

# TEXAS REGIONAL BANK



## 2018 ANNUAL REPORT

# OUR STORY

The idea for Texas Regional Bank emerged in 2008 when four businessmen recognized the community banking void in their local region caused by the consolidation of privately-held community and regional banks. Over the years, locally-owned banks had decreased, reducing the banking choices in many parts of Texas.

Michael Scaief, Bobby Farris, Tudor Uhlhorn and Bill Elliff, leaders in business and the community, set out to develop a regional banking franchise committed to the success of the community. The group identified what had worked among regional banks in the past and adopted these strategies as operating principles.

- Hire top bankers who know their customers, and can make decisions
- Build a broad shareholder base and ownership structure, so no one family could control more than 10% of the bank
- Raise enough capital to be effective in the market
- Embrace technological advances to accommodate emerging and future banking trends.

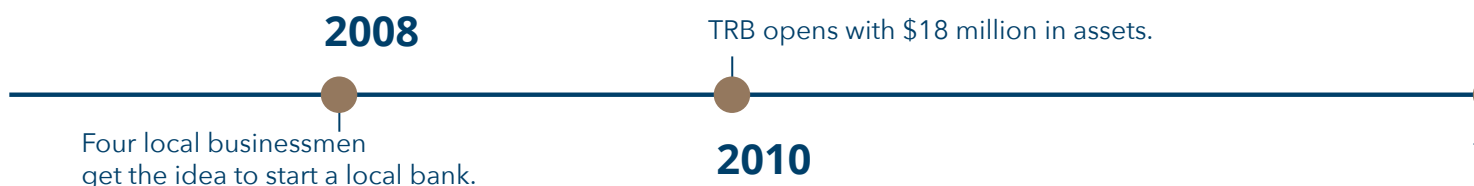
Initially, the group intended to establish a brand new banking operation in the Rio Grande Valley of Texas. But, as their planning came together in mid-2009, the strategy changed, from chartering a new bank to acquiring an existing franchise. In September 2009, a revised business plan was submitted to regulators and Texas State Bankshares, Inc. (TSBI) was organized to serve as the bank's holding company, in anticipation of an acquisition.

The TSBI board soon was charged with raising capital to acquire Falfurrias State Bank. In February 2010, the capital raise began, with a goal of \$20 million. The community response was overwhelming and, in less than six weeks, the holding company closed its capital raise with nearly \$24 million from approximately 160 different families.

On May 4, 2010, Texas State Bankshares, Inc. acquired 100% of the stock of Falfurrias State Bank. Ninety days into the acquisition, the charter was relocated to Harlingen, Texas. The bank was renamed Texas Regional Bank, and its relationship style of banking articulated in the new tag line, The People You Know. Texas Regional Bank celebrated another milestone on November 18, 2013, when Border Capital Bank was acquired. The merger added a trust department and four more locations in the Rio Grande Valley market. Texas Regional Bank continues to find opportunities to grow and be a leader in community banking. In February 2017, Texas Regional Bank completed the acquisition of Blanco National Bank.

The Texas Regional Bank Board of Directors and leadership team remain committed to the communities we serve through relationship banking, advanced technology solutions, diverse ownership and community involvement. Each year team members contribute thousands of hours to community service projects.

Today, Texas Regional Bank has assets of approximately \$950 million and 19 locations across the Rio Grande Valley and the Texas Hill Country. Texas Regional Bank is a wholly-owned subsidiary of Texas State Bankshares, Inc. with equity of more than \$95 million and more than 700 shareholders across Texas. Without a doubt, the influence of its broad shareholder base and team of well-known and seasoned bankers has made Texas Regional the "Bank of Choice" in many Texas markets.



# CONTENTS

04	TRB LOCATIONS
06	MESSAGE FROM THE CHAIRMAN
08	CHIEF EXECUTIVE OFFICER
10	PRIVATE CLIENT SERVICES
12	MORTGAGE
13	TRUST & WEALTH MANAGEMENT
14	IBAT BOARD APPOINTMENT
16	RIO GRANDE VALLEY MARKET
18	HILL COUNTRY MARKET
20	NEW BANKING CENTERS
24	ECONOMIC REPORT
26	CHIEF FINANCIAL OFFICER
27	FINANCIAL HIGHLIGHTS
28	CONSOLIDATED FINANCIAL STATEMENT
30	INDEPENDENT AUDIT REPORT
32	LOOKING FORWARD
34	COMMUNITY EVENTS
37	BANK LEADERSHIP

**2014**

TRB grows to nine locations with \$340 million in assets.

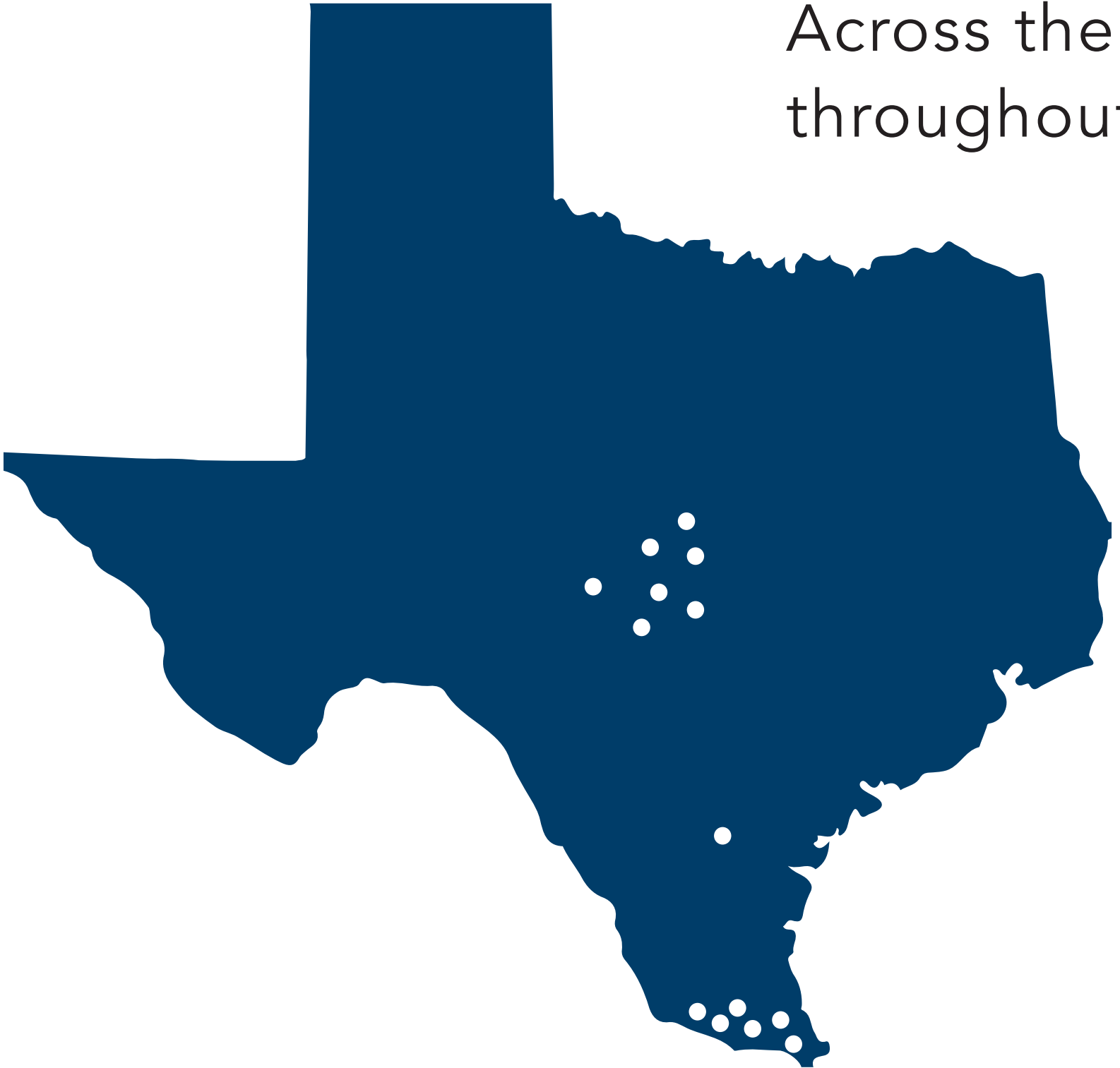
TRB moves into the Texas Hill Country with \$750 million in assets.

**2017**

**2019**

TRB opens its corporate headquarters years ahead of what the four local businessmen thought back in 2008.

Across the F  
throughout



Our network of banking centers in the communities we serve, provide you with a local banker at your convenience.

# Rio Grande Valley, the Hill Country **and GROWING.**

## **Blanco**

416 4th St, Blanco, TX 78606

## **Brownsville**

3450 Pablo Kisel, Brownsville, TX 78526

3275 Boca Chica Blvd, Brownsville, TX 78521

## **Bulverde**

20475 W. Hwy 46 Ste 360, Spring Branch, TX 78070

## **Dripping Springs**

333 Hwy 290 E. Ste 305, Dripping Springs, TX 78620

## **Edinburg**

4925 S. McColl Rd, Edinburg, TX 78539

203 S. Jackson Rd, Edinburg, TX 78539

## **Falfurrias**

401 N. St. Mary St, Falfurrias, TX 78355

## **Fredericksburg**

609 E. Main St, Fredericksburg, TX 78606

## **Harlingen**

2019 S. 77 Sunshine Strip, Harlingen, TX 78550

6770 W. Interstate 2, Harlingen, TX 78552

## **Lakeway**

1213 Ranch Rd 620 S Suite 100, Lakeway, TX 78734

## **McAllen**

1801 S McColl Rd, McAllen, TX 78503

4501 N. 10th St, McAllen, TX 78504

5201 N. 23rd St, McAllen, TX 78504

## **Mission**

2300 E. Griffin Parkway, Mission, TX 78572

## **San Marcos**

310 Wonder World Dr, San Marcos, TX 78666

## **Weslaco**

400 N. Westgate Dr, Weslaco, TX 78596

## **Wimberley**

15451 Ranch Rd 12, Wimberley, TX 78676



## MESSAGE FROM THE CHAIRMAN

MICHAEL SCAIEF | CHAIRMAN

To My Fellow Shareholders:

If I had to pick one word to describe 2018, it would be growth. Texas Regional Bank achieved unprecedented growth this year, in our earnings, our footprint, and our franchise value, along with acquisition of new relationships and expansion of the regions in which we operate.

Earnings are up 59% year-over-year and our loan portfolio grew 10.1%. Our assets are now \$890.4 million, a 5.3% increase from 2017.

### 2018 GROWTH

Assets  
**5.3%**  
Growth

Loans  
**10.1%**  
Growth

Revenue  
**59%**  
Growth

Every year TRB continues to invest in building the infrastructure of the company. Wealth Management, which we introduced in 2015, has increased from \$150 million in managed assets to about \$400 million today, and adds accounts weekly. Over the last year and a half, we put in place a Mortgage department that is safe, sound, and compliant, and a new Private Client Services division that is developing a client base south of the border. Both of those investments are starting to provide revenue streams that are very important to the bank as we move forward.

Our footprint grew from 14 to 19 facilities in 2018, with the opening of second locations in Edinburg and Brownsville and the addition of Lakeway and Dripping Springs. We also moved into our new corporate facility in Harlingen, an iconic structure that sets the stage for future growth.

These metrics are stronger than at any point in our history. TRB is now larger than most banks in Texas and nationally recognized as one of the 100 largest banks in Texas. That's pretty impressive for a company that ranked in the 600's less than 10 years ago.

Our ability to achieve this kind of success is because of strong relationships. While we are always laser-focused on our balance sheet, we firmly believe our shareholders, customers, and employees are TRB's greatest assets. Having satisfied customers who refer business to the bank is the greatest compliment we could possibly have. I can't thank you enough for the referrals so many of you have made to the bank. With your help, TRB expanded to 27,000 customer relationships by the end of 2018.

**While we are always laser-focused on our balance sheet, we firmly believe our shareholders, customers, and employees are TRB's greatest assets.**

## Creating Long-Term Value

Having several different revenue streams is one of the things that distinguishes TRB and makes our franchise more valuable. When you visit the new corporate headquarters in Harlingen, you'll notice three words prominently displayed on the exterior. Banking, Investments, and Mortgage were selected very deliberately to reflect our continued push to create a diversified financial services company. This is solidly in line with TRB's original business plan and critical to creating long-term shareholder value.

No other bank in South Texas has a complete set of ancillary services like we do, with several earning streams beyond core banking. Diversification is essential as the world changes, and credit unions, direct lenders, insurance companies, and others get into banking. By adding divisions like Trust and Wealth Management, Mortgage, and Private Client Services, we've gone from annual gross revenue of \$2 million when we began to gross revenue this year of \$44.4 million. Although much of that is from interest income, approximately \$8 million in non-interest income is a large and very important contribution to the bottom line.

## Building the Team

I appreciate the strong commitment and dedication every associate brings to this organization. We have a very talented executive team, middle management, and an employee base that is second to none.

Mr. Moxley and I are surrounded by very, very strong leaders in every discipline this organization requires. Lincoln Talbert, our Chief Financial Officer, is extremely sharp on financial accounting as Michael Lamon, our Chief Credit Officer, is on credit. There's not a better person than Brent Baldree, our Chief Lending Officer and South Texas Market President, when it comes to developing business, being involved in the community, and building relationships.

Jason Leal, a newcomer to the team, is a totally different breed. Jason, in his role as Chief Administrative Officer, is very good on the operations side of the organization. He has a list of things to accomplish and efficiencies that need to be met and is excellent at keeping up with those.

## Enhancing the Customer Experience

The team knows I constantly look for ways to reduce friction in our customer experience. Reducing friction means improving our products and services to increase satisfaction, often through the use of new technologies.

Our new online account application is a prime example. For generations, sitting idly in a bank lobby for 30 or 45 minutes while an associate filled out paperwork was standard practice.

While that is still an option, we know that process rubs many people the wrong way. With our online application, you can provide information from your home or office at any time of the day or night, choose the TRB location most convenient for you, and schedule a time to come in and sign the forms. It is fast and easy: no friction.

This new service was introduced in fourth quarter and already we are receiving lots of online applications. Innovations like this, which make it easier for customers to bank with TRB are crucial to our continued success. We hope to launch a similar online loan application in the not-too-distant future.

## Growing our Footprint

It's exciting to expand into new markets and cut the ribbon on new facilities. We did that several times this year, with great fanfare. Buildings like our new, multi-story headquarters in Harlingen are important symbols of strength. Its dominant profile reflects not only what we've accomplished but -- much more importantly -- where we are headed.

TRB has averaged more than 25% annual growth since the beginning, and we intend to continue our safe, sound, but aggressive expansion. We will continue to build banks around bankers who know their markets and have been successful. And we will continue to invest in those markets with our team. Being the people you know and helping to better communities in every region we serve is what has made TRB successful and will continue to be our paramount concern.

**TRB has averaged more than 25% annual growth since the beginning, and we intend to continue our safe, sound, but aggressive expansion.**

## Creating Success

As we look ahead to 2019, "creating success" will be the theme and motivating force behind everything we do. We want our team to be successful. We want our customers to be successful. And we want the bank to continue being very successful.

Together we have built a solid platform for continued stable growth. Our future is incredibly bright. With your continued support and referrals, we expect to have many more successes to report by year-end.

Thank you for your ongoing confidence and investment in Texas Regional Bank.



## CHIEF EXECUTIVE OFFICER REPORT

PAUL MOXLEY | PRESIDENT/CEO

As Texas Regional Bank continues to grow, we pride ourselves in taking care of our customers, while creating a quality bank that is mindful of maintaining shareholder value.

In the first quarter of 2018, our team focused on our strategic plan in order to meet bank goals. We continued making progress while improving the infrastructure, growing the bank, and building our team. Not only did we add several locations in 2018, but we also did a bit of streamlining and reorganizing. In an effort to get each department moving in the right direction, we made sure we had the right people in the right places. This year, as part of our growth, we added the International Department/Private Client Services. Eduardo Caso and his team have done an excellent job in growing their department in a very short time.

We continually add new technologies and efficiencies within the bank to provide a better customer experience. For example, in 2018, our mobile app was upgraded and our alert system, overdraft protection, and other online banking options were enhanced. Cyber security has always been and continues to be top-of-mind for the bank. For the protection of the bank and our customers, we continue to ensure we have ample security firewalls in place. By the same token, our team has made numerous cyber security presentations in the community educating people on recognizing cyber threats and sharing tips on how to protect their devices and personal data.

On the sales side, we are getting out and asking for business, talking to our customers, and encouraging them to refer business to TRB. We furnish exceptional merchant services for our commercial customers, including treasury management, remote deposit capture, point of sale, and other ancillary products that maximize working capital and improve cash flow for our customers. I believe that by taking care of our customers, they become our best sales people.

Texas Regional Bank ended another record year of growth with \$890M in assets. For 2019, my top goal is to be a billion dollar bank by year-end. With the high quality shareholders, customers, and employees who comprise TRB, I am very confident we will get there.



# The People You Know





“Debbie Sakulenzki has been a customer of TRB for a number of years. She has taken her company, Another Closet Self Storage to the next level by expanding her business into the Hill Country with multiple locations. I consider Debbie Sakulenzki to be a friend and we are honored to be associated with Another Closet and Debbie Salulenzki. Thanks Debbie for making TRB your bank of choice.”

- Mario Ysaguirre, SVP-Texas Regional Bank



## PRIVATE CLIENT SERVICES

EDUARDO CASO | SENIOR VICE PRESIDENT



(L to R) Norma Rodriguez, Alma Villarreal, Eduardo Caso, Enrique Lopez, Armando Covarrubias, Monica Obregon, Rogelio Vela

Private Client Services (PCS) is a brand new TRB division whose objective is to assist high net worth individuals and families meet their financial goals through a personalized, concierge type of approach. Our team has worked together for decades, helping affluent international, bi-national and domestic customers with integrated financial solutions.

Since joining TRB in May 2018, we are seeing very good results. Our portfolio has grown steadily month-over-month, ending the year at \$14+ million. We expect this to continue, as our long-time customers learn Texas Regional Bank is now catering to this market with an experienced team of bicultural, bilingual private bankers ready to serve them.

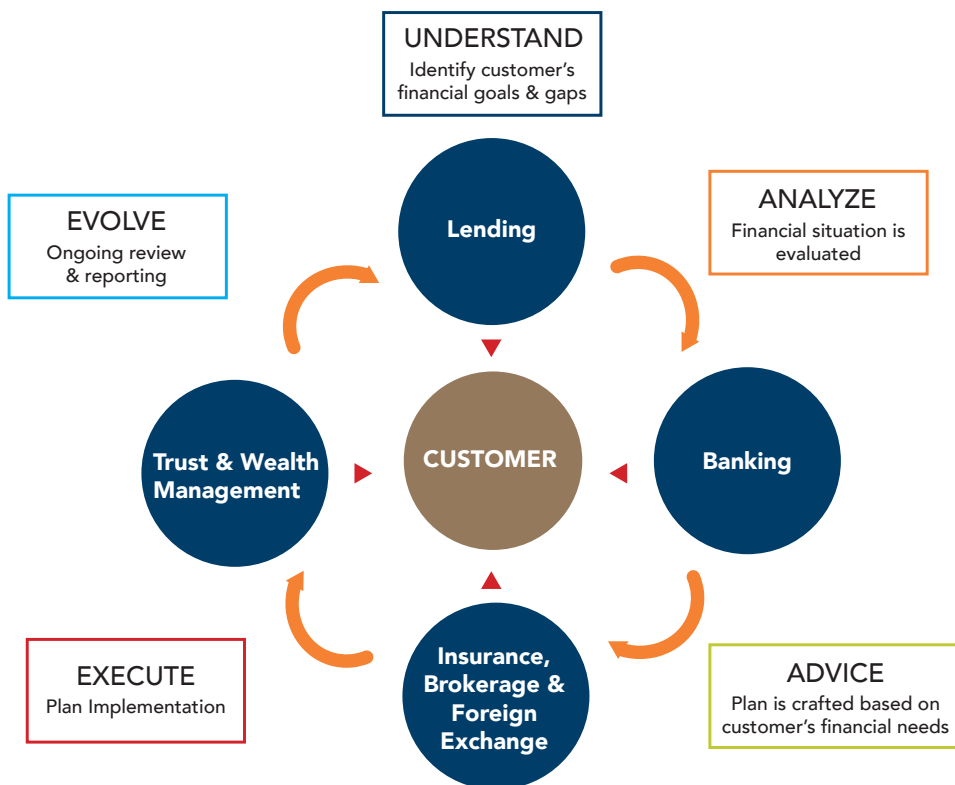
Due to TRB's geographic and market advantages, growing relationships with affluent Mexican Nationals is our top priority. Many affluent Mexicans view the United States as a safe haven, due to the stability and the strength of the U.S. financial structure, and have maintained a certain amount of their net worth here for generations. Indeed, foreign deposits long have been an important source of capital for banks throughout South Texas, contributing to the growth and economic development of the region.

PCS customers fit well with TRB’s relationship style of banking, and are tremendous assets to the company. They are people we know, who have accumulated significant wealth through ownership of strong, reputable businesses, or through inheritance. They are concerned with preserving wealth and planning their legacy. They want a bank with an impeccable reputation that places a high priority on privacy and security of customer information, and bankers who understand the complexities of managing significant wealth. Moreover, if they feel they are understood and provided with the service they deserve, they will stay with a financial institution for a long time, sometimes for generations.

As we bring these clients into TRB, each is assigned a relationship manager who provides highly personalized service and offers customized banking products in a customer-centric, team approach. These clients know they can trust us because we have a fiduciary responsibility to look out for their best interests. The majority of the PCS team are licensed bankers, and trained to identify opportunities to help customers not just with core banking, but also with foreign exchange, insurance, brokerage, and other financial services. Our experienced professionals offer convenient deposit services and deliver customized financial solutions.

## CUSTOMER CENTRIC APPROACH

### Relationship Manager



The innovative technology offered by TRB also is very important. Even though TRB facilities are not on every corner across the US and abroad, our team and the bank’s full array of services are available 24/7 thru technology. Knowing they can contact us at any time and from any location, and we will work to resolve an issue quickly, is very important to our clients. It gives them confidence in the bank.

The PCS team adheres to a three-part approach to achieve its desired results. First, we feel very strongly that delivering outstanding customer service will improve the bank’s ability to attract more high-value prospects, elevate the bank’s profitability, and create customer loyalty. Second, we work hard to ensure our customers and prospects know the full array of TRB products and services available to meet their financial needs. Finally, we dedicate time and resources to compliance with “Know Your Customer” regulations and other controls the United States and Mexico have put in place to mitigate any risks associated with cross-border banking.

In the coming year, our goal is to continue growing the portfolio thru increased deposits, loan opportunities, and cross-selling other products and services. There are tremendous opportunities to strengthen the bank’s financial position through expansion of relationships with high net worth Mexican families and commercial clients with cross-border operations. We are focused on and committed to doing so.



# MORTGAGE REPORT

TOM CLEMMONS | MORTGAGE SERVICES

RACHELLE CISNEROS | MORTGAGE OPERATIONS OFFICER



TRB Mortgage had many significant accomplishments in 2018. We closed 80 loans totaling nearly \$20 million, almost double the amount closed in 2017. With great rates, great products, and an outstanding team covering all 19 branches in our footprint, our pipeline continually grows.

While conventional loans continue to be our most popular products, our new portfolio loans are generating considerable interest as well. Introduced mid-year, these adjustable-rate loans are extremely competitive.

Other key developments in 2018 included the addition of experienced loan production people in the Hill Country. All of us have been highly visible, spreading the word about TRB Mortgage in the communities we serve.

The increased representation is starting to yield results. Our division now is getting referrals not just from staff, customers, and shareholders but also from realtors, builders, and other community members. We expect this to increase in the coming year and will hire more loan officers as needed to meet the demands of our markets and the expectations of our customers.

**Mortgage done locally by people you know is yet another way of strengthening the TRB brand, distinguishing us in the marketplace, and adding value to our relationships.**

We look forward to bringing all underwriting in-house in 2019. Going forward, our entire mortgage process will be handled by processors and underwriters who live in and are familiar with our markets. Mortgage done locally by people you know is yet another way of strengthening the TRB brand, distinguishing us in the marketplace, and adding value to our relationships.

## TRB Mortgage offers:



Fixed Rate Mortgage



Adjustable Rate Mortgage



Affordable Housing Loans

We have a wide variety of loan options to fit your financial situation. Your mortgage loan officer will work with you to determine what's right for you, including:

- Conventional Loans
- Federal Housing Administration (FHA) Loans
- Veterans Affairs (VA) Loans
- Rural Development Loans
- Jumbo Loans
- Portfolio Loans
  - o Primary
  - o Secondary
  - o Foreign National





# TRUST & WEALTH MANAGEMENT REPORT

BOBBY FARRIS | CHAIRMAN OF TRUST & WEALTH MANAGEMENT

At TRB Trust & Wealth Management, we really enjoy working with people and helping them build their net worth. At the end of the day, we want all of our clients to be comfortable financially so they can spend more time doing what they love.

Our approach to investing differs from other places in several ways. First, no one ever has beaten the market over time, so we don't try to do that. We have one investment philosophy that we follow: stay fully invested and let the markets work for you. Our investment portfolios are designed to reduce risk through global diversification, keep fees low, and be extremely tax efficient.

Secondly, we work as a team, thus you have continuity with people you know. We believe in long-term, multi-generational relationships. We enjoy getting two or three generations of a family together with our team to develop financial plans that will see them through whatever tomorrow brings.

Finally, most importantly, we are fiduciaries. We always work in your best interest. The majority of other financial advisors work for commissions, however we work on relationships.

Working with TRB Trust and Wealth Management is an educational process. We are passionate about what we do and welcome opportunities to help people better understand how markets work. Whether it's creating wealth, preserving wealth, or transferring wealth to the next generation, we stand ready to help.

**"Our interests are always aligned with our clients. We pay the same exact fees and we own the same exact stocks and bonds that our clients do, just in different allocations. That's the way we've designed the program, so that we're always in the same ship with our clients. We're always right there with them."**

– Bobby Farris



L to R: John Tippit, Yolanda Torres, Rick Garcia, Bobby Farris, David Estes, Irma Murray, Vincent Richards, Hortencia Villarreal, Sal Garcia

## *Congratulations, Mr. Scaief!*

In December, the Independent Bankers Association of Texas (IBAT) announced the election of TRB Chairman Michael Scaief to its board of directors. Formed in 1974, IBAT is the largest state community banking organization in the nation with membership of more than 2,000 banks and branches in 700 Texas communities. IBAT member banks are committed to supporting and investing in their local communities.

"It's an honor to serve on the IBAT board," Scaief said. "IBAT is dedicated to improving financial resources in the communities we serve." TRB was the proud recipient of IBAT's Best of Community Banking "Golden Eagle Award" in 2017 for its partnership with Habitat for Humanity of the Rio Grande Valley.

Among IBAT's activities is development of policy recommendations on state and federal legislation affecting Texas commercial banks. In 2018, IBAT was instrumental in passage of Senate Bill 2155, providing relief from Dodd-Frank regulations enacted in response to the 2008 financial crisis. Although aimed at larger banks and financial institutions, community banks were caught in the snare of rules and regulations. Dodd-Frank forced them to unnecessarily divert resources to compliance or, in some cases, close their doors.

One of the most significant results of S.B. 2155, Scaief notes, was changing the small bank holding company limit from \$1 billion to \$3 billion. "Prior to this, when you hit the \$1 billion mark – as TRB is close to doing -- you had to consolidate your balance sheet," he explains. "When we get to \$3 billion we will make the change but now we have some breathing room from a regulatory standpoint."

Being active in IBAT also provides a myriad of networking opportunities with community bankers and bank suppliers across Texas. "It's a great way to get guidance from some of the best in the industry, learn about best practices, and how other people run their bank operations," Scaief said. "It opens up opportunities to learn, and also to collaborate."

IBAT member bank assets range in size from \$21 million to \$31 billion with combined assets statewide of nearly \$193 billion. The IBAT board of directors meets quarterly in Austin.



**Independent  
Bankers  
Association  
of Texas**



Kari Fay  
M.D.  
F.A.C.O.G.



Barrett Blaue  
M.D.  
F.A.C.O.G.



Brittney Schumann M.D.  
OBGYN



Lauren Hermann  
D.O.  
F.A.C.O.G.



Beth Reid  
M.D.  
F.A.C.O.G.



Teresa Irwin  
M.D.  
F.A.C.O.G.  
F.P.M.R.S.

**“Caring Center for Women is a leading OBGYN practice in the Hill Country. The six doctors and their team welcome hundreds of new Texans into the world every year. We’re proud to be part of their success.”**

**- Lance Spruiell, Hill Country Regional President**



## RIO GRANDE VALLEY MARKET REPORT

**BRENT BALDREE** | SOUTH TEXAS REGIONAL MARKET PRESIDENT

Texas Regional Bank has had a solid business plan to grow market share since Day One. Our team did an excellent job of building the loan portfolio in 2018, resulting in 10.1% overall loan growth year-over-year. This was another year of double digit growth. With outstanding lenders strategically placed throughout our footprint, we are well positioned to stay a step ahead.

We significantly strengthened our presence in South Texas this year, starting with 10 banks and bringing two additional facilities online. Our talented professionals remained focused and incredibly productive as we evolved. Laura Villarreal had an excellent year moving from Mission to McAllen mid-year, then delivering TRB's best performance as a lender in the RGV. Fred Garza also had a fantastic year, building a strong team and expanding the market share in Edinburg. He opened our second branch there during the summer.

Community involvement continues to be the bedrock of our success. I am very proud that our team is committed to service when it comes to community events. We are passionate about giving back and promoting our brand at various local events such as fishing tournaments, livestock shows, cook-offs and marathons, health fairs and parades. We serve as volunteers and board members for numerous nonprofit and charitable organizations, social service agencies, educational programs, and arts and cultural groups.

We also are committed to harnessing technology to boost our competitive position and capabilities. When customers apply for a loan at TRB, time is of the essence. Two cutting-edge programs implemented in 2018, have helped tremendously. These programs enable us to have data at our fingertips so that we may instantly analyze performance, price loans correctly, and respond to customers in a very timely matter.

In 2019, we will focus on automation, growing our core deposits, and using technology to increase efficiencies and improve the banking experience. A top priority is to get our commercial loan platform online, as we did with account applications this fall. We look forward to strengthening the TRB culture within all of our branches, and deepening relationships within the communities we serve.



L to R: Carlos Rodriguez, Cesar Suarez, Anabel Navarro, Paul Moxley/CEO, Brent Baldree, Michele Robinson, Fred Garza



**Mr. Fred Del Barrio, Jr.**  
McAllen

**Mr. Bob Boggus**  
McAllen

**Mr. Andy Browder**  
Mission

**Mr. Bryan Burke**  
Harlingen

**Mrs. Jane Burkholder**  
Harlingen

**Mr. Luis De La Garza**  
Brownsville

**Dr. Tony Falcon, M.D.**  
Rio Grande City

**Mr. Ephraim Flores**  
Harlingen

**Mr. Jose E. Garcia**  
Edinburg

**Dr. Adalberto Garza**  
Edinburg

**Mr. David Garza**  
San Benito

**Mr. Jimmy Garza**  
Pharr

**Mr. Lawrence "Chip" Gift**  
Houston

**Mr. Rolando Gonzalez**  
Brownsville

**Mr. John D. Guevara**  
Brownsville

**Dr. Kalim Habet, M.D.**  
Rancho Viejo

**Mr. Jasen Hardison**  
McAllen

**Mr. Claude "Sonny" Hildreth**  
McAllen

**Mr. Alan Johnson**  
Harlingen

**Mr. Don "D. J." Johnson**  
Brownsville

**Mr. Wendell Johnson**  
Harlingen

**Mr. Pat Kornegay**  
San Benito

**Mr. Marion Lawler III**  
Brownsville

**Mr. Charles Marina**  
McAllen

**Mr. Mike McLarty**  
Edinburg

**Ms. Reba Cardenas McNair**  
Brownsville

**Mr. Michael Moore**  
McAllen

**Mr. Mike Murphy**  
Harlingen

**Mr. Lance Neuhaus**  
Mercedes

**Mr. Keith Padilla**  
Mission

**Ms. Mary Lou Ray**  
Brownsville

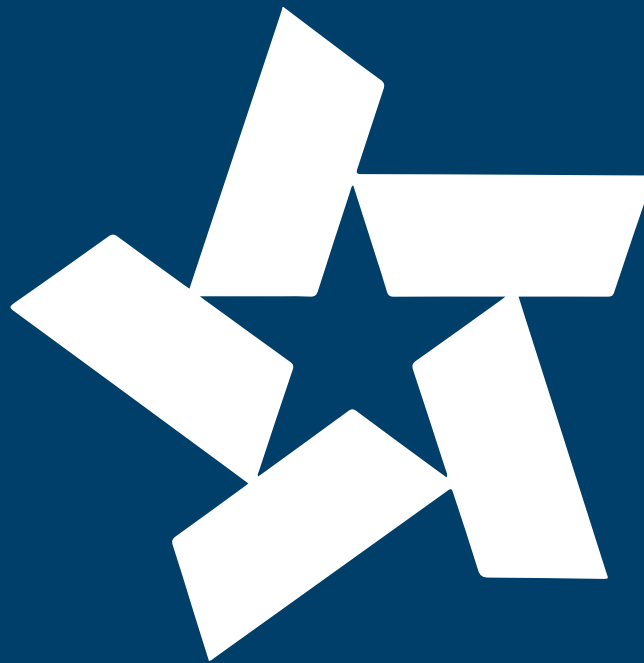
**Mr. Hector M. Rivera**  
Mission

**Mr. Bob Shepard**  
Harlingen

**Mr. Alberto Vega**  
San Benito

**Mr. Jason Wolfe**  
Brownsville

**Mr. Bill Youngblood**  
Harlingen



## **SENIOR ADVISORY BOARD MEMBERS**

### RIO GRANDE VALLEY



## HILL COUNTRY MARKET REPORT

LANCE SPRUIELL | HILL COUNTRY REGIONAL MARKET PRESIDENT

Growing the TRB brand in the Hill Country encompasses a lot of different things for us, beautiful new and remodeled bank buildings, acquisition of new relationships, and the ability to offer customers every tool and convenience we possibly can. We set the bar high for our team and they delivered in 2018 by growing loans \$21.2 million and adding \$4.7 million in deposits.

One of the highlights of this past year was the construction of our new San Marcos banking center. Located on the one of the busiest roads in San Marcos, the new building is certainly a statement for our brand for the thousands that drive by it each day. Also in 2018, we finished our Fredericksburg banking remodel, purchased land for a permanent Dripping Springs banking center and began a restoration project on our Blanco building. I look forward to building our brand through new construction in 2019.

Texas Regional Bank is a new brand in the Hill Country and spending time in market is critical to growing our business and relationships. I am very proud that the Hill Country team contributed 3,500 volunteer hours to various community, civic, and non-profit organizations and events in 2018. We will continue to be very visible in 2019, investing our resources, as well as, our energy, and effort into all of our markets.

Our senior advisory board also helps expedite brand awareness. The board is a cross-section of the community, from doctors and engineers to realtors, entrepreneurs, and former politicians. Their involvement has helped us capture market share on the core bank side and generate business for Wealth Management and Mortgage, which are huge opportunities in this fast-growing, prosperous region.

Finally, I'd like to recognize our team in the Hill Country. I expect a lot from them and they continue to deliver. They not only are focused on their goals but also truly care about our customers, the community, and each other. TRB and our Hill Country communities are better off with them and I'm eager to witness their continued growth in 2019.

**There is a lot of open field ahead in the Hill Country, and we are well-positioned for many years of growth and prosperity.**

**7**

**Locations in  
the Hill Country**

**\$21.2**

**Million  
Loan Growth**

**\$4.7**

**Million  
Deposit Growth**

**Mr. John Aouelle**  
Lakeway

**Mr. Greg Ashley**  
Fredericksburg

**Mr. Jesse Barter**  
Fredericksburg

**Mr. David Behrends**  
Blanco

**Mr. Kyndel Bennett**  
Austin

**Mr. Steve Braasch**  
Austin

**Mr. Bill Burnett**  
San Marcos

**Mr. John Calkins**  
Boerne

**Dr. Corey Carothers**  
San Marcos

**Mr. Will Conley**  
San Marcos

**Mr. Bill Conner**  
Boerne

**Mr. Clinton DeWolfe**  
Blanco

**Mr. Dean Erickson**  
Dripping Springs

**Mr. Kirk Felps**  
Blanco

**Mr. Jimmy Fife, Sr.**  
San Marcos

**Mr. Charles Georg**  
Bulverde

**Mr. Derek George**  
Austin

**Mr. Richard Harrell**  
Spring Branch

**Mr. William Jorn**  
Boerne

**Dr. Lane Lee**  
San Marcos

**Mr. Barney Luke**  
Spring Branch

**Mr. Duke McDowell**  
Lakeway

**Mr. Lee McKenna**  
San Antonio

**Mrs. Wendy Reeh**  
Fredericksburg

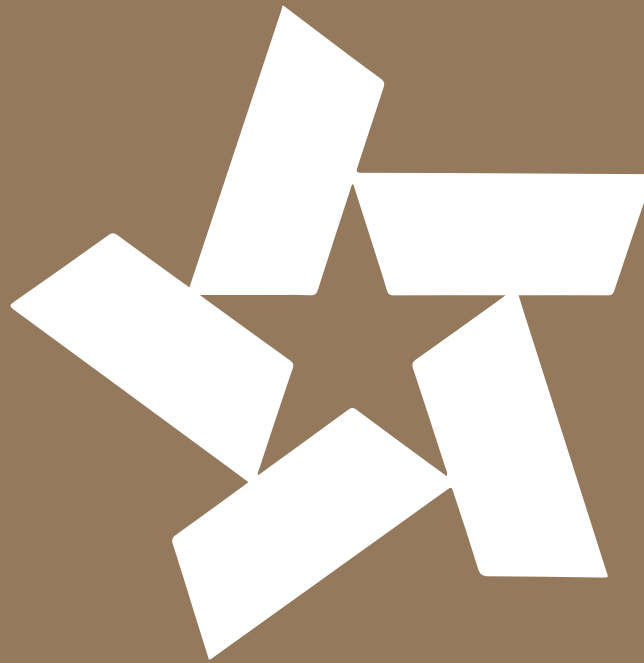
**Mr. Patrick Rose**  
San Marcos

**Mr. Eric Smith**  
Stonewall

**Mr. Ryan Thomason**  
San Marcos

**Mr. Mark Tidwell**  
Blanco

**Mr. Shane Watts**  
Driftwood



## **SENIOR ADVISORY BOARD MEMBERS**

### HILL COUNTRY



# BANKING OPENED



## **203 S Jackson Rd. Edinburg, Texas**

Architect - Megamorphosis  
Interior - Valley Designs

Features  
TRB Room  
Drive Thru



## **3275 Boca Chica Blvd. Brownsville, Texas**

Remodel - Red Door Contractors  
Interior - Valley Designs

Features  
TRB Room  
Drive Thru

# NEW BRANCH CENTERS OPENED IN 2018

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**333 Hwy. 290 E. Ste 305  
Dripping Springs, Texas**

Permanent location coming 2019



**1213 Ranch Rd. 620 S  
Ste 100  
Lakeway, Texas**

Interior - Valley Designs

Features  
TRB Room

## 6770 W Interstate 2, Harlingen, Texas



Building Design - OrigoWorks  
Architect - ROFA  
Interior - Valley Designs

### Features

- 1st Floor Bank
  - TRB Room
  - Mortgage
  - Wealth Management
  - Private Client Services
  - Drive Thru
- 2nd Floor Human Resources
  - Marketing
  - Financial Accounting
  - Foreign Exchange
  - Credit Department
- 3rd Floor Lease Space
- 4th Floor Boardroom
  - Executive Offices



## 310 Wonder World Dr. San Marcos, Texas



Architect - Jackson & McElhaney  
Interior - Valley Designs

Features  
TRB Room  
Community Boardroom  
Drive Thru





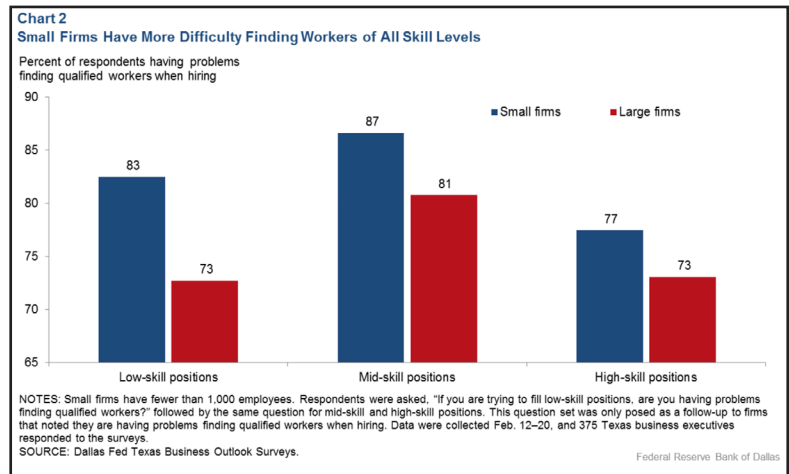
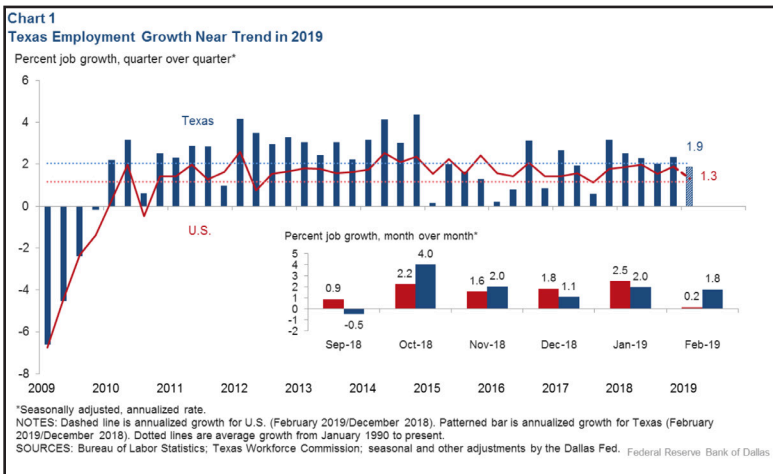
# ECONOMIC REPORT

JOHN TIPPIT | INVESTMENT ADVISOR

Texas has the second largest economy in the nation and recently surpassed Canada to become the 10th largest economy in the world. The Texas economy continues to play a central role in the national economic expansion that is now approaching a record 10 years.

Nationally, capital investment in the energy and tech sector's continues to drive overall business investment, and Texas stands to benefit more than any other state given the outsized proportion of these business located in the state. 2018 will likely be remembered as the year the U.S. became a net exporter of oil, primarily as a result of surging production in West Texas. This trend will continue in 2019 despite recent commodity price headwinds. Moreover, as tech investment continues to disperse beyond Silicon Valley, Texas will continue to cement its status as one of the world's largest and fastest growing tech hubs.

At the beginning of 2019, economic activity moderated but remained positive in Texas. Texas exports remained steady as products shifted from China to other economic partners, but the ongoing dispute between the world's two largest economies could contribute to waning global activity. Political tension and gridlock in Washington added to the current state of uncertainty.



## Activity Remains Strong, Growth Moderates

Texas added jobs at a moderate 1.9 percent annualized pace in the first two months of the year, down slightly from 2.4 percent in fourth quarter 2018. Employment growth during the first quarter has been close to Texas' long-term trend and above the nation's 2019 year-to-date growth of 1.3 percent (Chart 1).

The Texas employment forecast suggests the number of jobs will grow 1.5 percent this year (December over December), below the 2.3 percent rate in 2018. Employment expansion during the first two months of 2019 was in line with expectations.

Texas Business Outlook Surveys (TBOS) data suggest economic growth remains steady but at lower levels than last year when TBOS indexes of economic activity were higher. While growth in manufacturing production and service sector revenue are at long-term averages, retail sales are well below average.

## Tight Labor Market Likely to Restrain Hiring

There has been improvement in economic expectations for 2019, following a dramatic deterioration in company outlooks in December. Among TBOS firms, 48 percent plan to increase employment over the next six to 12 months. Manufacturers are the most bullish on employment expectations, with 57 percent planning to increase headcounts this year, compared with 44 percent of services firms and 36 percent of retailers planning to hire more people.

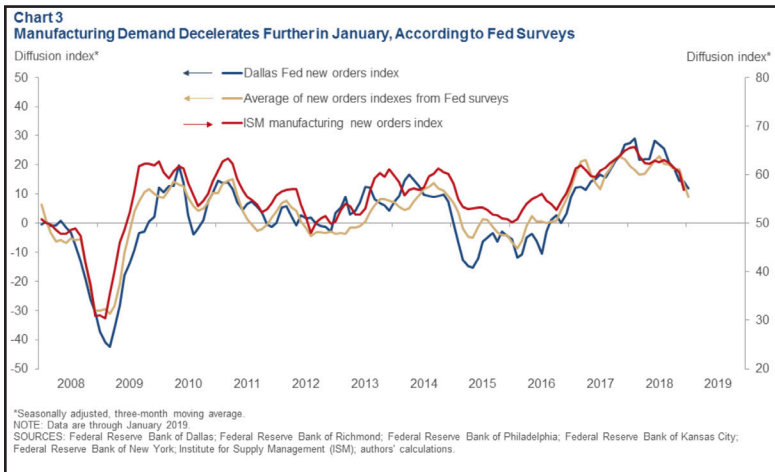
However, plans to increase payrolls may not fully materialize due to tight labor conditions; 65 percent of surveyed firms said finding qualified employees is a problem.

Small firms, which reported difficulty finding workers at all skill levels, appear particularly affected (Chart 2). For both small and large firms, the mid-skill labor market—defined as typically requiring some college or technical training—appears to be the tightest.



## Manufacturing Activity Solid but Slowing

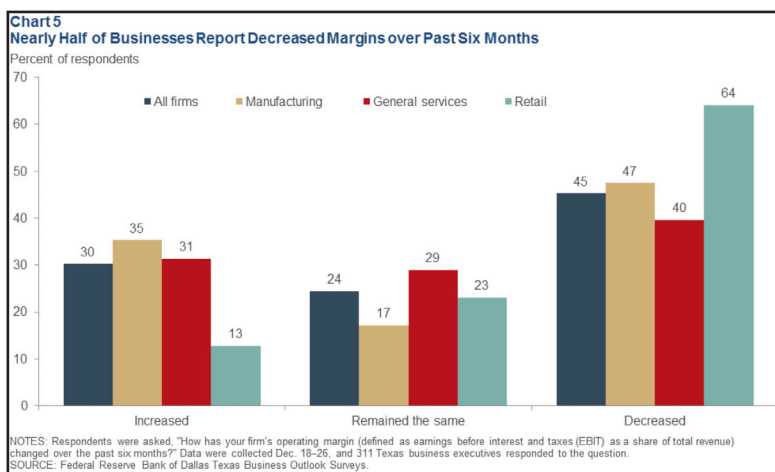
The Texas manufacturing sector remains strong, although production growth appears to be moderating for both durables and nondurables. The marked slowdown in manufacturing is not limited to Texas, as the new orders indexes from the four other Federal Reserve Banks' manufacturing surveys also declined (from high levels) in December and January, and the national Manufacturing ISM Report for Business came in weaker than expected at year-end (Chart 3).



## Texas Businesses Report Narrower Margins

Results from the December TBOS shed some light on why selling price growth is not keeping pace with wage and other input price increases. While a majority of survey respondents noted passing at least some of their costs on to customers, only 8 percent said they were passing all cost increases through, compared with nearly a quarter of firms who reported not passing on any of their higher costs.

With Texas businesses reporting selling price growth lagging input price growth, it's not surprising that 45 percent of respondents to December's TBOS special questions noted decreased operating margins over the past six months (Chart 5). Thirty percent reported increased margins, while almost a quarter noted no change. Margin erosion appears particularly severe in the retail sector, with nearly two-thirds of respondents reporting lower margins versus six months ago. Retail contacts point to internet pricing putting downward pressure on prices, particularly for auto dealers.



## Exports

The real (inflation-adjusted) value of Texas exports reached \$315 billion in 2018. Energy-related products, including oil, gas, petroleum products (mainly gasoline) and petrochemicals led the way. While energy-related exports grew 32 percent last year, Texas exports absent energy-related products only grew 2.3 percent.

The overall export outlook may weaken in the near term as Texas business contacts continue noting a negative impact from trade policy, a strong dollar (which makes U.S. products more expensive in foreign local markets) and slower global growth.

Trade policy uncertainty could spike again this year as ratification of the United States–Mexico–Canada Agreement (the successor to the North America Free Trade Agreement) works its way through the three countries' legislative processes. Additionally, U.S. authorities face a May 20 deadline to decide whether to impose tariffs on imports of passenger vehicles and automotive parts. Such a determination—following a "Section 232 Investigation" by the U.S. Commerce Department at the direction of the Trump administration—must determine if such imports are weakening the U.S. economy and impairing national security.

## Housing Picks Up

Existing-home sales rebounded in February, following sluggish activity in the fourth quarter and a dip in January. A lack of inventory at lower price points (under \$300,000) is restraining sales.

By contrast, housing contacts noted a pickup in traffic and new-home sales in the first two months of 2019, following a slowdown at year-end. Sales notably ticked higher in Austin and Dallas–Fort Worth. Outlooks have largely improved, although a few contacts said it is too early to tell whether the recent uptick would translate into a good spring market.

## Stock Market Volatility – Stay the Course with your Investments

The New Year has brought with it a new wave of optimism, with equities rallying strongly across the world. The sell off during the fourth quarter of 2018 was caused predominantly by concerns with the China trade war, fears of higher interest rates, and broader worries of a slowdown in global growth. The Federal Reserve reacted to market weakness and weaker global growth by becoming more patient. This rally in stocks signals that the market expects the Fed to remain patient throughout 2019.

This market volatility highlights the importance of staying invested through all market cycles and not trying to 'time the market'. A panicked investor that sold during the fourth quarter of 2018 has missed a major rally back to all-time highs in 2019.





# CHIEF FINANCIAL OFFICER REPORT

LINCOLN TALBERT | CHIEF FINANCIAL OFFICER

## Asset Growth

In 2018, Texas Regional Bank expanded the franchise with new locations in the Rio Grande Valley and the Hill Country. We had continued asset growth above peers in both regions, ending the year with \$890.4 million in total assets, an increase of \$44.4 million over 2017.

We believe in safe, sound, profitable growth and creation of true and lasting relationships with the communities we serve. We focus continually on building our team with people you know, enhancing our balance sheet, and implementing the right controls to successfully expand the organization.

## Loan Growth

Our loan portfolio grew \$47.7 million, or 10.1% from the prior year, through the addition of new customer relationships. We are well positioned to increase and strengthen the loan portfolio with quality assets in the coming year.

## Net Income and Shareholder Value

This was another record year for profits with 59.3% growth in earnings to an all-time high of \$6.4 million in net income. The securities portfolio grew to \$249.5 million in 2018. Average portfolio yield increased 10.36%.

We are proud to have achieved record earnings while continuing to invest in the company's future. Mortgage and Private Client Services are good examples of investments in human capital to position us for future growth. We are beginning to realize revenue from these new divisions and expect strong returns on investment in the coming years.

In 2018 we were very focused on becoming more efficient and reducing costs in order to favorably impact the bottom line. We improved our efficiency ratio by 1.57% to 76.67%.

By year-end, the total equity of Texas Regional Bank had increased by \$3.8 million to \$97.6 million. Strong earnings from the securities and loan portfolios, coupled with reduced expenses, added significant income to the bottom line.

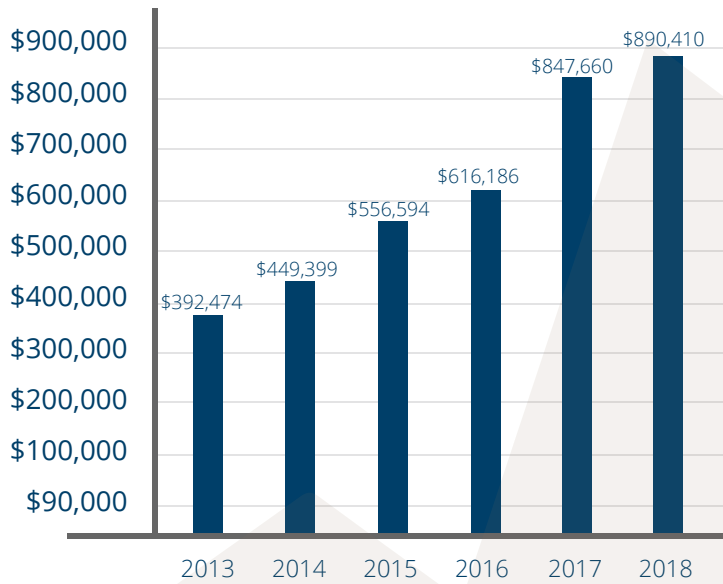
The Board is intent on creating long-term shareholder value. The company has tremendous momentum, multiple revenue streams, and solid franchise value. We look forward to additional growth and success in 2019.

	DEC-13	DEC-14	DEC-15	DEC-16	DEC-17	DEC-18
Assets	\$392,474	\$449,399	\$556,594	\$616,186	\$847,660	\$890,410
Net Loans	\$203,255	\$255,911	\$309,407	\$344,230	\$484,639	\$533,270
Deposits	\$342,118	\$396,576	\$503,002	\$559,570	\$749,720	\$777,217
Equity	\$46,590	\$49,187	\$50,795	\$52,225	\$93,738	\$97,577
Net Income	(\$307)	\$1,708	\$2,160	\$2,935	\$4,407	\$6,385
Loans to Assets	52%	57%	56%	56%	57%	60%
Loans to Deposits	59%	65%	62%	62%	65%	68%

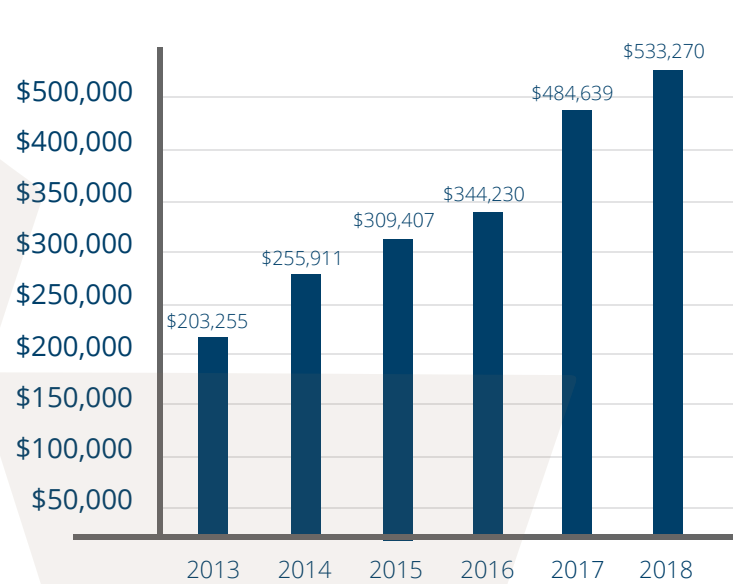


# FINANCIAL HIGHLIGHTS - TEXAS REGIONAL BANK

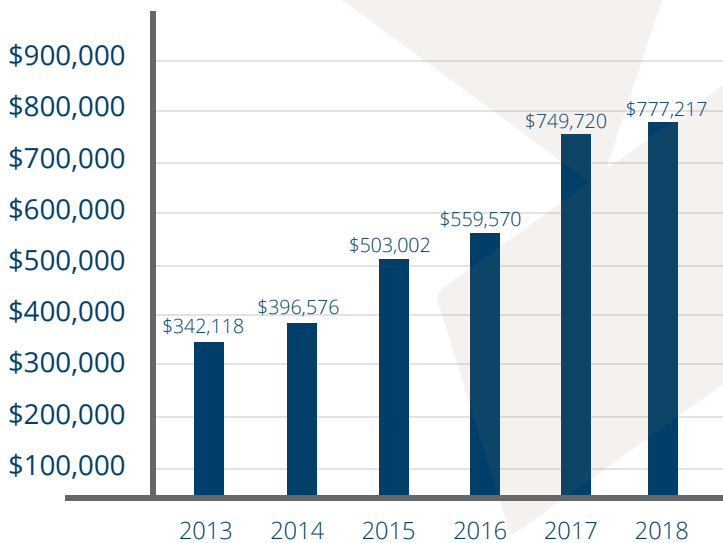
## Assets (in 000's)



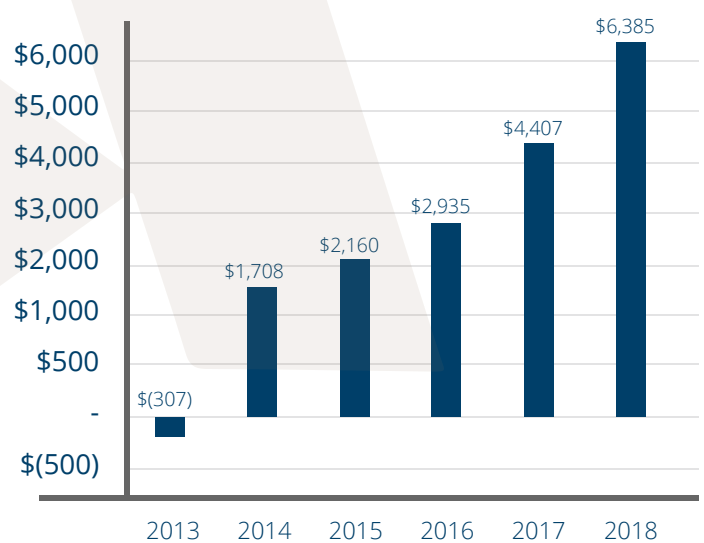
## Net Loans (in 000's)



## Deposits (in 000's)



## Net Income (in 000's)



The financial information above was derived from quarterly FFIEC Call Report filings to the Federal Reserve.



**TEXAS STATE BANKSHARES, INC. AND SUBSIDIARY**  
CONSOLIDATED BALANCE SHEETS

(Dollars in Thousands)

	2018	2017
<b>Assets</b>		
Cash and due from banks	\$ 23,619	\$ 33,414
Interest-bearing deposits in banks	871	22,125
Securities available for sale	249,490	245,301
Restricted investment securities	4,455	3,602
Loans - net of allowance for loan losses of \$5,877 (5,018 in 2017)	533,270	484,634
Premises and equipment - net	54,171	35,274
Accrued interest receivable	2,850	2,501
Intangible assets - net	10,893	11,283
Prepaid expenses and other assets	4,160	2,825
Cash surrender value of life insurance	5,323	5,187
<b>Total assets</b>	<b>889,102</b>	<b>846,146</b>
<b>Liabilities</b>		
Deposits:		
Noninterest-bearing	249,416	239,039
Interest-bearing	524,503	506,273
<b>Total deposits</b>	<b>773,919</b>	<b>745,312</b>
Junior subordinated debenture	2,578	2,578
Federal Home Loan Bank borrowings	11,799	943
Notes Payable	19,000	19,010
Accrued interest payable and other liabilities	3,100	2,967
<b>Total liabilities</b>	<b>810,396</b>	<b>770,810</b>
Commitments and contingencies (notes 7, 13, 14 and 15)		
<b>Stockholders' Equity</b>		
Common stock - \$1 par value; 20,000,000 shares authorized; 5,654,603 shares issued, 5,303,282 shares outstanding (5,302,182 shares outstanding in 2017)	5,655	5,641
Surplus	73,944	73,354
Retained earnings	12,707	7,134
Treasury stock - 351,321 shares at cost	(8,370)	(8,370)
Accumulated other comprehensive income (loss)	(5,230)	(2,423)
<b>Total Stockholders' Equity</b>	<b>78,706</b>	<b>75,336</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 889,102</b>	<b>\$ 846,146</b>


**TEXAS STATE BANKSHARES, INC. AND SUBSIDIARY**  
 CONSOLIDATED INCOME STATEMENT

(Dollars in Thousands)

	<b>2018</b>	2017
Interest income:		
Interest and fees on loans	\$ 30,238	\$ 26,297
Interest on investment securities	5,596	4,962
Interest on interest-bearing deposits in banks	257	397
	<hr/>	<hr/>
Total interest income	36,091	31,656
Interest expense	5,248	3,725
	<hr/>	<hr/>
Net interest income	30,843	27,931
Provision for loan losses	1,336	1,475
	<hr/>	<hr/>
Net interest income after provision for loan losses	29,507	26,456
	<hr/>	<hr/>
Noninterest income:		
Service charges and fees	3,490	3,048
Wealth management fees	3,051	2,734
Other	544	468
	<hr/>	<hr/>
Total noninterest income	7,085	6,250
Noninterest expenses:		
Salaries and employee benefits	18,088	15,641
Occupancy and equipment expenses	3,794	3,293
Other operating expenses	8,157	8,686
	<hr/>	<hr/>
Total noninterest expenses	30,039	27,620
	<hr/>	<hr/>
Income before federal income tax expense	6,553	5,086
Federal income tax expense	980	2,016
	<hr/>	<hr/>
Net income	\$ 5,573	\$ 3,070
	<hr/> <hr/>	<hr/> <hr/>

To the Board of Directors and Stockholders  
Texas State Bankshares, Inc. and Subsidiary

RSM US LLP

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Texas State Bankshares, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2018 and 2017; the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended; and the related notes to the consolidated financial statements (collectively, the financial statements).

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas State Bankshares, Inc. and Subsidiary as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*RSM US LLP*

San Antonio, Texas  
April 18, 2019

\*Audited financial statements available to Shareholders upon request.

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Texas State Bankshares, Inc. and Subsidiary  
Consolidated Annual Financial Report  
December 31, 2018 and 2017

To request a copy of report, please contact Adriana McElrath:  
[amcelrath@texasregionalbank.com](mailto:amcelrath@texasregionalbank.com) | 956-972-5421

# 20

**EST. May 1**

In 2020 Texas Regional Bank will celebrate ten years of call home and having lots of fun along the way. Thank you





# 2010 10 YEARS

July 10, 2010

relationship banking, growing in the communities we  
to you for making Texas Regional Bank your bank of choice.





# THE PEOPLE HELP IN OUR COM



# DO YOU KNOW PING COMMUNITIES





**“La Cima, a 2,400 acre master planned community, is bringing much needed residential inventory to San Marcos. They’ve dedicated a third of the property to parks, trails and open spaces making it an attractive place to call home. We’re proud to be part of what they are doing in our community.”**

**– Lance Spruiell, Hill Country Regional President**

**Eric Willis**  
**La Cima Project Manager**



 **BOARD OF DIRECTORS**

L to R: Michael Fallek, Bobby Farris, Bill Elliff, Tudor Uhlhorn, Michael Scaief, Brad Wolfe, Paul Moxley, Mark Richards, Carlos Varela

 **SENIOR EXECUTIVE TEAM**



Michael Scaief  
Chairman



Paul Moxley  
CEO/President



Michael Lamon  
Chief Credit Officer



Brent Baldree  
Chief Lending Officer



Lincoln Talbert  
Chief Financial Officer



Jason Leal  
Chief Administration Officer

 **The People You Know**



## OPERATIONS OFFICERS

### **Executive Vice President**

Rolando Carrasco – Chief Compliance Officer  
Ronda Johnson – Chief Innovation Officer  
Jason Leal – Chief Administration Officer  
Lincoln Talbert – Chief Financial Officer

### **Senior Vice President**

Belinda Cantu – BSA Officer  
Eduardo Caso – Private Client Services  
Jane Jansen – Compliance  
Adalia Moreno – Senior Operations Officer  
George Mukhar – Security & Central Operations Manager

### **First Vice President**

Sylvia Huerta – Merchant Services Sales Manager  
Adriana McElrath – Corporate Administration  
Ricardo Morales – Branch Administration  
Rita Rivas – Senior Financial Accounting Manager/CPA

### **Vice President**

Nick Consiglio – Marketing Director  
Diana Delaunay – Banking Center Operations Manager  
Mary Espinoza – Electronic Banking Manager  
Penny Lieck – Teller Operations  
Nelda Rodriguez – Executive Assistant  
Jackie Russell- Texas Freedom Club Director  
Flor Torres – Executive Assistant  
Norma L. Trevino – Banking Center Operations Manager  
Alma L. Villarreal – Private Client Services  
Felicia Villarreal – Business Development

### **Assistant Vice President**

Deborah Arfele – Central Operations Manager  
Judy Benson – New Accounts  
Kimberly Boren – Banking Center Operations Manager  
Adriana Carranco – Banking Center Operations Manager  
Roel J. Estringel – Senior Accounting Analyst  
Lori Lopez – Banking Center Operations Manager  
Omar Rodriguez – IT Officer  
Yvette Vasquez – Banking Center Operations Manager  
Rogelio Vela – Private Client Services  
Carie Williams – Human Resources Manager

### **Administrative Officer**

Cathy Brown – Administrative Officer  
Amara Cano – Banking Center Operations Manager  
Ana Garcia – Branch Administration  
Corina S. Garcia – New Accounts Representative  
Donna F. Martin – Teller Supervisor  
Monica Obregon – BSA Private Client Services  
Nelson Quinillo – Banking Center Operations Supervisor  
Kevin Schach – Software & Projects Specialist  
Amanda Soloman – Banking Center Operations Manager  
Steven Rodriguez – Branch Administration Field Operative  
Veronica Tarango – Branch Administration Field Operative  
Megan Weldon – Banking Center Operations Manager  
Dana Marie Wright – Banking Center Operations Manager



## LENDING OFFICERS

### Executive Vice President

Randy McLelland – Special Assets Officer

### Senior Vice President

Tom Clemmons – Mortgage Services  
David DeStefano – Lakeway Market President  
Fred L. Garza – Edinburg Market President  
Margie Karst – Loan Administration  
Anabel Navarro – Falfurrias Market President  
Erin Needham – Hill Country Senior Credit Officer  
Michele Robinson – Harlingen Market President  
Carlos A. Rodriguez – Brownsville Market President  
Keri Sandvig – Bulverde Market President  
Lance Spruiell – Hill Country Regional Market President  
Cesar Suarez – Mission Market President  
Mario Ysaguirre – Loan Officer

### First Vice President

Natalia Bury – Loan Officer  
Gaby Garza – South Texas Credit Officer  
Troy Gearhart – Loan Officer  
Elias Longoria – Loan Officer

### Vice President

Grant Buck – Loan Officer  
Rachelle Cisneros – Mortgage Operations Officer  
Diana De La Fuente – Lending Assistant  
Nora L. Koite – Loan Officer  
Carlos Garza – Loan Officer  
Olivia Garza – Loan Officer  
Sherry Hawkins – Loan Servicing  
Jason R. Hendrix – Loan Officer  
Annette Salinas – Loan Officer  
Laura Villarreal – Loan Officer

### Assistant Vice President

Jessica Adame – Senior Credit Analyst  
Nydia Bravo – Collateral Management Officer  
Olivia Contreras – Lending Assistant  
Laura Elizondo – Software & Project Specialist  
Micaela Garcia – Lending Assistant  
Gregory Lick – Loan Officer  
Patricia Juaristi – Credit Analyst/Loan Review Officer  
Jake Mann – Loan Officer  
Janie Martinez – Lending Assistant  
Calen McNett – Loan Officer  
Tayde Miller – Lending Assistant  
Juan Carlos Pena – Mortgage Loan Officer  
Idalia Pena – Loan Officer  
Margarita Rebollar – Lending Assistant

### Administrative Officer

Miriam Escobedo – Credit Analyst  
Danielle Horna – Lending Assistant  
Hilda Lazo – Lending Assistant  
Miriam Lozano – Lending Assistant

### Loan Officer

Bertha De La Garza – Mortgage Loan Officer  
Robert Donalson – Loan Officer  
Robert James, IV – Loan Officer  
Daniel Padilla – Loan Officer  
Stephany Price – Mortgage Loan Officer  
Matthew Schepper – Mortgage Loan Officer  
Chris Villarreal – Loan Officer



**TEXAS REGIONAL BANK**  
**2018 ANNUAL REPORT**