

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Integrity Bank, S.S.B. (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 Integrity Bank, S.S.B., a proposed new state savings bank to be located at 4040 Washington Avenue, Houston, Harris County, Texas, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Integrity Bank, S.S.B., Houston, Texas for Federal deposit insurance be and the same is hereby approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$24,419,000 be provided;
- (2) That the Tier 1 capital to assets leverage ratio will be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided;
- (3) That any changes in proposed management or proposed ownership of 10% or more of stock, including new acquisitions of or subscriptions to 10% or more of the stock, be approved by the FDIC prior to opening;
- (4) That an accrual accounting system be adopted for maintaining the bank's books;
- (5) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter, has authority to conduct a depository institution business, and its establishment and operation as a depository institution has been fully approved by the appropriate state and/or federal authority;
- (6) That, if applicable, the applicant has submitted any proposed contracts, leases, or agreements relating to construction or rental of permanent quarters to the Regional Director for review and comments;
- (7) That, where applicable, full disclosure has been made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or then contemplated, including the identity of the parties to the transaction and the terms and cost involved. An insider is one who is or is proposed to be a director, officer, or incorporator of an applicant; a shareholder who directly or indirectly controls 10 or more percent of any class of the applicant's outstanding voting stock; or the associates or interests of any such person;

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STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815), an application for Federal deposit insurance has been filed for Integrity Bank, SSB, a proposed new state chartered savings bank to be located at 4040 Washington Avenue, Houston, Harris County, Texas. The bank will be owned by individuals and there will be no holding company.

The Bank intends to focus on traditional banking services with an emphasis on personal service. Credit and deposit services will be offered to all customers within its local community. The applicants are cognizant of and intend to fully comply with the Community Reinvestment Act.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed, and no undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR
DALLAS REGIONAL OFFICE
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**