

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of)	CONSENT ORDER
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RELIANCE BANK)	FDIC-10-947b
DES PERES, MISSOURI)	
)	
(Insured State Nonmember Bank))	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for Reliance Bank, Des Peres, Missouri ("Bank"), under 12 U.S.C. § 1813(q).

Based on the findings set forth in the September 20, 2010, FDIC Report of Examination ("Report of Examination"), the FDIC determined that the requirements for an order under 12 U.S.C. § 1818(b) have been satisfied.

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "Stipulation to the Issuance of a Consent Order" ("Stipulation"), dated February 8, 2011, that is accepted by the FDIC. With the Stipulation, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law and/or regulation, to the issuance of this Consent Order ("Order") by the FDIC.

Based on the above, the FDIC hereby orders that:

1. **Maintain Qualified Management.**

(a) Within 60 days from the effective date of this ORDER, the Board shall develop a written Management Plan ensuring that during the life of this Order, the Bank shall have and retain qualified management. Management shall be provided the necessary written authority to implement the provisions of this Order. The qualifications of management shall be assessed on its ability to:

(i) comply with the requirements of this Order; all applicable State and Federal laws and regulations; FDIC and Federal Financial Institutions Examination Council policy statements; and the Bank's approved policies and procedures; and

(ii) restore and thereafter maintain the Bank in a safe and sound condition, including, but not limited to, capital adequacy, asset quality, earnings, management effectiveness, liquidity, and sensitivity to market risks.

(b) Upon completion, the Management Plan, and any revision thereto, shall be submitted to the Regional Director for the FDIC Kansas City Region ("Regional Director"), and the Commissioner for the Missouri Division of Finance (collectively, "Supervisory Authorities"), and shall be reviewed by the Board at least annually thereafter, and updated as necessary.

2. Charge-off of Adversely Classified Assets.

(a) Within 10 days of the effective date of this ORDER and within 10 days after the receipt of any future reports of examination of the Bank from either of the Supervisory Authorities, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" in the Report of Examination, and such future reports of examination that have not been previously collected or charged off.

(b) Elimination or reduction of assets through the proceeds of other loans or extensions of credit made by the Bank is not considered collection for purposes of this ORDER.

3. Reduction of Adversely Classified Assets.

(a) Within 60 days from the effective date of this ORDER, and 60 days from receipt of future reports of examination from either of the Supervisory Authorities, the Bank shall develop a written plan to reduce the Bank's risk exposure in each asset in excess of \$2,000,000 classified "Substandard" or "Doubtful" in the Report of Examination and in such future reports of examination. For purposes of this provision, "reduce" means to collect, charge off, or improve the quality of an asset so as to warrant its removal from such adverse classification.

(b) In developing the plans mandated by this paragraph, the Bank shall, at a minimum, review, analyze, and document the financial position of the borrower, including sources of repayment and repayment ability, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position. The Bank shall incorporate the recommendations to enhance collateral evaluations provided in the Report of Examination.

(c) The plans mandated by this provision shall include, at a minimum, the following:

(i) specific action plans intended to reduce the Bank's risk exposure in each classified asset;

(ii) a requirement that quarterly written progress reports be submitted to the Board; and

(iii) a requirement that the Board review the progress reports and record with a notation of the review in the Board's minutes at which such reports are reviewed.

(d) The Board shall approve the plans, which approval shall be recorded in the Board's minutes. Thereafter, a copy of the plan or portion thereof that pertains to a specific borrower shall be maintained in the borrower's credit file, and the Bank shall implement and fully comply with the plan.

4. Restrictions on Advances to Adversely Classified Borrowers.

(a) While this ORDER is in effect, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit or obligation with the Bank that has been, in whole or in part, charged off or adversely classified "Substandard" or "Doubtful" in the Report of Examination and is uncollected, or classified "Substandard" or "Doubtful" in any future reports of examination from either of the Supervisory Authorities and is uncollected. The requirements of this subparagraph (a) shall not prohibit the Bank from renewing any credit already extended to the borrower.

(b) Subparagraph (a) of this provision shall not apply if the Bank's failure to extend further credit to a particular borrower would be detrimental to the best interests of the Bank. Prior to extending additional credit pursuant to this subparagraph (b), whether in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by the Board, who shall conclude:

(i) the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank, with an explanation of why it would be detrimental;

(ii) that the extension of such credit would improve the Bank's position, with an explanatory statement of why the Bank's position would improve; and

(iii) an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

(c) The conclusions and approval made pursuant to subparagraph (b) of this provision shall be made a part of the minutes of the meeting of the Board, at which the extension of credit is approved, with a copy retained in the borrower's credit file.

5. Concentrations of Credit.

(a) Within 60 days from the effective date of this ORDER, the Bank shall develop a written plan for systematically reducing and monitoring the Bank's concentrations of credit ("Concentration Plan") as listed in the Report of Examination to an amount that is commensurate with the Bank's business strategy, management expertise, size, and location. At a minimum, the Concentration Plan shall include:

(i) Dollar levels and percent of capital to which the Bank shall reduce each concentration;

(ii) Timeframes for achieving the reduction in dollar levels identified in response to (i) above;

(iii) Provision for the submission of monthly written progress reports to the Bank's Board for review and notation in Board's minutes; and

(iv) Procedures for monitoring the Bank's compliance with the plan.

(b) Upon completion, the Bank shall submit the Concentration Plan to the Supervisory Authorities for review and comment. Within 30 days of receipt of all such comments from the Regional Director, and after consideration of all such comments, the Bank shall approve the Concentration Plan, which approval shall be recorded in the Board's minutes. Thereafter, the Bank shall implement and fully comply with the Concentration Plan.

6. Maintenance of Allowance for Loan and Lease Losses
("ALLL").

The Board shall review the Bank's ALLL at least once each calendar quarter. That review should be completed at such time to ensure that the findings of the Board will be properly reported in the Bank's Call Reports. Such reviews shall, at a minimum, incorporate the recommendations regarding the ALLL calculation provided in the Report of Examination and be made in accordance with the Call Report Instructions, the Interagency Statement of Policy on the Allowance for Loan and Lease Losses,

other applicable regulatory guidance that addresses the appropriateness of the Bank's ALLL, and any analysis of the Bank's ALLL provided by either of the Supervisory Authorities. The Board's review of the ALLL shall be documented in the Board's minutes.

7. Minimum Capital Requirements.

(a) While this ORDER is in effect, the Bank shall have and maintain the following minimum capital ratios (as defined in Part 325 of the FDIC's Rules and Regulations), after establishing an appropriate ALLL:

(i) Tier 1 "Leverage Capital Ratio" at least equal to 8 percent; and

(ii) "Total Risk-Based Capital Ratio" at least equal to 12 percent.

(b) In the event any ratio is or becomes less than the minimum required by subparagraph (a) of this provision, the Bank shall immediately notify the Supervisory Authorities and within 30 days shall: (1) increase capital in an amount sufficient to comply with subparagraph (a) of this provision, or (2) submit a written plan to the Supervisory Authorities for review and comment, describing the primary means and timing by which the Bank shall increase its capital ratios up to or in excess of the minimum requirements of subparagraph (a) above, as well as a

contingency plan, in the event the primary sources of capital are not available. Within 30 days of receipt of any such comments from the Regional Director, and after consideration of all such comments, the Board shall approve the written plan, which approval shall be recorded in the Board's minutes.

Thereafter, the Bank shall implement and fully comply with the written plan.

(c) Any increase in Tier 1 capital necessary to meet the requirements of this section may not be accomplished through a deduction from the ALLL.

8. Salary, Bonus, Management Fee, and Dividend Restrictions.

While this ORDER is in effect, the Bank shall not, without the prior written approval of the Supervisory Authorities: (a) increase salaries or pay bonuses for any "executive officer" as that term is defined in 12 C.F.R. § 215.2(e)(1); (b) pay any management fees; or (c) declare or pay any dividends.

9. Liquidity and Funds Management.

(a) Within 90 days from the effective date of this ORDER, the Bank shall review its liquidity, contingency funding, and interest rate risk policies and plans and develop or amend each as necessary. Said policies should address how the Bank will increase its liquid assets and reduce its reliance on volatile

liabilities for liquidity purposes and address the recommendations detailed in the Report of Examination. The policies shall incorporate the guidance contained in: Financial Institution Letter 13-2010, dated April 5, 2010, entitled *Funding and Liquidity Risk Management*; Financial Institution Letter 2-2010, dated January 20, 2010, entitled *FFIEC Advisory on Interest Rate Risk Management*; and the 1996 Joint Agency *Policy Statement on Interest Rate Risk*. Thereafter, the Bank shall implement and fully comply with those policies and procedures.

(b) On at least a monthly basis, the Board shall evaluate the Bank's liquidity for compliance with these policies and plans, and document its findings in the Board's minutes.

10. Brokered Deposit Restriction and Plan.

(a) Upon the issuance of this ORDER and so long as this ORDER is in effect, the Bank shall not accept, increase, renew, or rollover any "brokered deposits," as defined in 12 C.F.R. § 337.6(a)(2), without the prior written approval of the Supervisory Authorities.

(b) Within 30 days of the effective date of this ORDER, the Bank shall prepare a written plan for reducing its reliance on brokered deposits ("Brokered Deposit Plan"). The Brokered Deposit Plan shall detail the current composition of the Bank's

brokered deposits by maturity and explain the means by which such deposits will be paid. Upon completion, the Bank shall submit the Brokered Deposit Plan to the Supervisory Authorities.

11. Business/Strategic Plan and Profit and Budget Plan.

(a) Within 60 days from the effective date of this ORDER, and within the first 30 days of each calendar year thereafter, the Board shall develop a written three-year business/strategic plan and one-year profit and budget plan covering the overall operation of the Bank and its goals and strategies, consistent with sound banking practices, and taking into account the Bank's other written plans, policies, or other actions as required by this ORDER.

(b) The business/strategic plan shall provide specific objectives for asset growth, loan portfolio mix, market focus, earnings projections, capital needs, and liquidity position. The profit and budget plan shall include goals and strategies for improving the earnings of the Bank, including a written review of staffing needs, salaries, employee benefits, and specific strategies for reducing overhead expenses. The budget shall include a description of the operating assumptions that form the basis for and adequately support major projected income and expense components.

(c) The Board shall approve the business/ strategic plan and the profit and budget plan, which approval shall be recorded in the Board's minutes. Thereafter, the business/strategic plan and the profit and budget plan, and any subsequent modification thereto, shall be submitted to the Supervisory Authorities, and the Bank shall implement and fully comply with the plans.

12. Elimination and/or Correction of Violations of Law, Rules, and Regulations.

(a) Within 30 days from the effective date of this ORDER, and within 30 days from the receipt of any future reports of examination from either of the Supervisory Authorities, the Bank shall take steps necessary consistent with sound banking practices to correct the apparent violations of regulations cited in the Report of Examination and any violation of laws, regulations and/or rules in such future reports of examination, and shall adopt and implement appropriate procedures to ensure future compliance with all such applicable federal and state laws, rules, and regulations.

(b) For any violation that cannot be corrected, the Bank shall document the reason for such inability in the borrower's credit file, and the Board shall review and include copy of the documentation in the Board's minutes.

13. Technical Exceptions.

(a) Within 120 days from the effective date of this ORDER and within 120 days from the receipt of any future reports of examination from either of the Supervisory Authorities, the Bank shall correct the exceptions listed on the "Assets with Credit Data or Collateral Documentation Exceptions" pages of the Report of Examination and such future reports of examination.

(b) For any exception that cannot be corrected, the Bank shall document the reason for such inability in the borrower's credit file, and the Board shall review and include copy of the documentation in the Board's minutes.

(c) Progress reports detailing each outstanding exception and the Bank's plan for corrective action shall be submitted to the Board for review during each regularly scheduled meeting. The report shall be made part of, and the review noted, in the Board's minutes.

(d) From the effective date of this ORDER, the Bank shall ensure that the necessary supporting documentation is obtained and evaluated before any credit or loan is extended.

14. Disclosure of ORDER to Shareholder.

Following the effective date of this ORDER, the Bank shall provide a copy of this ORDER to its sole shareholder, (i) in conjunction with the Bank's next shareholder communication, and

(ii) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting.

15. Progress Reports Detailing Compliance with ORDER.

(a) Within 45 days of the end of the first calendar quarter following the effective date of this ORDER, and within 45 days of the end of each calendar quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form, manner, and results of any actions taken to secure compliance with this ORDER. Such written progress reports shall provide cumulative detail of the Bank's progress toward achieving compliance with each provision of the ORDER.

(b) Progress reports may be discontinued when the Regional Director has, in writing, released the Bank from making additional reports.

MISCELLANEOUS

The provisions of this ORDER shall not bar, estop or otherwise prevent the FDIC, or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC.

This ORDER shall be effective the 14th day of February, 2011.

FEDERAL DEPOSIT INSURANCE CORPORATION
Issued Pursuant to Delegated Authority

By: /s/
Mark S. Moylan
Deputy Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office