

CULLEN FROST BANKERS INC  
 Form 3  
 February 12, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * Â Kardys Richard (Last) (First) (Middle)  100 WEST HOUSTON STREET (Street)  SAN ANTONIO,Â TXÂ 78205 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 02/02/2007	3. Issuer Name and Ticker or Trading Symbol CULLEN FROST BANKERS INC [CFR]	4. Relationship of Reporting Person(s) to Issuer  (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) Group Executive Vice President	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock, \$0.01 par value	106,300	D	Â
Common Stock, \$0.01 par value	25,671	I	Through 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Employee Stock Option (right to buy)	09/22/2001	09/22/2008	Common Stock	18,000	\$ 24.16	D	Â
Employee Stock Option (right to buy)	11/05/2005	11/05/2008	Common Stock	5,000	\$ 33.3	D	Â
Employee Stock Option (right to buy)	10/01/2006	10/01/2009	Common Stock	7,500	\$ 38.12	D	Â
Employee Stock Option (right to buy)	Â (1)	10/12/2010	Common Stock	7,500	\$ 47.4	D	Â
Employee Stock Option (right to buy)	Â (2)	10/19/2015	Common Stock	10,500	\$ 50.01	D	Â
Employee Stock Option (right to buy)	Â (3)	10/24/2016	Common Stock	10,500	\$ 57.88	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kardys Richard 100 WEST HOUSTON STREET SAN ANTONIO, TX 78205	Â	Â	Â Group Executive Vice President	Â

## Signatures

/s/ Richard  
Kardys

02/12/2007

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) 100% vesting at three (3) years from Grant Date of 10-12-2004.

(2) Vest 25% per year from Grant Date of 10/19/2005.

(3) Vest 25% per year from Grant Date of 10/24/2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.