



**Southwest Bank of Texas Survey Reveals  
Positive Outlook for Houston Economy**

--Increases in hiring and capital spending on the horizon--

HOUSTON (May 10, 2004)...A survey of Houston-area business owners and decision makers shows rising confidence in the local economy, according to results from the Southwest Bank of Texas Post Card Survey.

Within the next six months, 54 percent of respondents anticipate an increase in capital spending and 50 percent anticipate an increase in the number of people employed by their company. Overall, 76 percent cite better conditions in their industry compared to one year ago and 81 percent predict that within the next six months, the Houston-area economy will be better than it is today.

"The economic trend line for the Houston area has been inching upward over the last several quarters," said Paul B. Murphy, Jr., CEO of Southwest Bank of Texas. "We hope that these results signify, at the very least, pending momentum for our economy."

One company with upcoming plans for increased capital spending is Vulcan Finned Tubes, a piping fabricator for a variety of industries. The Company has outgrown its current facility and will soon begin construction on a 45,000 square-foot facility on the northeast side of Houston.

"There has been a significant increase in sales and orders, which started in the 4<sup>th</sup> quarter of last year and continues today," said Mike Soulant, president of Vulcan Finned Tubes. "We've added three people to our payroll in the last few months to respond to this demand and to add muscle to our shop. After what the economy has done in the last three years, we remain cautiously optimistic about prospects for the region."

Complete survey findings include:

How do current business conditions in your industry compare to conditions one year ago?	Better – 76%	Worse – 6%	No Change – 19%
How would you rate the overall Houston economy today compared to one year ago?	Better – 81%	Worse – 0%	No Change – 19%
How do you predict business conditions in your industry to be 6 months from now?	Better – 81%	Worse – 4%	No Change – 15%

How do you predict the Houston-area economy will compare 6 months from now to today?	Better – 81%	Worse – 4%	No Change – 15%
Do you anticipate an increase or decrease in capital spending within the next 6 months?	Increase – 54%	Decrease – 2%	No Change – 44%
Do you anticipate an increase/decrease in the number of people employed by your company within the next 6 months?	Increase – 50%	Decrease – 4%	No Change – 46%

The unscientific survey was distributed by mail to 200 customers and prospects identified as the owner or decision maker within their organization. The survey had a response rate of approximately 25 percent.

*Editor's Note: Other interview sources are available, including customers and lenders at Southwest Bank of Texas.*

About Southwest Bancorporation of Texas, Inc.

Southwest Bancorporation of Texas, Inc., the parent company of Southwest Bank of Texas N.A., is the largest independent bank holding company headquartered in Houston, Texas. The Company focuses on commercial lending, treasury management and investment services for businesses, private financial management and trust services for families and individuals, and retail and mortgage banking services. The Company, with \$6 billion in assets, has 50 full-service branches located throughout the Houston and Dallas metropolitan areas.

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