

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Watermark Bank
(In organization)
Oklahoma City, Oklahoma County, Oklahoma

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 Watermark Bank, a proposed new state-chartered nonmember bank to be located at 921 NW 63rd Street, Oklahoma City, Oklahoma County, Oklahoma, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Watermark Bank for Federal deposit insurance is hereby approved subject to the following conditions:

1. That initial paid-in capital of not less than \$20,000,000 be provided.
2. That the Tier 1 capital to assets leverage ratio (as defined in the capital regulations of the FDIC) 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 senior executive officers, proposed directors, or proposed ownership to the extent of 10 percent or more of stock, including new acquisitions of or subscriptions to 10 percent or more of stock will be approved by the FDIC prior to the opening.
4. 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 appropriate State and/or Federal supervisory authority.
5. That full disclosure be 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 costs 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 (“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 Watermark Bank, a proposed new community bank that will be located in Oklahoma City, Oklahoma (“Bank”). The application is intended to establish a new state-chartered nonmember commercial bank. The organizers concurrently applied to the Oklahoma State Banking Department (OSBD) for a state bank charter and received conditional approval on August 29, 2018, from the OSBD to form a de novo commercial bank to be known as Watermark Bank.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was initially published pursuant to the FDI Act on May 15, 2018. The Bank will be headquartered at 921 NW 63rd Street, Oklahoma City, Oklahoma, 73116.

The organizers have not established a bank holding company. The opening capital of the Bank will be realized from a private offering of, at a minimum, 2,000,000 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 Oklahoma County, Oklahoma, and the surrounding areas. The Bank will operate in the local market offering traditional products and services, serving 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 assets leverage ratio, as defined in the capital regulations of the FDIC, of not less than eight percent (8.00%) 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.

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