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Extraco Banks Passes on Federal Bailout Funds Monday, December 1, 2008

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WACO, TX— Extraco Corporation, the largest independent financial institution in Central Texas, announced that it will not seek funds available through the Capital Purchase Program which is part of the federal government's Trouble Asset Relief Program (TARP) to inject capital into the U.S. banking system.

"Extraco is a family business. The third quarter of 2008 was our best in history, and we have never received a government handout," said Extraco Corporation Chairman, President and CEO S. Boyce Brown. "We have a strong balance sheet, nearly \$100 million in capital and some \$250 million in overnight liquidity sources."

Extraco continues to be one of the soundest financial institutions in America. It also remains on the move. Extraco produced some \$63 million new loans in the third quarter, and grew loans \$7 million in October alone. Extraco continues to be committed to its customers and its community. Central Texas is perhaps one of the best places to do business in America, and Extraco remains growth-focused while putting soundness first.

"For three generations we have never failed to make a profit, even during the difficult late 1980's when we were the only financial institution in Temple to survive, and one of only a handful that survived in Waco, Killeen, Georgetown, Gatesville and Hamilton", according to Mr. Brown.

Family owned and operated since 1902, Extraco celebrated 100 years and three generations of family management on July 12, 2002. Founded as a cotton warehousing company, Extraco is the largest and most comprehensive financial institution headquartered in Central Texas with \$1.1 billion in assets, nearly \$100 million in capital, a loan limit that exceeds \$15 million and over 400 employees. Extraco offers banking, insurance and investment services through 15 financial centers throughout the Temple, Waco, Killeen, Gatesville, Georgetown and Hamilton areas.