WestStar Bank
It's more than banking to us.

Western Express Vol. 23 No. 2 2nd Quarter 2012

To Our Stockholders, Valued Clients and Friends

One of the greatest pleasures of running a locally-owned and operated bank is being able to serve the people of our great community. As we enter our 22nd year, it's gratifying to reflect that WestStar Bank continues its tradition of providing a safe and secure source for all of your deposit and lending needs. As a bank with local roots and strong ties to the region, we understand that we thrive when our customers and community thrive.

Thus, it's vital we take care of our customers and look out for the best interest of our community. Beyond just providing quality products and services, we take care of our customers and community in a multitude of ways - from employing the very best personnel, to supporting premier community events, to utilizing the newest technologies and media to reach out to you.

We would like to congratulate Lisa Saenz, Controller and Senior Vice President, for her recent recognition as 2012 Chief Financial Officer of the Year by the El Paso Chapter of the Texas Society of CPA's. The CFO of the Year award is presented annually and recognizes a local financial leader who has demonstrated an outstanding fiscal performance in a business environment. In addition to being a certified public accountant, Ms. Saenz has over 15 years of experience and is responsible for the bank's financial, regulatory and tax reporting. She is also actively involved in the community and serves on the Investment Committee and Audit Committee of the El Paso Del Norte Foundation and Board of Trustees for St. Clement's Parish School.

Additionally, we're very pleased to announce the continuation of our title sponsorship of the Don Haskins Sun Bowl Invitational. In 2009, as Bank of the West, we assumed corporate sponsorship of the invitational for a three-year contract, which ended last year. By aligning with the Sun Bowl Association in sponsoring this legendary tournament for an additional five years, we're provided a fabulous way to take part in one of El Paso's signature winter events as well as share our passion for basketball with area fans. Mark your calendars to join us December 22nd and 23rd, 2012 at the Don Haskins Center for some exceptional basketball.

Lastly, WestStar Bank recognizes that social media has fundamentally changed the way we interact, offering new opportunities to engage in two-way conversations with customers, colleagues, and the world at large. With our new Facebook page, we're excited to have a platform where we can connect with you and hear from you, too. On our custom-designed page [facebook.com/weststarbank], you can post comments, questions, or simply say "hello". As part of our kick-off, we're running a promotion encouraging visitors to join our social network community and interact with us online. Now through September 14th, by simply entering our sweepstakes on our Facebook page, you could win a new iPad! Please be sure to check our page regularly for exclusive news, updates, and promotions.

In closing, on behalf of everyone at WestStar Bank, we'd like to say "thank you" to you, our valued stockholders and customers, for your continued loyal support and confidence. Rest assured that as our bank continues to grow, you can count on us to keep our focus where it belongs – on you and our community.

Sincerely,

L. Frederick Francis
Executive Chairman
Tel. (915)747-1626

Larry L. Patton
President & CEO
Tel. (915)747-1002

Officers and Branch Managers

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Executive Chairman

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President,
Chief Executive Officer

Bob J. Danley
Executive Vice President,
Operations
Chief Financial Officer

Burt Blacksher
Executive Vice President,
Lending
Chief Credit Officer

David W. Osborn
First Senior Vice President,
Chief Lending Officer

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First Senior Vice President

Michael Gore
First Senior Vice President

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Branch Manager, Paisano

Xavier Parra
Branch Manager, Hondo Pass

Mark Fischer
Financial Advisor, Investment
Brokerage Through Raymond
James Financial Services Inc.

WestStar Bank

Comparative Balance Sheet
June 30, 2012 (UNAUDITED) (000'S)

	6-30-12	6-30-11	6-30-10	6-30-09
ASSETS				
Cash & Deposits in Banks, Non-Interest	$ 15,549	13,755	14,445	12,643
Deposits in Banks, At Interest	3,764	58,553	14,749	24,205
Investment Securities	378,287	234,334	263,926	194,338
El Paso Loans and Leases, Net of Unearned Income	619,261	604,352	557,107	541,259
Less: Allowance for Losses	(8,006)	(8,797)	(7,230)	(4,253)
Premises and Equipment, Net of Depreciation	13,790	12,731	12,933	11,925
Intangible Assets	259	609	944	1,115
Interest Receivable & Other Assets	12,292	9,468	10,293	7,991
TOTAL ASSETS	$ 1,035,196	925,005	867,167	789,223
LIABILITIES				
Demand Deposits	268,152	222,911	195,595	170,569
NOW Accounts	116,695	104,455	84,394	76,724
Savings & Money Market Accts.	308,897	275,689	266,868	221,611
Deposit Certs. under $100,000	52,581	55,040	56,162	58,202
Deposit Certs. over $100,000	190,101	185,580	181,150	165,785
Total Deposits	$ 936,426	843,675	784,169	692,891
Other Borrowed Money	7,816	966	7,771	29,285
Int. Payable & Other Liabilities	2,507	2,426	1,646	2,269
TOTAL LIABILITIES	$ 946,749	847,067	793,586	724,445
CAPITAL				
Common Stock	7,110	7,110	7,110	7,110
Common Surplus	36,890	36,890	36,890	36,890
Earned Surplus	36,373	29,804	24,990	18,793
Net Unrealized Holding Gains (losses) on Available for Sale Securities	8,074	4,134	4,591	1,985
TOTAL CAPITAL AND SHAREHOLDER'S EQUITY	$ 88,447	77,938	73,581	64,778
TOTAL LIABILITIES & CAPITAL	$ 1,035,196	925,005	867,167	789,223

WestStar Bank
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Board of Directors

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President
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Owner, President
Castro Enterprises, Inc.

Bob Danley
Executive Vice President - Operations, CFO
WestStar Bank

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Executive Chairman
Western Refining Company, L.P.

L. Frederick (Rick) Francis
Executive Chairman
WestStar Bank

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Chairman,
Chief Executive Officer
Hunt Companies, Inc.

Meyer Marcus
Chairman
MIMCO, Inc.

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General Partner Manager
A.R.M. Farms, Ltd.

Larry L. Patton
President, CEO
WestStar Bank

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Maria F. Teran
President
Sierra Machinery, Inc.

Cal Cocke (Skip) Trammell
Executive Director
War Eagles Air Museum

Directors Emeritus

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Tom G. Hussmann

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10400 Montwood Drive

Montwood/Zaragosa
12101 Montwood Dr.

Viscount/Golden Key
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