

FEDERAL DEPOSIT INSURANCE CORPORATION

SUBJECT: Houston Bank and Trust, In Organization
Houston, Harris County, Texas
Application for Federal Deposit Insurance
Deposit Insurance Fund

ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act and relating to the application for Federal deposit insurance through the Deposit Insurance Fund for Houston Bank and Trust (Bank), a proposed new State Non-member bank to be located at 5333 Westheimer Road, Houston, Harris County, Texas, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Houston Bank and Trust for Federal deposit insurance and to establish a branch be and the same is hereby approved subject to the following conditions:

1. That initial paid-in capital of not less than \$35,000,000 is provided.
2. That the Tier 1 Capital to Average Assets ratio, as defined in Part 324 of the FDIC Rules and Regulation, will be maintained at not less than 10 percent (10.00%) throughout the first three years of operation, and an adequate allowance for credit losses will be maintained.
3. That any changes in proposed senior executive officers, proposed directors, or proposed ownership to the extent of 10 percent (10.00%) or more of stock, including new acquisitions of or subscriptions to 10 percent (10.00%) or more of stock, will be approved by the FDIC prior to the opening.
4. That, with respect to any proposed director or senior executive officer for whom a background check has not been completed; the depository institution will take such action as required by the regional director, if the FDIC objects to any such person based on information obtained through the background check.
5. That Federal deposit insurance will not become effective until the applicant has been granted a charter as a depository institution, has authority to conduct a depository institution business, and its establishment and operation as a depository institution has been fully approved by the Texas Department of Banking and the Federal Reserve Board.
6. That the depository institution will maintain adequate fidelity coverage.
7. That during the first three years of operation, prior to implementing an incentive compensation plan or other bonus plan that was not previously submitted, the depository institution will submit copies of, and obtain the appropriate Regional Director's written non-objection to the plan.
8. That the depository institution will obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective and submit to the appropriate FDIC office (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the depository institution's fiscal year; (ii) a copy of any other reports by the independent auditor, including any management letters, within 15 days after

their receipt by the depository institution; and (iii) written notification within 15 days when a change in the depository institution's independent auditor occurs.

9. That the bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with the U.S. Generally Accepted Accounting Principles.
10. That the depository institution will implement a CRA plan appropriate for its business strategy.
11. That during the first three years of operations, the depository institution will notify the appropriate FDIC Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.
12. The depository institution will operate within the parameters of the business plan submitted to the FDIC. During the first three years of operations, the institution will seek the prior approval of its primary federal regulator for any proposed major deviation or material change from the submitted business plan.
13. That until the depository institution is established, the FDIC will have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action.
14. That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted shall expire at the end of the said twelve month period.

Dated this 2nd day of April, 2025.

FEDERAL DEPOSIT INSURANCE CORPORATION

/ S /

By: J. Mark Love
Deputy Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Subject: Houston Bank and Trust
(In organization)
Houston, Harris County, Texas

Application for Federal Deposit Insurance

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act ("FDI Act") (12 U.S.C. § 1815), the Federal Deposit Insurance Corporation ("FDIC") received an Interagency Charter and Federal Deposit Insurance Application on behalf of Houston Bank and Trust ("Bank"), a proposed new community bank that will be located in Houston, Texas. The application is intended to establish a new state-chartered nonmember commercial bank. The organizers concurrently applied to the Texas Department of Banking for a state bank charter and received conditional approval on March 27, 2025, from the Texas Department of Banking to form a de novo commercial bank to be known as Houston Bank and Trust.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was initially published pursuant to the FDI Act on March 15, 2024. The Bank will be headquartered at 5333 Westheimer Road, Houston, Texas, 77056.

The organizers do not intend to establish a holding company. The opening capital of the Bank will be realized from a private offering of, at a minimum, 3,500,000 shares of common stock at a price of \$10.00 per share.

The Bank's Business Plan is for a community bank that provides banking services primarily in Houston, Texas, and the surrounding areas. The Bank will operate in the local market, offer traditional products and services, and serve the needs of small- and mid-size businesses and consumers in the community. The Bank will be managed by an experienced management team, including a diversified and knowledgeable Board of Directors who is committed to serving the local community.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals in the Business Plan. The Bank will be capitalized with an amount sufficient to achieve and maintain a Tier 1 Capital to Average Assets ratio, as defined in Part 324 of the FDIC Rules and Regulations, of not less than 10.00 percent throughout the Bank's first three years of operation. Moderate growth is projected, and future earnings prospects appear attainable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purposes of the FDI Act, and no undue risk to the Deposit Insurance Fund is evident.

Accordingly, based upon a careful evaluation of all available facts and information, and in consideration of the factors of Section 6 of the FDI Act, the Dallas Regional Director, pursuant

to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**DEPUTY REGIONAL DIRECTOR
DIVISION OF RISK MANAGEMENT SUPERVISION
FEDERAL DEPOSIT INSURANCE CORPORATION**