

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: The Trust Company
San Antonio, Texas
Application for Federal Deposit Insurance
Deposit Insurance Fund
Application to Establish A Branch
Application for Consent to Exercise Trust Powers

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 applications for Federal deposit insurance through the Deposit Insurance Fund for The Trust Company, a proposed new bank to be located at 711 Navarro, Suite 750, San Antonio, Bexar County, Texas, to operate a branch at 116 W. Blanco, Suite 100, Boerne, Kendall County, Texas, and for consent to exercise trust powers, and has concluded that the applications should be approved.

Accordingly, it is hereby ORDERED that the applications submitted by The Trust Company, San Antonio, Texas, for Federal deposit insurance, to operate a branch at 116 W. Blanco, Suite 100, Boerne, Kendall County, Texas, and for consent to exercise trust powers, be and the same is hereby approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$7,180,000 be provided, of which not less than \$3,438,000 shall be allocated to common capital and not less than \$3,742,000 to surplus;
- (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 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;
- (6) That the bank shall operate within the parameters of the business plan submitted to the FDIC. Furthermore, during the first three years of operations, the bank shall notify the Regional Director of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change.

- (7) That a registered or proposed bank holding company has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the institution prior to its opening;
- (8) 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;
- (9) That the applicant will have adequate fidelity coverage;
- (10) That the bank will obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance coverage is effective, furnish a copy of any reports by the independent auditor (including any management letters) to the Dallas Regional Office within 15 days after their receipt by the bank, and notify the Regional Office within 15 days when a change in its independent auditor occurs;
- (11) That until the bank is established, the FDIC shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and
- (12) 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 at Dallas, Texas, this 5th day of April, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION

By:

/s/

Stan Ivie
Regional Director