quarter of 2006 and \$2.0 million in the third quarter of 2007. The provision was driven principally by the single commercial credit mentioned above, coupled with the substantial growth in loans during the fourth quarter. The increase in the fourth quarter provision resulted in an increase in the reserve to .95 percent of loans held for investment as compared to .79 percent at September 30, 2007. In management's opinion, the reserve is adequate and is derived from consistent application of the methodology for establishing the adequacy of reserves for Texas Capital Bank's loan portfolio.

Non-interest income for the fourth quarter of 2007 decreased \$192,000 or 4 percent, to \$4.6 million from \$4.8 million in the fourth quarter of 2006. The decrease is primarily related to a reduced contribution from mortgage warehouse, including brokered loan fees and a \$700,000 mark to market, offset by increases in service charge income, trust income, and rental income

from our operating lease portfolio.

Non-interest expense for the fourth quarter of 2007 decreased \$787,000, or 3 percent, to \$23.2 million from \$24.0 million in the fourth quarter of 2006. The decrease is primarily related to a \$1.7 million decrease in salaries and employee benefits to \$12.0 million from \$13.7 million, which resulted from an adjustment in incentive expense to reflect our actual performance for the year.

**ABOUT TEXAS CAPITAL BANCSHARES, INC.**

Texas Capital Bancshares, Inc. (NASDAQ: TCBI) is the parent company of Texas Capital Bank, a commercial bank that delivers highly personalized financial services to businesses and private clients. Headquartered in Dallas, the Bank has full-service locations in Austin, Dallas, Fort Worth, Houston and San Antonio.

This release contains forward-looking statements, which are subject to risks and uncertainties. A number of factors, many of which are beyond Texas Capital Bancshares' control, could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These risks and uncertainties include the risk of adverse impacts from general economic conditions, competition, interest rate sensitivity and exposure to regulatory and legislative changes. These and other factors that could cause results to differ materially from those described in the forward-looking statements can be found in the Form 10-K and other filings made by Texas Capital Bancshares with the Securities and Exchange Commission.

**TEXAS CAPITAL BANCSHARES, INC.**

**SELECTED FINANCIAL HIGHLIGHTS (UNAUDITED)**

(Dollars in thousands except per share data)

	4 <sup>th</sup> Quarter 2007	3 <sup>rd</sup> Quarter 2007	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2007	4 <sup>th</sup> Quarter 2006
<b>CONSOLIDATED STATEMENT OF OPERATIONS</b>					
Interest income	\$ 74,257	\$ 76,368	\$ 72,419	\$ 67,163	\$ 66,178
Interest expense	36,487	39,609	37,948	35,496	34,346
Net interest income	37,770	36,759	34,471	31,667	31,832
Provision for loan losses	9,300	2,000	1,500	1,200	1,000
Net interest income after provision for loan losses	28,470	34,759	32,971	30,467	30,832
Non-interest income	4,641	4,647	5,288	5,136	4,833
Non-interest expense	23,206	25,894	25,411	24,095	23,993
Income from continuing operations before income taxes	9,905	13,512	12,848	11,508	11,672
Income tax expense	3,367	4,668	4,463	3,922	3,958
Net income from continuing operations (after-tax)	6,538	8,844	8,385	7,586	7,714
Income (loss) from discontinued operations (after-tax)	(1,185)	(602)	(180)	36	356
Net income	\$ 5,353	\$ 8,242	\$ 8,205	\$ 7,622	\$ 8,070
Diluted EPS from continuing operations	\$ .24	\$ .33	\$ .31	\$ .29	\$ .29
Diluted EPS	\$ .20	\$ .31	\$ .31	\$ .29	\$ .31
Diluted shares	26,790,685	26,766,788	26,711,437	26,440,556	26,373,726
<b>CONSOLIDATED BALANCE SHEET DATA<sup>(1)</sup></b>					
Total assets	\$4,286,718	\$4,077,290	\$3,943,518	\$3,807,232	\$3,658,505
Loans held for investment	3,462,608	3,296,039	3,091,657	2,885,963	2,722,097
Loans held for sale	174,166	118,221	176,022	208,074	199,014
Securities	467,314	476,448	490,967	508,296	532,053
Demand deposits	529,334	471,109	495,010	507,686	513,930
Total deposits	3,066,377	3,295,707	3,112,560	3,086,737	3,069,330
Other borrowings	783,851	358,510	421,668	331,118	211,559
Long-term debt	113,406	113,406	113,406	113,406	113,406
Stockholders' equity	295,138	284,209	270,097	263,616	253,515
End of period shares	26,389,548	26,243,149	26,189,562	26,101,994	26,065,124
Book value (excluding securities gains/losses)	\$ 11.22	\$ 11.00	\$ 10.64	\$ 10.27	\$ 9.93
Tangible book value	\$ 10.89	\$ 10.53	\$ 10.01	\$ 9.79	\$ 9.23
<b>SELECTED FINANCIAL RATIOS</b>					
<b>From continuing operations</b>					
Net interest margin	3.86%	3.86%	3.83%	3.78%	3.86%
Return on average assets	.63%	.88%	.88%	.84%	.87%
Return on average equity	8.88%	12.73%	12.59%	12.12%	12.53%
Non-interest income to earning assets	.47%	.48%	.58%	.61%	.58%
Efficiency ratio	54.7%	62.5%	63.9%	65.5%	65.4%
Non-interest expense to earning assets	2.35%	2.70%	2.80%	2.86%	2.89%
<b>From consolidated</b>					
Net interest margin	3.86%	3.86%	3.84%	3.77%	3.84%
Return on average assets	.52%	.82%	.86%	.84%	.90%
Return on average equity	7.27%	11.86%	12.32%	12.18%	13.11%
Tier 1 capital ratio	9.4%	9.6%	9.8%	9.8%	9.7%
Total capital ratio	10.6%	10.7%	10.9%	11.1%	11.2%
Tier 1 leverage ratio	9.4%	9.4%	9.4%	9.5%	9.2%

(1) From continuing operations

**TEXAS CAPITAL BANCSHARES, INC.**

**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(Dollars in thousands)

	December 31, 2007	December 31, 2006	%
			Change
<b>Assets</b>			
Cash and due from banks	\$ 89,463	\$ 93,716	(5)%
Securities, available-for-sale	467,314	532,053	(12)%
Loans held for sale	174,166	199,014	(12)%
Loans held for sale from discontinued operations	731	16,844	(96)%
Loans held for investment (net of unearned income)	3,462,608	2,722,097	27%
Less: Allowance for loan losses	32,821	21,003	56%
Loans held for investment, net	3,429,787	2,701,094	27%
Premises and equipment, net	31,684	33,818	(6)%
Accrued interest receivable and other assets	86,453	85,821	1%
Goodwill and intangibles, net	7,851	12,989	(40)%
Total assets	<u>\$ 4,287,449</u>	<u>\$ 3,675,349</u>	17%
<b>Liabilities and Stockholders' Equity</b>			
<b>Liabilities:</b>			
Deposits:			
Non-interest bearing	\$ 529,334	\$ 513,930	3%
Interest bearing	1,569,546	1,670,956	(6)%
Interest bearing in foreign branches	967,497	884,444	9%
Total deposits	3,066,377	3,069,330	-
Accrued interest payable	5,630	5,781	(3)%
Other liabilities	23,047	21,758	6%
Federal funds purchased	344,813	165,955	108%
Repurchase agreements	7,148	43,359	(84)%
Other borrowings	431,890	2,245	NM
Long-term debt	113,406	113,406	-
Total liabilities	3,992,311	3,421,834	17%
<b>Stockholders' equity:</b>			
Common stock, \$.01 par value:			
Authorized shares – 100,000,000			
Issued shares – 26,389,548 and 26,065,124 at			
December 31, 2007 and 2006, respectively	264	261	
Additional paid-in capital	190,175	182,321	
Retained earnings	105,585	76,163	
Treasury stock (shares at cost: 84,691 and 84,274 at			
December 31, 2007 and 2006, respectively)	(581)	(573)	
Deferred compensation	573	573	
Accumulated other comprehensive loss	(878)	(5,230)	
Total stockholders' equity	295,138	253,515	17%
Total liabilities and stockholders' equity	<u>\$ 4,287,449</u>	<u>\$ 3,675,349</u>	17%

**TEXAS CAPITAL BANCSHARES, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

(In thousands except per share data)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2007	2006	2007	2006
<b>Interest income</b>				
Interest and fees on loans	\$ 68,752	\$ 59,882	\$ 267,171	\$ 210,693
Securities	5,430	6,266	22,890	26,311
Federal funds sold	65	14	92	65
Deposits in other banks	10	16	54	56
Total interest income	74,257	66,178	290,207	237,125
<b>Interest expense</b>				
Deposits	27,934	29,487	121,245	99,500
Federal funds purchased	3,580	1,793	13,054	7,886
Repurchase agreements	76	587	915	4,016
Other borrowings	2,838	393	6,069	2,471
Long-term debt	2,059	2,086	8,257	5,439
Total interest expense	36,487	34,346	149,540	119,312
<b>Net interest income</b>	37,770	31,832	140,667	117,813
<b>Provision for loan losses</b>	9,300	1,000	14,000	4,000
<b>Net interest income after provision for loan losses</b>	28,470	30,832	126,667	113,813
<b>Non-interest income</b>				
Service charges on deposit accounts	1,156	865	4,091	3,306
Trust fee income	1,238	1,073	4,691	3,790
Bank owned life insurance (BOLI) income	311	301	1,198	1,134
Brokered loan fees	365	521	1,870	2,029
Equipment rental income	1,605	1,433	6,138	3,908
Other	(34)	640	1,724	2,874
Total non-interest income	4,641	4,833	19,712	17,041
<b>Non-interest expense</b>				
Salaries and employee benefits	12,035	13,711	56,608	50,582
Net occupancy expense	2,161	2,111	8,430	7,983
Leased equipment depreciation	1,236	1,002	4,958	3,097
Marketing	850	785	3,004	3,082
Legal and professional	2,043	2,084	7,245	6,486
Communications and data processing	838	862	3,357	3,130
Franchise taxes	45	58	221	281
Other	3,998	3,380	14,783	12,271
Total non-interest expense	23,206	23,993	98,606	86,912
<b>Income from continuing operations before income taxes</b>	9,905	11,672	47,773	43,942
Income tax expense	3,367	3,958	16,420	14,961
<b>Income from continuing operations (after-tax)</b>	6,538	7,714	31,353	28,981
<b>Income (loss) from discontinued operations (after-tax)</b>	(1,185)	356	(1,931)	(57)
<b>Net income</b>	\$ 5,353	\$ 8,070	\$ 29,422	\$ 28,924
<b>Basic earnings per share:</b>				
Income from continuing operations	\$ .25	\$ .30	\$ 1.20	\$ 1.12
Net income	\$ .20	\$ .31	\$ 1.12	\$ 1.11
<b>Diluted earnings per share:</b>				
Income from continuing operations	\$ .24	\$ .29	\$ 1.18	\$ 1.10
Net income	\$ .20	\$ .31	\$ 1.10	\$ 1.09

**TEXAS CAPITAL BANCSHARES, INC.**

**SUMMARY OF LOAN LOSS EXPERIENCE**

(Dollars in thousands)

	4 <sup>th</sup> Quarter 2007	3 <sup>rd</sup> Quarter 2007	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2007	4 <sup>th</sup> Quarter 2006
Beginning balance	\$ 26,003	\$ 24,062	\$ 22,589	\$ 21,003	\$ 20,841
Loans charged-off:					
Commercial	2,189	100	93	146	837
Real estate	313	–	–	–	–
Consumer	–	45	3	–	–
Leases	13	10	58	–	36
Total	2,515	155	154	146	873
Recoveries:					
Commercial	17	72	49	504	12
Consumer	1	1	–	13	–
Leases	15	23	78	15	23
Total recoveries	33	96	127	532	35
Net charge-offs (recoveries)	2,482	59	27	(386)	838
Provision for loan losses	9,300	2,000	1,500	1,200	1,000
Ending balance	\$ 32,821	\$ 26,003	\$ 24,062	\$ 22,589	\$ 21,003
Reserve to loans held for investment <sup>(2)</sup>	.95%	.79%	.78%	.78%	.77%
Reserve to average loans held for investment <sup>(2)</sup>	.98%	.81%	.81%	.82%	.80%
Net charge-offs (recoveries) to average loans <sup>(1) (2)</sup>	.30%	.01%	.00%	(.06)%	.13%
Net charge-offs (recoveries) to average loans for last twelve months <sup>(1) (2)</sup>	.07%	.02%	.00%	.06%	.08%
Provision for loan losses to average loans <sup>(1) (2)</sup>	1.11%	.25%	.20%	.18%	.15%
Non-performing loans:					
Loans past due 90 days and still accruing <sup>(3) (4)</sup>	\$ 4,147	\$ 4,356	\$ 1,860	\$ 4,828	\$ 2,142
Non-accrual <sup>(4)</sup>	21,385	8,690	8,718	8,843	9,088
Total	\$ 25,532	\$ 13,046	\$ 10,578	\$ 13,671	\$ 11,230
Other real estate owned <sup>(4)</sup>	\$ 2,671	\$ 501	\$ 89	\$ 89	\$ 882
Reserve to non-performing loans	1.3x	2.0x	2.3x	1.7x	1.9x
Reserve to non-accrual loans	1.5x	3.0x	2.8x	2.6x	2.3x
Reserve to non-performing assets	1.2x	1.9x	2.3x	1.6x	1.7x
Non-accrual loans to loans <sup>(2)</sup>	.62%	.26%	.28%	.31%	.33%
Loans past due 90 days to loans <sup>(2)</sup>	.12%	.13%	.06%	.17%	.08%
Non-performing loans to loans <sup>(2)</sup>	.74%	.40%	.34%	.47%	.41%

(1) Interim period ratios are annualized.

(2) Excludes loans held for sale.

(3) At December 31, 2007, loans past due 90 days and still accruing includes premium finance loans of \$1.8 million. These loans are primarily secured by obligations of insurance carriers to refund premiums on cancelled insurance policies. The refund of premiums from the insurance carriers can take 180 days or longer from the cancellation date.

(4) Non-performing assets include \$4.1 million of mortgage warehouse loans.

TEXAS CAPITAL BANCSHARES, INC.

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

(Dollars in thousands)

	4 <sup>th</sup> Quarter 2007	3 <sup>rd</sup> Quarter 2007	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2007	4 <sup>th</sup> Quarter 2006
<b>Interest income</b>					
Interest and fees on loans	\$ 68,752	\$ 70,719	\$ 66,526	\$ 61,174	\$ 59,882
Securities	5,430	5,623	5,868	5,969	6,266
Federal funds sold	65	12	10	5	14
Deposits in other banks	10	14	15	15	16
Total interest income	74,257	76,368	72,419	67,163	66,178
<b>Interest expense</b>					
Deposits	27,934	32,690	29,731	30,890	29,487
Federal funds purchased	3,580	3,554	3,767	2,153	1,793
Repurchase agreements	76	175	270	394	587
Other borrowings	2,838	1,102	2,117	12	393
Long-term debt	2,059	2,088	2,063	2,047	2,086
Total interest expense	36,487	39,609	37,948	35,496	34,346
<b>Net interest income</b>	37,770	36,759	34,471	31,667	31,832
<b>Provision for loan losses</b>	9,300	2,000	1,500	1,200	1,000
<b>Net interest income after provision for loan losses</b>	28,470	34,759	32,971	30,467	30,832
<b>Non-interest income</b>					
Service charges on deposit accounts	1,156	1,089	953	893	865
Trust fee income	1,238	1,182	1,194	1,077	1,073
Bank owned life insurance (BOLI) income	311	288	301	298	301
Brokered loan fees	365	452	574	479	521
Equipment rental income	1,605	1,581	1,493	1,459	1,433
Other	(34)	55	773	930	640
Total non-interest income	4,641	4,647	5,288	5,136	4,833
<b>Non-interest expense</b>					
Salaries and employee benefits	12,035	15,254	14,762	14,557	13,711
Net occupancy expense	2,161	2,194	2,055	2,020	2,111
Leased equipment depreciation	1,236	1,311	1,204	1,207	1,002
Marketing	850	669	728	757	785
Legal and professional	2,043	1,799	1,742	1,661	2,084
Communications and data processing	838	849	838	832	862
Franchise taxes	45	46	89	41	58
Other	3,998	3,772	3,993	3,020	3,380
Total non-interest expense	23,206	25,894	25,411	24,095	23,993
<b>Income from continuing operations before income taxes</b>	9,905	13,512	12,848	11,508	11,672
Income tax expense	3,367	4,668	4,463	3,922	3,958
<b>Income from continuing operations (after-tax)</b>	6,538	8,844	8,385	7,586	7,714
<b>Income (loss) from discontinued operations (after-tax)</b>	(1,185)	(602)	(180)	36	356
<b>Net income</b>	\$ 5,353	\$ 8,242	\$ 8,205	\$ 7,622	\$ 8,070

TEXAS CAPITAL BANCSHARES, INC.

QUARTERLY FINANCIAL SUMMARY – UNAUDITED

Consolidated Daily Average Balances, Average Yields and Rates

Continuing Operations

(Dollars in thousands)

	4 <sup>th</sup> Quarter 2007			3 <sup>rd</sup> Quarter 2007			2 <sup>nd</sup> Quarter 2007			1 <sup>st</sup> Quarter 2007			4 <sup>th</sup> Quarter 2006		
	Average Balance	Revenue/Expense <sup>(1)</sup>	Yield/Rate	Average Balance	Revenue/Expense <sup>(1)</sup>	Yield/Rate	Average Balance	Revenue/Expense <sup>(1)</sup>	Yield/Rate	Average Balance	Revenue/Expense <sup>(1)</sup>	Yield/Rate	Average Balance	Revenue/Expense <sup>(1)</sup>	Yield/Rate
<b>Assets</b>															
Securities – Taxable	\$ 422,227	\$ 4,994	4.69%	\$ 432,595	\$ 5,187	4.76%	\$ 452,118	\$ 5,435	4.82%	\$ 467,219	\$ 5,535	4.80%	\$ 490,001	\$ 5,830	4.72%
Securities – Non-taxable <sup>(2)</sup>	48,158	671	5.53%	48,173	671	5.53%	48,291	666	5.53%	48,549	668	5.58%	48,573	669	5.46%
Federal funds sold	5,495	65	4.69%	885	12	5.38%	768	10	5.22%	418	5	4.85%	1,004	14	5.53%
Deposits in other banks	1,121	10	3.54%	1,217	14	4.56%	1,264	15	4.76%	1,097	15	5.55%	1,207	16	5.26%
Loans held for sale	122,205	1,872	6.08%	150,031	2,618	6.92%	191,979	3,440	7.19%	156,400	2,791	7.24%	155,620	2,791	7.12%
Loans held for investment	3,337,968	66,880	7.95%	3,195,480	68,101	8.46%	2,964,863	63,086	8.53%	2,767,834	58,383	8.55%	2,620,307	57,091	8.64%
Less reserve for loan losses	25,958	–	–	24,065	–	–	22,633	–	–	21,001	–	–	20,751	–	–
Loans, net of reserve	3,434,215	68,752	7.94%	3,321,446	70,719	8.45%	3,134,209	66,526	8.51%	2,903,233	61,174	8.55%	2,755,176	59,882	8.62%
Total earning assets	3,911,216	74,492	7.56%	3,804,316	76,603	7.99%	3,636,650	72,652	8.01%	3,420,516	67,397	7.99%	3,295,961	66,411	7.99%
Cash and other assets	195,866			188,356			205,011			231,412			225,092		
Total assets	<u>\$4,107,082</u>			<u>\$3,992,672</u>			<u>\$3,841,661</u>			<u>\$3,651,928</u>			<u>\$3,521,053</u>		
<b>Liabilities and Stockholders' Equity</b>															
Transaction deposits	\$ 97,798	\$ 166	0.67%	\$ 95,870	\$ 239	0.99%	\$ 93,488	\$ 236	1.01%	\$ 105,592	\$ 282	1.08%	\$ 97,428	\$ 276	1.12%
Savings deposits	859,914	8,127	3.75%	848,760	9,393	4.39%	794,668	8,792	4.44%	821,526	9,175	4.53%	879,452	10,063	4.54%
Time deposits	624,509	7,734	4.91%	760,511	9,877	5.15%	655,440	8,416	5.15%	769,485	9,756	5.14%	598,258	7,658	5.08%
Deposits in foreign branches	1,049,645	11,907	4.50%	1,037,813	13,181	5.04%	966,686	12,287	5.10%	915,229	11,677	5.17%	875,851	11,490	5.20%
Total interest bearing deposits	2,631,866	27,934	4.21%	2,742,954	32,690	4.73%	2,510,282	29,731	4.75%	2,611,832	30,890	4.80%	2,450,989	29,487	4.77%
Other borrowings	560,523	6,494	4.60%	368,824	4,831	5.20%	469,999	6,154	5.25%	207,303	2,559	5.01%	219,644	2,773	5.01%
Long-term debt	113,406	2,059	7.20%	113,406	2,088	7.30%	113,406	2,063	7.30%	113,406	2,047	7.32%	113,406	2,086	7.30%
Total interest bearing liabilities	3,305,795	36,487	4.38%	3,225,184	39,609	4.87%	3,093,687	37,948	4.92%	2,932,541	35,496	4.91%	2,784,039	34,346	4.89%
Demand deposits	485,211			469,610			458,096			439,071			470,701		
Other liabilities	23,999			22,173			22,650			26,494			22,106		
Stockholders' equity	292,076			275,705			267,228			253,822			244,207		
Total liabilities and stockholders' equity	<u>\$4,107,082</u>			<u>\$3,992,672</u>			<u>\$3,841,661</u>			<u>\$3,651,928</u>			<u>\$3,521,053</u>		
Net interest income		\$ 38,005		\$ 36,994			\$ 34,704			\$ 31,901			\$ 32,065		
Net interest margin			3.86%			3.86%			3.83%			3.78%			3.86%

(1) The loan averages include loans on which the accrual of interest has been discontinued and are stated net of unearned income.

(2) Taxable equivalent rates used where applicable.

Additional information from discontinued operations:

Loans held for sale	\$ 861		\$ 1,259		\$ 4,155		\$ 12,068		\$ 22,763	
Borrowed funds	861		1,259		4,155		12,068		22,763	
Net interest income	\$ 14		\$ 5		\$ 115		\$ 46		\$ 87	
Net interest margin – consolidated		3.86%		3.86%		3.84%		3.77%		3.84%