



Friday, June 30, 2006

Press Release  
FOR IMMEDIATE DISTRIBUTION  
Atlanta, Ga., June 29 2006

Contact: Luz Urrutia - luz@elbancofinancial.com 404-925-7066

## TEXAS BANKING COMPANY INVESTS IN ATLANTA BASED LATINO FINANCIAL INSTITUTION AND CONTRACTS FOR SERVICES

Yesterday El Banco Financial Corporation ("EBF") and Woodforest Financial Group ("WFG") signed an agreement that resulted in an investment and a data processing relationship. Woodforest National Bank, a subsidiary bank of WFG, will install El Banco Financial Group's proprietary data processing platform for check cashing, called Conexión El Bancosm, in all of its more than 200 in-store Wal-Mart branches currently in Texas, North Carolina, Virginia and Ohio. In addition, WFG made a significant investment in the Latino financial services company based in Roswell, Georgia.

Since early 2005, Woodforest National Bank has been piloting the processing platform in 20 of its Texas branches. Julie Mayrant, EVP of Woodforest National Bank commented "we really wanted to expand our in-store check cashing services to attract new customers and to better serve our current customers. We found El Banco to have the best overall platform for cashing a broad range of non-customer checks and decided to make it a part of our standard offering in all in-store branches."

Conexión El Banco is the same point of sale and processing platform utilized by El Banco de Nuestra Comunidad®, in all 12 of the branches it operates to facilitate all of its non-traditional services offered to the community, including check cashing. The system employs proprietary rules and algorithms along with a centralized risk management call center, to make check cashing decisions at the branch teller lines. El Banco has cashed over \$250 Million worth of checks utilizing this system with performance numbers that exceed the check cashing industry's averages. Drew Edwards, Chairman and CEO of El Banco Financial Corporation says "We believe that all banks in the country are moving toward serving both the Hispanic consumer and the un-banked US consumer. If they are to do that successfully, cashing checks is a big part of it. Our platform is the only one in the country that does what it does for banks."

As part of this transaction, Woodforest Financial Group has made an investment in Nuestra Loan LLC, which is an entity created to provide operating capital to El Banco. Edwards commented that "Woodforest is one of the fastest growing and most successful banks in the country with more Wal-Mart locations than any other bank. They are focused on the underserved consumer and we are very excited that our company and platform is something they would choose to be involved in."



#### About El Banco Financial Corporation

El Banco Financial Corporation, is a financial services company focused on the under-banked Latino market by offering a full array of non-traditional and customized traditional financial products in retail locations branded El Banco de Nuestra Comunidad® and through mainstream financial institutions who purchase the company's proprietary systems and intellectual property. El Banco currently has 138 employees - 115 of whom are immigrant Latinos - and a board of directors of 7 community and business leaders.

#### Forward Looking Statements

These statements constitute forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995), which involve significant risks and uncertainties. A variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements.

EBF does not assume any obligation to update these forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

Factors that might cause such a difference include, but are not limited to competition from both financial and non-financial institutions; changes in interest rates, deposit flows, loan demand and real estate values; changes in legislation or regulation; changes in accounting principles, policies or guidelines; the timing and occurrence (or non-occurrence) of transactions and events that may be subject to circumstances beyond the control of EBF; and other economic, competitive, governmental, regulatory and technological factors affecting EBF specifically or the banking industry or economy generally.

###