

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: California Republic Bank
Newport Beach, California

Application for Federal Deposit Insurance

ORDER

The FDIC has satisfactorily resolved the factors enumerated in section 6 of the Federal Deposit Insurance Act, as they relate to the application for Federal deposit insurance submitted by California Republic Bank, a proposed new bank to be located in Newport Beach, California. Accordingly, it is hereby ORDERED that the application be approved, subject to the following conditions:

1. Beginning paid-in capital funds shall not be less than \$30,000,000.
2. The institution's Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance from the institution's primary federal regulator) shall be maintained at not less than eight percent (8%) throughout the first three years of operation and an adequate allowance for loan and lease losses will be provided.
3. Any changes in proposed management or the proposed ownership of 10% or more of stock, including new acquisitions of or subscriptions to 10% or more of stock, shall be approved by the FDIC prior to opening.
4. During the first three years of operation, any proposed additions to senior management or the board of directors shall be submitted to the Regional Director for non-objection. Such notice shall be submitted at least 30 days prior to the proposed employment or election to the Board. In addition, any change in the duties or responsibilities of executive officers or directors shall receive the prior approval of the FDIC during the first three years of operation.
5. An accrual accounting system shall be adopted for maintaining the financial records of the institution.
6. Federal deposit insurance shall not become effective until the applicant is authorized to operate as a State bank by the appropriate State authority.
7. Where applicable, the applicant has submitted any proposed contracts, leases, or agreement relating to construction or rental of permanent quarters to the appropriate regional director for review and comment.

