

★ Q1 2008



Patriot Perspectives

WHAT'S NEW

VIP Checking for Patriot Shareholders

Take pride in ownership and take advantage of our exclusive shareholder offer.

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patriot bank is now an \$840 million bank!

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new banks on the block

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banking on the go

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remote check scanning technology

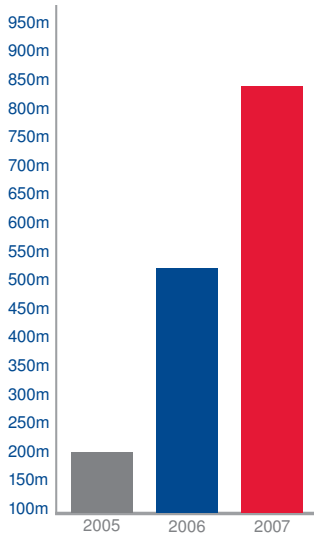
CASH MANAGEMENT

new additions

PATRIOT BANK IN CLEAR LAKE

grand opening party

TOTAL ASSETS



PATRIOT BANK'S YEAR IN REVIEW

Patriot Bank is now an \$840 million bank!

LOANS OUTSTANDING:

December 2007 was a record month for Patriot Bank—we set a new monthly loan growth record of \$47 million. The team generated 76 percent net loan growth in fiscal 2007 and loans outstanding increased from \$359 million to \$629 million over the last 12 months.

CREDIT QUALITY:

2007 ended on a positive note. Actual annualized loan dollars charged off in 2007 was approximately .08 of 1 percent—a phenomenal performance.

DEPOSITS OUTSTANDING:

Total deposits increased by 10 percent in December. On the last day of 2007, total deposits outstanding were \$759 million, which represented a 66 percent increase from the year-end balance of \$458 million on the last day of 2006.

TOTAL ASSETS:

Overall, 2007 was an incredible growth year as total assets increased 67 percent. Patriot Bank now has approximately \$840 million in total assets. Total assets increased \$68 million during the month of December alone.

NET INCOME:

In 2007, Patriot Bank generated a net profit of \$4.2 million, which was a 67 percent increase over the net income generated in fiscal 2006.

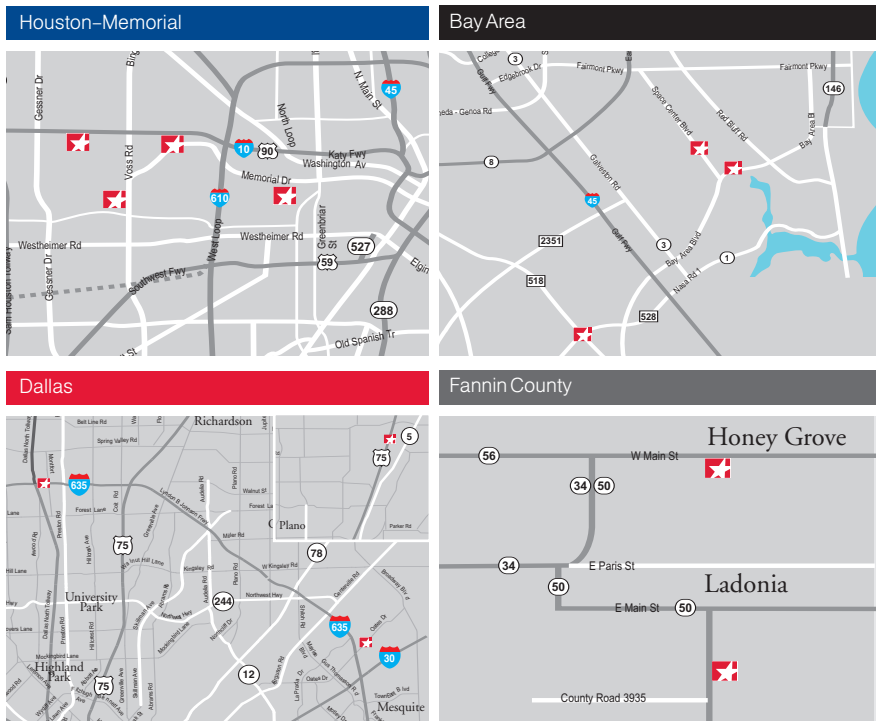
Our Annual Meeting of Shareholders will occur Thursday, April 3rd. Look for the official announcement to be mailed soon.

Patriot Expansion

Patriot has more new banks on the block

We have added more banking facilities to our ever growing line up. We are now up to 12 branches!

1. 7500 San Felipe, Suite 125, Houston, TX 77063
2. 5900 Memorial Drive, Suite 100, Houston, TX 77007
3. 9545 Katy Freeway, Suite 100, Houston, TX 77024
4. 8301-A Katy Freeway, Houston, TX 77024
5. 102 West Parkwood, Friendswood, TX 77546
6. 16055 Space Center Blvd, Suite 180, Houston, TX 77062
7. 2424 Bay Area Blvd, Houston, TX 77058
8. 5430 LBJ Freeway, Suite 210, Dallas, TX 75240
9. 1438 Oates Drive, Mesquite, TX 75150
10. 700 Central Expressway S, Suite 120, Allen, TX 75013
11. 01 W. Side Plaza, Ladonia, TX 75449
12. 201 West Main, Honey Grove, TX 75446



Patriot Community

PATRIOT BANK PLAYED SANTA IN 2007

Our hats are off to all of our friends, customers and team members who donated to the 2007 Pass the Cheer toy drive. Over the holidays, Patriot Bank paired up with Starbucks to collect unwrapped toys and books to donate to patients at Texas Children's Hospital. Patriot Bank was selected as the only bank in metro Houston to participate in Pass the Cheer and our involvement and generous underwriting for the event contributed substantially to the donation of thousands and thousands of toys for children receiving treatment in the hospital. We are also proud to financially support the Houston Junior League, the Spring Branch Education Foundation, and the M.D. Anderson Volunteer Endowment for Patient Support.

Service Matters

Still rather pick up the phone to get your account status than log on to our website? Convenience Banking at Patriot offers telephone banking for our clients on the go and gives you 24-hour account access at **1-877-536-BANK**. Its just another way that you can do your banking when you want, from whatever location you are in. With Patriot Bank you have the freedom to bank how you want.

With Convenience Banking From Patriot You Gain Access To:

- Account Balance Information
- Money Market Information
- Savings Account Information
- Transfer Funds between Patriot Accounts
- Loan Information
- Make Loan Payments
- CD or IRA Information
- Get Information on Patriot Bank Locations
- Verify Available Funds



Mobile Banking

Mobile Phone Banking Banking on the Go!

This month, Patriot Bank is rolling out a brand new service called Mobile Banking. It doesn't get much easier or more convenient. Once enrolled, Patriot Bank will provide the customer a link to set up on their web-enabled mobile phone and they can begin accessing and viewing accounts, including:

- Transaction History
- Account Balances
- Transfer Funds
- Pay Bills

Patriot FreedomLink™

If you haven't tried our greatest innovation in business banking, it's time you do! **Patriot FreedomLink™** remote check scanning technology makes deposits easier than ever before. You scan in checks and make instant deposits right from your own desk. No more driving to the branch to make deposits in person. No more waiting to consolidate deposits. Make business deposits when you want, from your desk. The **Patriot FreedomLink™** remote check scanning device is simple to use and can be easily installed to your desktop computer. For \$535.00, you get the remote scanning desktop device and corresponding software. Currently, we are offering Free Business Checking for Life when you purchase the scanner. You get freedom from business banking fees and freedom from the hassle of making "live" deposits. Call one of our business bankers at 713-400-7100 or go to www.patriotbankusa.com for more information on the ways that **Patriot FreedomLink™** can help expedite your deposits today. **Drive free banking; now open 24 hours a day!**

Patriot Cash Management

We have new additions to our cash management services. Visit patriotbankusa.com for more information on the following products:

- Automated Clearing House (ACH)
- Wire Transfer
- Positive Pay
- Merchant Services
- Freedom Remittance
- Cash Vault Services
- Correspondent Depository Services
- Zero Balance Accounts
- eStatements
- Patriot online banking

Patriot Promotions



What's New VIP Checking for Patriot Shareholders

Take pride in ownership and take advantage of our exclusive shareholder offer. You've already made one wise decision by investing in Patriot Bank. Make another smart move—open an account with us and watch your investment grow. Enjoy VIP perks including:

- Free travelers checks
- Free cashiers checks
- Free overdraft privilege
- Free online banking
- Special discounts on personal lines of credit
- Access to luncheons, seminars and investor meetings
- **Free iPhone to take advantage of our new Mobile Phone Banking after your first year as a VIP Checking customer***

*Must make 10 debit card transactions a month. Must be an online banking and mobile banking user.



A soiree celebrating the opening of Patriot Bank in Clear Lake

A crowd of more than 300 customers, local leaders, associates and friends filled the foyer of Patriot Bank in Clear Lake for the grand opening of the new facility. Guests enjoyed fabulous fare and cocktails from Grand Finale Catering while they tapped to the tunes of Johnny Felder. Dubbed "The Singer" Felder can imitate any male vocalist past and present. The Patriot crew from the San Felipe location stopped in for the celebration, including Chairman Don Ellis and his wife, Misty, Rebecca Schany, Dan Platt, Jim Franer and Dave Rinehart. Folks from the Friendswood branch and Clear Lake's co-managers Mike Huss and Frank Law were also mixing and mingling at the new location.