




March 28, 2019

FILED
TERRI ROSS
COUNTY CLERK
2019 MAR 29 AM 11:09
UPSHUR COUNTY, TX.
BY 
DEPUTY

The Honorable Todd Tefteller
"RFP – Upshur County Bank Depository"
P.O. Box 790
Gilmer, Texas 75644

Dear Judge Tefteller,

Thank you for the opportunity to submit a bid for the Upshur County depository funds. We are pleased to enclose our bid to provide the Upshur County depository services as requested. This bid is valid for ninety (90) days.

We would welcome the opportunity to continue to provide efficient banking services that you expect and deserve. We are always available to assist in any way.

Should you have any questions about any of the information we have provided or need additional information on our bid, call 903/843-5574 extension 2301.

Again, thanks for the opportunity to submit this bid.

Sincerely,



Thomas Smith
AVP, Relationship Manager



Suzanne Fuller
AVP, Retail Office Manager

23 175450

Austin Bank
MEMBER FDIC

Texas N.A. (903) 759-3828

NOTICE TO CUSTOMER

THE PURCHASE OF AN INDEMNITY BOND WILL BE REQUIRED BEFORE ANY OFFICIAL CHECK OF THIS BANK WILL BE REPLACED OR REFUNDED IN THE EVENT IT IS LOST, MISPLACED OR STOLEN.

No. 656008
ORIGINAL COPY

REMITTER ★ Austin Bank

Date March 26, 2019

PAY ***** Ninety Four Thousand and 00/100*****

\$ 94,000.00

TO THE ORDER OF

★ Upshur County

CASHIER'S CHECK

[Signature]
[Signature]

⑆656008⑆ ⑆113103276⑆ ⑆5000017⑆

ORIGINAL

FEBRUARY 22, 2019



REQUEST FOR PROPOSALS

UPSHUR COUNTY, TEXAS

UPSHUR COUNTY BANK DEPOSITORY

REQUEST FOR PROPOSALS (RFP)
FOR

DEPOSITORY SERVICES		
RFP Issue Date: FEBRUARY 22,2019	RFP Manager: BRANDY VICK, COUNTY TREASURER	
RFP Date Due: MARCH 28, 2019 BY 5:00p.m.	Anticipated Opening Date: MARCH 29, 2019	Anticipated Award Date: APRIL 30, 2019

RFPs must be received by the submission deadline in a sealed envelope.
RFPs received after the deadline will not be accepted and will be returned unopened.
RFPs submitted by electronic transmission will NOT be accepted.
Respondents accept all risks of late submission delivery regardless of fault.

RESPONSES SHALL BE DELIVERED TO:

Upshur County Judge
"RFP - Upshur County Bank Depository"
P.O. Box 790
Gilmer, Texas 75644

Upshur County reserves the right to reject any and all submittals, and to waive any irregularity, informality, technicality, or deficiencies in the submittal and evaluation process. This RFP does not obligate Upshur County to pay any costs incurred by respondents in the preparation or submissions of their proposal. Furthermore, the RFP does not obligate the County to accept or negotiate a contract with any firm or individual for any expressed or implied services.

If the bank has questions regarding the application/bid, please contact Brandy Vick, County Treasurer at upshur.vick@yahoo.com or 903-680-8137.

REQUEST FOR PROPOSALS- Upshur County Bank Depository

TERMS AND CONDITIONS

The parties, Upshur County, Texas, a political subdivision of the State of Texas, (hereinafter referred to as "County") and Austin Bank (hereinafter referred to as "Vendor," "Offeror," or "Applying Bank"), hereby agree upon the following terms and conditions.

1. The Upshur County Commissioners Court is soliciting Proposals for furnishing services associated with a County depository bank as set forth in this Request for Proposal ("RFP").
2. Complete RFP's shall be placed in a sealed envelope and plainly marked "Proposal/Bid on County's Bank Depository" and delivered or mailed to the office of the Upshur County Judge, third floor of the Upshur County Courthouse, 100 W Tyler or P.O. Box 790 Gilmer, TX 75644 by 5:00 p.m., March 28, 2019.

A Commissioner's Court meeting will be held on March 29, 2019 to open the Proposals/Bids by the Commissioners Court.

Proposals must include one (1) original and four (4) copies. The original Proposal must be clearly marked "ORIGINAL" and contain all original signatures.

Proposals which are received after the specified time and date will not be considered and will be returned to the Offeror unopened.

RFP's must be in the possession of the County Judge by the time and date indicated above. The County will not be responsible for mail or delivery charges, or for charges associated with preparation of bid or bid materials.

Any applications not conforming to the specifications shall be rejected. It will be the responsibility of the Offeror to conform to the specifications unless deviations have been specifically cited by the Offeror and acceptance made by the County on the basis of the exception.

3. RFP's may be withdrawn at any time prior to the official opening. Alterations made before opening time must be initialed by Offeror guaranteeing authenticity. After the official opening, RFP's may not be amended, altered, or withdrawn without the recommendation of the Purchasing Office, the Treasurer's Office, and the approval of the Commissioners Court. All RFP's become the property of the County and will not be returned to the Offeror.
4. The County is exempt from federal excise and state sales tax: therefore, tax must not be included in this bid.
5. TERM OF CONTRACT: This contract will be for a two year period beginning June 1, 2019 through May 31, 2021, in accordance with Local Government Code 116.021
6. OPTION TO RENEW: This contract may be extended provided all terms and conditions, except for the contract period being extended or any price redetermination as authorized elsewhere in this contract, remain unchanged and in full force and effect. Option, if exercised, to be executed in the form of a Modification/Supplemental Agreement, to be issued not sooner than ninety (90) days prior to expiration of this contract, nor later than the final day of the contract period. This Option to Renew requires the mutual agreement in writing signed by both parties. Refusal by either party to exercise this Option to Extend shall require this contract to expire on the original

REQUEST FOR PROPOSALS- Upshur County Bank Depository

or mutually agreed. The extension period shall be (2) two years in accordance with Local Government Code 116.021.

7. The County reserves the right to accept or reject in part or in whole any RFP submitted, and to waive any technicalities For the best interest of the County when awarding to the most qualified Offeror.
8. Continuing non-performance of the *Offeror* in terms of specifications shall be a basis for the termination of the contract by the County. The County shall not pay for supplies or services which are unsatisfactory. The County may give Offeror a reasonable opportunity before termination to correct the deficiencies. This, however, shall in no way be construed as negating the basis for termination for non-performance.
9. The undersigned agrees, if this RFP is accepted, to furnish any and all items upon which prices are offered, at the price(s) and upon the terms and conditions contained in the RFP. Banking services not detailed on the worksheet will be provided at no cost.
10. ETHICAL CONDUCT: The *offeror* shall not *offer* or accept gifts or anything of value, not enter into any business arrangement with any employee, official, or director of Upshur County. No public official shall have interest in this Contract, in accordance with Texas Local Government Code Annotated Title 5, Subtitle C, Chapter 171.

The Offeror affirms that the only person or parties interested in this bid/offer as principals are those named herein, and that this bid/offer is made without collusion with any other person, firm, or corporation.

11. MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE OFFERORS: A prospective Offeror must affirmatively demonstrate Offeror's *responsibility*. A prospective Offeror must meet the following requirements:
 1. Have adequate financial resources, or the ability to obtain such resources as required;
 2. Be able to comply with the required or proposed delivery schedule;
 3. Have a satisfactory record of performance;
 4. Have a satisfactory record of integrity and ethics; and
 5. Be otherwise qualified and eligible to receive an award.

Upshur County may request representation and other information sufficient to determine Offeror's ability to meet these minimum standards listed above.

12. Offeror must provide any and all warranty terms and conditions. Offeror's Terms & Conditions are subject to the review and approval of Upshur County. In the event of conflicting Terms & Conditions, the terms submitted in the solicitation package shall prevail. Offeror must clearly identify any conflict with terms & conditions by denoting them on the same page where the conflicting terms & conditions appear.
13. Payment shall not constitute an acceptance of the item(s) RFP nor impair the County's right to inspect any of its remedies.
14. All fees are to be firm for the life of the contract. Interest rates are subject to the renegotiation clause, Local Government Code 116.021(b).
15. Whenever an article or material is defined by describing a proprietary product or by using the name of a manufacturer, the term "or equal" if not inserted shall be implied. The specific article or material shall be understood as descriptive, not restrictive.

REQUEST FOR PROPOSALS- Upshur County Bank Depository

16. Offeror shall provide the defense for and indemnify and hold harmless County from all claims, suits, causes or action, and liability arising out of the execution of this contract or in connection with Offeror's use of the premises thereunder.
17. The Offeror agrees that the goods, equipment, supplies or services furnished under this contract shall be covered by the most favorable commercial warranties offered by the Offeror to any customer for such goods, equipment, supplies, or services. The Offeror shall not limit or exclude any express, written, or implied warranties and any attempt to do so shall render this contract voidable at the option of County. The offeror warrants that the product sold to the County shall conform to the standards promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act of 1970.
18. The Offeror shall make himself familiar with and at all times shall observe and comply with all federal, state, and local laws, ordinances and regulations which in any manner affect the conduct of the work.
19. The parties herein agree that this Contract shall be enforceable in Upshur County, Texas, and if legal action is necessary to enforce it, exclusive venue shall lie in a court of competent jurisdiction in Upshur County, Texas.
20. This Contract shall be governed by and construed on accordance with the laws of the State of Texas and all applicable Federal Laws.
21. This RFP along with submitted documents and any negotiations, when properly accepted and awarded by Upshur County Commissioners Court, shall constitute a contract equally binding between the successful Offeror and County. No different or additional terms will become a part of this contract with the exception of a Change Order. This Contract embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters herein, and except as otherwise provided herein cannot be modified without written agreement of the parties.
22. This Contract shall not be assignable by the Offeror without prior written consent of County. This agreement shall be binding on and inure to the benefit of the successors and assign of the respective parties to this agreement.
23. If the Offeror defaults in the performance of this contract or materially breaches any of its provisions, County shall have the right to terminate this contract by giving written notice of termination within sixty (60) days of the occurrence of the default or material breach.
24. No provision of this agreement shall affect or waive any sovereign or governmental immunity available to the County and/or its elected officials, officers, employees and agents under Federal or Texas law nor waive any defenses available to the County and/or its elected officials, officers, employees and agents under Federal or Texas law.

GENERAL: It is the intent of Upshur County Commissioners Court under the authority given by Article 2544, et.seq., of the revised Civil Statutes of Texas, as revised by Local Government Code, Chapter 116.000 through 116.155 as passed by the 70th Leg. 1987 amended by Acts 1991, 72nd Leg., and Acts 1995, 74th Leg.; and Article 2547 a,b, and c, will receive applications from banks in Upshur County desiring to be designated as the County Depository for the next two years beginning June 2019 thru May 2021. Also, under the authority given by Article 2558a, et. Seg., of the Revised Civil Statutes of Texas, as revised by Local Government Code, Chapter 117.000 thru 117.084 as passed by the 70th Leg. 1987 and amended by Acts 1989, 71st Leg., and Acts 1997, 75th Leg., applications will be received from

REQUEST FOR PROPOSALS- Upshur County Bank Depository

banks in Upshur County desiring to be designated as Depository for Trust Funds in possession of the County and District Clerk's offices for the next two (2) years beginning June 2019 and ending May 2021.

CONTRACT/TERMS: Under section 116.021 of the Local Government Code, as requires by law, the County may choose to contract with the successful bank or banks for either a two-year period or a four-year period. If the County opts for a two-year contract, then it will begin June 2019 thru May 2021. Under the deposit contract the terms shall remain unchanged for the period of two years.

The County reserves the right to invest portions of its financial resources in non-depository instruments and investment pools as authorized by law.

The following pages will *serve* as the specifications for the bids. Proposals can be submitted on the following form or the bidders own letterhead, HOWEVER; please follow the same form in answering questions.

The bid will consist of three sections:

- Section #1 General Operating Funds of Upshur County
- Section #2 County Clerk and District Clerk Trust Funds
- Section #3 Permanent and Available School Fund of Upshur County

AWARDING CONTRACT: Upshur County will award Depository Bank contract based on, but not limited to the following criteria:

1. Bank's past, present, and prospective financial condition and the bank's ability to pledge adequate securities against county funds.
2. Ability and experience to provide depository services requested in RFP to similar accounts.
3. Cash management products available that will enhance the County's banking procedures.
4. Net rate of return on County's funds.
5. Cost of services.
6. Cash Management products available that will enhance the County's banking procedures.

TERMINATION FOR CAUSE: Subject to the provisions below, the contract derived from this Invitation to Bid may be terminated by the County thirty (30) days in advance written notice to the other party; but if any work or service hereunder is in progress, but not completed as of the date of termination, then this contract may be extended upon written approval of the County until said work or services are completed and accepted.

Termination by the County for cause, non-performance, default or negligence on the part of the bidder shall be excluded from the foregoing provision; termination cost, if any, shall not apply. The thirty (30) day advance notice requirement is waived in the event of Termination for Cause. In the event of Termination for Cause, Upshur County can then select the next most advantageous bidder.

SECTION I - GENERAL OPERATING FUNDS OF UPSHUR COUNTY

APPLICATION REQUIREMENTS

SUBMITTING FINANCIAL STATEMENTS: Bidder must state the amount of the bank's paid-up capital stock and permanent surplus and must submit a statement showing the financial condition of the bank on the date of the application as stated under Chapter 116.023 of the Local Government Code.

Amount of paid-up Capital Stock:	\$1,000,000.00
Permanent Surplus:	\$38,022,253.85

REQUEST FOR PROPOSALS- Upshur County Bank Depository

Total Capital:

\$251,647,312.46

GOOD FAITH GUARANTEE: Bidder desiring to be selected as County Depository must submit with the application a CERTIFIED CHECK OR CASHIER'S CHECK in the amount of \$94,000.00 (one-half of one percent of the County's Revenue) for the preceding fiscal year, under Chapter 116.023 of Local Government Code, payable to Upshur County as a guarantee of good faith. Upshur County will hold the cashier's check until the Depository Bank is selected and securities have been pledged.

Cashier check is enclosed with bid.

LIQUIDATED DAMAGES FOR NOT PROVIDING SECURITIES: As stated in Local Government Code 116.23 (C): If a bank is selected as a depository and does not provide the bond and/or securities, the county shall retain the amount of the check as liquidated damages. A new Depository shall then be selected.

AMOUNTS TO BE PLEDGED: Within fifteen (15) days after the selection of the depository bank by Commissioners Court, the selected Bank shall qualify as provided by law. The County will accept Surety Bonds and /or a Securities Pledge Contract provided for under Tex. Loe. Gov't Code Ann. Chapter 116, as the method of securing the funds of the County. The bank selected as depository will execute within the time prescribed by law a security pledge contract accompanied by securities as hereinafter specified, and /or a bond issued and executed by a solvent surety company or companies authorized to do business in the State of Texas or both such securities pledge contract and bond. All releases of pledges are to be approved by the County Treasurer and the Commissioners' Court. The Depository Bank will provide monthly reporting of the Market Value of securities pledged to Upshur County. The bank must propose how it will value pledged securities. The County at any time may investigate the value of any of the securities that may be pledged by the bank. The full cooperation of the bank will be required in such instances. All securities pledged to Upshur County from the Depository Bank must be held in a third party financial institution, or with a Federal Reserve Bank

To compensate for increases or decreases in County Deposits and fluctuations of market value of pledged collateral, the minimum market value of collateral will be **102%** of County deposits.

Pledged securities shall be the kind prescribed by law under Tex. Loe. Gov't Code Chapter 116, and must be acceptable to the County. The following securities are acceptable to the County:

1. U.S. Treasury Notes
2. U.S. Treasury Bills
3. Government National Mortgage Association Certificates
4. Federal Farm Credit Bank Notes and Bonds
5. Federal Home Loan Bank Notes and Bonds
6. Federal National Mortgage Association Notes and Bonds
7. Federal Home Loan Mortgage Corporation Notes and Bonds
8. State of Texas Bonds
9. Bonds of City, County and Independent School Districts located in Texas with a Moody's rating of AA or better or a Standard and Poor's rating of AA or better.

Adjustable rate mortgages (ARMs) and Collateralized Mortgage Obligations (CMOs) will not be acceptable. The bank must be the true and legal owner of all securities, which will be pledged to the County. The securities must be free and clear of all liens, claims, or pledged for other purposes. The County will not accept any security acquired by the bank under a repurchase agreement. The securities will be deposited with a third party financial institution or a Federal Reserve Bank without expense to the County under an appropriate contract to be drawn to the provisions of Tex. Loc. Gov't Code Chapter 116 and amendments in accordance with the RFP, if approved.

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COLLATERAL: The Depository Bank is responsible for notifying the County of any deficiencies in its pledged securities on a daily basis, as well as obtaining additional securities to cover the deficiency. Due to sizable changes that occur in the balances of the County's bank accounts, the County would prefer a cushion of at least \$1 million in securities over the required amount to be pledged in order to prevent a deficiency from occurring. Bidder must also file with the County a copy of the most recent Consolidated Reports of Condition and Income. The CALL Report shall be a continuing quarterly reporting requirement of the Depository Bank. Bidder must comply with Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989 regarding certain requirements to validate a collateral agreement. **The Bank agrees to pledge a minimum of 102% of County deposits as requested above.**

INVESTMENTS MADE OUTSIDE DEPOSITORY BANK: Upshur County reserves the right to make investments outside the Depository Bank in accordance with the Laws of the State of Texas and the Investment Policy of Upshur County. The Depository Bank must be able to provide the necessary wire transfer service and third party safe-keeping of outside purchases of securities by Upshur County either at the Depository Bank, or a Third Party Financial Institution, or with Federal Reserve.

****All investment purchases of Government securities shall be made on a Delivery versus payment basis.**

The bidder further understands and agrees to the following:

1. That if the County has a portion of its funds invested in Time Deposits in the current depository bank and that all such Time Deposits bearing maturity dates subsequent to June 2019 shall remain in the current depository bank until maturity date.
2. That the County will leave enough money in the current depository bank to cover outstanding checks in all funds. After ninety days, any remaining balance will then be transferred at that time.

NOTE: Also, please attach a list of all customer automated cash management products your bank will provide upon request to Upshur County during the term of this contract and the cost, if any.

Please see Treasury Management attachment for services available and related costs. (Exhibit 1)

VARIABLE AND FIXED RATE QUOTES:

	Variable	Fixed	Minimum
	<u>Interest Rate</u>	<u>Int. Rate</u>	<u>Balance</u>
First Class Checking			
Money Market Deposit Account:	(1) _____	0.25% _____	\$1,000 _____
Super Now			
Money Market Checking Account:	N/A _____	N/A _____	N/A _____
Now Checking Account:	(2) _____	0.15% _____	\$1,500.00 _____

(1) The variable interest rate for the MMDA will be at a rate of interest equal to the average of the discount rate of the prior month's auction of the 91-day T-Bill less 1.25%, with a floor of 0.25%, and changed monthly on the first business day of the month.

(2) The variable interest rate for the NOW account will be a rate of interest equal to the average of the discount rate of the prior month's auction of the 91-day T-Bill less 1.50%, with a floor of 0.15%, and changed monthly on the first business

REQUEST FOR PROPOSALS- Upshur County Bank Depository
day of the month.

****During the term of the contract, the County will require monthly statements, with front and back images, on all accounts it has established with the Depository. Each statement will be provided to the County as quickly as possible each week and at the close of each month.**

CERTIFICATE OF DEPOSIT - FIXED INTEREST RATE:

<u>\$100,000.00</u>	<u>Less than \$100,000.00</u>	<u>More than</u>
1. Maturity 1-29 days	0.15 %	0.20 %
2. Maturity 30-59 days	0.15 %	0.20 %
3. Maturity 60-89 days	0.15 %	0.20 %
4. Maturity 90-179 days	0.15 %	0.20 %
5. Maturity 180-364 days	0.15 %	0.20 %
6. Maturity 365+ days	0.15 %	0.20 %

CERTIFICATE OF DEPOSIT - VARIABLE INTEREST RATE:

<u>\$100,000.00</u>	<u>Less than \$100,000.00</u>	<u>More than</u>
1. Maturity 1-29 days	-0.35 %	-0.10 %
2. Maturity 30-59 days	-0.25 %	0.00 %
3. Maturity 60-89 days	-0.20 %	+0.05 %
4. Maturity 90-179 days	-0.20 %	+0.05 %
5. Maturity 180-364 days	-0.15 %	+0.10 %
6. Maturity 365+ days	-0.15 %	+0.10 %

FINANCING:

The County may require borrowing during the contract time frame, please state the interest rate and terms on new borrowing below:

The bank will extend short term loans at a rate equal to 70% of Wall Street Journal Prime on the date of the loan, subject to acceptable legal opinion, standard credit terms, conditions, and approved tax exempt status.

SERVICE REQUIREMENTS

CONTACT PERSON - Bank must identify a local senior level management person who will be responsible for overseeing the County's entire relationship, who would serve as the County's primary contact and who would be able to make decisions regarding operational aspects of this contract.
Thomas Smith, AVP, Relationship Manager will oversee the County's relationship.

Bank must also provide a list of contact personnel within the bank who are qualified to provide information and assistance in the following areas:

- General Information – Suzanne Fuller, AVP, Retail Office Manager
- Safekeeping and Securities Clearance – Jason Arnold, Operations Officer, Staff Accountant
- Posting and Deposit Discrepancies – Suzanne Fuller, AVP, Retail Office Manager
- Stop Payments – Suzanne Fuller, AVP, Retail Office Manager
- Balance Adjustments – Suzanne Fuller, AVP, Retail Office Manager

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- Collateral Adequacy - Jason Arnold, Operations Officer, Staff Accountant
- Internal Transfers – Mike Simpson, VP, Treasury Management Officer
- Wire Transfers - Mike Simpson, VP, Treasury Management Officer
- Online PC Service – Mike Simpson, VP, Treasury Management Officer
- Certificates of Deposit rate quotes – Suzanne Fuller, AVP, Retail Office Manager

STATEMENTS: Monthly account statements will be provided with all original canceled checks or optical images of the front and back of the canceled checks, debit and credit memos, etc. This statement shall show the number of checks, deposits and deposit items posted, daily ledger balances, average daily ledger balance for the month, *average* daily collected balance for the month and other items on which charges are based. Said statement shall be reconciled numerically by check number within each statement. Each statement shall be provided to the County as quickly as possible each month.

DAILY REPORTING: During the term of the contract, the County will require daily reporting of cash balances in each of the accounts it has established with the Depository, PLUS the amount of CD's issued to Upshur County.

This information is always available through internet banking.

DAYLIGHT OVERDRAFT PROVISIONS: The proposal should include any bank policy regarding daylight overdraft charges or handling.

Overdrafts and daylight overdrafts are discouraged, but exceptions are made.

STOP PAYMENTS: The bank will be required to process stop payments on verbal instructions from the County Treasurer or her assignee with follow-up written confirmation as requested.

The Bank will not accept oral stop payments. The County Treasurer or assignee must complete a written stop pay form or AustinNet Treasury Manager allows you to initiate stop pays online. Please see Treasury Management information attached for cost. (Exhibit 1)

STALE DATED CHECKS: Bank will be required not to honor stale dated checks on County accounts that are not endorsed by the County as acceptable after County has delivered to the bank an approved canceled list from the County Treasurer. This service is required once each year.

The Bank will require stop payments to be placed on each item the County wishes not to be paid. No Stale Dated list of checks will be accepted by the bank. See attached Treasury Management information for costs. (Exhibit 1) AustinNet Treasury Manager allows you to initiate stop pays online.

PAYROLL DIRECT DEPOSIT: Bank must provide the capability for the County to utilize "Direct Deposit" Payroll processing, allowing employees to select the bank of their choice.

Please see Treasury Management information attached. (Exhibit 1)

WIRE TRANSFER: Bank must provide the ability to send wire transfer on an automated or manual basis, and also provide ability to receive wire transfers. Bank must provide the ability to restrict outgoing wire transfers (debits) to only those authorized by the County. Bank must provide notification via fax or mail for incoming direct deposits received for various accounts.

Wires can be sent by utilizing Wire Manager.

ACH TRANSFER: The bank will be required to process automatic clearing house transactions and provide notification via fax or mail.

Provided through internet banking.

REQUEST FOR PROPOSALS- Upshur County Bank Depository

ANALYSIS REPORT- Monthly account analysis reports will be provided for each account and on a total account basis. The account analysis will contain, at a minimum, the following:

- daily & monthly average ledger balance
- daily & monthly average float
- daily & monthly average collected balance
- average negative collected balance
- average positive collected balance
- reserve requirements
- available balance for earnings credit
- price levels for each activity
- monthly volumes by type
- earnings credit allowance (provide explanation how earnings credit rate calculated)

A sample client account analysis report must be provided as part of the RFP.
(Analysis Statement – Exhibit 6)

CASH OVERDRAFTS - For the purpose of determining cash overdrafts, the daily cash balance in all County accounts will be added together and if a negative balance occurs, the County's account is considered to be over-drafted. An applicable insufficient funds fee can then be charged. The amount for insufficient fund fees must be included with this RFP. The County will not be liable for insufficient funds fees not included as part of this RFP.

CASH MANAGEMENT- On an ongoing basis the County will require cash management advice as to how accounts and procedures should be structured. Also, the County will want to be kept informed of recent developments in cash management products. Offerers are invited to propose additional cash management services that are not specified herein.

EXPENSE ALLOWANCE - State the dollar amount, if any, that the Bank will be willing to provide for expenses incurred due to changing depository banks. (For example: checks, deposit slips, endorsement stamps, and etc.)

N/A

ON-LINE SERVICES - It is requested that as part of the RFP the Depository Bank will provide an on-line PC communication link to the County for daily reporting of fund balances, managing controlled disbursements, collected and ledger balances, stop payment requests, confirmations, and detailed debits and credits. Attach product description, pricing, and sample reports for the on-line PC link available. Banks should be prepared to provide the Treasurer's office an opportunity to physically work with this technology before the RFP is selected.

(Treasury Management Services and Sample Online Banking Information – Exhibits 1 & 2)

DISBURSEMENT SERVICE: A successful bidder will furnish standard disbursing services for all accounts to include the payment of all County checks upon presentation and the capability to place accounts of the County on "POSITIVE PAY" status.

Bank must also agree to cash, without charge to the County or County Employees, an employee's payroll check whether or not the employee has an account with the bank. This will include any of the banks locations.

DEPOSIT SERVICE: The bank will guarantee immediate credit on all wire transfers, ACH transactions and government checks upon receipt and all other checks based on the Bank's Availability Schedule. All deposits received before the bank's established deadline will be credited daily. Bank will include a copy of their Availability Schedule as part of the proposal bid.

(Availability Schedule – Exhibit 3)

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BANK BAGS: Bank will furnish County with night depository services including locking bags with keys. Also, bank will furnish cash bags for daily deposits.

SAFETY DEPOSIT BOX: The bank shall state cost and locations of safety deposit boxes minimum size. No charge/Boxes available

LIMITATIONS ON DEPOSITS: If bank has a limit with regards to deposits, bidder should specify that limit. Bidder should know that for the months of December and January, the County deposits will increase.

OTHER SERVICES AND SUPPLIES:

Please answer the following questions:

	Yes	No	Fee
1. Furnish Wire Transfer services? *(See Management attachment Exhibit 1)	<u>X</u>	_____	_____*
2. Charge service fees on any accounts? *(See Commercial Fee Schedule – Exhibit 4)	<u>X</u>	_____	_____*
3. Furnish deposit slips, deposit books, endorsement stamps *(Cost depends on styles of checks selected and quantity)	<u>X</u>	_____	_____*
4. Furnish night depository services including bags and keys?	<u>X</u>	_____	<u>N/C</u>
5. Furnish optical imaging: checks (front and back)	<u>X</u>	_____	<u>N/C</u>
6. Furnish coin & currency counting and wrapping?	<u>X</u>	_____	<u>N/C</u>
7. Furnish Safe Deposit Boxes of adequate size and number in a bank in Gilmer *based on availability	<u>X</u>	_____	<u>N/C*</u>
8. Charge for stop payments issued? *(See Treasury Management Attachment Exhibit 1)	<u>X</u>	_____	_____*
9. Furnish County with Cashiers Checks as needed?	<u>X</u>	_____	<u>N/C</u>
10. Charge for accounts overdrawn for short periods of time?	<u>X</u>	_____	<u>Prime + 1</u>
11. Furnish County with all checks that are necessary	_____	<u>X</u>	_____
12. Should Upshur County consider accepting credit card payment – what would be charged: *(Information provided upon request)	<u>X</u>	_____	_____*
13. Furnish County with Courier Service?	_____	<u>X</u>	_____

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14. Credit all transactions on same day as deposited:	<u> X </u>	_____	_____
15. Provide Direct Deposit Service: *(See Treasury Management Attachment – Exhibit 1)	<u> X </u>	_____	_____*
16. Provide on-line banking services: *(See Treasury Management information – Exhibit 1)	<u> X </u>	_____	_____*
17. List additional services for consideration: Merchant Capture	X	\$50 monthly	
<hr/>			
<hr/>			
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SECTION II - UPSHUR COUNTY CLERK AND DISTRICT CLERK TRUST FUNDS:

The bidder also agrees to all items in Section I.

SECTION III - PERMENENT AND AVAILABLE SCHOOL FUNDS OF UPSHUR COUNTY:

The Bidder also agrees to all items in Section I.

REQUEST FOR PROPOSALS- Upshur County Bank Depository

Proposal/Bid shall be placed in a sealed envelope and plainly marked "Proposal/Bid on County's Depository" and delivered (For receipt by 5:00 p.m., March 28, 2019) via hand delivery or mailed to the office of the Upshur County Judge, third floor of The Upshur County Courthouse, 100 W. Tyler or P.O. Box 790 Gilmer, TX 75644.

A Commissioner's Court meeting will be held on March 29, 2019 to open the Proposals/Bids by the Commissioners Court.

The Commissioners Court shall have the power to determine and designate which shall be demand deposits and which shall be time deposits. Checks shall be returned when the statutory bond and/or security has been filed.

Date this the 26th Day of March

Bidder Austin Bank

By Thomas Smith the. u. R

Title AVP, Relationship Manager

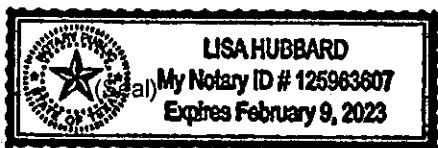
AFIDAVIT

STATE OF TEXAS

COUNTY OF UPSHUR COUNTY

Before me the undersigned authority on this 26th day of March, 2019, personally appeared
Thomas m Smith

Who being duly sworn deposes and says that he/she signed the above instrument for the purpose and consideration herein expressed.



Lisa Hubbard
Notary Public Signature

Notary Public in and for Upshur County, Texas
My Commission expires 2/9/2023

NOTE: Bids not notarized will not be considered.

REQUEST FOR PROPOSALS- Upshur County Bank Depository

By signing below, you acknowledge that you have received the Proposal/Bid specifications for the Upshur County Depository Bank.

Bank Name Austin Bank

Name Thomas Smith

Signature 

Date 3-26-19

EXHIBIT 1

TREASURY MANAGEMENT SERVICES

Austin Bank

Treasury Management Products & Services

For a demonstration of Austin Bank's Treasury Management Services, go to www.austinbank.com. Under the Business Banking tab, click on Online Banking. On the left, click on "demo." Click "Watch Now."

Treasury Management Services

1. Treasury Manager
Conduct banking business anywhere you have Internet access at any time.
2. Merchant Capture
Make Deposits from the Convenience of Your Office
Reduce Transportation Cost & Risk
Better Deposit Availability
Consolidate Banking Relationships
\$100 Set up Fee \$50 per month
3. ACH Origination
Direct Deposits
Cash Concentration
Electronic Vendor Payments
Electronic Tax Payments
\$100 Set up Fee \$25 + \$.15 per transaction per month
4. Account Balances and Activity Reporting
View Current Day Balances
View Previous Day Balances
Account Analysis Statement
Data Export
5. CD-ROM Statement and Image Archive
6. Stop Payment
Check Inquiry
Initiate or cancel stop payment request
7. Sweep to Investment or Loan Account
Sweep to Overnight Repurchase Account
Sweep to Revolving Line of Credit
8. Zero Balance Accounting
9. Wire Transfers

(See Attached Fee Schedule.)

AustinNET Treasury Manager

AustinNET Treasury Manager allows you to access accounts and initiate transactions via the Internet at any time.

- Review account balances and activity
- Transfer funds between your Austin Bank accounts
- Originate ACH Transactions
- Initiate Wires and Stop Payments
- Download Transactions
- Customize account access and authorization for your employees

Merchant Capture

Checks received at the business location can be scanned to create an imaged deposit. This imaged deposit is then transmitted (over our secure internet connection) to Austin Bank where we accept the deposit and post it to the Business Account. The basic requirements for the Merchant Capture service currently include a PC, a high-speed internet connection, a check scanner and an Austin Bank Business account. **\$100 Setup Fee \$50 per month (customer provides the scanner)**

ACH Origination

Automated Clearing House Services provide an efficient, cost-effective way to disburse and collect funds electronically.

- Direct deposit provides a safe, convenient way to deposit payroll funds into your employees' checking or savings account.
- Cash Concentration enables you to collect money electronically from customers or remote banks.
- Electronic Vendor Payments provide a timely, cost-effective method of paying obligations
- Electronic Tax Payments allow you to pay both federal and state agencies electronically.
- \$100 set-up fee, \$25 per month and .15 per item.**

Account Balances and Activity Reporting

With the Treasury Management Internet banking service, you can view balances and activity passing through your account whenever you need to.

- You can view current and previous day balance, ledger and collected balances, and float information.
- Export posted transaction activity in formats for input into financial management software
- Account analysis statements available. Offset account services or fees by maintaining adequate Average Positive Available Balance.

CD-ROM Statement and Image Archive

Reduce storage and retrieval cost of statements and paid checks with Austin Bank's CD-ROM Image Archive service. At statement time, you will receive a CD with the current statement and high quality images of paid items.

- Research posted checks in seconds
- Reduce file space
- Reduce the risk of check fraud
- \$35 per CD per month**

Stop Payment

Using Treasury Manager, you can initiate stop payment request without having to call or visit the bank. You are able to search for an issued check, to verify if it has paid, before entering your stop payment request.

Sweep to Investment or Loan Account

Use Austin Bank's Automated Sweep to minimize line of credit interest expense and maximize investment earnings.

- If balance in account at end of day is in excess of your "target balance", excess can be applied to your Revolving Line of Credit account or invested in your Overnight Repurchase Agreement* account.
- Market competitive investment yields
- Not FDIC Insured
- Sweep to Overnight Repurchase Agreement - **\$25 per month**
- Sweep to Revolving Line of Credit - **\$125 per month**

Zero Balance Accounting

Deposits made to a sub-account are automatically concentrated into your primary account. Funds are transferred as needed from the primary account to the sub-account where a zero balance is maintained.

- Gather funds from multiple locations
- Avoid idle balances pending payment of checks
- Automatically concentrate funds for investment
- \$25 per month per account**

Wire Transfers

Treasury Manager allows you to quickly move funds electronically from your account to other bank accounts with Wire Transfers.

- Initiate domestic and international wires
- To enhance security, you may assign employee approval levels
- Standard wire fees – Domestic \$20 Foreign \$20 + Intermediary bank charge

AustinNet Online Banking

Feature	AustinNet Online Banking
Monthly Fee	None
Access for multiple authorized representatives with unique passwords	Unlimited authorized representatives
Multiple accounts	Unlimited eligible accounts (deposit or loans) selected by customer
Account balance & activity information	Memo ledger balance and previous and current month activity. Plus average available and ledger balance for previous and current month.
Customized account nicknames	No Charge
Customized display and grouping	No Charge
Transaction exporting	No Charge
Authorized representative can control features or functionality, including access to funds	No Charge
Dual Authorization for funds transfers (optional)	No Charge
Setup fee	No Charge
Stop Payments	Available at standard fee
Internal fund transfers	Unlimited transfers – No charge
Additional Services	
Wire Transfers	\$50 Setup Fee – Standard Wire Fees
Merchant Capture	\$100 setup \$50 per month
ACH Origination	\$100 Setup Fee ACH Files \$25 per month + \$.15 per item



BRANCH LOCATIONS

Big Sandy

108 E. Broadway
Big Sandy, TX 75755
903/636-4344

Bullard

210 N. Houston
Bullard, TX 75757
903/894-6103

Emory

610 W. Lennon
Emory, TX 75440
903/473-3412

Frankston

169 S. Frankston Hwy
Frankston, TX 75763
903/876-2212

Garrison

583 US Hwy. 59
Garrison, TX 75946
936/347-2494

Gilmer

1208 N. Wood
Gilmer, TX 75644
903/843-5574

Gladewater

1625 E. Broadway
Gladewater, TX 75647
903/844-2805

Grand Saline

139 N. Main
Grand Saline, TX 75140
903/962-4291

Jacksonville

200 E. Commerce St.
Jacksonville, TX 75766
903/586-1526

Jacksonville – South

1700 S. Jackson St.
Jacksonville, TX 75766
903/586-1526

Kilgore

1006 Stone Road
Kilgore, TX 75662
903/983-1584

Lindale

520 N. Main St.
Lindale, TX 75771
430/235-2250

Longview – Bar K

Hwy 259 & Airline Rd.
Longview, TX 75605
903/663-0000

Longview – Loop

308 E. Loop 281
Longview, TX 75605
903/758-8515

Longview - Greggton

3400 W. Marshall
Longview, TX 75604
903/759-3828

Longview – Oak Forest

911 N.W. Loop 281
Longview, TX 75604
903/295-4400

Longview – Pine Tree

2609 Gilmer Rd.
Longview, TX 75604
903/247-2265

Lufkin

2000 S. John Redditt
Lufkin, TX 75904
936/899-7059

Marshall

1210 E. Pinecrest
Marshall, TX 75671
903/935-2566

Nacogdoches

3120 North St.
Nacogdoches, TX 75963
903/559-5500

Noonday

16909 S. Hwy 155 S
Noonday, TX 75762
903/509-3333

Palestine

2745 S. Loop 256
Palestine, TX 75801
903/727-0530

Rusk

216 S. Main St.
Rusk, TX 75785
903/683-2254

Timpson

352 Jacob
Timpson, TX 75975
936/254-2494

Troup

507 W. Duval
Troup, TX 75789
903/842-3188

Tyler – Cumberland

100 Market Square Blvd.
Tyler, TX 75703
903/561-7727

Tyler – Downtown

305 S. Broadway, Ste. 100
Tyler, TX 75701
903/595-6585

Tyler – Med Center

611 S. Beckham
Tyler, TX 75703
903/592-7933

Tyler – South

5515 Old Bullard Rd.
Tyler, TX 75701
903/561-5400

Tyler – West Loop

1230 Loop 323 SSW
Tyler, TX 75701
903/526-2220

Van

766 W. Main
Van, TX 75790
903/963-8691

Whitehouse

100 Horton St.
Whitehouse, TX 75791
903/839-4321

Corporate Headquarters

200 E. Commerce St.
P. O. Box 951
Jacksonville, TX 75766
903/586-1526

EXHIBIT 2

SAMPLE ONLINE BANKING

INFORMATION



Business Internet Banking Application

COMPANY INFORMATION

Company Name: _____

Company Address: _____

City, State and Zip Code: _____

Tax ID Number: _____ SSN EIN

Contact Person: _____

*You are authorized to receive communication from Austin Bank and to communicate your company's information to us.

Contact Person's Telephone Number: _____

Contact Person's Email Address: _____

ACCOUNT INFORMATION

List any deposit accounts and loans you wish to access through Business Internet Banking – you may include personal accounts. Give each account a nickname for reference. Mark each account type. If you are not already set up to receive eStatements and would like to, check the eStatement box and provide the email address to receive statements notifications below.

<u>Account Number(s):</u>	<u>Account Nickname: (REQUIRED)</u>	Checking	Savings	Loan	eStatements
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Main Account Number: _____ Is this an Analysis account? Yes No

Email Address to receive notifications of eStatements: _____

** Please note – when you choose to receive eStatements, paper statements will no longer be mailed to you.



User #1 Information and Authorization

Complete one per Business Internet Banking User.

GENERAL INFO

Company Name: _____
 User's First Name: _____ User's Last Name: _____
 User's Phone Number: _____ Cell Phone Office
 User's Email Address: _____

LOGIN CREDENTIALS

Access ID (User ID): _____
 * Minimum of 6 characters, maximum of 10. This is not a password.
 Secret Question: _____
 Secret Answer: _____
 (for security purposes)

AUTHORITY LEVEL

- Basic User** (view only)
 Super User (view and transact)
 Administrator (view/transact/approve)

USER ACCESS RIGHTS

Access Times:
 This user will have 24/7 access. Yes No
 If No, specify access days/times here: _____

Account Access:
 Do you want this user to have access to all accounts on page 1 of the application?
 Yes No If no, list accounts you want them to see: _____

Transactions:
 What would you like this User to be able to do?
 Internal transfers Stop payments Loan payments Bill payments

Will this User's transactions require an online Administrator's review and approval? Yes No
 Approver's Name: _____

CASH MANAGEMENT

Would you like for a member of Treasury Management to contact you regarding the Business Online services below?
 Yes No
 If Yes, which services would you like more information about?
 Payroll Direct Deposit Business Bill Pay Merchant Services (accept credit/debit cards)
 ACH Collections ACH Payments Merchant Capture (remote deposit checks)
 Wire Transfers

How would you like to be contacted? (phone or email, please list)



User #2 Information and Authorization

Complete one per Business Online Banking User.

GENERAL INFO

Company Name: _____
 User's First Name: _____ User's Last Name: _____
 User's Phone Number: _____ Cell Phone Office
 User's Email Address: _____

LOGIN CREDENTIALS

Access ID (User ID): _____
** Minimum of 6 characters, maximum of 10. This is not a password.*
 Secret Question: _____
 Secret Answer: _____
(for security purposes)

AUTHORITY LEVEL

- Basic User** (view only)
 Super User (view and transact)
 Administrator (view/transact/approve)

USER ACCESS RIGHTS

Access Times:
 This user will have 24/7 access. Yes No
 If No, specify access days/times here: _____

Account Access:
 Do you want this user to have access to all accounts on page 1 of the application?
 Yes No If no, list accounts you want them to see: _____

Transactions:
 What would you like this User to be able to do?
 Internal transfers Stop payments Loan payments Bill payments

Will this User's transactions require an online Administrator's review and approval? Yes No
 Approver's Name: _____

CASH MANAGEMENT

Would you like for a member of Treasury Management to contact you regarding the Business Online services below?
 Yes No
 If Yes, which services would you like more information about?
 Payroll Direct Deposit Business Bill Pay Merchant Services (accept credit/debit cards)
 ACH Collections ACH Payments Merchant Capture (remote deposit checks)
 Wire Transfers

How would you like to be contacted? (phone or email, please list)



User #3 Information and Authorization

Complete one per Business Online Banking User.

GENERAL INFO

Company Name: _____

User's First Name: _____ **User's Last Name:** _____

User's Phone Number: _____ Cell Phone Office

User's Email Address: _____

LOGIN CREDENTIALS

Access ID (User ID): _____
** Minimum of 6 characters, maximum of 10. This is not a password.*

Secret Question: _____

Secret Answer: _____
(for security purposes)

AUTHORITY LEVEL

Basic User (view only)

Super User (view and transact)

Administrator (view/transact/approve)

USER ACCESS RIGHTS

Access Times:
 This user will have 24/7 access. Yes No
 If No, specify access days/times here: _____

Account Access:
 Do you want this user to have access to all accounts on page 1 of the application?
 Yes No If no, list accounts you want them to see: _____

Transactions:
 What would you like this User to be able to do?
 Internal transfers Stop payments Loan payments Bill payments

Will this User's transactions require an online Administrator's review and approval? Yes No
 Approver's Name: _____

CASH MANAGEMENT

Would you like for a member of Treasury Management to contact you regarding the Business Online services below?
 Yes No

If Yes, which services would you like more information about?

Payroll Direct Deposit Business Bill Pay Merchant Services (accept credit/debit cards)

ACH Collections ACH Payments Merchant Capture (remote deposit checks)

Wire Transfers

How would you like to be contacted? (phone or email, please list)



Business Bill Pay Authorization

- I do not wish to enroll in Business Bill Pay.
- I do wish to enroll in Business Bill Pay. I understand the following fees will apply:
- One month's service for FREE
 - After the first month, \$6.95 per month for up to 20 payments
 - \$.50 per payment for those in excess of 20

User Authorizations:

The following users are authorized to initiate Bill Pay transactions –

Primary User: _____

Secondary Users: _____

Company Name: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____



Business Internet Banking Agreement

This Austin Bank Business Internet Banking Agreement and the application (including related service forms) submitted to and accepted by the Bank (collectively, this "Agreement") states the terms and conditions for Business Internet Banking services ("AustinNET") that will be provided by Austin Bank (the "Bank"). When you use, or you permit any other person(s) to use Austin Bank Business Internet Banking services, you agree to the terms and conditions of this Agreement. These terms and conditions are in addition to the Deposit Account Agreement and Signature Card that you received when opening your depository account, if any, as such agreement may have been amended from time to time (the "Deposit Account Agreement"). If there is a conflict between the terms and conditions contained in this Agreement and those contained in the Deposit Account Agreement, the Signature Card, or any other agreements between us relating to banking products and services, the terms and conditions of this Agreement, as they relate to the Austin Bank Business Internet Banking services, will control, unless such other terms and conditions specifically reference this Agreement and the parties' intent to supersede the conflicting terms and conditions of this Agreement.

As used in this Agreement, "we", "us" or "our" refers to the Bank, and its assignees, and any agent, independent contractor, or other service provider, engaged by the Bank, in its sole discretion, to provide any of the Austin Bank Business Internet Banking services. "Customer," "you" or "your" refers to the business or entity, as indicated in the Customer's signature block below, that owns an Eligible Account (as defined below). "Authorized Representative" refers to each person specifically authorized by the Customer to transact business on its Eligible Accounts for the applicable services in the completed AustinNET Application (including the service forms relating to each of the Austin Bank Business Internet Banking Services to be made available to you), as such authority evidenced by resolutions and other written documents the Bank may require to certify such authority. We may continue to recognize the authority of an Authorized Representative until we have received and had a reasonable time to act upon written notice from one of your authorized officers, partners, members or proprietors, as the case may be, that an Authorized Representative is no longer authorized to transact business on your Eligible Account(s) within the Austin Bank Business Internet Banking services.

1) Account Access. Your Authorized Representatives will not be able to access Austin Bank Business Internet Banking services until you have provided to us a signed and completed Austin Bank AustinNET Application with all required information and authorizing resolutions. You must have at least one Eligible Account with us and access to the Internet in order to use Austin Bank Internet Banking services. (One or more of your Eligible Accounts must be a deposit account.) For purposes of this Agreement, an Eligible Account is:

a) a non-consumer checking, money market, savings, or time deposit account for which you are the owner or a commercial loan (including a commercial real estate loan) on which you are a borrower; and, in each case, for which you have designated one or more Authorized Representatives in your AustinNET Application;

b) an account for which Austin Bank Internet Banking services are requested in your completed AustinNET Application form and other written documents we require in order to provide online access for such account, provided that we have approved your application. We may continue to recognize such account as an Eligible Account until we have received and had a reasonable time to act upon written notice from you that such Eligible Account is no longer authorized for Austin Bank Business Internet Banking services; and

c) in the case of an account for which you are requesting wire transfer and/or ACH capabilities, an account that is designated in completed and signed Austin Bank service forms, which contain certain specifications for the manner in which such services will be provided to such account.

2) Access Codes/Security Procedures. Security of your transactions is important to us. Upon acceptance of your AustinNET Application by the Bank and execution of this Agreement, each of your Authorized Representatives will be given an access ID and a unique password (collectively, the "Access Codes") that will allow access to Austin Bank Business Internet Banking services. In order to further enhance the security of access to your Eligible Accounts, you agree that you will not permit more than one person to use the same password and you may not permit any person other than an Authorized Representative or your Security Administrators to have access to any of the Access Codes. Each Authorized Representative is required to change the password provided by the Bank during that Authorized Representative's first log on session.

Part of the security procedures employed by the Bank to address situations when an Authorized Representative has forgotten his or her password is to change that Authorized Representative's password to a system-generated password provided by the Bank. Any transaction initiated via accurate Access Codes shall be deemed to have been made by the appropriate Authorized Representative and, therefore, authorized by you. Each password must be at least six and no more than ten characters in length. The password can be a

combination of letters (upper and/or lower case) or numbers. Special characters/symbols and blank spaces are allowed. We recommend that passwords be changed regularly.

In addition to requiring that Access Codes be input in order to access the Austin Bank Business Internet Banking services, the Bank has also implemented other security procedures that may vary depending upon the services you have selected, the dollar amount and types of funds transfers that are likely to occur, your financial condition, and your account history with the Bank. These include the imposition of daily and monthly Maximum Transaction Amounts as disclosed on your service forms, requirements for review and approval by additional Authorized Representatives of transactions requested that are over a certain dollar amount or that are of a certain nature (such as wire transfers or ACH credit or debit entries that are accomplished on an "open" template), and callback confirmations by the Bank for transactions of a certain type and/or that exceed a certain dollar amount, as disclosed on the service forms that are included within your accepted Austin Bank Business Internet Banking services application. The Bank also employs the use of digital Tokens for high risk transactions including ACH Transfers, ACH File Origination, and Wire Transfers. Each Authorized Representative that will be implementing any of these high risk transactions will be assigned a token which must be used with the Access Codes in order to complete those transactions. In addition, the Bank may, from time to time impose other security procedures in connection with certain requested transactions.

You acknowledge use of these Access Codes, Tokens, and the other security procedures set forth in the service forms, represent agreed upon and reasonable security procedures, given the nature of services requested and anticipated dollar amount of transactions contemplated. The Bank reserves the right, from time to time, to impose additional security procedures which may involve your implementation of additional approval or other fraud prevention controls, if and as technological advances and/or increases in internet fraud make such additional security procedures warranted and commercially reasonable. We may accept as authentic any instructions given to us via the Austin Bank Business Internet Banking services site through the use of any of your Authorized Representatives' Access Codes, consistent with the requirements of this Agreement and the agreed-upon security procedures outlined in your service forms. When the Austin Bank Business Internet Banking services generate items to be charged to any of your Eligible Account(s), you agree that we may debit that account without requiring a manual signature by a person designated as an authorized signer within the deposit agreement, including any signature cards, relating to that Eligible Account and without prior notice to you. You are responsible for familiarizing all Authorized Representatives with the terms of this Agreement; for keeping the AustinNET Access Codes and Tokens confidential; and for limiting their dissemination to Authorized Representatives and your designated Security Administrator(s).

3) Available Services. AUSTIN BANK Business Internet Banking services provide different levels of access, transactional capabilities, and security procedures. Depending upon the services selected, the following are available through Austin Bank Business Internet Banking services (AustinNET):

a) Account Information permits Authorized Representatives to obtain balance and transaction information about your Eligible Accounts. Please note that balance information may not reflect outstanding checks or other items. Balances may also be subject to a hold (which will not necessarily be evident from the AustinNET screen, but which you would have received written notice of when the Bank placed the hold). Please also note that online transaction history for Eligible Accounts is limited; you may need to check the statements that we have previously sent you for information prior to the first day covered by the online transaction history. You may download your Eligible Account(s) information into software such as Intuit Quicken®, Intuit Quickbooks® or Microsoft Money®.

b) Internal Funds Transfers allows Authorized Representatives to transfer money between eligible accounts with us. Transfers may be scheduled to be initiated on the current business day, on a future date, or on the same date of each month with AustinNET, subject to the restrictions of this Agreement and other agreements between you and the Bank (including, but not limited to those contained in the Deposit Account Agreement that limit the number of transfers that may be made from your account during any monthly period).

Although your Authorized Representatives can enter transfer information through the Austin Bank Business Internet Banking services twenty-four (24) hours a day, seven (7) days a week, transfers can be initiated by the Bank only on Business Days. Funds will be deducted from your account on the business day for which your Authorized Representative directs the transfer to be initiated by the Bank. This date is referred to in this Agreement as the "Transaction Date." If the date designated as the Transaction Date is not a business day, the Transaction Date will be deemed to be the business day following the date that your Authorized Representative designated. Transfer instructions must be received by the Bank not later than 3:00 p.m. Central Time on any business day (the "Cut-Off Time") in order for the transaction to be completed on that business day. If instructions for a "same day" transfer are received after the Cut-Off Time or on a day that is not a business day, your Authorized Representative will be deemed to have directed that the transfer occur on the following business day. For purposes of this Agreement, "Business Day" means Monday through Friday, excluding Bank holidays. Recurring transfers are those made for the same amount and are made on a weekly, bi-monthly, monthly or other periodic basis. Once started, recurring transfers will be made automatically until your account(s) no longer has sufficient funds in it or your Authorized Representative cancels such transfer online.

Pursuant to federal law, you and your Authorized Representatives collectively may perform no more than six funds transfers, payments or preauthorized withdrawals per month from any money market account. If you exceed the maximum number of allowable transfers, payments or preauthorized withdrawals on any money market account, the Bank will take such steps as it reasonably deems necessary to ensure your future compliance with allowable transfer limits, including terminating your Austin Bank Business Internet Banking services. Allowable transfers and withdrawals on any savings account are limited to a maximum of three per month. Additionally, excess withdrawals are subject to a per transaction excess withdrawal fee as set in our schedule of fees and services, as amended from time to time.

c) Stop Payments allow your Authorized Representatives to initiate stop payment(s) on check(s) drawn on your Eligible Accounts via on-line instructions to the Bank, irrespective of the signer on the item. This feature cannot be used to stop payment via Business Internet Banking services on an automated clearing house transfer (ACH), a wire transfer, or a paper draft. To access the Stop Payment service, your Authorized Representative must log on to Austin Bank AustinNET by entering his or her Access Codes as directed by the Internet Banking screen message and select "Stop Pay" from the account level menu. To be effective, the stop-payment order must precisely identify the number, amount of the item, and the payee. You authorize us to follow the Stop Payment instructions that we receive online via access that was gained through the use of the Access Codes for the appropriate Authorized Representative(s) and to debit the Eligible Account (or any of your other accounts) for a stop payment fee in accordance with the Bank's current schedule of fees. We must receive the Stop Payment instruction in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item, unless we have, due to certain "same day" transactions, essentially honored the item before the cutoff time, such as would occur if we paid the item in cash or we issued a cashier's check for the item. We will acknowledge our receipt and processing of Stop Payment instructions by an "approved" message appearing on the AustinNET screen. Given the above limitations about certain "same day" transactions, however, such "approved" message does not mean that the Bank has successfully stopped payment on the item. Stop Payment requests are valid for a period of six (6) months unless your Authorized Representative cancels it or renews it, provided that we have not already returned the check. We may pay the check when the stop payment order expires. The order may be renewed for additional six (6) month periods at the fee in effect when the renewal is placed. If you write a new check to replace one on which you have placed a stop payment order, be sure it has a different check number and date. It is also helpful to write the word "replacement" on it so it is not mistaken for the original check. Stop payment requests sent to us via electronic mail (via your personal or company email system) or in any manner other than the procedures set forth in this paragraph will not be accepted.

d) Wire Transfers. (Additional Service) Wire transfer services are subject to the terms and conditions of the Bank's Wire Transfer Authorization form. A single template that is not an "open" template will, at a minimum, specify the receiving bank, receiving bank routing number, beneficiary name and account number, and, if for a recurring or repetitive wire, the scheduled date or frequency for the transfer. An "open" template is one in which less than all of the minimum information set forth above is specified.

e) Automated Clearing House (ACH) Origination. (Additional Service) Authorized Representatives are permitted to originate ACH File Transfers, which specify a number of ACH accounts to credit and/or debit and Single ACH Entries, which specify a single account to debit or credit. ACH Origination services are subject to the terms and conditions referenced in the ACH Origination Agreement and Application.

f) Business Bill Payment Services. First time users of Austin Bank Business Bill Payment services will be required to accept an additional online Agreement specific to Bill Payment services. Please read this Agreement thoroughly, since it contains applicable fees, rules, restrictions and guidelines related to Business Bill Payment services. Upon acceptance of the Business Bill Payment Agreement, that Agreement becomes an addendum to this Agreement and a part of your overall Internet Services Agreement with Austin Bank. The bank may require the use of Tokens for any bill pay transactions it considers high risk.

4) Customer Service. You may contact one of our Customer Service Representatives at 800-644-9275, Ext.2222 between the hours of 7 a.m. & 7 p.m., Monday - Friday, excluding Bank holidays.

5) Equipment. You are responsible for obtaining, installing, maintaining and operating all computer hardware, software and Internet access services necessary for performing Austin Bank Business Internet Banking services. IT IS YOUR RESPONSIBILITY TO PROTECT THE SECURITY OF YOUR OWN COMPUTER SYSTEM AND TO PROTECT YOUR COMPUTER AGAINST VIRUSES, WORMS, TROJAN HORSES AND OTHER ITEMS OF A DESTRUCTIVE NATURE. The Bank will not be responsible for any errors or failures from the malfunction or failure of your hardware, software or any Internet access services.

6) Business Days/Hours of Operation. Business hours vary by branch location. Please contact your local Austin Bank office for further clarification on specific office hours. Telephone Customer Service is available from 7:00 a.m. to 7:00 p.m. Central Time, Monday through Friday, except bank holidays. Austin Bank Business Internet Banking services are available 24 hours a day, 7 days a week except during

maintenance periods or circumstances beyond our reasonable control. All Internet Banking transactions initiated after the Bank's cutoff time will be posted to the appropriate account on the next business day.

7) Documentation. All wire transfers, ACH entries, fund transfers, and or/fees made or incurred in connection with Austin Bank Business Internet Banking services will appear on the monthly statements for the affected Eligible Account(s).

8) Fees. If and when any fees are assessed or changed, a minimum of 30 days notice will be given to any affected Austin Bank Business Internet Banking service customers. Other transactional fees (such as, without limitation, insufficient funds fees, and costs and expenses, including reasonable attorney's fees incurred by the Bank in collecting any overdraft created through the payment of a check, transfer, or other item if your account(s) does not contain sufficient collected funds) may apply as indicated in the fee schedule set forth in the Bank's schedule of fees and charges published from time to time. You authorize the Bank to deduct all applicable fees from the commercial checking account you designate, or if such account is insufficient, from any other account you maintain with the Bank (except for such accounts that you hold in a special or fiduciary capacity for the benefit of another). You are responsible for paying any telephone company or utility charges and/or Internet access service fees incurred while using telephone lines and/or Internet access services to connect with Austin Bank Business Internet Banking services. You also agree and understand that some current or future services, such as Mobile Banking or electronic messaging service, may require a wireless device with Internet access and an agreement with a wireless service provider for services such as text messaging or air time. You understand that those agreements may provide for fees, limitations and restrictions that might impact your use of various Austin Bank Internet Services and you agree to be solely responsible for all such fees, limitations and restrictions. You agree that only your mobile service provider is responsible for its products and services. Accordingly, you agree to resolve any problems with your provider directly without involving us. The Bank assumes no responsibility for the operation, security, functionality or availability of any wireless device or mobile network which you utilize to access Austin Bank Business Internet Banking services.

9) Limitation of Access/Security/Bank's Right to Terminate or Refuse to Process Instructions. The Bank may terminate Austin Bank Business Internet Banking services in whole or in part at any time without prior notice. The Bank reserves the right to limit or suspend any Authorized Representative's use of Austin Bank Business Internet Banking services at any time and to refuse to process any funds transfer or other Instructions received via Austin Bank Business Internet Banking services under circumstances that causes the Bank, in its sole discretion, to question the authority or validity of instructions received or that cause the funds transfer instructions to exceed the applicable daily or monthly Maximum Funds Transfer Amount, as specified in the applicable service forms.

In order to maintain secure communications and reduce fraud, you agree to protect the security of all numbers, codes and other means of identification (including, without limitation, your account numbers and the Access Codes and Tokens provided to your Authorized Representatives). We reserve the right to block access to Austin Bank Business Internet Banking services to maintain or restore security to our website and systems if we reasonably believe the Access Codes or Token for one or more of your Authorized Representatives have been or may be obtained or are being used or may be used by any unauthorized person. You agree to cooperate with us in any investigation relating to the security of our website and/or suspected unauthorized usage of the Austin Bank Business Internet Banking services. You may only use Austin Bank Business Internet Banking services in connection with your Eligible Accounts.

10) Termination. If you want to terminate your company's or any of your Authorized Representative's access to Austin Bank Business Internet Banking services, you must contact our Customer Service in person or by phone at 800-644-9275 during business hours. If you call, we will also require you to present your request in writing and, if such request relates to terminating access rights to one or more Authorized Representatives (without terminating the Austin Bank Business Internet Banking services for your company in its entirety), we may require supporting resolutions or other documents that authorize such instructions. We reserve the right to terminate the Austin Bank Business Internet Banking services, in whole or in part, at any time with or without cause and without prior written notice. In that event, or in the event that you give us a termination notice, we may (but are not obligated) to immediately discontinue making previously authorized transfers, including recurring transfers and other transfers that were previously authorized but not yet made. We also reserve the right to temporarily suspend the Austin Bank Business Internet Banking services in situations deemed appropriate by us, in our sole and absolute discretion, including when we believe a breach of the system security has occurred or is being attempted. We may consider repeated incorrect attempts to enter an Access ID or password as an indication of an attempted security breach. Termination of the Austin Bank Business Internet Banking services does not affect your obligations under this Agreement with respect to occurrences before termination or your obligation to cooperate with us after termination.

11) Your Responsibility. Use of your assigned Access Codes and Tokens is an important part of the agreed upon security procedures that are designed to limit access to Austin Bank Business Internet Banking services to your Authorized Representatives. In order to prevent unauthorized access to your accounts and to prevent unauthorized use of Austin Bank Business Internet Banking services, you agree to keep confidential, and to not give or make available your Access ID, Password, Token or other means to access your accounts to any person that is not authorized to access your accounts in the manner contemplated by this Agreement. You also agree that you will institute and maintain procedures in place that will prohibit Authorized Representatives from storing Access Codes on computers or

undertaking any action that will permit an automatic "log-on" or otherwise negate the requirement that the Access Code be affirmatively entered by the Authorized Representative each time access is sought to the Austin Bank Business Internet Banking services or that would jeopardize the confidentiality of the Access Codes provided. The loss, theft or unauthorized use of your account numbers, or the Access IDs, Passwords, and Tokens of your Authorized Representatives could cause you to lose some or all of the money in your accounts, plus any amount available under your credit line. If you disclose your account numbers, Access IDs, Passwords, and/or Tokens to any person(s) or entity, you assume all risks and losses associated with such disclosure. You are responsible for all transfers, wire transfers and ACH entries using the agreed upon access and security procedures. You will be responsible for any transactions instructed under Austin Bank Business Internet Banking services through the appropriate Access IDs, Passwords, and/or Tokens and the performance of the other applicable security procedures, if any, as indicated by the applicable service forms. You agree to immediately notify us by calling 800-644-9275, Ext. 2222 during normal customer service hours of any unauthorized use of your account numbers, or your Authorized Representatives' Access IDs, Passwords, and Tokens or of any other breach of security, or if you believe someone may attempt to use Austin Bank Business Internet Banking services without your consent or has transferred money without your permission. **We cannot accept notification of lost or stolen user codes or passwords or unauthorized transfers via your company or personal email.** All changes in Authorized Representatives or Security Administrators (or the level of access or transfer authority granted to any of them) will require the completion, execution, and delivery of a new Austin Bank AustinNET Change Form (including supporting resolutions or other evidence of authority, each in a form satisfactory to the Bank) to and acceptance thereof by the Bank.

12) Liability; Indemnification. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED IN THIS AGREEMENT, WE SHALL BE RESPONSIBLE ONLY FOR PERFORMING THE ONLINE SERVICES AS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT AND ANY ADDENDUM HERETO.

WE SHALL BE LIABLE ONLY FOR MATERIAL LOSSES, WHICH ARE THE DIRECT RESULT OF OUR OWN NEGLIGENCE OR INTENTIONAL MISCONDUCT IN PERFORMING THESE SERVICES. WE SHALL HAVE NO LIABILITY FOR FAILURE TO PERFORM ANY SERVICES IN THE EVENT SUCH FAILURE OR DELAY IS DUE TO CIRCUMSTANCES BEYOND OUR REASONABLE CONTROL, INCLUDING BUT NOT LIMITED TO, FAILURE OR DISRUPTION OF ELECTRIC POWER OR TELECOMMUNICATIONS SYSTEMS. WE SHALL HAVE NO LIABILITY FOR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE DAMAGES OR INDIRECT LOSS UNDER ANY CIRCUMSTANCES.

EXCEPT TO THE EXTENT THAT WE ARE LIABLE UNDER THIS AGREEMENT, YOU AGREE TO INDEMNIFY AND HOLD US AND OUR DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS HARMLESS FROM ALL CLAIMS, DEMANDS, JUDGMENTS, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THESE SERVICES. YOU AGREE THAT THIS INDEMNIFICATION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE BUSINESS INTERNET BANKING SERVICES AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" AND "AS AVAILABLE", AND WE DO NOT MAKE ANY WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED, CONCERNING THE HARDWARE, THE SOFTWARE OR ANY PART THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

13) Miscellaneous Terms. In addition to this Agreement, you agree to comply with all applicable account agreements, including, without limitation, the Deposit Account Agreement and the Funds Transfer Agreement, and with all applicable State and Federal laws and regulations.

The Bank may amend or change this Agreement (including applicable fees and service charges) by sending you written notice by regular mail sent to your address as it appears on your account records. Any use of the Austin Bank Business Internet Banking services after we send you a notice of change will constitute your agreement to such change(s). Further, we may, from time to time, revise or update the programs, services and/or related material, which may render all such prior versions obsolete. Consequently, we reserve the right to terminate this Agreement as to all such prior versions of the programs, services, and/or related material, and to limit access to Austin Bank Business Internet Banking services to the more recent revisions and updates.

We shall not be deemed to have waived any of our rights or remedies hereunder unless such waiver is in writing and signed by us. No delay or omission on our part in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

14) Assignment. You may not transfer or assign your rights or duties under this Agreement.

15) Governing Law. THE LAWS OF THE STATE OF TEXAS SHALL GOVERN THIS AGREEMENT AND ITS INTERPRETATION AND ALL TRANSACTIONS HEREUNDER, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW, RULE, OR PRINCIPLE THAT MIGHT RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS REVIEWED THIS CUSTOMER AGREEMENT, UNDERSTANDS THE TERMS AND CONDITIONS SET FORTH HEREIN, AND AGREES TO BE BOUND HEREBY. YOU ALSO AGREE

TO THE EXCLUSIVE JURISDICTION AND VENUE FOR ALL DISPUTES RELATED TO THIS AGREEMENT TO BE HELD IN THE COURTS OF LAW IN CHEROKEE COUNTY TEXAS.

16) Amendments/Notification Requirements. We can change a term or condition of this Agreement by mailing or delivering to you a written notice at least thirty (30) days before the effective date of any such change. We do not need to provide you with any prior notice where an immediate change in the terms or conditions of this Agreement is necessary to maintain and restore the security of our system or an account. However, even in these cases, if the change is to be made permanent, we will provide you with a notice of the change with the next regularly scheduled periodic statement that we send you, or within thirty (30) days, unless disclosure would jeopardize the security of our system or an account. Notices mailed or delivered to you under this paragraph will be considered effective if mailed to the most recent address we show for you in the Bank's records relating to your Eligible Accounts.

17) Use of AUSTIN BANK Website. Through your Authorized Representative(s)' access to the Austin Bank Business Internet Banking services, you hereby acknowledge that such Authorized Representative will be entering a protected web site owned by the Bank, which may be used only for authorized purposes. The Bank may monitor and audit usage of the website. Any fraudulent misuse or otherwise unauthorized usage of the Austin Bank Business Internet Banking services website or any fraudulent information submitted via such website is subject to prosecution under the Computer Fraud and Abuse Act of 1986.

CUSTOMER AUTHORIZATION

SIGNATURE

I, the undersigned, do hereby acknowledge that I am authorized under the corporate resolution on file to act on behalf of this company, group, association or organization. In addition, I acknowledge receipt of and agree to the terms and conditions set forth in the Austin Bank Business Internet Banking services agreement.

Authorized Signature: _____
Printed Name: _____
Title: _____ Date: _____

OFFICE AUTHORIZATION – BANK USE ONLY

APPROVAL

By signing below, I acknowledge that I have verified that the above signed customer is authorized to act on behalf of this company, group, association or organization. In addition, I have verified the services requested.

Authorized Signature: _____
Printed Name: _____
Office Location: _____
Title: _____ Date: _____
Name of referring employee: _____ Same as above

TREASURY MANAGEMENT SERVICES – BANK USE ONLY

PROCESSING

Processed by: _____ Date: _____



Internet Banking Account Change Form

If you need to add a new user,
please complete a User Information and Authorization form.

COMPANY INFO

Company Name: _____
 Company Authorized Representative: _____
 Title: _____ Phone Number: _____

USER CHANGES

Employee Name: _____

Only remove access to: _____

Freeze access until _____

Delete (If an ACH, RDC or Wire User, remove from templates, Master List, FedED), and Zirpit before deleting)

ACCOUNT CHANGES

Delete	Add	Account Number(s):	Account Nickname:	Business	Personal	Account Type
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	Checking
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	Checking
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	Checking
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	Checking

Online Users that will access these accounts:

Level of access:

User Name

Full

View Only

Other

CUSTOMER AUTHORIZATION

I, the undersigned, do hereby acknowledge that I am authorized under the corporate resolution on file to act on behalf of this company, group, association or organization.

Authorized Signature: _____ Date: _____

BRANCH EMPLOYEE AUTHORIZATION – BANK USE ONLY

By signing below, I acknowledge that I have verified that the above signed customer is authorized to act on behalf of this company, group, association or organization.

Authorized Signature: _____ Date: _____

Printed Name: _____ Office: _____

TREASURY MANAGEMENT SERVICES – BANK USE ONLY

Processed by: _____ Date: _____

User deleted from: Access Manager Fed EDI Contact Lists Company Source



User Information and Authorization

Complete one per Business Internet Banking User.

GENERAL INFO

Company Name: _____
 User's First Name: _____ User's Last Name: _____
 User's Phone Number: _____ Cell Phone Office
 User's Email Address: _____

CREDENTIALS

Access ID (User ID): _____
 * Minimum of 6 characters, maximum of 10. This is not a password.

Secret Question: _____

Secret Answer: _____
 (for security purposes)

AUTHORITY LEVEL

Basic User (view only)
 Super User (view and transact)
 Administrator (view/transact/approve)

USER ACCESS RIGHTS

Access Times:
 This User will have 24/7 access to Business Internet Banking unless specified here (e.g. M-F, 8 am – 5 pm):

Account Access:
 Do you want this user to have access to all your online banking accounts?
 Yes No If no, list accounts you want them to see: _____

Transactions:
 What would you like this User to be able to do?
 Internal transfers Stop payments Loan payments Bill payments

Will this User's transactions require an online Administrator's review and approval? Yes No
 Approver's Name: _____

CASH MANAGEMENT

Do you already have Business Online Services set up for your accounts?

Yes Check the online options below that you would like for this User to be able to access, if any.

No Check the online options you would be interested in learning more about. A Treasury Management representative will contact you to discuss those services.

Payroll Direct Deposit Business Bill Pay Merchant Services (accept credit/debit cards)
 ACH Collections ACH Payments Merchant Capture (remote deposit checks)
 Wire Transfers (Domestic and International)

CUSTOMER AUTHORIZATION

I, the undersigned, do hereby acknowledge that I am authorized under the corporate resolution on file to act on behalf of this company, group, association or organization.

Authorized Signature: _____ Date: _____

For Bank Use Only: If user will access ACH, Wire, or RDC, add user email to Master List, FedED), and Zlrpit databases





Wire Manager Set Up Form

Wire Manager is accessed through AustinNET. Therefore, only authorized users of AustinNET can initiate wires.

PLEASE LIST USERS THAT ARE AUTHORIZED TO INITIATE ONLINE WIRES:

Company Name: _____
Tax ID: _____
User Name: _____ Token #: _____
User Name: _____ Token #: _____
User Name: _____ Token #: _____

WIRES WILL BE SENT FROM THE FOLLOWING ACCOUNTS:

WIRE AUTHORIZATIONS:

All wires initiated for \$50,000 and greater require call-back verification. Please list names and numbers of persons authorized to approve wires:

Name: _____ Phone #1: _____ Phone #2: _____
Name: _____ Phone #1: _____ Phone #2: _____
Name: _____ Phone #1: _____ Phone #2: _____

CUSTOMER AUTHORIZATION

I understand that there is a one-time setup fee of \$50. In addition, there is a domestic wire fee of \$20 and a foreign wire fee of \$40.

I also understand that tax payments are not allowed using the online wire system.

Authorized Signature: _____ Date: _____



Date of Application: _____

COMPANY INFO

Company Name: _____
 Type of Business: _____
 ACH Contact Name: _____
 Contact Phone: _____ Contact Email: _____
 Austin Bank customer since: _____ Treasury Management customer? Yes No

ACH ACTIVITY

Estimated Dollar Value of ACH transactions (maximum funds transfer amounts):

<u>Debits</u>	<u>Credits</u>
Daily Maximum: _____	Daily Maximum: _____
Monthly Maximum: _____	Monthly Maximum: _____

Frequency of ACH transactions:
 Daily Weekly Semi-monthly Monthly Other _____

Types of transactions:
 Business-to-business Business-to-personal Both

Brief description of transactions to be originated (i.e. payroll, dues, rent, A/P or A/R):

Will you generate a NACHA-formatted file? Yes No Not Sure

Software used to create ACH files (if creating your own): _____

List all accounts subject to ACH activity:

<u>Account Number</u>	
_____	_____
_____	_____
_____	_____

List any related entities for which you will be originating ACH:

Company Name: _____	Tax ID: _____
Company Name: _____	Tax ID: _____
Company Name: _____	Tax ID: _____



ACH Origination Application – page 2
User Authorizations

Company Name: _____

USER INFO 1

User First Name: _____ Last Name: _____

Title: _____

Cell Phone Number: _____ Office Phone Number: _____

User Email Address: _____ Token #: _____

Return/Correction Notifications? [] Yes [] No Same Day ACH? [] Yes [] No

Initiator Only [] Approver Only [] Both []

List all accounts for which this user will need access for ACH:

Table with 4 columns: Account Number(s), Full Access, Debits Only, Credits Only. Includes 5 rows of checkboxes for account access.

USER INFO 2

User First Name: _____ Last Name: _____

Title: _____

Cell Phone Number: _____ Office Phone Number: _____

User Email Address: _____ Token #: _____

Return/Correction Notifications? [] Yes [] No Same Day ACH? [] Yes [] No

Initiator Only [] Approver Only [] Both []

List all accounts for which this user will need access for ACH:

Table with 4 columns: Account Number(s), Full Access, Debits Only, Credits Only. Includes 5 rows of checkboxes for account access.

USER INFO 3

User First Name: _____ Last Name: _____

Title: _____

Cell Phone Number: _____ Office Phone Number: _____

User Email Address: _____ Token #: _____

Return/Correction Notifications? [] Yes [] No Same Day ACH? [] Yes [] No

Initiator Only [] Approver Only [] Both []

List all accounts for which this user will need access for ACH:

Table with 4 columns: Account Number(s), Full Access, Debits Only, Credits Only. Includes 5 rows of checkboxes for account access.



ACH Origination Application – page 3 Acknowledgements

Company Name: _____

CUSTOMER AUTHORIZATION

The undersigned hereby certifies that the information given in the foregoing statement is true and complete and is submitted for the purpose of obtaining ACH origination services. You are hereby authorized to obtain such information as you may require concerning foregoing statements, including reviewing my personal credit report obtained from a consumer reporting agency, which shall at all times remain the property of Austin Bank.

SIGNATURE

Signature: _____

Printed Name: _____

Title: _____ Date: _____

Required Financial Information: As stated in our ACH Origination Policy, Austin Bank may require ACH origination applications be supported by a full financial disclosure. The Bank may require financial statements including a balance sheet, profit and loss statement, and a reconciliation of the surplus. In addition, forecasts, aged accounts receivables and payable lists, appraisals of real estate or machinery and equipment, collateral, guaranties, etc. may be required.

BRANCH EMPLOYEE AUTHORIZATION – BANK USE ONLY

By signing below, I acknowledge that I have verified that the above signed customer is authorized to act on behalf of this company, group, association or organization.

Authorized Signature: _____ Date: _____

Printed Name: _____ Office: _____



ACH Origination Agreement

This Agreement, made this _____ day of _____, 20____, by and between _____
(the "Company") and Austin Bank, Texas N.A. ("Austin Bank") is effective on the date of acceptance by Austin Bank, Texas N.A.

RECITALS

- A. Company wishes to initiate Corporate Electronic Credit and/or Debit Entries pursuant to the terms of this Agreement and the Rules that have been adopted by the National Automated Clearing House Association ("ACH Rules"), and Austin Bank is willing to act as an Originating Depository Financial Institution (ODFI) with respect to such entries and the terms of this Agreement.
- B. Unless otherwise defined herein, capitalized terms shall have the meanings provided in the ACH Rules. The term "Entries" shall have the meaning provided in the ACH Rules and shall also mean the data received from the Company hereunder from which Austin Bank prepares entries.

AGREEMENT

1. **Compliance.** Company will comply with the terms of this Agreement, the ACH Rules, insofar as applicable, and will comply with the provisions of the laws of the United States. *Company agrees that it shall not violate Office of Foreign Assets Control (OFAC) enforced sanctions, and is not acting on behalf of, or transmitting funds to or from, any party subject to such sanctions.* Company agrees that Austin Bank has the right to terminate, suspend, audit, or place restrictions on ACH origination activity it believes to be out of compliance.
 - a) Company will be responsible for staying up to date with any Rules amendments, changes, and revisions that may affect their Origination status and/or procedures, as reflected on the ACH rules website, www.achrulesonline.org.
 - b) Company liabilities shall include, but are not limited to, the amount of any fines assessed against Austin Bank for an ACH Rules violation caused by the Company.
2. **U.S. Law.** It shall be the responsibility of the Company that the origination of ACH transactions complies with U.S. law.
3. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the state of Texas.
4. **Transmittal of Entries by Company.** Company shall transmit all Prearranged Payment and Deposit (PPD), Cash Concentration or Disbursement [CCD] credit(s) or debit(s) entries, Corporate Trade Exchange (CTX), and/or Internet-Initiated/Mobile entries (WEB) to Austin Bank in compliance with the formatting and other requirements set forth in the attached Schedule [A]. The total dollar amount of Entries transmitted by Company to Austin Bank on any one day shall not exceed \$ _____ (amount required).
5. **Security Procedures.** The Company and Austin Bank shall comply with the security procedure requirements described in the attached Schedule [A] with respect to entries transmitted by the Company to Austin Bank.
6. **Processing, Transmittal and Settlement by Austin Bank.**
 - a) Except as provided in Section 7 On Us Entries and Section 8 Rejection of Entries Austin Bank shall:
 - (i) Process entries received from the Company to conform with the file specifications set forth in the ACH Rules,
 - (ii) Transmit such Entries as an Originating Depository Financial Institution to a receiving account or ACH Processor for further processing, and
 - (iii) Settle for such entries as provided in the ACH Rules.
 - b) With regard to credit Entries, Austin Bank shall transmit such entries to the ACH Operator by the deadlines set forth in the attached Schedule [B] two business days prior to the Effective Entry Date shown in such entries (except Same-Day entries), provided:
 - i) Such entries are received on a business day by Austin Bank's related cut-off time set forth in attached Schedule [B],
 - ii) The Effective Entry Date is at least 2 days after such business day,

- iii) The ACH Operator is open for business on such business day
 - c) If any of the requirements of clause (i), (ii), or (iii) of Section 6(b) Processing, Transmittal and Settlement are not met, Austin Bank shall use reasonable efforts to transmit such entries to the ACH Operator by the next deposit deadline on which the ACH Operator is open for business.
 - d) **Definition of Business Day:** Is a day on which Austin Bank is open to the public for carrying on substantially all of its business (other than Saturday, Sunday and Federal holidays).
7. **On-Us Entries.** Except as provided in Section 8 Rejection of Entries, in the case of an entry received for credit to an account maintained with Austin Bank (an "On-Us Entry"), Austin Bank shall credit the Receiver's account in the amount of such entry on the Effective Entry Date contained in such entry, provided the requirements set forth in Section 6(b) Processing, Transmittal and Settlement are met. If either of those requirements is not met, Austin Bank shall use reasonable efforts to credit the Receiver's account on the next business day following such Effective Entry Date.
8. **Rejection of Entries.** Austin Bank shall reject any entry which does not comply with the requirements of Section 4 Transmittal of Entries by Company and Section 5 Security Procedures, or which contains an Effective Entry Date more than two days after the business day such entry is received by Austin Bank. Austin Bank shall have the right to reject an on-us entry for any reason for which an entry may be returned under the ACH Rules. Austin Bank shall have the right to reject any entry if the Company has failed to comply with its account balance obligations under Section 13 The Account. Austin Bank shall notify the Company by (i) telephone, (ii) Email, or (iii) electronic transmission of such rejection no later than the business day such entry would otherwise have been transmitted by Austin Bank to the ACH Processor, or in the case of an on-us entry, its Effective Entry Date. Austin Bank shall have no liability to the Company by reason of the rejection of any such entry or the fact that such notice is not given at an earlier time than that provided for herein.
9. **Cancellation or Amendment by Company.** The Company shall have no right to the cancellation or amendment of any entry after its receipt by Austin Bank. However, Austin Bank shall use reasonable efforts to act on a request by the Company for cancellation of an entry prior to transmitting it to the ACH Processor, or in the case of an on-us entry, prior to crediting a Receiver's account.
10. **Notice of Returned Entries.** Austin Bank shall notify the Company by (i) telephone, (ii) Email, or (iii) electronic transmission of the receipt of a returned entry from the ACH Processor no later than one business day after the business day of such receipt if Austin Bank complied with the terms of this agreement with respect to the original Entry.
11. **Re-initiation of Entries.** The Company may not reinitiate entries except as prescribed by the ACH Rules.
12. **Payment by Company for Entries.** The Company shall pay Austin Bank the amount of each entry transmitted by Austin Bank pursuant to this Agreement at such time on the Settlement Date with respect to such entry as Austin Bank, at its discretion, may determine, and the amount of each on-us entry at such time on the Effective Entry Date of such entry as Austin Bank, at its discretion, may determine.
13. **The Account.** Austin Bank may, without prior notice or demand, obtain payment of any amount due and payable to it under the Agreement by debiting the account(s) of the Company identified in the attached Schedule [C], and shall credit the account for any amount received by Austin Bank by reason of the return of an entry transmitted by Austin Bank for which Austin Bank has previously received payment from the Company. Austin Bank shall make such credit as of the day of such receipt. The Company shall at all times maintain a balance of available funds in the account sufficient to cover its payment obligations under this Agreement. In the event there are not sufficient available funds in the account to cover the Company's obligations under this Agreement, the Company agrees that Austin Bank may debit any account maintained by the Company with Austin Bank or any affiliate of Austin Bank or that Austin Bank may set off against any amount it owes to the Company, in order to obtain payment of the Company's obligations under this Agreement.
14. **Account Reconciliation.** The periodic statement issued by Austin Bank for the Company's account will reflect entries credited and debited to the Company's account. The Company agrees to notify Austin Bank promptly of any discrepancy between the Company's records and the information shown on any such periodic statement. If the Company fails to notify Austin Bank within sixty (60) days of receipt of a periodic statement, the Company agrees that Austin Bank shall not be liable for any other losses resulting from the Company's failure to give such notice or any loss of interest or any interest equivalent with respect to the Entry shown on such periodic statement. If Company fails to notify Austin Bank of any such discrepancy within sixty (60) days of receipt of such periodic statement, the Company shall be and is hereby deemed to be precluded from asserting any and all claims against Austin Bank, and

does hereby waive such claims including claims for interest, costs or attorney's fees. Furthermore, the Company shall be liable to Austin Bank for all damages and losses incurred by Austin Bank (including attorneys' fees and costs) as a result of such failure.

- 15. Company Representations and Agreements; Indemnity.** With respect to each and every Entry initiated by Company, Company represents and warrants to Austin Bank and agrees that:
- a) Each entry is accurate, is timely, and has been duly authorized by the party whose account will be credited or debited, and otherwise complies with the ACH Rules or applicable law or regulation;
 - b) Each debit entry is for a sum which, on the settlement date with respect to it, will be owing to the Company, or is a correction of a previously transmitted erroneous credit entry;
 - c) The Company has complied with all Pre-notification requirements of the ACH Rules;
 - d) The Company has and will comply with the terms of Electronic Funds Transfer Act, if applicable, Uniform Commercial Code Article 4A, if applicable, as well as Federal Reserve Board Regulation J, if applicable and shall otherwise perform its obligations under this Agreement in accordance with all applicable laws;
 - e) Entries transmitted to Austin Bank by the Company are limited to those types of Entries set forth in Section 4 Transmittal of Entries by Company;
 - f) The Company shall be bound by and comply with the ACH Rules as in effect from time to time, including without limitation the provision thereof making payment of an entry by the Receiving Depository Financial Institution (RDFI) to the Receiver provisional until receipt by the Receiving Depository Financial Institution of final settlement for such entry; and specifically acknowledges that if such settlement is not received, the Receiving Depository Financial Institution (RDFI) shall be entitled to a refund from the Receiver of the amount credited and the Company shall not be deemed to have been paid the Receiver. The Company does hereby agree to and shall indemnify, hold harmless and defend, without limitation, Austin Bank from and against any and all demands, claims, losses, liability or expense (including attorney's fees and costs) relating to, arising out of or involving any breach of the foregoing warranties or agreements. It is intended and the Company does hereby agree, that Austin Bank shall be indemnified, held harmless and defended by the Company, and shall be shielded from and against any and all claims for damages, of any nature and from any source, arising out of, relating to, or involving any breach of the foregoing representations, warranties or agreements by the Company, or the failure of the Company to fully comply with the terms of this Agreement, the ACH Rules, or any and all other applicable laws or regulations.
- 16. Liability; Limitations On Liability; Indemnity.**
- a) Austin Bank shall be responsible only for performing the services expressly provided for in this Agreement, and shall be liable only for its negligence in performing those services. Austin Bank shall not be responsible for the Company's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or due authorization of any entry received from the Company) or those of any other person, including without limitation any Federal Reserve Bank or transmission or communications facility, any Receiver or Receiving Depository Financial Institution (RDFI) (including without limitation the return of an entry by such Receiver or Receiving Depository Financial Institutions (RDFI)), and no such person shall be deemed Austin Bank's agent. Company agrees to indemnify Austin Bank against any loss, liability or expense (including attorneys' fees and expenses) resulting from any claim of any person that Austin Bank is responsible for, any act of omission by the Company or any other person described in this Section.
 - b) In no event shall Austin Bank be liable for any consequential, special punitive or indirect loss or damage that the Company may incur or suffer in connection with this Agreement, including losses or damage from subsequent wrongful dishonor resulting from Austin Bank's acts or omissions pursuant to this Agreement.
 - c) Austin Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission, or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond Austin Bank's control. In addition, Austin Bank shall be excused from failing to transmit or delay in transmitting an entry if such transmittal would result in Austin Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to Federal Reserve guidelines or if Austin Bank is otherwise violating any provision of any risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.
 - d) Austin Bank's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds Rate at the Federal Reserve Bank of New York for the period involved. (At Austin Bank's option, payment of such interest may be made by crediting the Account from any claim of any person that Austin Bank is responsible for any act or omission of the Company or any other person described in Section 16(a) Liability; Limitations On Liability; Indemnity.)
- 17. Compliance with the Security Procedures.**
- a) If an entry (or a request for cancellation or amendment of an entry) received by Austin Bank purports to have been transmitted or authorized by the Company, it will be deemed effective as the Company's entry and the Company shall be obligated to pay Austin Bank the amount of such entry even though the entry was not authorized by the Company, provided Austin Bank acted in compliance with the security procedure referenced in Schedule [A]. If signature comparison is to be used as a part of that security procedure, Austin Bank shall be deemed to have complied with that part of such procedure if it compares the signature

accompanying a file of entries with the signature of an authorized representative of the Company and, on the basis of such comparison, believes the signature to be that of such authorized representative.

- b) If an entry received by Austin Bank was transmitted or authorized by the Company, the Company shall be obligated to pay the amount of the entry as provided herein, whether or not Austin Bank complied with the security procedure referred to in Schedule [A] and whether or not that entry was erroneous in any respect or that error would have been detected if Austin Bank had complied with such procedure.

18. Inconsistency of Name and Account Number. The Company acknowledges and agrees that, if an entry describes the Receiver inconsistently by name and account number, payment of the entry transmitted to the Receiving Depository Financial Institution (RDFI) might be made by the Receiving Depository Financial Institution (RDFI) (or by Austin Bank in the case of an on-us entry) on the basis of the account number even if it identifies a person different from the named Receiver, and that the Company's obligation to pay the amount of the entry to Austin Bank is not excused in such circumstances.

19. Notifications of Change. Austin Bank shall notify Company of all notifications of change (NOC) received by Austin Bank related to entries transmitted by the Company (by mail, fax, electronic transmission, etc) no later than two banking days after receipt thereof.

20. Payment for Services. The Company shall pay Austin Bank the charges for the services provided herein set forth in Schedule [D]. All fees and services are subject to change upon thirty (30) calendar days prior written notice from Austin Bank to Company. Continued use by the Company of ACH origination pursuant to this Agreement after notice of a fee change by Austin Bank shall be conclusive proof that the Company agrees to the new fee schedule, and shall be bound by same. Such charges do not include, and the Company shall be responsible for payment of, any sales, use, excise, value-added, utility or other similar taxes relating to the services provided for herein, and any fees or charges provided for in the agreement between Austin Bank and the Company with respect to the account.

21. Amendments. From time to time Austin Bank may amend any of the terms and conditions contained in this Agreement, including without limitation, any cut-off time, any business day, and any part of the Schedules attached hereto. Such amendments shall become effective upon receipt of notice by the Company or such later date as may be stated in the Austin Bank's notice to the Company.

22. Notices, Instructions, Etc.

- a) Except as otherwise expressly provided herein, Austin Bank shall not be required to act upon any notice or instruction received from the Company or any other person, or to provide any notice or advice to the Company or any other person with respect to any matter.
- b) Austin Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Representative as indicated on the Corporate Resolution or Business Internet Banking Application, and any such communication shall be deemed to have been signed by such person. Except as otherwise expressly provided herein, any written Agreement shall be delivered, or sent to:

Attention: ACH Processor
Address: Austin Bank, Texas N.A.
200 Commerce Street P.O. Box 951
Jacksonville, TX 75766 Jacksonville, TX 75766

Fax Number: 903-541-2089

And, if to Company, addressed to:

Attention: _____ (Company's Authorized Representative)

Address: _____

,

unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise expressly provided herein, any such notice shall be deemed given when received.

23. Data Retention. The Company shall retain data on file adequate to permit remaking of entries for five (5) days following the date of their transmittal by Austin Bank as provided here, and shall provide such data to Austin Bank upon its request.

24. **Tapes and Records.** All magnetic tapes, Entries, security procedures and related records used by Austin Bank for transactions contemplated by this Agreement shall be and remain Austin Bank's property. Austin Bank may, at its sole discretion, make available such information upon Company's request. Company shall pay any expenses incurred by Austin Bank in making such information available to Company.
25. **Evidence of Authorization.** Company shall obtain all consents and authorizations required under the ACH Rules and shall retain such consents and authorizations for two years after they expire.
26. **Cooperation in Loss Recovery Efforts.** In the event of any damages for which Austin Bank or Company may be liable to each other or to a third party pursuant to the services provided under this Agreement, Austin Bank and Company will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.
27. **Third Parties.** The Company shall assume full liability for any action made by any third-party processor used by the Company at its discretion to initiate Entries on its behalf.
28. **Reversing Entries.** The Company shall initiate reversing entries so that it can be transmitted or made available to the receiving bank within 5 banking days of the original settlement date of the duplicate or erroneous file and shall notify the Receiver that a reversing Entry has been transmitted to the Receiver's account no later than the settlement date of the reversing Entry. This notification may be made by the Company's method of choice (fax, telephone, etc.)
29. **Termination.** Austin Bank or Company may terminate this Agreement at any time. Such termination shall be effective on the second business day following the day of receipt of written notice of such termination or such later date as is specified in that notice. Any termination of this Agreement shall not affect any of the Company's obligations arising prior to such termination.
30. **Entire Agreement.** This Agreement (including the Schedules/Exhibits attached hereto), together with the Account Agreement, is the complete and exclusive statement of the agreement between Financial Institution and Company with respect to the subject matter hereof and supersedes any prior agreement(s) between Financial Institution and Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Account Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation or government policy to which Financial Institution is subject, and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and Financial Institution shall incur no liability to Company as a result of such violation or amendment. No course of dealing between Financial Institution and Company will constitute a modification of this Agreement, the Rules, or the security procedures or constitute an agreement between the Financial Institution and Company regardless of whatever practices and procedures Financial Institution and Company may use.
31. **Non-Assignment.** Company may not assign this Agreement or any of the rights or duties hereunder to any person without Financial Institution's prior written consent.
32. **Waiver.** Financial Institution may waive enforcement of any provision of this Agreement. Any such waiver shall not affect Financial Institution's rights with respect to any other transaction or modify the terms of this Agreement.
33. **Binding Agreement; Benefit.** This Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against Financial Institution or Company hereunder.
34. **Headings.** Headings are used for reference purposes only and shall not be deemed a part of this Agreement.
35. **Severability.** In the event that any provision of this Agreement shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.
36. **Exposure Limits.** The total dollar amount of entries transmitted, frequency of origination and payment application (debits or credits) originated by Company to Austin Bank shall comply with limits set forth in the attached Schedule [E] and ACH Annual Review Form.
37. **Uniform Commercial Code Article 4A (UCC-4A) Disclosure.** In regard to the origination of "wholesale credit" entries, (defined as incoming corporate ACH credit transfers containing Standard Entry Class Codes "CCD" and "CTX"), Austin Bank shall provide disclosure as required by Uniform Commercial Code Article 4A to the Company.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized officers.

CUSTOMER AUTHORIZATION

Company: _____
Authorized Signature: _____
Printed Name: _____ Date: _____
Title: _____

FINANCIAL INSTITUTION

Austin Bank, Texas N.A.
Authorized Signature: _____
Printed Name: _____ Date: _____
Title: _____

List of Schedules

- Schedule A: ACH Transmittal/Security Procedures
- Schedule B: Processing Schedule
- Schedule C: Account Agreement
- Schedule D: ODFI Fee Schedule
- Schedule E: Exposure Limit Disclosure

Schedule A

ACH Transmittal/Security Procedures

All files will be formatted in a NACHA or other pre-approved format; transmission specifications will be established by Austin Bank.

Transmittal of Entries

The Company will transmit files to Austin Bank through its' secure Internet web base at www.austinbank.com. The Company's Authorized Representatives, as indicated in the Business Online Banking Application or AustinNET Application, will have access to the ACH system by utilizing the prearranged logon procedures, remote ID, and file ID. The Company shall transmit any and all debit or credit Entries to the Financial Institution in accordance with the Rules and this Agreement. Austin Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by the Authorized Representative, and any such communication shall be deemed to have been signed by such person. The Company hereby authorizes the Financial Institution to transmit any Entry received by the Financial Institution from Company in accordance with the Rules and the terms of this Agreement and to credit or debit the amount of such Entry to the accounts specified by the Company.

Security Procedures

The Company shall prevent and safeguard against unauthorized transmissions, disclosures and access to the following (all of which are referred to herein as "Security-related Items"): information (including but not limited to security procedures, instructions, tokens, passwords and user identifications), systems and equipment that interface with, connect to or allow access to the Financial Institution, its information, systems and equipment. The Company shall establish, maintain and enforce physical and logical commercially reasonable security practices, techniques and procedures with respect to access, storage and maintenance to safeguard against unauthorized transmissions and unauthorized access to Security-related Items. Such practices, techniques and procedures shall be no less than the security-related requirements set forth in this Agreement and in the Rules. Without limiting the foregoing, the Company warrants that no individual will be allowed to initiate transfers without proper supervision. If the Company suspects, knows, believes or has reason to believe that an unauthorized individual has transmitted or attempted to transmit one or more Entries or that the security procedures or other Security-related Items have otherwise been compromised, the Company agrees to immediately notify the Financial Institution and agrees that any Entry received by the Financial Institution before or within a reasonable time after such notice to the Financial Institution shall be treated as authorized by the Company.

Protection of Sensitive Data and Access Controls

Article One, Section 1.6 of the ACH Rules states that the Company (originator) and any Third Party Service Provider acting on behalf of the Originator must establish, implement, and update, as appropriate, policies, procedures, and systems with respect to the initiation, processing, and storage of Entries that are designed to:

- a) Protect the confidentiality and integrity of Protected Information until its destruction;
- b) Protect against anticipated threats or hazards to the security or integrity of Protected Information until its destruction; and
- c) Protect against unauthorized use of Protected Information that could result in substantial harm to a natural person

Company shall not disclose and must ensure that any Third Party Service Provider acting on behalf of the Company does not disclose the Receiver's account number or routing number to any third party for such third party's use, directly or indirectly, in initiating a separate debit Entry.

Schedule B Processing Schedule

ODFI Processing Schedule

Consumer Debit Transactions

Delivery Method	Deadline	Day of Delivery
Transmission	4:00 p.m. *	1 Business day prior to effective Entry date *

Consumer Credit Transactions

Delivery Method	Deadline	Day of Delivery
Transmission	4:00 p.m. *	1 Business day prior to effective Entry date *

*Deadline is 12pm for a Same-Day transaction

Schedule C Account Agreement

This schedule identifies the Company Account to which settlement should be applied for origination of entries or settlement of return entries. In the case of Cash Concentration entries, this schedule may clearly define the accounts to be swept, the frequency of scheduled transfers or other information specific to the activity of the accounts.

Company Accounts

Schedule D
ODFI Fee Schedule

ACH Origination Service Fees

Setup Fee	\$100.00
Monthly Fees	\$25.00
ACH Debit per Item Fee	\$0.15
ACH Credit per Item Fee	\$0.15
ACH Return Entries (Received)	\$7.50
ACH Single Transfers	\$3.00 ea.
Same Day ACH per Item Fee	\$0.45

Notes:

Schedule E
Exposure Limit Disclosure

Credit Origination

Maximum Daily ACH Credits \$ _____

Debit Origination

Maximum Daily ACH Debits \$ _____

Compensating Balances (if required) _____

Company may be required to furnish Austin Bank with Financial Statements annually.



Merchant Capture Application – Page 1

Date of Application: _____

COMPANY INFO

Company Name: _____
 Type of Business: _____
 Austin Bank customer since: _____ Treasury Management customer? Yes No
 Primary Contact Name: _____
 Contact Phone: _____ Contact Email: _____

ESTIMATED USAGE

Estimated dollar value of deposits:
 Maximum per item: _____
 Maximum per deposit: _____
 Maximum per day: _____

Estimated volume of items:
 Maximum number of items daily: _____
 Maximum number of items monthly: _____

Frequency of deposits:
 Daily Weekly – Times per week: _____ Monthly

ACCOUNTS

List all accounts to which you plan to deposit:

List all related entities to whose accounts you plan to deposit:

<u>Company Name</u>	<u>Tax ID</u>	<u>Company Name</u>	<u>Tax ID</u>
_____	_____	_____	_____
_____	_____	_____	_____

Enter information about each location that will be using Merchant Capture.

PRIMARY LOCATION

Company Name: _____ Location Name: _____
 Address: _____ City, State, Zip Code: _____
 Billing account number for this location: _____
 Primary Operator Name: _____
 Ship scanner directly to this location? Yes No If no, which location: _____

SECONDARY LOCATION

Company Name: _____ Location Name: _____
 Address: _____ City, State, Zip Code: _____
 Billing account number for this location: _____
 Primary Operator Name: _____
 Ship scanner directly to this location? Yes No If no, which location: _____



Merchant Capture Application – page 2 User Authorizations

Company Name: _____

Existing Online Banking User New User (Fill out User Information & Authorization form in addition to this form)

User First Name: _____ Last Name: _____

Cell Phone Number: _____ Office Phone Number: _____

User Email Address: _____ Deposit correction notifications: Yes No

Location: _____

List all accounts which this user will access for Remote Deposit:

<u>Account Number(s):</u>	<u>Account Number(s):</u>
_____	_____
_____	_____
_____	_____
_____	_____

All accounts on Online Banking
Additional Instructions:

USER INFO - 1

Existing Online Banking User New User (Fill out User Information & Authorization form in addition to this form)

User First Name: _____ Last Name: _____

Cell Phone Number: _____ Office Phone Number: _____

User Email Address: _____ Deposit correction notifications: Yes No

Location: _____

List all accounts which this user will access for Remote Deposit:

<u>Account Number(s):</u>	<u>Account Number(s):</u>
_____	_____
_____	_____
_____	_____
_____	_____

All accounts on Online Banking
Additional Instructions:

USER INFO - 2

Existing Online Banking User New User (Fill out User Information & Authorization form in addition to this form)

User First Name: _____ Last Name: _____

Cell Phone Number: _____ Office Phone Number: _____

User Email Address: _____ Deposit correction notifications: Yes No

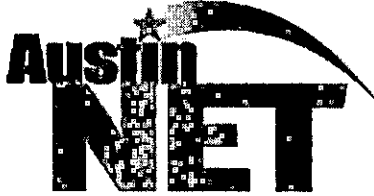
Location: _____

List all accounts which this user will access for Remote Deposit:

<u>Account Number(s):</u>	<u>Account Number(s):</u>
_____	_____
_____	_____
_____	_____
_____	_____

All accounts on Online Banking
Additional Instructions:

USER INFO - 3



Merchant Capture Application – page 3 Acknowledgements

Company Name: _____

CUSTOMER AUTHORIZATION

The undersigned hereby certifies that the information given in the foregoing statement is true and complete and is submitted for the purpose of obtaining Merchant Capture services. You are hereby authorized to obtain such information as you may require concerning foregoing statements, including reviewing my personal credit report obtained from a consumer reporting agency, which shall at all times remain the property of Austin Bank.

SIGNATURE

Signature: _____

Printed Name: _____

Title: _____ Date: _____

Physical Address: _____

City, State and Zip: _____

Social Security Number: _____ Date of Birth: _____

Required Financial Information: Austin Bank may require Merchant Capture applications be supported by a full financial disclosure. The Bank may require financial statements including a balance sheet, profit and loss statement, and a reconciliation of the surplus. In addition, forecasts, aged accounts receivables and payable lists, appraisals of real estate or machinery and equipment, collateral, guaranties, etc. may be required.

BRANCH EMPLOYEE AUTHORIZATION – BANK USE ONLY

By signing below, I acknowledge that I have verified that the above signed customer is authorized to act on behalf of this company, group, association or organization.

Authorized Signature: _____ Date: _____

Printed Name: _____ Office: _____



Remote Deposit Electronic Check Processing Agreement

This Electronic Check Processing Agreement (this "Agreement") is made and entered into by Austin Bank, Texas N.A. ("Bank"), and _____ ("Customer") and supplements the Bank's Account Agreement. In the event of an inconsistency between this Agreement and the Account Agreement, the terms of this Agreement will control. In exchange for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Bank and Customer agree as follows:

1. Background. Bank offers the Austin Bank Merchant Capture Program ("Program") for the electronic clearing of checks, which enables Customer to convert checks to electronic items and to transmit those items electronically to Bank for deposit into Customer's Account at Bank. Customer desires to use the Program to electronically transmit and process checks for deposit and collection purposes.

2. Definitions. Refer to Exhibit A.

3. Services. Bank shall provide to Customer the Services described in this Agreement to enable Customer to use the Program to convert Checks to Electronic Items for the electronic processing of such Checks. Customer and Bank shall comply with the terms and provisions of Exhibit B with respect to performance of the Services.

4. License. Subject to the terms and conditions of this Agreement, Bank hereby grants Customer a non-exclusive, non-transferable license to: (i) use the Software for those portions of the Program selected by Customer, solely for processing Checks in connection with Customer's own business operations, in accordance with the Documentation and solely on Authorized Equipment; (ii) copy and use the Documentation solely to support Customer's authorized use of the Software; and (iii) copy any Software actually delivered to Customer solely for archival or backup purposes. Customer agrees to abide by the provisions of Exhibit C with respect to the Software and Documentation.

5. Customer Obligations. Customer represents and warrants that with respect to each Check processed by Customer hereunder and the corresponding Electronic Item: (i) the Electronic Item is a digitized image of the front and back of the Check and accurately represents all of the information on the front and back of the Check as of the time Customer converted the Check to an Electronic Item, including the information portion (i.e. the MICR line) required for a Substitute Check; (ii) the Electronic Item accurately represents all endorsements applied by parties that previously handled the Check in any form for forward collection or return; and (iii) all transfer and presentment warranties made under applicable law and the Account Agreement. If Customer captures a digital image of a previously truncated and reconverted Substitute Check for processing, Customer shall ensure that such Substitute Check meets the requirements for legal equivalency under Regulation CC and the Identifications of previous truncating and reconvert bank(s) (as such terms are defined in Regulation CC) are preserved.

Customer further represents and warrants that with respect to the computer used for the purpose of Merchant Capture, all critical system updates will be applied in a timely manner. Customer agrees to abide by the provisions of Exhibit D 1.2 through 1.5 with respect to the maintenance of customer's computer and software.

6. Fees. Customer will pay Bank the fees for the Merchant Capture Program as set forth in Bank's schedule of fees (included in Exhibit E). Bank reserves the right to change the amount of such fees from time to time upon 30 days prior written notice.

7. Terms and Termination.

7.1 The term of this Agreement shall commence upon execution hereof and shall continue thereafter until terminated as follows: (i) by either party upon written notice to the other party, for any reason; (ii) by Bank upon 10 days written notice to Customer for Customer's failure to (a) pay Bank any amount due to Bank under this Agreement, or (b) install and use any changes or updates to the Software as required herein, if such breach is not cured within such 10 day period; or (iii) by Bank immediately upon written notice to Customer if Bank discovers any willful misconduct (including bad checks or fraudulent activities) on the part of Customer or any other party with respect to Checks or Electronic Items processed by Customer.

7.2 Any termination will not affect obligations arising prior to termination, such as the obligation to process any Checks and Electronic Items, including returned Electronic Items that were in the process of being transmitted or collected prior to the termination date. Within 30 days after termination of this Agreement, Customer will return Scanner and return or destroy all copies of the Software and

Documentation in its possession or under its control, and will, upon request, certify in writing that it has returned or destroyed all such copies. In addition, Customer will keep its Account at Bank open until the later of (i) 60 days after the date of termination, or (ii) final payment with respect to all processing fees, and will keep in such Account an amount sufficient to cover any remaining outstanding Checks. If any such outstanding Checks or returned Electronic Items exceed the collected balance in the Account, Customer will pay such excess to Bank upon demand. Customer will also continue to retain Checks and forward Checks to Bank as provided in Exhibit B of this Agreement. Customer agrees not to develop a product substantially similar to the Program during the term hereof or within three years after termination of this Agreement.

7.3 All Sections of this Agreement which are intended by their terms to survive termination of this Agreement, including without limitation Sections 5, 7, 8, 9, 10, 11, 13, 14, 16, 18 and 21, will survive any termination of this Agreement.

8. Confidential Information. Bank acknowledges that it may obtain or have access to non-public personal information regarding Customer or its customers, and agrees to (i) maintain the confidentiality, integrity and security of such information, (ii) use such information only for the purposes set forth in this Agreement and the Account Agreement, including without limitation for the performance of its obligations and exercise of its rights hereunder, (iii) disclose such information only to its employees, agents, auditors, accountants, attorneys and regulators, and only as necessary to perform its obligations and exercise its rights hereunder, or as otherwise permitted by law, and (iv) maintain physical, technical, procedural and administrative controls and safeguards reasonably designed (taking into account the nature and circumstances of Bank's business) to ensure the security, integrity and confidentiality of such information, and to protect against any anticipated threats or hazards to the security or integrity of, or unauthorized access to, such information.

9. Customer Indemnity. Customer will indemnify and hold harmless Bank, its licensors and providers of the Services, and their respective directors, officers, shareholders, employees and agents, against any and all third party suits, proceedings, claims, demands, causes of action, damages, expenses (including reasonable attorneys' fees, out-of-pocket costs and other legal expenses), liabilities and other losses resulting from (i) the wrongful acts or omissions of Customer, or any person acting on Customer's behalf, arising in connection with Customer's use of the Program or processing of Checks hereunder, including without limitation (a) a breach by Customer of any provision, representation or warranty of this Agreement, (b) the negligence or willful misconduct (whether by act or omission) of Customer, its customers, or any third party on behalf of Customer, (c) any modifications or changes to the Software made by Customer or any third party within the control or on behalf of Customer, (d) any misuse of the Program by Customer or any third party within the control or on behalf of Customer, or (e) the failure by Customer to comply with applicable state and federal laws and regulations; (ii) any act or omission by Bank that is in accordance with this Agreement or Instructions from Customer; (iii) actions by third parties, such as the introduction of a virus, that delay, alter or corrupt the transmission of an Electronic Item to Bank; or (iv) any claim by any recipient of a Substitute Check, corresponding to a Check processed by Customer hereunder, that such recipient incurred loss due to the receipt of the Substitute Check instead of the Original Check.

10. Bank's Liability.

10.1 Bank will not be liable to Customer for any of the following, unless liability or loss is a result of Bank's breach of this Agreement or the gross negligence or willful misconduct of Bank or its employees or agents: (i) any damages, costs or other consequences caused by or related to Bank's actions that are based on information or instructions that Customer provides to Bank; (ii) any unauthorized actions initiated or caused by Customer or its employees or agents; (iii) the failure of third persons or vendors to perform satisfactorily, other than persons to whom Bank has delegated the performance of specific obligations provided in this Agreement; (iv) any refusal of a Payor Financial Institution to pay an Electronic Item or Substitute Check for any reason (other than the breach of contract, negligence or willful misconduct of Bank), including without limitation that the Check, Electronic Item or Substitute Check was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature; (v) any other party's lack of access to the Internet or inability to transmit or receive data; (vi) failures or errors on the part of Internet service providers, telecommunications providers or any other party's own internal systems, or (vii) any of the matters described in Section 9 above.

10.2 Bank's liability for errors or omissions with respect to the data transmitted or printed by Bank will be limited to correcting the errors or omissions. Correction will be limited to reprinting and/or re-presenting Substitute Checks or Electronic Items to the Payor Financial Institution.

10.3 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, BANK'S AGGREGATE LIABILITY TO CUSTOMER FOR CLAIMS RELATING TO THIS AGREEMENT, WHETHER FOR BREACH, NEGLIGENCE, INFRINGEMENT, IN TORT OR OTHERWISE, AND ARISING DURING ANY TWELVE MONTH PERIOD SHALL BE LIMITED TO AN AMOUNT EQUAL TO THE TOTAL FEES PAID BY CUSTOMER TO BANK FOR SUCH TWELVE MONTH PERIOD.

10.4 IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES, OR ANY LOST PROFITS OR LOSS OF ANY OPPORTUNITY OR GOOD WILL, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10.5 BANK AND CUSTOMER ACKNOWLEDGE AND AGREE THAT THE LIMITATIONS OF LIABILITY IN THIS SECTION ARE A BARGAINED FOR ALLOCATION OF RISK AND LIABILITY, AND AGREE TO RESPECT SUCH ALLOCATION OF RISK AND LIABILITY. EACH PARTY ACKNOWLEDGES AND AGREES THAT THE OTHER PARTY WOULD NOT ENTER INTO THIS AGREEMENT WITHOUT THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION.

11. Disclaimer. BANK'S REPRESENTATIONS, WARRANTIES, OBLIGATIONS AND LIABILITIES, AND CUSTOMER'S RIGHTS AND REMEDIES, SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE. THE SOFTWARE IS PROVIDED BY BANK AND ITS LICENSORS "AS IS". BANK AND ITS LICENSORS AND CUSTOMER HEREBY WAIVES AND RELEASES BANK AND ITS LICENSORS AND THEIR RESPECTIVE OWNERS, OFFICERS, AND EMPLOYEES FROM, ALL OTHER REPRESENTATIONS, WARRANTIES OF ANY NATURE, OBLIGATIONS, AND LIABILITIES, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO THE SOFTWARE, DOCUMENTATION, AUTHORIZED EQUIPMENT, AND ANY AND ALL MATTERS ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION:

(i) ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, PURPOSE OR APPLICATION, OR OTHER IMPLIED CONTRACTUAL WARRANTY; (ii) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE; (iii) ANY WARRANTIES OF TIMELINESS OR NON-INFRINGEMENT; AND (iv) ANY OTHER WARRANTY WITH RESPECT TO QUALITY, ACCURACY OR FREEDOM FROM ERROR. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NEITHER BANK NOR ITS LICENSORS WARRANT THAT OPERATION OF THE SOFTWARE OR THE AUTHORIZED EQUIPMENT WILL BE ERROR-FREE OR UNINTERRUPTED.

12. Amendments. Bank may (i) amend the provisions of this Agreement that govern the procedures and functions of the Program, and any such amendment will become effective (a) 30 days after Customer's receipt of notification, (b) upon such later date as may be specified in such notification, or (c) at such earlier date as Bank may reasonably require if such amendment is necessary or advisable in connection with statutory or regulatory changes or to protect the integrity, security or operability of the Program; and (ii) amend this Agreement as otherwise provided herein. No other amendment to this Agreement shall be effective until signed by both parties to this Agreement.

13. Applicable Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of Texas, excluding its conflict of law principles. The parties shall submit to venue in and jurisdiction of the courts as provided in the Account Agreement.

14. Assignment. Neither party may assign its rights or delegate its duties under this Agreement without the other party's prior written consent, which will not be unreasonably withheld or delayed. Notwithstanding the foregoing, Bank may assign this Agreement to an affiliate or subsidiary without Customer's prior consent, provided that Bank remains primarily liable for the performance of its obligations under this Agreement. Any attempted assignment or delegation without the required consent will be void.

15. Attorney's Fees. If any action is brought by either party against the other regarding the subject matter of this Agreement, including any court action or arbitration proceeding, the prevailing party shall be entitled to recover, in addition to any relief granted, reasonable attorney's fees, costs of court, expert witness fees and other expenses of action.

16. Compliance with Laws. Each party will comply with all applicable federal, state and local laws and regulations with respect to this Agreement and such party's activities covered by or related to this Agreement.

17. Construction and Interpretation. Section headings used herein are for the convenience of reference only, and shall not affect the meaning or interpretation of this Agreement. This Agreement shall be deemed to have been drafted by both parties, and in the event of dispute, no party shall be entitled to claim that any provision hereof should be construed against the other party by reason of the fact that it was drafted by any particular party. The failure of either party to enforce any rights granted under this Agreement or to take action against the other party in the event of any breach shall not be considered a waiver of that right or breach unless the waiver has been reduced to writing and signed by the waiving party. If a party effectively waives a right or breach, that waiver will not constitute a waiver of any other right or breach or of a subsequent breach of the same obligation. If any provision of this Agreement is held invalid, illegal or unenforceable in any particular jurisdiction or circumstance, the remaining provisions of this Agreement shall remain valid and enforceable in such jurisdiction or circumstance, and such provision shall remain valid and enforceable in any other jurisdiction or circumstance.

18. Entire Agreement. This Agreement supplements the terms of the Account Agreement. This Agreement, the Exhibits and schedules to this Agreement (as may be amended from time to time), and the Account Agreement constitute the entire agreement between Customer and Bank with respect to the subject matter hereof, supersede any prior agreements between Bank and Customer with respect to the

subject matter hereof, and shall be binding upon Bank, Customer and their respective successors and permissible assigns. In the event of any inconsistency between this Agreement and the Documentation or any Account Agreement, this Agreement will govern.

19. Force Majeure. Except for the obligation to make payments, nonperformance by either party will be excused to the extent performance is prevented or delayed due to causes beyond such party's reasonable control and without its negligent or willful misconduct, including without limitation acts of God, natural disasters, terrorist acts, war or other hostilities, labor disputes, civil disturbances, governmental acts, orders or regulations, third party nonperformance or failures or fluctuations in electrical power, heat, light, air conditioning or telecommunications equipment.

20. Injunctive Relief. Notwithstanding Section 14 of this Agreement, each party acknowledges that its violation of Sections 4, 8 or 16 of this Agreement may cause irreparable injury to the other party, and agrees that the other party shall be entitled to seek temporary and preliminary injunctive relief in a court of competent jurisdiction, without the necessity of proving actual damages or posting a bond, to prevent such violation.

21. Notices. All notices permitted or required under this Agreement will be in writing and will be deemed given upon actual delivery. Any notice will be addressed to the party as follows:

If to Bank: Austin Bank
c/o Treasury Management Department
200 E Commerce
Jacksonville, Tx 75766
Phone Number: 903-586-1526
Fax Number: 903-541-2088

If to Customer: The address or facsimile number set forth above Customer's signature.

22. Relationship Between Parties. This Agreement will not be construed as creating an agency, partnership, joint venture, or any other form of association, for tax purposes or otherwise, between the parties, and the parties will at all times be and remain independent contractors. Except as expressly agreed by the parties in writing, neither party will have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

23. Security Interest. Customer grants Bank a continuing security interest in the Account, including any present and future principal and interest, as collateral security for the Performance of Customer hereunder.

24. Third Party Beneficiaries. This Agreement is for the sole and exclusive benefit of Bank and Customer and is not intended to benefit any third party, except Bank's licensors. Customer and Bank acknowledge and agree that any party that licenses the Software to Bank, directly or indirectly through one or more sub licensees, is a third party beneficiary to this Agreement with respect to those provisions dealing with use and protection of intellectual property.

EXECUTED AND ACCEPTED as of the date indicated below.

CUSTOMER AUTHORIZATION	
Company:	_____
Address:	_____
City, State and Zip Code:	_____
Telephone:	_____ Fax: _____
Authorized Signature:	_____
Printed Name:	_____ Date: _____

FINANCIAL INSTITUTION	
Authorized Signature:	_____
Printed Name:	_____ Date: _____

EXHIBIT A

Account means Customer's account at Bank into which Checks transmitted electronically will be deposited.

Account Agreement with respect to any Account means Bank's standard deposit agreements and disclosures governing the Account, as they may be amended from time to time.

Authorized Equipment means equipment that has been approved by Bank for use with the Software.

Check means a draft that is payable on demand, drawn on or payable through or at an office of a United States Financial Institution, whether negotiable or not, and payable or endorsed to Customer, and includes Original Checks and Substitute Checks. Such term does not include Non-cash Items or Items payable in a medium other than United States money. Check cannot be stale-dated or post-dated. [Note: Bank's processing of items that do not meet this definition shall not constitute a waiver by Bank or obligate it to process nonconforming items in the future. Bank may discontinue processing of nonconforming items at any time, without cause or prior notice.]

Documentation means all documentation, manuals and instructions relating to the Program or the Authorized Equipment, which Bank provides to Customer from time-to-time pursuant to this Agreement, including without limitation documentation regarding installation and use of the Software.

Electronic Item means a digitized image of a Check, an Image Exchange Item, or any other electronic version of a Check or other electronic item (such as Items processable through the Automated Clearinghouse (ACH) system) approved by Bank for processing through the Program.

Image Exchange Item means a digitized image of a Check cleared and settled directly with a Payor Financial Institution without conversion to a Substitute Check.

Non-cash Item means an Item that would otherwise be a Check, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of payment or dishonor; (iii) it consists of more than a single thickness of paper, except a Check that qualifies for handling by automated check processing equipment; or (iv) it has not been pre-printed or post-encoded in magnetic ink with the routing number of the Payor Financial Institution.

Original Check means the first paper Check issued with respect to a particular payment transaction.

Payor Financial Institution means the United States Financial Institution ordered in a Check to make payment to the payee(s) named on the Check.

Program means collectively the procedures, protocols, and software used by Bank and its licensors and contractors in connection with the electronic processing of Checks, and includes without limitation the Software and the Services.

Regulation CC means 12 C.F.R. Part 229, as it may be amended from time to time.

Scanner means the hardware (equipment) approved by the Bank for use with the Software to capture an image of both sides of the check in a single pass. It also captures all data from the check including the MICR line, account and routing numbers, payee, signature, amount, date, and endorsements.

Services means the services described in Exhibit B to be provided by Bank, or an agent or designee of Bank, to enable Customer to process Checks digitally and through Substitute Checks.

Software means that portion of the software developed, licensed and/or provided by Bank and its licensors for operation of the Program, that Bank delivers or provides to Customer hereunder.

Substitute Check means a paper reproduction of a Check that satisfies the requirements and definition of "substitute check" set forth in Regulation CC.

United States Financial Institution means (i) any person, located in the United States, engaged in the business of banking; (ii) a Federal Reserve Bank; (iii) a Federal Home Loan Bank; and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Service, or a State or local government.

EXHIBIT B

SERVICE TERMS AND CONDITIONS

1. Bank's Responsibilities.

1.1 Bank will provide a list of compatible check scanners for the Customer to purchase a scanner to use while participating in the Austin Bank Merchant Capture Program.

1.2 Bank will deliver to Customer, or otherwise provide access to, the Software.

1.3 Bank will provide installation and training support as reasonably required for Customer's implementation of the Program. Any onsite installation or training support outside the primary trade area of Bank shall be on such terms and conditions as the parties agree, including reimbursement for Bank's reasonable travel costs.

1.4 Bank will provide maintenance and support for the Software as reasonably necessary to permit Customer's processing of Checks through the Program. Such maintenance and support shall include (i) corrections, work arounds and bug fixes, (ii) such modifications, enhancements and updates as Bank elects to make generally available to its customers without additional license fees, and (iii) telephone support to Customer during Bank's regular business hours.

1.5 Bank will accept for deposit to all eligible accounts accessed through Austin Bank's Business Internet Banking the Electronic Items that are transmitted to Bank in compliance with this Agreement. Electronic Items shall be deemed received upon successful receipt of the transmission of such digitized images that are complete, usable, and adhere to the data specifications set forth in the Documentation. If the Electronic Items are not complete, are not useable, or do not adhere to such data specifications, the Images may not be processed by Bank: or its agents, in which event Customer's deposit will be adjusted and notification will be provided.

1.6 Customer's Electronic Items will be processed after Bank has received Customer's transmission of the Electronic Items. Bank will use commercially reasonable efforts to present Image Exchange Items when possible or, in the alternative, Substitute Checks for collection. Unless Bank notifies Customer otherwise, Bank will provide same day processing for all items transmitted by Customer in accordance with the requirements of this Agreement and the Documentation, and received by Bank: no later than 3:00 P.M. on any business day for Bank. Any deposits received after this time will be processed on the next business day.

1.7 If a Payor Financial Institution returns an Electronic Item to Bank, Bank will charge the Account for such returned Item, and may either (i) return the item to Customer, or (ii) re-present it to the Payor Financial Institution before returning it to Customer. Electronic Items may be returned to Customer as Image Exchange Items rather than Substitute Checks. If a Payor Financial Institution or other third party makes a claim against Bank or seeks a recredit with respect to any Check processed hereunder, Bank may provisionally freeze or hold aside a like amount in the Account pending investigation and resolution of the claim.

1.8 Bank may immediately suspend the Services or the processing of any Check or corresponding Electronic Item if Bank has reason to believe that there has been a breach in the security of the Program, fraud involving Customer's Account or such Check, or any uncertainty as to the authorization or accuracy of Electronic Items. Bank reserves the right at any time to process Electronic Items as collection items.

2. Customer Responsibilities.

2.1 Customer will maintain in good standing an Account at Bank for the receipt of deposits of Electronic Checks, in accordance with applicable Account Agreement.

2.2 Customer will install the Software in accordance with the Documentation, and will install and implement any changes and upgrades to the Software as Bank may require, within 30 days of receipt of such change or upgrade, or within such shorter time frame as Bank may reasonably require in the event such change or upgrade is necessary to comply with statutory or regulatory changes or developments, or to protect the integrity and security of the Program.

2.3 Customer will use the Authorized Equipment to make deposits into their account at Austin Bank. The customer shall not use the Equipment to make deposits into any other Bank. Any breach of this stipulation will result in the termination of the Agreement.

2.4 Customer will use only Authorized Equipment in connection with the Software. Unless otherwise provided in an addendum to this Agreement or in a separate agreement, Customer, and not Bank, shall be responsible for maintaining all Authorized Equipment.

2.5 Customer will use the Authorized Equipment and the Software, including the entering, processing and transmittal of items, in accordance with the Documentation. Without limiting the foregoing, Customer will comply with all security procedures described in the Documentation, and will not bypass, override or disable any security mechanisms in the Authorized Equipment or Software.

2.6 Customer will ensure the Authorized Equipment is clean and operating properly, and inspect and verify the quality of images and that the digitized images of Checks are legible for all posting and clearing purposes.

2.7 Customer will be responsible for training its employees in the use of the Program, and for supervising and auditing their use of the Program.

2.8 With respect to a Check converted by Customer to an Electronic Item, Customer will ensure that no financial institution (depository, collecting or payor), drawee, drawer or endorser will receive presentment or return of, or otherwise be charged for, the Check (including the Original Check or Substitute Check), corresponding Electronic Item, and/or other paper or electronic representation of the Check such that such person will be asked to make payment based on an item that it already has paid.

2.9 Customer will retain each Check for a commercially reasonable period of time, but in no event fewer than 60 days after such Check has been digitized and processed. During this retention period, Customer agrees to maintain checks using a method of safekeeping that would be appropriate for cash and other confidential customer information. (Recommended storage guidelines are outlined in Exhibit D - Security and Privacy Issues.) Customer will promptly provide any retained Check (or, if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to Bank as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any Check. Customer will use a commercially reasonable method approved by Bank to completely and thoroughly destroy Checks after the Customer's retention period has expired. (Recommended guidelines for the disposal of customer information and records are outlined in Exhibit E.)

2.10 Customer will retain all information about its digitizing of Checks as created by the Software for no less than 10 days. In the event of lost, mistaken, incomplete or unusable Electronic Items, or in the event of claims of fraud, alteration, counterfeit or otherwise, Customer shall cooperate fully with Bank in providing information, including access to such records.

2.11 Customer will indemnify and hold Bank harmless from any liability, loss, injury or damage, including without limitation all incidental and consequential damages, together with all related reasonable out-of-pocket costs and expenses, including legal fees, resulting directly or indirectly from any breach of these obligations and/or from any warranty or indemnity claim brought against Bank by a third party under 12 USC 229.52 or 12 USC 229.53 in connection with an Electronic Item transmitted to Bank by Customer or by a Substitute Check created from such an Electronic Item. Customer agrees to allow impromptu site inspections to ensure safekeeping of checks.

2.12 Customer agrees to provide Bank with updated User and Account information as soon as feasibly possible, but not more than five (5) business days from the date the information changed. Customer agrees to complete an annual review of the User and Account information initially provided to ensure all information is still correct.

2.13 Customer agrees that Bank Representative(s) may physically visit the site of the Customer to review agreed upon security policies and procedures prior to installing the Merchant Capture service and to perform periodic site audits of the Customer, as prearranged and is mutually convenient for both Customer and Bank.

EXHIBIT C

INTELLECTUAL PROPERTY PROVISIONS

1. Protection and Security of Software and Documentation.

1.1 Customer will establish reasonable precautions and use commercially reasonable efforts, no less rigorous than those Customer uses to protect its own confidential information, to protect and maintain the confidentiality and security of the Software and the Documentation. Without limiting the generality of the foregoing, Customer will use reasonable measures to protect the Software and Documentation from unauthorized copying, dissemination, disclosure or other unauthorized use.

1.2 Customer will not, and will not permit any third party to, (i) copy or use the Software or Documentation except as expressly authorized by this Agreement (including this Schedule); (ii) sublicense, rent, distribute, transfer, publish, disclose, display or otherwise make available the Software to others; (iii) use the Software or Documentation for third-party training, commercial time-sharing or service bureau use; or (iv) alter, change, modify or otherwise create derivative works of the Software or Documentation.

1.3 Customer will not, and will not permit any third party to, reverse engineer, disassemble or decompile any Software, except to the extent expressly permitted by applicable law. If Customer intends or begins to take any such action based on any applicable law, Customer shall notify Bank and Bank shall have the right to immediately terminate this Agreement and/or the license to the Software upon notice to Customer.

1.4 Customer will maintain a complete and accurate list of all locations where Customer has loaded and maintains the Software, and make such list available to Bank upon Bank's request.

2. Ownership of Intellectual Property.

2.1 Customer acknowledges and agrees that all right, title and interest in and to the Software and the Documentation, together with modifications, enhancements and derivative works, and all intellectual property rights, such as copyrights, patents, and trade secrets, pertaining to the Software and the Documentation, (i) are and shall remain owned exclusively throughout the universe by Bank and its licensors, (ii) represent or contain valuable rights of Bank and its licensors, and (iii) are protected under United States patent, copyright, trademark and trade secret laws of general applicability. This Agreement does not create in Customer any rights to, and does not constitute an assignment of any rights of Bank or its licensors in and to, any copyrights, trade secrets, patents, or other intellectual property rights of Bank or such licensors. Other than the license set forth above in this Schedule, no other license or interest in the Software or Documentation, either expressed or implied, is granted under this Agreement.

2.2 Customer will not at any time, either directly or indirectly, (i) put to issue the scope, validity or ownership of Bank's or its licensors' intellectual property rights in the Software and Documentation; (ii) do any act which could reasonably be expected to impair the scope, validity or ownership of such Intellectual property rights, or (iii) assert any ownership rights to the Software or Documentation. Customer acknowledges and agrees that this Agreement does not grant or convey to Customer (i) an interest in or to the Software or Documentation, but only a limited right of use, revocable in accordance with the terms hereof; or (ii) any right, title, interest or license in or to any trademark of Bank or its licensors, other than the right to use the Austin Bank Merchant Capture Program.

2.3 Customer hereby assigns to Bank and/or its licensors, as directed by Bank, any rights, including any patent, copyright, mask work rights, trademarks, and trade secrets, which Customer may now have or which it may acquire at any time in the future to the Software or the intellectual property rights to the Software, and any other computer code using any of the Software.

2.4 Customer shall not remove or alter any copyright, trademark, or other intellectual property or proprietary right notices, legends, symbols or labels appearing on or in the Software, Documentation or any packaging, and shall include on any copy of the Software or Documentation any copyright, trademark, or other intellectual property or proprietary right notices contained on the original.

2.5 Customer will (i) cooperate with Bank and its licensors to protect the Software, including in connection with any lawsuits or disputes involving the Software; (ii) promptly notify Bank and provide to it relevant background and other facts upon becoming aware of any actual or potential claim made by a third party regarding infringement, misappropriation, imitation, illegal use or misuse, or reasonable likelihood thereof, by the Software; and (iii) in the event of any actual or potential infringement, misappropriation, imitation, illegal use or misuse, or reasonable likelihood thereof of the Software by others, (a) grant to Bank and its licensors the sole right to determine the course of action with respect to such infringement and to bring any proceeding with respect thereto, and to settle, and collect any settlement amount or judgment for any such proceeding, and (b) agree that such licensors shall be solely

entitled to any proceeds of any such proceeding, including without limitation any settlement proceeds, insurance proceeds, arbitration award, judgment, or other consideration in any form.

3. Termination.

Customer acknowledges and agrees that its license to the Software and Documentation will terminate upon the earlier to occur of (i) termination of this Agreement, or (ii) termination of Bank's license to the Software and Documentation.

4. Limitation on Liability.

BANK'S LICENSORS SHALL HAVE NO LIABILITY OF ANY NATURE TO CUSTOMER, OR ANY THIRD PARTY, FOR DAMAGES, LIABILITIES OR CLAIMS, WHETHER IN CONTRACTOR TORT, FOR NEGLIGENCE, INFRINGEMENT OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, DAMAGES, LIABILITIES OR CLAIMS ARISING FROM OR UNDER THIS AGREEMENT, ERROR IN THE SOFTWARE, OR FOR ANY INJURY, DAMAGE OR LOSS RESULTING FROM SUCH ERROR, OR FROM ANY USE OF THE SOFTWARE. NOTWITHSTANDING THE GENERALITY OF THE FOREGOING, IN NO EVENT WILL SUCH LICENSORS BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES, OR ANY LOST PROFITS OR LOSS OF ANY OPPORTUNITY OR GOOD WILL, EVEN IF SUCH LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH.

5. Compliance with Law.

Customer shall not export, re-export or otherwise transfer, directly or indirectly, the Software or any portion thereof to any location outside the United States without first complying with all applicable foreign and United States federal, state and local laws, rules, regulations or controls (including without limitation those regarding import, export, marketing, distribution or use of software programs).

6. Assignment.

Customer may not assign the license granted hereunder to any party whatsoever, except in connection with an assignment of the entire Agreement, subject to the terms of the Agreement. Any attempted assignment of the license in violation of this Section shall be void.

7. Further Assurances.

Customer will, at its expense, promptly execute and deliver such further documents and take any and all other actions reasonably requested by Bank from time to time, for the purpose of fully effectuating the intent and purposes of this Schedule, and to protect the interests of Bank, its licensors, and their respective successors and assignees.

8. Injunctive Relief.

Customer acknowledges that violation of its commitments regarding the Software, as outlined in Sections 2.4, 2.5 and 6 of this Schedule, may cause irreparable injury to Bank and/or its licensors, and agrees that Bank shall be entitled to seek and obtain temporary and preliminary injunctive relief in a court of competent jurisdiction, without the necessity of proving actual damages or posting a bond, to prevent such violation.

9. Survival.

Customer agrees that the provisions of Sections 2, 4, 5, 7, 8, and 9 of this Schedule shall survive termination of the license granted hereunder and the termination of this Agreement.

EXHIBIT D

SECURITY AND PRIVACY ISSUES

1. Storage and Retention of Checks and Confidential Information

- 1.1 Customer will maintain a secure safe or lockbox where all checks are stored, to which only authorized personnel has access. (Authorized personnel should be listed on Application or on subsequent documentation.)
- 1.2 Customer will protect all electronically stored images through encryption and firewalls, and will not store such information in a manner that can be accessed from the Internet.
- 1.3 Customer will maintain working anti-virus software on the host computer, and will regularly update said software.
- 1.4 Customer will limit access to the host computer to authorized personnel, and require a log-in with password for each session for tracking and logging purposes.
- 1.5 Customer will perform routine audits of the system, its vulnerabilities and access to its customers' information.

2. Storage Procedures

- 2.1 Customer will maintain a systematic filing system that would easily allow the Customer to be aware of and identify any missing checks.
- 2.2 Customer will maintain a copy of the end of the day report stored alongside the checks in an organized manner, so that checks being stored can be easily verified.
- 2.3 Customer will store the checks in a chronological order, so that they can be properly destroyed in the correct order.
- 2.4 Customer will maintain a count of the actual numbers of checks that are stored at any given time.
- 2.5 Customer will not store its customers' account information, photocopies, or account numbers in general files.
- 2.6 Customer will maintain a systematic date reminder for checks that exceed established time frame for destruction of stored checks.
- 2.7 Customer will maintain a fully functional shredder on-site for proper destruction of checks.

3. Breach of Information

- 3.1 Bank may suspend immediately the services or the processing of any check or corresponding electronic item if Bank has reason to believe that there has been a breach in the security of the Program, fraud involving Customer's account or such check, or any uncertainty as to the authorization or accuracy of Electronic Items.
- 3.2 Bank reserves the right at any time to process Electronic Items as collection items, particularly if a security breach is believed to have occurred.
- 3.3 If a breach of security is discovered, Customer agrees to immediately contact the local authorities, Bank, and the customers whose information may have been compromised and cooperate with Bank in any other effort to protect affected customers.
- 3.4 Bank reserves the right to assess a fine to Customer for any breach of customer information, and Customer will be subject to a review of Customer's agreement with Bank for Austin Bank Merchant Capture services.

4. Staff Training

- 4.1 Customer agrees to provide proper training for all staff members regarding the protection of customer's information.
- 4.2 Customer agrees that staff training will include the ramifications for the Customer or its customers if information is mishandled.

EXHIBIT E

DISPOSAL OF CONSUMER REPORT INFORMATION AND RECORDS

1. Definitions:

(a) In general. Except as modified by this part or unless the context otherwise requires, the terms used in this part have the same meaning as set forth in the Fair Credit Reporting Act, 15 U.S.C. 1681 et seq.

(b) "Consumer information" means any record about an individual, whether in paper, electronic, or other form, that is a consumer report or is derived from a consumer report. Consumer information also means a compilation of such records. Consumer information does not include information that does not identify individuals, such as aggregate information or blind data.

(c) "Dispose", "disposing" or "disposal" means:

(1) the discarding or abandonment of consumer information, or

(2) the sale, donation, or transfer of any medium, including computer equipment, upon which consumer information is stored.

2. Purpose and scope:

(a) Purpose. This part ("rule") implements section 216 of the Fair and Accurate Credit Transactions Act of 2003, which is designed to reduce the risk of consumer fraud and related harms, including Identity theft, created by improper disposal of consumer information.

(b) Scope. This rule applies to any person over whom the Federal Trade Commission has jurisdiction that, for a business purpose, maintains or otherwise possesses consumer information.

3. Proper disposal of consumer information:

(a) Standard. Any person who maintains or otherwise possesses consumer information for a business purpose must properly dispose of such information by taking reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal.

(b) Examples. Reasonable measures to protect against unauthorized access to or use of consumer information in connection with its disposal include the following examples. These examples are illustrative only and are not exclusive or exhaustive methods for complying with this rule.

(1) Implementing and monitoring compliance with policies and procedures that require the burning, pulverizing, or shredding of papers containing consumer information so that the information cannot practicably be read or reconstructed.

(2) Implementing and monitoring compliance with policies and procedures that require the destruction or erasure of electronic media containing consumer information so that the information cannot practicably be read or reconstructed.

(3) After due diligence, entering into and monitoring compliance with a contract with another party engaged in the business of record destruction to dispose of material, specifically identified as consumer information, in a manner consistent with this rule. In this context, due diligence could include reviewing an independent audit of the disposal company's operations and/or its compliance with this rule, obtaining information about the disposal company from several references or other reliable sources, requiring that the disposal company be certified by a recognized trade association or similar third party, reviewing and evaluating the disposal company's information security policies or procedures, or taking other appropriate measures to determine the competency and integrity of the potential disposal company.

(4) For persons or entities who maintain or otherwise possess consumer information through their provision of services directly to a person subject to this part, implementing and monitoring compliance with policies and procedures that protect against unauthorized or unintentional disposal of consumer information, and disposing of such information in accordance with examples (1) and (2) above.

(5) For persons subject to the Gramm-Leach-Bliley Act, 15 U.S.C. 6081 et seq., and the Federal Trade Commission's Standards for Safeguarding Customer Information, 16 CFR Part 314 ("Safeguards Rule"), incorporating the proper disposal of consumer information as required by this rule into the information security program required by the Safeguards Rule.

4. Relation to other laws:

Nothing in this rule shall be construed:

- (a) to require a person to maintain or destroy any record pertaining to a consumer that is not imposed under other law; or
- (b) to alter or affect any requirement imposed under any other provision of law to maintain or destroy such a record.

5. Effective date:

This rule is effective as of the date of execution of the Austin Bank Merchant Capture Electronic Check Processing Agreement.

Please copy this contract for your records.

For assistance please call (800) 644-9275 and ask for Treasury Management.

EXHIBIT F

FEE SCHEDULE / PC MINIMUM REQUIREMENTS

Merchant Capture Program Fee Schedule

Set-Up Fee \$100.00 per Scanner

Monthly Service Fee \$50.00 per Scanner

Normal Per-Item Fees apply.

PC Minimum Requirements

- Windows 7, 8, or 10
- USB 2.0 or 3.0 port (for check scanner)
- Microsoft .net framework 2.0
- 256 MB RAM
- 1 GB Disk Space
- Internet Explorer 9.0 or greater
- High-speed Internet connection

CONFIRMATION OF COMPLIANCE

MERCHANT CAPTURE USERS

As a part of Austin Bank's commitment to the security and reliability of its Merchant Capture service, each company that utilizes the service is required to confirm its agreement with certain critical guidelines regarding the use of the service.

Accordingly, please confirm your company's compliance with the guidelines by reviewing the following items and acknowledging by signature.

For purposes of this document, "Bank" will refer to Austin Bank, Texas NA, and "Company" will refer to your company or organization.

1. Company acknowledges that the Bank conducted training in proper use of the Merchant Capture service for a member of the Company's staff—preferably the primary user of the service—at initial set-up and subsequently as required.
2. Company affirms that only designated members of its staff, as detailed on the Application, or in Exhibit G of the Austin Bank Remote Deposit Electronic Check Processing Agreement, or as documented in subsequent Change Requests, have access to the Checks that are processed through the service.
3. Company agrees to comply with Bank policies regarding check endorsement and deposit; namely, that checks will be endorsed and deposited only into accounts where the payee/endorsee name and account name match.
4. Company will ensure that the Authorized Equipment (check scanner) is clean and operating properly, and will inspect and verify that the digitized images of Checks are legible for all posting and clearing purposes.
5. Company will retain each Check for a commercially-reasonable period of time, but in no event fewer than 60 days, after such Check has been digitized and processed. During this retention period, Company agrees to maintain Checks in a locked safe or cabinet to which only authorized personnel have access, using a method of safekeeping that would be appropriate for cash or confidential customer information. Company will use a commercially-reasonable method (such as shredding) approved by the Bank to thoroughly destroy Checks after the retention period has expired.

CUSTOMER AUTHORIZATION

Company: _____

Authorized Signature: _____

Printed Name: _____ Date: _____

FINANCIAL INSTITUTION – RECEIVED BY

Authorized Signature: _____

Printed Name: _____ Date: _____

AUSTIN BANK, TEXAS N.A.
Positive Pay Agreement

This Agreement, made this _____ day of _____, 20____, by and between _____ (the "Company") and Austin Bank, Texas N.A. (the "Bank") is effective on the date of acceptance by Austin Bank, Texas N.A.

RECITALS

Company wishes to begin using the Austin Bank Positive Pay service and agrees to abide by the rules set forth below now in effect or as they may be changed from time to time.

AGREEMENT

1. **Introduction.** Positive Pay verifies your Positive Pay file against checks being presented to us for payment. Any paper item presented to us for payment that does not match the Positive Pay file will be an exception or violation. The following sets forth the description of an exception or violation:
 - a) Items presented for payment through our in-clearings (deposited items) not matching your issue file will be exceptions. You will have an automated option within AustinNET Positive Pay to work with your exceptions as they arise. It is your responsibility to work your Positive Pay Exceptions each business day before 10:00 a.m. (CST). For purposes of this agreement, a business day is defined as every day except Saturdays, Sundays, and federal holidays.
 - b) Items presented to us for immediate payment (cashing a check at the bank) not matching your issue file will be a violation. A bank representative may contact you by phone for instruction on a Positive Pay violation. In the event that we cannot contact an Authorized Representative for instruction on a Positive Pay violation, we will return or refuse to pay the item. Authorized Representatives are designated in Exhibit A.
2. **Uploading Files.** The Positive Pay file must be uploaded to our system one business day before disbursing checks. Positive Pay files can be uploaded to our system on a monthly, weekly, daily, and/or hourly basis.
3. **Default Pay/Return Option.**
 - a) If Company has selected the Default to Pay Option in Exhibit A and if Company fails to otherwise direct the Bank within the time frames set forth in the Positive Pay Agreement, checks corresponding to records on the Suspect File for which no specific instructions have been received will be posted and paid (provided there are sufficient funds to cover such checks in the Account), and the Bank shall not be liable for damages caused by the payment of any such checks in the Suspect File. Conversely, if the Company has selected the Default to Return Option and if Company fails to otherwise direct the Bank within the time frames set forth in the Positive Pay

Agreement, checks corresponding to the records on the Suspect file for which no specific instructions have been received will be returned and the Bank shall not be liable for damages caused by the return of any such checks in the Suspect File.

- b) Company waives any claim of wrongful dishonor of any such checks returned because Company did not provide timely instructions to pay checks appearing on the Suspect File or instructed the Bank to return any such checks. Company understands and agrees that the Bank cannot return checks that have been cashed over-the-counter prior to the time that Company instructs the Bank to pay or return such checks. With the consent of the Bank, Company may, from time to time, change its selections on Exhibit A, by replacing the Form with another Exhibit A Form. The Bank shall not be bound by any Form unless and until an authorized representative of the Bank has executed such Form. As used herein, the term "Business Day" means Monday through Friday, except federal holidays and any other days on which commercial banks in the State of Texas are authorize to close.

- 4. **Software.** It is not required that you have any type of accounting software to utilize this service, because you also have the ability to manually upload a Positive Pay file to our system using any spreadsheet program to prepare the file. If you do have software that will create a Positive Pay file, you will need to conform your software's output file to fit the Bank's formatting requirements. You must send us a test file so that we can give instructions on modifying your file's format that will allow you to upload. You must also provide a list of all outstanding checks at the time you begin using this service.
- 5. **ACH Entries.** Positive Pay will not stop the payment of checks that have been converted to ACH entries. ACH Rules prohibit the conversion of business checks as long as they meet the standards published in the ACH Rules. You are responsible for assuring that your checks meet these standards to utilize the Positive Pay service. Tell us at once if you believe a check has been improperly converted to an ACH entry.
- 6. **Ordering Checks.** Company agrees at all times to use high quality check documents in accordance with the Bank's check printing and MICR specifications. Not using business checks with high quality MICR ink could result in a large number of Positive Pay violations and high costs to you.
- 7. **Notices, Instructions, Etc.**
 - a) Except as otherwise expressly provided herein, we shall not be required to act upon any notice or instruction received from you or any other person, or to provide any notice or advice to you or any other person with respect to any matter.
 - b) We shall be entitled to rely on any written notice or other written communication believed by us in good faith to be genuine and to have been signed by an Authorized Representative, and any such communication shall be deemed to have been signed by such person. The names and signatures of Authorized Representatives are set forth in Exhibit A. You may add or delete any Authorized Representative by written notice to

us signed by at least two (or one, if only one exists) Authorized Representatives other than that being added or deleted. Such notice shall be effective on the second business day following the day of our receipt.

- c) Except as otherwise expressly provided herein, any written notice or communication shall be delivered, or sent to:

Attention: Treasury Management Administrator
Austin Bank, Texas NA
200 E Commerce St
Jacksonville, TX 75766

And, if to Company, addressed to:

Attention: _____ (Authorized Representative)

Address: _____

unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise expressly provided herein, any such notice shall be deemed given when received.

- 8. Periodic Statement.** The periodic statement issued by us for your account will reflect entries credited and debited to your account. You agree to notify us promptly of any discrepancy between your records and the information shown on any such periodic statement. If you fail to notify us within 30 days of receipt of a periodic statement, you agree that we shall not be liable for any other losses resulting from your failure to give such notice. In addition, you can use AustinNET to view daily transactions on your account.
- 9. Fees.** The fees for this service are: \$100 setup fee, \$50 per month.
- 10. Disclaimer of Warranty.** YOU ACKNOWLEDGE THAT THE INFORMATION FILE MUST BE PROVIDED IN A READABLE FORMAT TO INTERFACE WITH OUR COMPUTERS, AND ASSUME THE RISK THAT OUR COMPUTER MIGHT NOT BE OPERATIONAL AT ALL TIMES. WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE PROGRAM, OUR COMPUTERS OR ITS USE AND HEREBY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 11. Liability; Limitations on Liability; Indemnity.**
- a) We shall be responsible only for performing the services expressly provided for in this Agreement, and shall be liable only for our gross negligence in performing those services. We shall not be responsible for your acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any file received from you) or those of any other person. We are authorized by you to process transactions in accordance with the information that we receive in the issued file transmission from you. You shall be solely responsible for the information contained in the file, and we shall have no responsibility for erroneous data provided by you. You will

indemnify and hold us harmless from and against any loss, charge, liability, cost, fee or expense (including attorneys' fees and expenses) we suffer or incur resulting from any lawsuit, claim, arbitration or other action, actual or threatened, arising under or in connection with this Agreement, excluding those lawsuits, claims, arbitrations or other actions arising out of our gross negligence.

- b) In no event shall we be liable for any consequential, special, punitive or indirect loss or damage that you may incur or suffer in connection with this Agreement, including losses or damages from subsequent wrongful dishonor resulting from our acts or omissions pursuant to this Agreement.
- c) We shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, act of terror, emergency conditions, or other circumstances beyond our control.
- d) Our liability for loss of interest resulting from our error or delay, if any, shall be calculated by using a rate equal to the average Federal Funds Rate at the Federal Reserve Bank of New York for the period involved. At our option, payment of such interest may be made by crediting your Account.

12. Amendments. From time to time, we may amend any of the terms and conditions contained in this Agreement. Such amendments shall become effective upon receipt of notice by you or such later date as may be stated in our notice to you.

13. Termination. You and we may terminate this Agreement at any time. Such termination shall be effective on the second business day following the day of receipt of written notice of such termination or such later date as is specified in that notice. We reserve the right to terminate this Agreement immediately upon providing written notice of such termination to you. Any termination of this Agreement shall not affect any of our rights and your obligations arising prior to such termination, or your payment obligations with respect to services performed by us prior to termination, or any other obligations that survive termination of this Agreement.

14. Entire Agreement. This Agreement, together with the Account Agreement, is the complete and exclusive statement of the agreement between you and us with respect to the subject matter hereof and supersedes any prior agreement(s) between you and us with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Account Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation or government policy to which we are subject, and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and we shall incur no liability to you as a result of such violation or amendment. No course of dealing between you and us will constitute a modification of this Agreement or constitute an agreement between you and us, regardless of whatever practices and procedures you and us may use.

- 15. Assignment.** You may not assign this Agreement or any of the rights or duties hereunder to any person without our prior written consent. We may assign this Agreement to an affiliate or any successor or assign.
- 16. Waiver.** We may waive enforcement of any provision of this Agreement. Any such waiver shall not affect our rights with respect to any other transaction or modify the terms of this Agreement.
- 17. Binding Agreement; Benefit.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against you or us hereunder.
- 18. Severability.** In the event that any provision of this Agreement shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

I wish to begin using Positive Pay. I agree to abide by the rules set forth above now in effect or as they may be changed from time to time. At least one signer must have full signing authority on the account(s) listed in Exhibit A and this signer, by signing below, gives authority for other users who are not authorized signers on the account but who are listed on the Exhibit A to have the access specified on that form.

This authority is to remain in full force and effect until Bank has received written notification from me of its termination in such time and manner as to afford Bank a reasonable opportunity to act on it. I understand that I am in full control of my account and that if at any time I decide to discontinue service, I will provide written notification to Bank. My use of the service signifies that I have read and accepted all the terms and conditions of this Positive Pay Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized officers, effective as of the date first above written.

Company: _____
By: _____
Title: _____ **Date:** _____

Bank: Austin Bank, Texas NA
By: _____
Title: _____ **Date:** _____

EXHIBIT 3

AVAILABILITY SCHEDULE

AUSTIN BANK, TEXAS N.A.
CHECK COLLECTION AVAILABILITY SCHEDULE
EFFECTIVE AUGUST, 2009

<u>ROUTING/ TRANSIT #</u>	<u>ENDPOINT</u>	<u>ZONE</u>	<u>AVAILABILITY</u>
0000 - xxxx	Government Items		Next Business Day
0110 - xxxx	Boston	City	Next Business Day
2110 - xxxx	Boston	City	Next Business Day
0210 - xxxx	East Rutherford	City	Next Business Day
0220 - xxxx	Utica	City	Next Business Day
2220 - xxxx	Utica	City	Next Business Day
0260 - xxxx	East Rutherford	City	Next Business Day
2260 - xxxx	East Rutherford	City	Next Business Day
0280 - xxxx	East Rutherford	City	Next Business Day
0310 - xxxx	Philadelphia	City	Next Business Day
2310 - xxxx	Philadelphia	City	Next Business Day
0360 - xxxx	Philadelphia	City	Next Business Day
2360 - xxxx	Philadelphia	City	Next Business Day
0410 - xxxx	Cleveland	City	Next Business Day
2410 - xxxx	Cleveland	City	Next Business Day
0420 - xxxx	Cincinnati	City	Next Business Day
2420 - xxxx	Cincinnati	City	Next Business Day
0430 - xxxx	Pittsburgh	City	Next Business Day
2430 - xxxx	Pittsburgh	City	Next Business Day
0440 - xxxx	Columbus	City	Next Business Day
2440 - xxxx	Columbus	City	Next Business Day
0510 - xxxx	Richmond	City	Next Business Day
2510 - xxxx	Richmond	City	Next Business Day
0519 - xxxx	Charleston	City	Next Business Day
2519 - xxxx	Charleston	City	Next Business Day
0520 - xxxx	Baltimore	City	Next Business Day
2520 - xxxx	Baltimore	City	Next Business Day
0530 - xxxx	Charlotte	City	Next Business Day
2530 - xxxx	Charlotte	City	Next Business Day
0539 - xxxx	Columbia	City	Next Business Day
2539 - xxxx	Columbia	City	Next Business Day
0610 - xxxx	Atlanta	City	Next Business Day
2610 - xxxx	Atlanta	City	Next Business Day
0620 - xxxx	Birmingham	City	Next Business Day
2620 - xxxx	Birmingham	City	Next Business Day
0630 - xxxx	Jacksonville	City	Next Business Day
2630 - xxxx	Jacksonville	City	Next Business Day
0640 - xxxx	Nashville	City	Next Business Day
2640 - xxxx	Nashville	City	Next Business Day
0650 - xxxx	New Orleans	City	Next Business Day
2650 - xxxx	New Orleans	City	Next Business Day
0651 - xxxx	New Orleans	RCPC	Next Business Day

AUSTIN BANK, TEXAS N.A.
CHECK COLLECTION AVAILABILITY SCHEDULE
EFFECTIVE AUGUST, 2009

<u>ROUTING/ TRANSIT #</u>	<u>ENDPOINT</u>	<u>ZONE</u>	<u>AVAILABILITY</u>
2651 - xxxx	New Orleans	RCPC	Next Business Day
0652 - xxxx	New Orleans	RCPC	Next Business Day
2652 - xxxx	New Orleans	RCPC	Next Business Day
0653 - xxxx	New Orleans	RCPC	Next Business Day
2653 - xxxx	New Orleans	RCPC	Next Business Day
0654 - xxxx	New Orleans	RCPC	Next Business Day
2654 - xxxx	New Orleans	RCPC	Next Business Day
0655 - xxxx	New Orleans	RCPC	Next Business Day
2655 - xxxx	New Orleans	RCPC	Next Business Day
0660 - xxxx	Miami	City	Next Business Day
2660 - xxxx	Miami	City	Next Business Day
0710 - xxxx	Chicago	City	Next Business Day
2710 - xxxx	Chicago	City	Next Business Day
0720 - xxxx	Detroit	City	Next Business Day
2720 - xxxx	Detroit	City	Next Business Day
0730 - xxxx	Des Moines	City	Next Business Day
2730 - xxxx	Des Moines	City	Next Business Day
0740 - xxxx	Indianapolis	City	Next Business Day
2740 - xxxx	Indianapolis	City	Next Business Day
0750 - xxxx	Milwaukee	City	Next Business Day
2750 - xxxx	Milwaukee	City	Next Business Day
0810 - xxxx	St. Louis	City	Next Business Day
2810 - xxxx	St. Louis	City	Next Business Day
0820 - xxxx	Little Rock	City	Next Business Day
2820 - xxxx	Little Rock	City	Next Business Day
0829 - xxxx	Little Rock	RCPC	Next Business Day
2829 - xxxx	Little Rock	RCPC	Next Business Day
0830 - xxxx	Louisville	City	Next Business Day
2830 - xxxx	Louisville	City	Next Business Day
0840 - xxxx	Memphis	City	Next Business Day
2840 - xxxx	Memphis	City	Next Business Day
0841 - xxxx	Memphis	RCPC	Next Business Day
2841 - xxxx	Memphis	RCPC	Next Business Day
0842 - xxxx	Memphis	RCPC	Next Business Day
2842 - xxxx	Memphis	RCPC	Next Business Day
0843 - xxxx	Memphis	RCPC	Next Business Day
2843 - xxxx	Memphis	RCPC	Next Business Day
0910 - xxxx	Minneapolis	City	Next Business Day
2910 - xxxx	Minneapolis	City	Next Business Day
0920 - xxxx	Helena	City	Next Business Day
0960 - xxxx	Minneapolis	City	Next Business Day
2960 - xxxx	Minneapolis	City	Next Business Day

**AUSTIN BANK, TEXAS N.A.
CHECK COLLECTION AVAILABILITY SCHEDULE
EFFECTIVE AUGUST, 2009**

<u>ROUTING/ TRANSIT #</u>	<u>ENDPOINT</u>	<u>ZONE</u>	<u>AVAILABILITY</u>
1010 - xxxx	Kansas City	City	Next Business Day
3010 - xxxx	Kansas City	City	Next Business Day
1020 - xxxx	Denver	City	Next Business Day
3020 - xxxx	Denver	City	Next Business Day
1030 - xxxx	Oklahoma City	City	Next Business Day
3030 - xxxx	Oklahoma City	City	Next Business Day
1031 - xxxx	Oklahoma City	Country	Next Business Day
3031 - xxxx	Oklahoma City	Country	Next Business Day
1039 - xxxx	Oklahoma City	RCPC	Next Business Day
3039 - xxxx	Oklahoma City	RCPC	Next Business Day
1040 - xxxx	Des Moines	City	Next Business Day
3040 - xxxx	Des Moines	City	Next Business Day
1070 - xxxx	Denver	RCPC	Next Business Day
3070 - xxxx	Denver	RCPC	Next Business Day
1110 - xxxx	Dallas	City	Next Business Day
3110 - xxxx	Dallas	City	Next Business Day
1111 - xxxx	Dallas	RCPC	Next Business Day
3111 - xxxx	Dallas	RCPC	Next Business Day
1113 - xxxx	Dallas	Country	Next Business Day
3113 - xxxx	Dallas	Country	Next Business Day
1119 - xxxx	Dallas	RCPC	Next Business Day
3119 - xxxx	Dallas	RCPC	Next Business Day
1120 - xxxx	El Paso	City	Next Business Day
3120 - xxxx	El Paso	City	Next Business Day
1122 - xxxx	El Paso	RCPC	Next Business Day
3122 - xxxx	El Paso	RCPC	Next Business Day
1123 - xxxx	El Paso	RCPC	Next Business Day
3123 - xxxx	El Paso	RCPC	Next Business Day
1130 - xxxx	Houston	City	Next Business Day
3130 - xxxx	Houston	City	Next Business Day
1119 - 0238	Austin Bank Items		Same Business Day
1119 - 0677	Austin Bank Items		Same Business Day
1119 - 0895	Austin Bank Items		Same Business Day
1119 - 1155	Austin Bank Items		Same Business Day
1131 - 0327	Austin Bank Items		Same Business Day
1131 - 0527	Austin Bank Items		Same Business Day
1131 - 1061	Austin Bank Items		Same Business Day
1131 - xxxx	Houston	RCPC	Next Business Day
3131 - xxxx	Houston	RCPC	Next Business Day
1140 - xxxx	San Antonio	City	Next Business Day
3140 - xxxx	San Antonio	City	Next Business Day
1141 - xxxx	San Antonio	RCPC	Next Business Day

AUSTIN BANK, TEXAS N.A.
CHECK COLLECTION AVAILABILITY SCHEDULE
EFFECTIVE AUGUST, 2009

<u>ROUTING/ TRANSIT #</u>	<u>ENDPOINT</u>	<u>ZONE</u>	<u>AVAILABILITY</u>
1149 - xxxx	San Antonio	RCPC	Next Business Day
3149 - xxxx	San Antonio	RCPC	Next Business Day
1163 - xxxx	El Paso	RCPC	Next Business Day
3163 - xxxx	El Paso	RCPC	Next Business Day
1210 - xxxx	San Francisco	City	Next Business Day
3210 - xxxx	San Francisco	City	Next Business Day
1211 - xxxx	San Francisco	RCPC	Next Business Day
3211 - xxxx	San Francisco	RCPC	Next Business Day
1212 - xxxx	San Francisco	RCPC	Next Business Day
3212 - xxxx	San Francisco	RCPC	Next Business Day
1213 - xxxx	San Francisco	RCPC	Next Business Day
3213 - xxxx	San Francisco	RCPC	Next Business Day
1214 - xxxx	San Francisco	Country	4th Business day
3214 - xxxx	San Francisco	Country	4th Business Day
1220 - xxxx	Los Angeles	City	Next Business Day
3220 - xxxx	Los Angeles	City	Next Business Day
1221 - xxxx	Los Angeles	RCPC	Next Business Day
3221 - xxxx	Los Angeles	RCPC	Next Business Day
1222 - xxxx	Los Angeles	RCPC	Next Business Day
3222 - xxxx	Los Angeles	RCPC	Next Business Day
1223 - xxxx	Los Angeles	City	Next Business Day
3223 - xxxx	Los Angeles	City	Next Business Day
1224 - xxxx	Los Angeles	RCPC	Next Business Day
3224 - xxxx	Los Angeles	RCPC	Next Business Day
1230 - xxxx	Portland	City	Next Business Day
3230 - xxxx	Portland	City	Next Business Day
1240 - xxxx	Salt Lake City	City	Next Business Day
3240 - xxxx	Salt Lake City	City	Next Business Day
1250 - xxxx	Seattle	City	Next Business Day
3250 - xxxx	Seattle	City	Next Business Day
8000 - xxxx	Traveler's Checks		Next Business Day
	All Other Endpoints		Second Business Day

NOTES:

Same business day ledger credit is given on deposits of domestic items received prior to the daily cut-off deadline of 6:00 PM with availability assigned based on the date of ledger credit.

Business days are defined as Monday - Friday, excluding bank holidays.

Availability on reject items may be deferred one additional business day.

EXHIBIT 4

COMMERCIAL FEE SCHEDULE

MISCELLANEOUS FEE SCHEDULE

Fee Schedule for Commercial Accounts



Account Analysis Service Fees

Account maintenance.....	\$10.00
Deposits.....	\$0.20
FDIC Insurance.....	Determined Quarterly
Items Deposited	
Items drawn on us.....	\$0.07
Transit Items.....	\$0.09
Rolled Coin.....	\$0.09
Strapped Currency.....	\$0.38
Withdrawals.....	\$0.15

Monthly interest paid will be a charge to the analysis calculation.

Investable Balance Calculation

Earnings Credit.....Rate determined monthly
 Reserve Requirement - 10%
 Uncollected Funds Rate - Rate applied to average
 negative collected balance is WSJ prime plus 1%.

Other Services

Account Research	
Per copy.....	\$5.00
Per hour.....	\$25.00 (\$25.00 minimum)
Account Transfers	
Austin Bank ATM.....	FREE
Online Banking.....	FREE
One Plus Banking.....	FREE
Non-Austin Bank ATM.....	\$2.00
Telephone Customer Service.....	\$2.00
ATM Withdrawals	
Austin Bank ATM.....	FREE
Non-Austin Bank ATM.....	\$2.00 plus processing Bank's fee
Austin Bank Check & ATM Debit Card	
First card.....	FREE
Replacement cards.....	\$7.00
Bags	
Night Depository Bag (locked).....	\$20.00 annually
Zipper Bag (no lock).....	\$5.00
Balance Inquiries	
Austin Bank ATM.....	FREE
One Plus Banking.....	FREE
Online Banking.....	FREE
One Plus Banking Fax.....	\$1.00
Non-Austin Bank ATM.....	\$1.00
Telephone Customer Service.....	\$1.00

Bill Pay	
Online Banking.....	\$6.95 per month (includes 20 items) \$0.50 per item for each item over 20
Cashier's Checks	
Austin Bank customer	\$5.00
Non-customer	\$10.00
Check Cashing (non-customer).....	Greater of 2% or \$15.00
Check Printing.....	Fee varies according to style selected
Checkbook Balancing (per hour).....	\$20.00 (\$10.00 minimum)
Collection Items	
Domestic.....	\$20.00
International	\$35.00 plus processing Bank's fee
Early Closing Fee for accounts closed within 30 days of opening.....	\$25.00
Government Reclamations (Paper/ACH).....	\$50.00
Letters of Credit.....	2% (\$250.00 minimum)
Levy/Garnishment.....	\$100.00
Loose Coin Counting.....	Greater of 10% or \$5.00
Non-Sufficient Check Fee (NSF) per item	\$30.00
Notary Service.....	\$5.00
Return Item Chargeback.....	\$7.50
Safe Deposit Boxes.....	Varies by box size
Safe Deposit Drill & Lock Replacement.....	Fee varies by service
Statement Print-Out	
Online Banking.....	FREE
Hard Copy Print Out (per copy).....	\$2.00
Statement	
Special Cut-off	\$10.00
Multiple Signatures per statement.....	\$25.00 per month
Stop Payment.....	\$30.00
Temporary Checks.....	\$.20 per check (up to 10 free with order)
Wire Transfer	
Incoming (each).....	\$10.00
Returned Incoming (each).....	\$20.00
International (each).....	\$20.00 plus processing Bank's fee
Outgoing (each).....	\$20.00

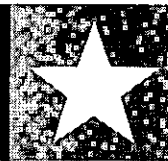
*Austin Bank offers a full line of business products
If you would like to know about any of our Treasury Management
services or would like for a Treasury Management officer to contact you,
please email us at tmsecurities@austinbank.com or call 1-800-644-9275.*



www.austinbank.com

Rev. 07/18

Fee Schedule for Miscellaneous Services



Account Research	
Per copy.....	\$5.00
Per hour.....	\$25.00 (\$25.00 minimum)
Account Transfers	
Austin Bank ATM.....	FREE
One Plus Banking.....	FREE
Online Banking.....	FREE
Mobile Banking.....	FREE (in Bank transfers)
.....	\$2.00 (Bank to Bank transfers)
Non-Austin Bank ATM.....	\$2.00
Popmoney®.....	Fee varies according to payment amount
Telephone Customer Service.....	\$2.00
ATM Withdrawals	
Austin Bank ATM.....	FREE
Non-Austin Bank ATM.....	\$2.00 plus processing Bank's fee
Austin Bank Basic Debit Card	
First card.....	FREE
Replacement cards.....	\$7.00
Bags	
Night Depository Bag (locked).....	\$20.00 annually
Zipper Bag (no lock).....	\$5.00
Balance Inquiries	
Austin Bank ATM.....	FREE
Mobile Banking.....	FREE
One Plus Banking.....	FREE
Online Banking.....	FREE
One Plus Banking Fax.....	\$1.00
Non-Austin Bank ATM.....	\$1.00
Telephone Customer Service.....	\$1.00
Bill Pay	
Mobile Banking.....	FREE
Online Banking.....	FREE
Cashier's Checks	
Austin Bank customer.....	\$5.00
Non-customer.....	\$10.00
Check Cashing (non-customer).....	Greater of 2% or \$15.00
Check Printing.....	Fee varies according to style selected
Checkbook Balancing (per hour).....	\$20.00 (\$10.00 minimum)

Collection Items	
Domestic.....	\$20.00
International	\$35.00 plus processing Bank's fee
Deposits	
In office.....	FREE
Mobile Banking (per item).....	\$50
Early Closing Fee for accounts closed within 30 days of opening.....	
	\$25.00
Government Reclamations (Paper/ACH).....	\$50.00
Letters of Credit.....	2% (\$250.00 minimum)
Levy/Garnishment.....	\$100.00
Loose Coin Counting.....	Greater of 10% or \$5.00
Non-Sufficient Check Fee (NSF) per item	\$30.00
Notary Service.....	\$5.00
Return Item Chargeback.....	\$7.50
Safe Deposit Boxes.....	Varies by box size
Safe Deposit Drill & Lock Replacement.....	Fee varies by service
Statement Print-Out	
Online Banking.....	FREE
Hard Copy Print Out (per copy).....	\$2.00
Statement	
Special Cut-off	\$10.00
Multiple Signatures per statement.....	\$25.00 per month
Stop Payment.....	\$30.00
Temporary Checks.....	\$20 per check (up to 10 free with order)
Wire Transfer	
Incoming (each).....	\$10.00
Returned Incoming (each).....	\$20.00
International (each).....	\$20.00 plus processing Bank's fee
Outgoing (each).....	\$20.00



EXHIBIT 5

FINANCIAL STATEMENT

FINANCIAL MANAGEMENT SYSTEM
 SUMMARY STATEMENT OF CONDITION

	CURRENT BALANCE	NET BAL CHANGE	AVG BAL MAR '19	AVG BAL 1/19-3/19	AVG BAL CYTD 2019
* ASSETS ***					
** CASH ACCOUNTS	18,264,910.96	1,227,574.38	16,905,622.40	17,062,162.55	17,062,162.54
** CASH ITEMS	694,412.56	237,269.47	589,942.68	777,000.39	777,000.37
* DUE FROM BANKS DEMAND	13,992,686.73	(7,496,957.06)	16,023,016.69	16,167,142.80	16,167,142.80
* DUE FROM BANKS TIME	.00	.00	.00	.00	.00
* FEDERAL RESERVE BANK	46,817,328.07	(5,927,756.56)	58,364,473.36	43,213,597.21	43,213,597.21
** TOTAL DUE FROM BANKS	60,810,014.80	(13,424,713.62)	74,387,490.05	59,380,740.01	59,380,740.01
** INVESTMENT SECURITIES	272,405,685.37	.00	272,701,971.88	273,849,325.12	273,849,325.12
** FED FUNDS SOLD	.00	.00	.00	.00	.00
REAL ESTATE LOANS	1,014,065,143.26	(726,510.95)	1,014,792,359.66	1,012,931,326.38	1,012,931,326.38
AGRICULTURAL LOANS	35,774,329.98	57,112.24	35,773,728.51	35,332,282.74	35,332,282.74
COMMERCIAL LOANS	184,419,252.46	(159,540.11)	185,562,410.64	179,988,270.21	179,988,270.22
CONSUMER LOANS	115,416,681.84	(147,047.75)	115,097,618.51	115,975,484.69	115,975,484.69
NONACCRUING LOANS	12,725,762.16	56,255.83	12,817,810.77	12,975,343.00	12,975,343.00
LAS CONTROL ACCOUNTS	1,289,805.04	(114,740.37)	461,431.34	888,074.23	888,074.23
* TOTAL LOANS	1,357,138,691.19	(1,041,552.77)	1,357,963,941.15	1,351,512,440.52	1,351,512,440.53
** NET LOANS	1,343,583,831.52	(1,042,396.90)	1,344,416,182.26	1,338,030,821.16	1,338,030,821.16
** TOTAL FIXED ASSETS	32,473,525.49	.00	32,341,219.11	32,142,711.90	32,142,711.89
** OTHER REAL ESTATE OWNED	417,743.00	.00	417,743.00	376,120.56	376,120.56
** INTANGIBLE ASSETS	10,912,685.72	.00	10,912,685.72	10,912,685.72	10,912,685.72
** INVESTMENT IN SUBSIDIARIES	10,268,916.46	.00	10,163,653.30	9,829,321.07	9,829,321.07
** OTHER ASSETS	46,073,629.05	1,255,253.30	45,503,704.79	45,778,665.45	45,778,665.44
*** TOTAL ASSETS	1,795,905,354.93	(11,747,013.37)	1,808,340,215.19	1,788,139,553.92	1,788,139,553.88
* LIABILITIES ***					
NON INTEREST BEARING TRANSACTION DEPOSITS	568,199,736.90	(8,599,290.98)	577,388,876.11	557,373,228.05	557,373,228.05
INTEREST BEARING TRANSACTION DEPOSITS	308,194,207.93	(3,110,498.53)	309,977,124.93	313,275,199.46	313,275,199.45
* TOTAL TRANSACTION DEPOSITS	876,393,944.83	(11,709,789.51)	887,366,001.04	870,648,427.51	870,648,427.50
* TOTAL NON-TRANSACTION DEPOSITS	623,219,596.60	752,081.79	622,031,107.82	619,308,939.87	619,308,939.86
* TOTAL BROKERED DEPOSITS	.00	.00	.00	.00	.00
* DEPOSIT CONTROL ACCOUNTS	(638,951.86)	(532,426.62)	(723,294.80)	(530,651.05)	(530,651.06)
** TOTAL DEPOSITS	1,498,974,589.57	(11,490,134.34)	1,508,673,814.06	1,489,426,716.34	1,489,426,716.30
** FED FUNDS PURCHASED & REPOS	27,917,084.15	725,471.67	31,762,511.58	32,493,451.45	32,493,451.45
** OTHER LIABILITIES	15,026,432.41	8,038.37	14,964,726.39	15,834,779.17	15,834,779.17
*** TOTAL LIABILITIES	1,541,918,106.13	(10,756,624.30)	1,555,401,051.92	1,537,754,946.83	1,537,754,946.79
* CAPITAL ***					
** CAPITAL BEFORE FAS 115	255,024,215.18	255,390.54	253,974,056.11	251,794,423.31	251,794,423.37
*** TOTAL EQUITY CAPITAL	253,989,441.08	255,390.54	252,939,282.01	250,384,639.76	250,384,639.82
*** TOTAL LIABILITIES & CAPITAL	1,795,907,547.21	(10,501,233.76)	1,808,340,333.93	1,788,139,586.59	1,788,139,586.61

FINANCIAL MANAGEMENT SYSTEM
 SUMMARY INCOME STATEMENT

	NET BAL CHANGE	NET CHG MAR'19	ACTUAL BUD MAR'19	EOY BAL CYTD 2019	ACTUAL TRGT MAR'19
* INTEREST INCOME ***					
INVESTMENT INCOME - TAXABLE	.00	.00	584,800.00	938,642.19	1,682,100.00
INVESTMENT INCOME - TAXFREE	.00	.00	.00	141,716.09	.00
FED FUNDS INTEREST	.00	53,259.99	75,200.00	208,838.59	218,300.00
LOAN INTEREST	197,753.26	3,889,996.49	6,134,800.00	15,745,400.90	17,707,700.00
* TOTAL INTEREST EARNED	197,753.26	3,943,256.48	6,794,800.00	17,034,597.77	19,608,100.00
* INTEREST EXPENSE ***					
INTEREST PAID FED FUNDS & REPOS	1,529.64	33,095.96	66,600.00	138,927.39	193,200.00
INTEREST PAID DEPOSIT ACCOUNTS	18,980.37	356,606.60	522,500.00	1,426,667.58	1,509,000.00
* TOTAL INTEREST PAID	20,510.01	389,702.56	589,100.00	1,565,594.97	1,702,200.00
** NET INTEREST INCOME	177,243.25	3,553,553.92	6,205,700.00	15,469,002.80	17,905,900.00
* NON INTEREST INCOME ***					
LOAN FEE INCOME	4,959.76	106,709.78	189,700.00	460,303.18	569,100.00
DEPOSIT ACCOUNT SERVICE CHARGES	74,582.46	957,824.63	1,645,500.00	4,115,575.63	4,831,800.00
MISCELLANEOUS INCOME	2,347.71	357,884.65	513,400.00	1,357,259.68	1,540,200.00
** TOTAL NON INTEREST INCOME	81,889.93	1,422,419.06	2,348,600.00	5,933,138.49	6,941,100.00
* NON INTEREST EXPENSE ***					
SALARIES	.00	1,162,603.27	2,590,800.00	6,073,363.29	7,531,000.00
BENEFITS	53.38	506,605.58	740,300.00	1,957,011.63	2,208,300.00
* SALARIES & BENEFITS	53.38	1,669,208.85	3,331,100.00	8,030,374.92	9,739,300.00
OCCUPANCY EXPENSE	2,623.85	196,834.79	606,900.00	1,342,887.15	1,812,200.00
CONSULTING & PROFESSIONAL	(1,759.67)	173,944.40	197,800.00	475,128.65	591,300.00
EQUIPMENT	3,609.64	30,090.71	30,600.00	108,123.78	91,800.00
ADVERTISING	.00	54,450.41	84,400.00	332,186.52	338,700.00
EMPLOYEE & BUSINESS DEVELOPMENT	2,433.32	102,806.92	211,300.00	392,326.62	668,300.00
COMMUNICATIONS	186.85	55,948.21	131,900.00	289,158.13	395,700.00
MISCELLANEOUS EXPENSES	2,742.55	361,294.71	652,800.00	1,861,995.65	1,958,400.00
TELLERS' OVER & SHORT	(625.08)	2,039.53	2,000.00	4,802.68	6,000.00
LOAN/OPERATING LOSSES	(5,522.20)	7,482.47	151,500.00	224,969.28	454,500.00
* TOTAL NON INTEREST EXPENSE	3,742.64	2,654,101.00	5,400,300.00	13,061,953.38	16,056,200.00
** NET INCOME BEFORE PLL/G&L/FIT	255,390.54	2,321,871.98	3,154,000.00	8,340,187.91	8,790,800.00
** PROVISION FOR LOSSES	.00	.00	220,000.00	284,000.00	660,000.00
** OTHER (GAIN)/LOSS	.00	(20,256.64)	6,700.00	(81,877.57)	20,100.00
** EARNINGS OF SUBSIDIARIES	.00	.00	22,000.00	65,346.90	63,000.00
** ALLOCATED INCOME/EXPENSE	.00	.00	.00	.00	.00
** NET INCOME BEFORE INCOME TAX	255,390.54	2,342,128.62	2,949,300.00	8,203,412.38	8,173,700.00
** PROVISION FOR INCOME TAX	.00	.00	619,400.00	1,189,024.00	1,716,500.00
*** NET INCOME	255,390.54	2,342,128.62	2,329,900.00	7,014,388.38	6,457,200.00

EXHIBIT 6

ANALYSIS STATEMENT

GILMER OFFICE
P O BOX 160
GILMER, TX 75644

PHONE: 903-843-5574

UPSHUR COUNTY
TAX ASSESSOR/COLLECTOR
TEXAS DEPT OF MOTOR VEHICLE
215 N TITUS
GILMER TX 75644

GROUP: 141548

ACCOUNT: 2300024102

DEMAND DEPOSIT ACCOUNT ANALYSIS
FOR THE MONTH OF FEBRUARY, 2019

PAGE: 1

ANALYSIS CHARGES

-----ACTIVITY DESCRIPTION-----	DATE	NUMBER OF UNITS	COST PER UNIT	TOTAL COST
RETURNED ITEM CHARGE	02/11/2019	1	7.500	7.50

ACTIVITY SUMMARY

-----ACTIVITY DESCRIPTION-----	NUMBER OF UNITS	COST PER UNIT	TOTAL COST	AVAILABLE BALANCE REQUIRED TO SUPPORT
Withdrawal	12	.150	1.80	1,333.89
Deposit	98	.200	19.60	14,524.58
On Us Item	133	.070	9.31	6,899.18
Transit	849	.090	76.41	56,623.65
MONTHLY MAINTENANCE	1	10.000	10.00	7,410.50
NSF CHARGE	1	7.500	7.50	5,557.88
TOTAL OF ACTIVITY CHARGES AND CREDITS:			124.62	92,349.68

BALANCE REQUIRED TO SUPPORT INFORMATION

TOTAL BALANCE REQUIRED TO SUPPORT ACTIVITY CHARGES AND CREDITS	92,349.68
TOTAL BALANCE REQUIRED TO SUPPORT INTEREST EARNED	25,781.13
TOTAL ADDITIONAL BALANCE REQUIRED TO SUPPORT	118,130.81

BALANCE INFORMATION

AVERAGE LEDGER BALANCE:	114,354.40
AVERAGE FLOAT:	3,464.88
AVERAGE AVAILABLE BALANCE:	110,889.52

GILMER OFFICE
P O BOX 160
GILMER, TX 75644

PHONE:903-843-5574

UPSHUR COUNTY
TAX ASSESSOR/COLLECTOR
TEXAS DEPT OF MOTOR VEHICLE
215 N TITUS
GILMER TX 75644

GROUP: 141548

ACCOUNT: 2300024102

DEMAND DEPOSIT ACCOUNT ANALYSIS
FOR THE MONTH OF FEBRUARY, 2019

PAGE: 2

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EARNINGS CREDIT SUMMARY

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AVERAGE POSITIVE AVAILABLE BALANCE:		110,889.52
RESERVES ON 114,354.40 AT 10.0000%:	(-)	11,435.44

INVESTABLE BALANCE:	(=)	99,454.08
EARNINGS CREDIT FOR INVESTABLE BALANCE AT 2.4090%:		183.79
INTEREST EARNED DURING THE MONTH:	(-)	34.79

NET EARNINGS CREDIT:	(=)	149.00

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ANALYSIS SUMMARY

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NET EARNINGS CREDIT:		149.00
LESS NET ACTIVITY CHARGES:	(-)	124.62

ANALYSIS CREDITED TO CHECKING ACCOUNT 2300021439	(=)	24.38

GILMER OFFICE
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GILMER, TX 75644

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UPSHUR COUNTY
TAX ASSESSOR/COLLECTOR
TEXAS PARKS & WILDLIFE
215 N TITUS
GILMER TX 75644

GROUP: 141548

ACCOUNT: 2300024110

DEMAND DEPOSIT ACCOUNT ANALYSIS
FOR THE MONTH OF FEBRUARY, 2019

PAGE: 1

ACTIVITY SUMMARY

-----ACTIVITY DESCRIPTION-----	NUMBER OF UNITS	COST PER UNIT	TOTAL COST	AVAILABLE BALANCE REQUIRED TO SUPPORT
Withdrawal	11	.150	1.65	1,222.86
Deposit	17	.200	3.40	2,519.82
On Us Item	2	.070	.14	103.76
Transit	10	.090	.90	667.01
MONTHLY MAINTENANCE	1	10.000	10.00	7,411.24
TOTAL OF ACTIVITY CHARGES AND CREDITS:			16.09	11,924.69

BALANCE REQUIRED TO SUPPORT INFORMATION

TOTAL BALANCE REQUIRED TO SUPPORT ACTIVITY CHARGES AND CREDITS	11,924.69
TOTAL BALANCE REQUIRED TO SUPPORT INTEREST EARNED	1,711.99
TOTAL ADDITIONAL BALANCE REQUIRED TO SUPPORT	13,636.68

BALANCE INFORMATION

AVERAGE LEDGER BALANCE:	7,396.98
AVERAGE FLOAT:	44.16
AVERAGE AVAILABLE BALANCE:	7,352.82

EARNINGS CREDIT SUMMARY

AVERAGE POSITIVE AVAILABLE BALANCE:	7,352.82
RESERVES ON 7,396.98 AT 10.0000%:	(-) 739.69
INVESTABLE BALANCE:	(=) 6,613.13
EARNINGS CREDIT FOR INVESTABLE BALANCE AT 2.4088%:	12.22
INTEREST EARNED DURING THE MONTH:	(-) 2.31
NET EARNINGS CREDIT:	(=) 9.91

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215 N TITUS
GILMER TX 75644

GROUP: 141548

ACCOUNT: 2300024110

DEMAND DEPOSIT ACCOUNT ANALYSIS
FOR THE MONTH OF FEBRUARY, 2019

PAGE: 2

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ANALYSIS SUMMARY

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NET EARNINGS CREDIT:		9.91
LESS NET ACTIVITY CHARGES:	(-)	16.09

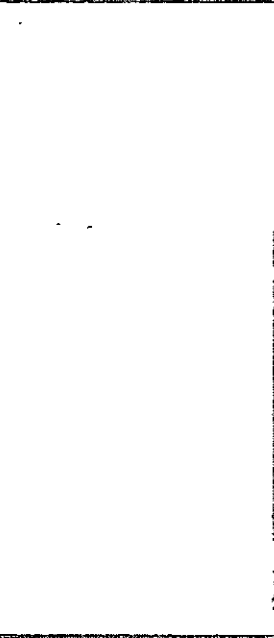
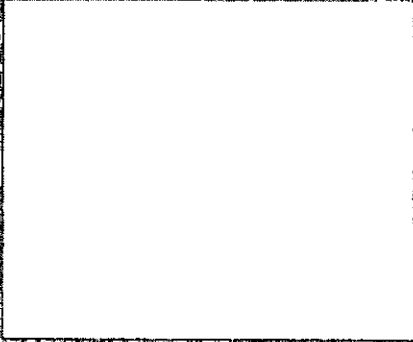
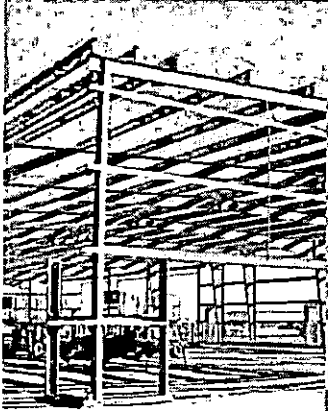
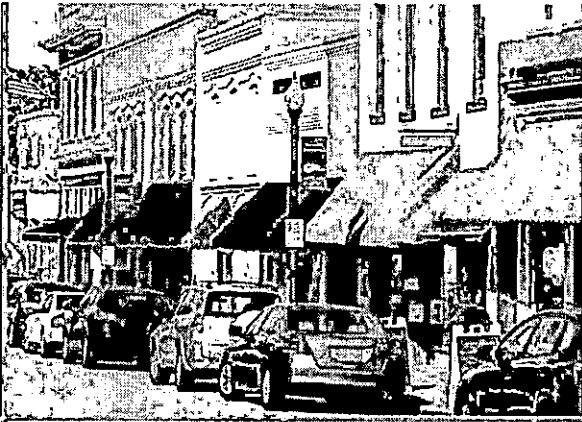
NET ANALYSIS:	(=)	6.18-
ANALYSIS CHARGED TO		
CHECKING ACCOUNT 2300021439		6.18

AN ANALYSIS CHARGE COULD BE AVOIDED BY MAINTAINING AN AVERAGE POSITIVE
AVAILABLE BALANCE OF \$11,927 FOR 28 DAYS.

EXHIBIT 7

AUDITED FINANCIAL STATEMENTS

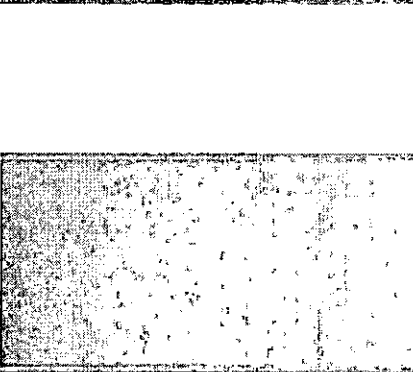
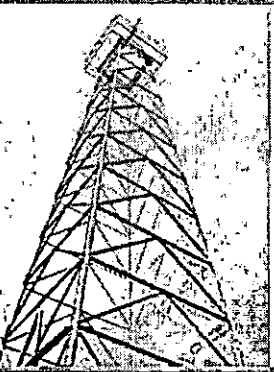
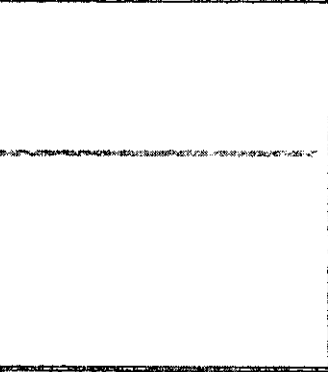
AND CALL REPORT



CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017



 **Austin Bank**®



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***AUSTIN BANCORP, INC.
AND SUBSIDIARIES***

**Consolidated Financial Statements
and Additional Information**

December 31, 2018 and 2017

(With Independent Auditor's Report Thereon)



Independent Auditor's Report

The Board of Directors
Austin BanCorp, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Austin BanCorp, Inc. and Subsidiaries (Company), which comprise the consolidated balance sheets as of December 31, 2018 and 2017 and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based upon our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Austin BanCorp, Inc. and Subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting and Other Regulatory Requirements

Internal Control Over Financial Reporting and Compliance

We also have audited in accordance with auditing standards generally accepted in the United States of America, the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in the *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 1, 2019 expressed an unmodified opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued reports dated February 1, 2019 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

Payne & Smith, LLC

February 1, 2019

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2018 and 2017

(In thousands of dollars)

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 94,513	\$ 87,487
Securities available for sale	197,966	163,694
Securities held to maturity	70,461	66,318
Loans held for sale	994	1,040
Loans held for investment	1,333,842	1,280,136
Bank premises and equipment	31,566	32,561
Goodwill	11,560	11,560
Cash surrender value of life insurance	31,140	28,753
Other assets	<u>21,826</u>	<u>22,580</u>
	<u>\$ 1,793,868</u>	<u>\$ 1,694,129</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Deposits:		
Noninterest bearing	\$ 557,270	\$ 529,780
Interest bearing	<u>936,564</u>	<u>907,150</u>
Total deposits	1,493,834	1,436,930
Other borrowings	30,958	14,817
Other liabilities	20,023	17,057
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, \$1 par value, 1,000,000 shares authorized, no shares issued and outstanding at December 31, 2018 and 2017	-	-
Common stock - \$1 par value, 2,000,000 shares authorized, 1,127,295 shares issued and 1,124,573 outstanding at December 31, 2018 and 2017	1,127	1,127
Paid-in capital	24,695	24,695
Retained earnings	224,972	200,530
Accumulated other comprehensive loss, net of tax of \$437 for 2018 and \$247 for 2017	<u>(1,645)</u>	<u>(931)</u>
	249,149	225,421
Treasury stock, at cost	<u>(96)</u>	<u>(96)</u>
Total stockholders' equity	<u>249,053</u>	<u>225,325</u>
	<u>\$ 1,793,868</u>	<u>\$ 1,694,129</u>

See accompanying notes to consolidated financial statements.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Consolidated Statements of Income

For the Years Ended December 31, 2018 and 2017

(In thousands of dollars)

	<u>2018</u>	<u>2017</u>
Interest income:		
Interest and fees on loans	\$ 71,850	\$ 64,590
Interest on deposits in other banks	1,068	603
Interest on securities	5,555	4,045
Other	<u>124</u>	<u>104</u>
Total interest income	<u>78,597</u>	<u>69,342</u>
Interest expense:		
Interest on deposit accounts	4,877	3,378
Other	<u>444</u>	<u>69</u>
Total interest expense	<u>5,321</u>	<u>3,447</u>
Net interest income	73,276	65,895
Provision for loan losses	<u>2,647</u>	<u>1,746</u>
Net interest income after provision for loan losses	<u>70,629</u>	<u>64,149</u>
Noninterest income:		
Service charges and fees	11,226	11,932
Gain on sales of loans	805	890
Interchange fees	7,858	7,150
Other	<u>4,240</u>	<u>3,937</u>
Total noninterest income	<u>24,129</u>	<u>23,909</u>
Noninterest expense:		
Salaries and employee benefits	36,709	34,192
Occupancy of bank premises	6,017	5,736
ATM and interchange fees	2,487	2,323
Telecommunications	1,011	1,045
Computer software maintenance	2,135	2,016
Other	<u>10,404</u>	<u>9,939</u>
Total noninterest expense	<u>58,763</u>	<u>55,251</u>
Income before income tax expense	35,995	32,807
Income tax expense	<u>7,336</u>	<u>13,796</u>
Net income	<u>\$ 28,659</u>	<u>\$ 19,011</u>

See accompanying notes to consolidated financial statements.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2018 and 2017

(In thousands of dollars)

	<u>2018</u>	<u>2017</u>
Net income	\$ 28,659	\$ 19,011
Other comprehensive loss, net of tax, on securities available for sale:		
Change in net unrealized loss during the period net of tax		
benefit of \$190 and \$123 for 2018 and 2017, respectively	(714)	(699)
Reclassification adjustment for net gains included in net income	<u>-</u>	<u>(1)</u>
Other comprehensive loss, net of tax	<u>(714)</u>	<u>(700)</u>
Total comprehensive income	<u>\$ 27,945</u>	<u>\$ 18,311</u>

See accompanying notes to consolidated financial statements.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity

For the Years Ended December 31, 2018 and 2017

(In thousands of dollars)

	<u>Preferred Stock</u>	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Treasury Stock</u>	<u>Total</u>
Balance January 1, 2017	\$ -	\$ 1,127	\$ 24,695	\$ 185,399	\$ (231)	\$ (96)	\$ 210,894
Net income	-	-	-	19,011	-	-	19,011
Other comprehensive loss	-	-	-	-	(700)	-	(700)
Dividends	-	-	-	(3,880)	-	-	(3,880)
Balance December 31, 2017	-	1,127	24,695	200,530	(931)	(96)	225,325
Net income	-	-	-	28,659	-	-	28,659
Other comprehensive loss	-	-	-	-	(714)	-	(714)
Dividends	-	-	-	(4,217)	-	-	(4,217)
Balance December 31, 2018	\$ -	\$ 1,127	\$ 24,695	\$ 224,972	\$ (1,645)	\$ (96)	\$ 249,053

See accompanying notes to consolidated financial statements.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2018 and 2017

(In thousands of dollars)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net income	\$ 28,659	\$ 19,011
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,176	2,989
Amortization	632	751
Provision for loan losses	2,647	1,746
Deferred tax (benefit) expense	(119)	4,315
Gain on sales of loans	(805)	(890)
Writedown of other real estate owned	40	124
Writedown of bank premises and equipment	-	23
Net gain on sales of other real estate owned	(136)	(163)
Mortgage loans originated for sale	(31,109)	(34,110)
Proceeds from sales of mortgage loans	31,960	34,498
Increase in other assets	(1,851)	(5,080)
Increase (decrease) in other liabilities	<u>2,966</u>	<u>(683)</u>
Net cash provided by operating activities	<u>36,060</u>	<u>22,531</u>
Cash flows from investing activities:		
Purchases of securities available for sale	(885,680)	(882,265)
Purchases of securities held to maturity	(10,885)	(10,207)
Proceeds from sales, maturities, calls and principal reductions of securities available for sale	850,144	847,088
Proceeds from maturities, calls and principal reductions of securities held to maturity	6,742	6,233
Net originations of loans	(56,647)	(69,114)
Net additions to bank premises and equipment	(2,181)	(5,229)
Net proceeds from sales of other real estate owned	<u>645</u>	<u>2,475</u>
Net cash used in investing activities	<u>(97,862)</u>	<u>(111,019)</u>
Cash flows from financing activities:		
Net increase in demand deposits, NOW and savings accounts	60,187	95,483
Net payments from maturing certificates of deposit	(3,283)	(2,505)
Cash dividends paid	(4,217)	(3,880)
Net increase (decrease) in other borrowings	<u>16,141</u>	<u>(2,032)</u>
Net cash provided by financing activities	<u>68,828</u>	<u>87,066</u>
Net increase (decrease) in cash and cash equivalents	7,026	(1,422)
Cash and cash equivalents at beginning of year	<u>87,487</u>	<u>88,909</u>
Cash and cash equivalents at end of year	<u>\$ 94,513</u>	<u>\$ 87,487</u>

See accompanying notes to consolidated financial statements.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by Austin BanCorp, Inc. and Subsidiaries (together referred to as Company) in the preparation of its consolidated financial statements. The accounting policies conform to generally accepted accounting principles and practices generally followed within the banking industry. A description of the more significant of these policies follows.

Business

The accompanying consolidated financial statements include the accounts of Austin BanCorp, Inc. (BanCorp) and its wholly-owned subsidiaries Texas East Bank Services, Inc. (Service Company), Jacksonville Company, Inc., and Austin Bank, Texas N.A. and its wholly owned subsidiary AB Community Investment Co., (together referred to as Bank). All significant inter-company transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for loan losses and valuation of other real estate owned. While management uses available information to recognize losses on loans and other real estate owned, future provisions may be necessary based on changes in local economic conditions. In addition, banking regulators, as an integral part of their examination process, periodically review the Company's allowance for loan and other real estate losses. They may require the Company to record additional provisions for losses based on their judgment about information available to them at the time of their examination.

A significant portion of the Company's loans are secured by real estate and related assets located in local markets. Accordingly, the ultimate collectibility of this portion of the Company's loan portfolio is susceptible to changes in local market conditions.

Cash and Cash Equivalents

For the purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, other short-term investments and federal funds sold. All highly liquid investments with an initial maturity of less than ninety days are considered to be cash equivalents.

Securities

Certain debt securities that management has the positive intent and ability to hold to maturity are classified as held to maturity and recorded at amortized cost. Trading securities are recorded at fair value with changes in fair value included in earnings. Securities not classified as held to maturity or trading, including equity securities with readily determinable fair values, are classified as available for sale and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of held to maturity and available for sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In determining whether other-than-temporary impairment exists, management considers many factors, including (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near-term prospects of the issuer, and (iii) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Loans Held for Sale

The Company originates mortgage loans both for sale and for investment purposes. The designation of mortgage loans is made by management at the time of origination. Mortgage loans designated as held for sale are stated at the lower of aggregate cost, net of discounts or premiums, or estimated fair market value. Market value is based on the contract prices at which the mortgage loans will be sold or, if the loans are not committed for sale, the current market price. Net unrealized losses, if any, are recognized in a valuation allowance by charges to income.

Gain or loss on the sale of mortgage loans held for sale is generally determined by the difference between the carrying amounts of the related loans sold and the net proceeds thereof. Since the Company does not retain servicing on the sold loans, proceeds from loans typically include a service release premium.

Loans

The Company grants commercial, real estate, agricultural, and consumer loans to customers. The ability of the Company's debtors to honor their contracts are dependent upon the real estate and general economic conditions in this area.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off generally are reported at their outstanding unpaid principal balances adjusted for charge offs, the allowance for loan losses, and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Fees associated with originating loans to the extent they exceed the direct loan origination costs are generally deferred and recognized over the life of the loan as an adjustment of yield.

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on nonaccrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. In determining whether or not a borrower may be unable to meet payment obligations for each class of loans, the Company considers the borrower's debt service capacity through the analysis of current financial information, if available, and/or current information with regards to the Company's collateral position. Regulatory provisions typically require the placement of a loan on nonaccrual status if (i) principal or interest has been in default for a period of 90 days or more unless the loan is both well secured and in the process of collection or (ii) full payment of principal and interest is not expected. Loans may be placed on nonaccrual status regardless of whether or not such loans are considered past due. When interest accrual is discontinued, all unpaid accrued interest is reversed against interest income. Interest on nonaccrual loans is accounted for on the cash basis or cost recovery method until qualifying for return to accrual status. A loan may be returned to accrual status when all the principal and interest amounts contractually due are brought current and future principal and interest amounts contractually due are reasonably assured, which is typically evidenced by a sustained period (at least six months) of repayment performance by the borrower.

Impaired Loans

Loans are considered impaired when, based on current information and events, it is probable the Company will be unable to collect all amounts due in accordance with the original contractual terms of the loan agreement, including scheduled principal and interest payments. The Company does not consider smaller balance loans of similar nature (loans less than \$100,000) in its impairment testing on an individual loan basis. If a loan greater than \$100,000 is impaired, a specific valuation allowance is allocated, if necessary, so that the loan is reported net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral.

Interest payments on impaired loans are typically applied to principal unless collectibility of the principal amount is reasonably assured, in which case interest is recognized on a cash basis. Impaired loans, or portions thereof, are charged off when deemed uncollectible.

Troubled Debt Restructured (TDR) Loans

A TDR loan is a loan which the Company, for reasons related to a borrower's financial difficulties, grants a concession to the borrower that the Company would not otherwise consider. The loan terms, which have been modified or restructured due to a borrower's financial difficulty, include, but are not limited to, a reduction in the stated interest rate; an extension of the maturity at an interest rate below current market; a reduction in the face amount of the debt; a reduction in the accrued interest; or re-aging, extensions, deferrals, renewals, and rewrites. A TDR loan would generally be considered impaired in the year of modification and will be assessed periodically for further impairment.

Allowance for Loan Losses

The allowance for loan losses is established through a provision for loan losses charged to expense, which represents management's best estimate of probable losses that have been incurred within the existing portfolio of loans. The allowance, in the judgment of management, is necessary to provide for estimated loan losses inherent in the loan portfolio. The allowance for possible loan losses includes allowance allocations calculated in accordance with ASC Topic 310, *Receivables* and allowance allocations calculated in accordance with ASC Topic 450, *Contingencies*. The level of the allowance reflects management's continuing evaluation of industry concentrations, specific credit risks, loan loss experience, current loan portfolio quality, present economic, political and regulatory conditions and unidentified losses inherent in the current loan portfolio, as well as trends in the foregoing. Portions of the allowance may be allocated for specific credits; however, the entire allowance is available for any credit that, in management's judgment, should be charged off. While management utilizes its best judgment and information available, the ultimate adequacy of the allowance is dependent upon a variety of factors beyond the Company's control, including the performance of the Company's loan portfolio, the economy, changes in interest rates and the view of the regulatory authorities toward loan classifications.

The allowance consists of specific and general allocations. The specific allocation relates to loans that are impaired. For such loans, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general allocation is calculated using loss rates delineated by risk rating and product type. Factors considered when assessing loss rates include the value of the underlying collateral, the industry of the obligor, the obligor's liquidity, and other financial and qualitative factors. These statistical models are updated regularly for changes in economic and business conditions. Included in the analysis of these loan portfolios are reserves, which are maintained to cover uncertainties that affect the Company's estimate of probable losses including economic uncertainty and large single defaults.

Bank Premises and Equipment

Land is carried at cost. Premises, furniture and equipment, and leasehold improvements are carried at cost, less accumulated depreciation and amortization computed principally by the straight-line method over the estimated useful lives of the related property.

Foreclosed Assets

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net expenses from foreclosed assets.

Goodwill

Goodwill represents the excess of the cost of businesses acquired over the fair value of the net assets acquired. At least annually or more frequently if circumstances dictate, management assesses qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that goodwill is impaired. If, after assessing the totality of events and circumstances, management concludes that it is not more likely than not that goodwill is impaired, then no further action is taken. If, however, management concludes otherwise, then the fair value of goodwill is determined and tested for impairment by comparing the fair value with the carrying amount in accordance with ASC Topic 350, *"Intangibles-Goodwill and Other"*.

Repurchase Agreements

The Company sells certain securities under agreements to repurchase. The agreements are treated as financings and the obligations to repurchase securities sold are reflected as a liability in the consolidated balance sheets. The dollar amount of securities underlying the agreements remains in the asset account.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Income Taxes

Austin BanCorp, Inc. files a consolidated income tax return with its subsidiaries. Federal income tax expense or benefit has been allocated on a separate return basis.

Deferred tax assets and liabilities are reflected at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Accounting principles generally accepted in the United States of America require Company management to evaluate tax positions taken by the Company. Management evaluated the Company's tax positions and concluded that the Company has taken no uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Therefore, no liability for tax penalties has been included in the consolidated financial statements. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2015.

Enactment of the Tax Cuts and Jobs Act of 2017

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the "Act"). The Act includes several changes which impact the Company's income taxes including the permanent reduction in the maximum U.S. corporate income tax rate from 35% to 21% for years beginning after December 31, 2017. Under generally accepted accounting principles, deferred tax assets and liabilities are required to be adjusted for the Act's effect through income from continuing operations in the reporting period that includes the enactment date. Accordingly, the Company has adjusted its deferred tax assets and liabilities in the accompanying 2017 consolidated financial statements to record the effect of the decrease in the corporate income tax rate in the years the temporary differences are expected to reverse. The corresponding expense of approximately \$3,308,000 has been included as a component of deferred income tax expense in the accompanying consolidated statement of income and consolidated comprehensive income for the year ended December 31, 2017.

The Act's effect on the adjustment of the deferred tax asset related to the unrealized loss on securities available for sale has been adjusted through other comprehensive income in the accompanying consolidated financial statements. Under generally accepted accounting principles, the deferred tax asset related to the unrealized loss on securities available for sale is required to be adjusted through continuing operations with an offsetting reclassification from accumulated other comprehensive income to retained earnings. For the year ending December 31, 2017, management believes that not adjusting the deferred tax asset related to the unrealized loss on securities through operations does not materially affect the financial position or results of operations of the Company.

Advertising

Advertising consists of the Company's advertising in its local market area. Advertising is expensed as incurred. Advertising expense was approximately \$1,472,000 and \$1,512,000 for the years ended December 31, 2018 and 2017, respectively.

Comprehensive Income (Loss)

Comprehensive income (loss) includes both net income and other comprehensive income (loss), which includes the change in unrealized gains and losses on securities available for sale.

Off-Balance Sheet Credit Related Financial Instruments

In the ordinary course of business, the Company has entered into commitments to extend credit, including commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded.

Fair Values of Financial Instruments

ASC Topic 820, "*Fair Value Measurements and Disclosures*," defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and requires certain disclosures about fair value measurements. In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (i) the assets have been isolated from the Company, (ii) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (iii) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated.

Treasury Stock

Treasury stock is recorded at cost. At December 31, 2018 and 2017, the Company had 2,722 shares held in treasury.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through February 1, 2019, the date the consolidated financial statements were available to be issued.

Accounting Pronouncement Adopted in 2018

In January 2016, the FASB issued ASU 2016-01 which eliminated the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. The new standard is effective for fiscal years beginning after December 15, 2018 with early adoption permitted. The Company early adopted the provisions which allow for the discontinuation of the fair value disclosures for financial instruments not measured at fair value as of January 2018.

Reclassification

Certain amounts previously reported have been reclassified to conform to the current format.

2. Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The amendment to the Leases topic of the Accounting Standards Codification was to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amended guidance requires lessees recognize the following for all leases (with the exception of short-term leases) at the commencement date (i) A lease liability, which is lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (ii) A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The amendment will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Earlier application is permitted. This statement is not expected to have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The update requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts and requires enhanced disclosures related to the significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. The guidance replaces the incurred loss model with a current expected loss model, which is referred to as the current expected credit loss (CECL) model. In addition, ASU 2016-13 amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. In November 2018, the FASB issued Accounting Standards Update 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*. The amendment requires that for nonpublic business entities the amendments will be effective for fiscal years beginning after December 15, 2021 including interim periods within those fiscal years. Early adoption is permitted as of the fiscal years beginning after December 11, 2019. The Company has formed a CECL committee and is evaluating the impact this amendment will have on the Company's consolidated financial statements.

In February 2018, the FASB issued Accounting Standards Update ASU 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The amendments allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act and improve the usefulness of information reported to financial statement users and requires certain disclosures about stranded tax effects. The update will be effective for fiscal years beginning after December 11, 2019. Early adoption of the amendments in this update is permitted. This statement is not expected to have a material impact on the Company's consolidated financial statements.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

3. Statement of Cash Flows

The Company reports on a net basis its cash receipts and cash payments for time deposits accepted and repayments of those deposits, loans made to customers and principal collections on those loans.

The Company uses the indirect method to present cash flows from operating activities. Other supplemental cash flow information for the years ended December 31, 2018 and 2017 is presented as follows (in thousands):

	<u>2018</u>	<u>2017</u>
Cash transactions:		
Interest expense paid	\$ <u>5,199</u>	\$ <u>3,391</u>
Federal income taxes paid	\$ <u>6,200</u>	\$ <u>10,400</u>
Noncash transactions:		
Net acquisition of other real estate owned	\$ <u>294</u>	\$ <u>1,582</u>

AUSTIN BANCORP, INC. AND SUBSIDIARIES

4. Debt and Equity Securities

Debt and equity securities have been classified in the consolidated balance sheets according to management's intent. The carrying amount of securities and their approximate fair values at December 31, 2018 and 2017 are as follows (in thousands):

<u>Securities Available for Sale</u>	Amortized <u>Cost</u>	Gross Unrealized <u>Gains</u>	Gross Unrealized <u>Losses</u>	Fair <u>Value</u>
December 31, 2018:				
U.S. Treasury Securities	\$ 24,839	\$ -	\$ 57	\$ 24,782
U.S. Government Agency obligations	157,012	73	1,826	155,259
Mortgage-backed securities	17,014	39	312	16,741
Municipal securities	<u>1,183</u>	<u>3</u>	<u>2</u>	<u>1,184</u>
	<u>\$ 200,048</u>	<u>\$ 115</u>	<u>\$ 2,197</u>	<u>\$ 197,966</u>
December 31, 2017:				
U.S. Treasury Securities	\$ 5,000	\$ -	\$ 26	\$ 4,974
U.S. Government Agency obligations	134,572	-	1,017	133,555
Mortgage-backed securities	21,618	105	244	21,479
Municipal securities	<u>3,682</u>	<u>10</u>	<u>6</u>	<u>3,686</u>
	<u>\$ 164,872</u>	<u>\$ 115</u>	<u>\$ 1,293</u>	<u>\$ 163,694</u>
<u>Securities Held to Maturity</u>				
December 31, 2018:				
Mortgage-backed securities	\$ 33,924	\$ 78	\$ 562	\$ 33,440
Municipal securities	<u>36,537</u>	<u>19</u>	<u>640</u>	<u>35,916</u>
	<u>\$ 70,461</u>	<u>\$ 97</u>	<u>\$ 1,202</u>	<u>\$ 69,356</u>
December 31, 2017:				
Mortgage-backed securities	\$ 30,228	\$ -	\$ 119	\$ 30,109
Municipal securities	<u>36,090</u>	<u>220</u>	<u>350</u>	<u>35,960</u>
	<u>\$ 66,318</u>	<u>\$ 220</u>	<u>\$ 469</u>	<u>\$ 66,069</u>

Securities with recorded values of approximately \$163,442,000 and \$142,161,000 at December 31, 2018 and 2017, respectively, were pledged to secure public fund deposits or securities sold under agreements to repurchase.

Proceeds from the sales of securities classified as available for sale were approximately \$799,941,000 and \$799,976,000, respectively, for the years ended December 31, 2018 and 2017. There were no significant gains or losses recognized on the sales of securities in 2018 and 2017.

The amortized cost and estimated fair value of debt securities at December 31, 2018 by contractual maturity are shown below (in thousands). Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<u>Securities Available for Sale</u>		<u>Securities Held to Maturity</u>	
	Amortized <u>Cost</u>	Fair <u>Value</u>	Amortized <u>Cost</u>	Fair <u>Value</u>
Due in one year or less	\$ 24,020	\$ 23,927	\$ 2,621	\$ 2,615
Due from one year to five years	160,431	158,749	11,642	11,507
Due from five years to ten years	15,522	15,210	32,515	31,912
Due after ten years	<u>75</u>	<u>80</u>	<u>23,683</u>	<u>23,322</u>
	<u>\$ 200,048</u>	<u>\$ 197,966</u>	<u>\$ 70,461</u>	<u>\$ 69,356</u>

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of December 31, 2018 and 2017, are summarized as follows (in thousands):

	<u>Less than 12 Months</u>		<u>12 Months or More</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
<u>Securities Available for Sale</u>						
December 31, 2018:						
U.S. Treasury Securities	\$ 19,787	\$ 52	\$ 4,995	\$ 5	\$ 24,782	\$ 57
U.S. Government Agency obligations	34,854	137	89,428	1,689	124,282	1,826
Mortgage-backed securities	-	-	15,311	312	15,311	312
Municipal securities	-	-	396	2	396	2
	<u>\$ 54,641</u>	<u>\$ 189</u>	<u>\$ 110,130</u>	<u>\$ 2,008</u>	<u>\$ 164,771</u>	<u>\$ 2,197</u>
December 31, 2017:						
U.S. Treasury Securities	\$ 4,974	\$ 26	\$ -	\$ -	\$ 4,974	\$ 26
U.S. Government Agency obligations	71,521	860	52,137	157	123,658	1,017
Mortgage-backed securities	9,051	71	5,165	173	14,216	244
Municipal securities	<u>1,845</u>	<u>2</u>	<u>540</u>	<u>4</u>	<u>2,385</u>	<u>6</u>
	<u>\$ 87,391</u>	<u>\$ 959</u>	<u>\$ 57,842</u>	<u>\$ 334</u>	<u>\$ 145,233</u>	<u>\$ 1,293</u>
<u>Securities Held to Maturity</u>						
December 31, 2018:						
Mortgage-backed securities	\$ -	\$ -	\$ 24,594	\$ 562	\$ 24,594	\$ 562
Municipal securities	<u>11,807</u>	<u>74</u>	<u>20,694</u>	<u>566</u>	<u>32,501</u>	<u>640</u>
	<u>\$ 11,807</u>	<u>\$ 74</u>	<u>\$ 45,288</u>	<u>\$ 1,128</u>	<u>\$ 57,095</u>	<u>\$ 1,202</u>
December 31, 2017:						
Mortgage-backed securities	\$ 30,109	\$ 119	\$ -	\$ -	\$ 30,109	\$ 119
Municipal securities	<u>13,757</u>	<u>117</u>	<u>4,984</u>	<u>233</u>	<u>18,741</u>	<u>350</u>
	<u>\$ 43,866</u>	<u>\$ 236</u>	<u>\$ 4,984</u>	<u>\$ 233</u>	<u>\$ 48,850</u>	<u>\$ 469</u>

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near-term prospects of the issuer, and (iii) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

As of December 31, 2018, management does not have the intent to sell any of the securities classified as available for sale in the table above and believes that it is more likely than not that the Company will not have to sell any such securities before a recovery of cost. The unrealized losses are largely due to increases in market interest rates over the yields available at the time the underlying securities were purchased. The fair value is expected to recover as the bonds approach their maturity date or repricing date or if market yields for such investments decline. Management does not believe any of the securities are impaired due to reasons of credit quality. Accordingly, as of December 31, 2018 and 2017, management believes the impairments detailed in the table above are temporary and no impairment loss has been recorded in the Company's consolidated income statements.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

5. Loans Held for Investment and Allowance for Loan Losses

Loans held for investment at December 31, 2018 and 2017 consisted of the following (in thousands):

	<u>2018</u>	<u>2017</u>
Real estate:		
Construction, land development, land	\$ 114,788	\$ 104,619
Farmland	57,152	49,857
1-4 family residential properties	438,044	422,751
Multi-family residential	11,444	13,574
Nonfarm nonresidential owner occupied	268,122	251,502
Nonfarm nonresidential other	<u>168,834</u>	<u>164,884</u>
Total real estate	1,058,384	1,007,187
Commercial	141,175	145,550
Agricultural	34,947	35,781
Consumer	108,905	101,053
Other	<u>3,895</u>	<u>3,758</u>
	1,347,306	1,293,329
Allowance for loan losses	<u>(13,464)</u>	<u>(13,193)</u>
	<u>\$ 1,333,842</u>	<u>\$ 1,280,136</u>

At December 31, 2018 and 2017, the Company had total commercial real estate loans of \$563,188,000 and \$534,579,000, respectively. Included in these amounts, the Company had construction, land development, and other land loans representing 46% of total risk based capital at both December 31, 2018 and 2017. The Company had non-owner occupied commercial real estate loans representing 118% and 125% of total risk based capital at December 31, 2018 and 2017, respectively. Sound risk management practices and appropriate levels of capital are essential elements of a sound commercial real estate lending program (CRE). Concentrations of CRE exposures add a dimension of risk that compounds the risk inherent in individual loans. Interagency guidance on CRE concentrations describe sound risk management practices which include board and management oversight, portfolio management, management information systems, market analysis, portfolio stress testing and sensitivity analysis, credit underwriting standards, and credit risk review functions. Management believes it has implemented these practices in order to monitor its CRE. An institution which has reported loans for construction, land development, and other land loans representing 100% or more of total risk-based capital, or total non-owner occupied commercial real estate loans representing 300% or more of the institution's total risk-based capital and the outstanding balance of commercial real estate loan portfolio has increased by 50% or more during the prior 36 months, may be identified for further supervisory analysis by regulators to assess the nature and risk posed by the concentration.

The Company extends commercial and consumer credit primarily to customers in the state of Texas. At December 31, 2018 and 2017, the majority of the Company's loans were collateralized with real estate. The real estate collateral provides an alternate source of repayment in the event of default by the borrower, and may deteriorate in value during the time the credit is extended. Additionally at December 31, 2018 and 2017, respectively, the Company had approximately \$30,132,000 and \$37,956,000 in energy related loans. The weakening of real estate prices and oil prices may have an adverse effect on the Company's profitability and asset quality. The Company also has loans secured by inventory, accounts receivable, equipment, marketable securities, or other assets. The debtors' ability to honor their contracts on all loans is substantially dependent upon the general economic conditions of the region.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Allowance for Loan Losses

An analysis of the allowance for loan losses for the years ended December 31, 2018 and 2017 is as follows (in thousands):

	<u>Beginning</u> <u>Balance</u>	<u>Provision</u>	<u>Charge offs</u>	<u>Recoveries</u>	<u>Ending</u> <u>Balance</u>
December 31, 2018:					
Real estate:					
Construction, land development, land	\$ 439	\$ 29	\$ (7)	\$ -	\$ 461
Farmland	246	94	(45)	1	296
1-4 family residential properties	2,366	451	(336)	88	2,569
Multi-family residential	119	(17)	-	-	102
Nonfarm nonresidential owner occupied	3,351	(386)	-	162	3,127
Nonfarm nonresidential other	<u>1,653</u>	<u>86</u>	<u>-</u>	<u>78</u>	<u>1,817</u>
Total real estate	8,174	257	(388)	329	8,372
Commercial	3,457	465	(1,238)	293	2,977
Agricultural	271	513	(235)	18	567
Consumer	1,282	773	(621)	105	1,539
Other	<u>9</u>	<u>639</u>	<u>(980)</u>	<u>341</u>	<u>9</u>
	<u>\$ 13,193</u>	<u>\$ 2,647</u>	<u>\$ (3,462)</u>	<u>\$ 1,086</u>	<u>\$ 13,464</u>
December 31, 2017:					
Real estate:					
Construction, land development, land	\$ 583	\$ (161)	\$ (13)	\$ 30	\$ 439
Farmland	329	(21)	(62)	-	246
1-4 family residential properties	2,891	(189)	(350)	14	2,366
Multi-family residential	96	23	-	-	119
Nonfarm nonresidential owner occupied	4,134	839	(1,749)	127	3,351
Nonfarm nonresidential other	<u>1,567</u>	<u>84</u>	<u>(4)</u>	<u>6</u>	<u>1,653</u>
Total real estate	9,600	575	(2,178)	177	8,174
Commercial	5,481	94	(2,154)	36	3,457
Agricultural	335	(48)	(40)	24	271
Consumer	1,410	520	(794)	146	1,282
Other	<u>11</u>	<u>605</u>	<u>(939)</u>	<u>332</u>	<u>9</u>
	<u>\$ 16,837</u>	<u>\$ 1,746</u>	<u>\$ (6,105)</u>	<u>\$ 715</u>	<u>\$ 13,193</u>

AUSTIN BANCORP, INC. AND SUBSIDIARIES

The Company's individual ALLL allocations are established for probable losses on specific impaired loans greater than \$100,000. The Company's general ALLL allocations are established based upon historical loss experience for similar loans with similar characteristics and on economic conditions and other qualitative risk factors both internal and external to the Company. Further information pertaining to the allowance for loan losses (ALLL) at December 31, 2018 and 2017 is as follows (in thousands):

	Loan Evaluation			ALLL Allocations			
	Individually	General	Total loans	General			Total ALLL
				Individually	Historical	Other	
December 31, 2018:							
Real estate:							
Construction, land development, land	\$ 58	\$ 114,730	\$ 114,788	\$ 19	\$ 47	\$ 395	\$ 461
Farmland	-	57,152	57,152	-	101	195	296
1-4 family residential properties	3,548	434,496	438,044	213	658	1,698	2,569
Multi-family residential	-	11,444	11,444	-	-	102	102
Nonfarm nonresidential owner occupied	5,085	263,037	268,122	362	275	2,490	3,127
Nonfarm nonresidential other	<u>1,949</u>	<u>166,885</u>	<u>168,834</u>	<u>220</u>	<u>135</u>	<u>1,462</u>	<u>1,817</u>
Total real estate	10,640	1,047,744	1,058,384	814	1,216	6,342	8,372
Commercial	1,552	139,623	141,175	230	1,396	1,351	2,977
Agricultural	374	34,573	34,947	150	229	188	567
Consumer	19	108,886	108,905	-	764	775	1,539
Other	<u>-</u>	<u>3,895</u>	<u>3,895</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
	<u>\$ 12,585</u>	<u>\$ 1,334,721</u>	<u>\$ 1,347,306</u>	<u>\$ 1,194</u>	<u>\$ 3,605</u>	<u>\$ 8,665</u>	<u>\$ 13,464</u>
December 31, 2017:							
Real estate:							
Construction, land development, land	\$ 167	\$ 104,452	\$ 104,619	\$ 40	\$ 53	\$ 346	\$ 439
Farmland	-	49,857	49,857	-	75	171	246
1-4 family residential properties	4,215	418,536	422,751	208	550	1,608	2,366
Multi-family residential	-	13,574	13,574	-	-	119	119
Nonfarm nonresidential owner occupied	6,644	244,858	251,502	702	530	2,119	3,351
Nonfarm nonresidential other	<u>3,899</u>	<u>160,985</u>	<u>164,884</u>	<u>-</u>	<u>251</u>	<u>1,402</u>	<u>1,653</u>
Total real estate	14,925	992,262	1,007,187	950	1,459	5,765	8,174
Commercial	3,688	141,862	145,550	403	976	2,078	3,457
Agricultural	-	35,781	35,781	-	81	190	271
Consumer	61	100,992	101,053	-	595	687	1,282
Other	<u>-</u>	<u>3,758</u>	<u>3,758</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
	<u>\$ 18,674</u>	<u>\$ 1,274,655</u>	<u>\$ 1,293,329</u>	<u>\$ 1,353</u>	<u>\$ 3,111</u>	<u>\$ 8,729</u>	<u>\$ 13,193</u>

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Impaired Loans

Impaired loans include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. Average impaired loans during 2018 and 2017 were approximately \$15,630,000 and \$19,713,000, respectively. The Company recognized approximately \$270,000 and \$330,000 of interest income on performing TDRs during 2018 and 2017, respectively. Additionally, approximately \$123,000 of interest income was recognized on the cash basis on impaired loans on nonaccrual during 2017. No significant interest income was recognized on the cash basis on impaired loans on nonaccrual during 2018. The following is a summary of information pertaining to impaired loans at December 31, 2018 and 2017 (in thousands):

	Unpaid Principal Balance	Recorded Investment		Total	Related Allowance
		With No Allowance	With Allowance		
December 31, 2018:					
Real estate:					
Construction, land development, land	\$ 59	\$ -	\$ 58	\$ 58	\$ 19
Farmland	-	-	-	-	-
1-4 family residential properties	3,867	1,652	1,896	3,548	213
Multi-family residential	-	-	-	-	-
Nonfarm nonresidential owner occupied	5,567	-	5,085	5,085	362
Nonfarm nonresidential other	2,139	-	1,949	1,949	220
Total real estate	11,632	1,652	8,988	10,640	814
Commercial	1,714	415	1,137	1,552	230
Agricultural	374	-	374	374	150
Consumer	19	19	-	19	-
Other	-	-	-	-	-
	<u>\$ 13,739</u>	<u>\$ 2,086</u>	<u>\$ 10,499</u>	<u>\$ 12,585</u>	<u>\$ 1,194</u>
December 31, 2017:					
Real estate:					
Construction, land development, land	\$ 168	\$ -	\$ 167	\$ 167	\$ 40
Farmland	-	-	-	-	-
1-4 family residential properties	4,424	1,840	2,375	4,215	208
Multi-family residential	-	-	-	-	-
Nonfarm nonresidential owner occupied	6,981	2,395	4,249	6,644	702
Nonfarm nonresidential other	3,997	3,899	-	3,899	-
Total real estate	15,570	8,134	6,791	14,925	950
Commercial	3,786	1,705	1,983	3,688	403
Agricultural	-	-	-	-	-
Consumer	61	61	-	61	-
Other	-	-	-	-	-
	<u>\$ 19,417</u>	<u>\$ 9,900</u>	<u>\$ 8,774</u>	<u>\$ 18,674</u>	<u>\$ 1,353</u>

As discussed in Note 1, the Company does not consider smaller balance loans of a similar nature (loans less than \$100,000) as impaired. At December 31, 2018 and 2017, the Company had approximately \$2,203,000 and \$2,127,000, respectively, of smaller balance nonaccrual loans that are not included in the above table.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Past Due and Nonaccrual Loans

The following is a summary of past due and nonaccrual loans at December 31, 2018 and 2017 is as follows (in thousands):

	30-89 Days Past Due	Past Due 90 Days or More Still Accruing	Nonaccrual	Total Past Due and Nonaccrual
December 31, 2018:				
Real estate:				
Construction, land development, land	\$ 666	\$ -	\$ 127	\$ 793
Farmland	257	-	-	257
1-4 family residential properties	4,004	28	3,765	7,797
Multi-family residential	141	-	-	141
Nonfarm nonresidential owner occupied	853	-	5,137	5,990
Nonfarm nonresidential other	<u>-</u>	<u>-</u>	<u>1,949</u>	<u>1,949</u>
Total real estate	5,921	28	10,978	16,927
Commercial	926	-	1,771	2,697
Agricultural	165	-	433	598
Consumer	780	70	299	1,149
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,792</u>	<u>\$ 98</u>	<u>\$ 13,481</u>	<u>\$ 21,371</u>
December 31, 2017:				
Real estate:				
Construction, land development, land	\$ 313	\$ -	\$ 258	\$ 571
Farmland	804	-	-	804
1-4 family residential properties	4,615	108	4,160	8,883
Multi-family residential	-	-	-	-
Nonfarm nonresidential owner occupied	82	-	6,452	6,534
Nonfarm nonresidential other	<u>37</u>	<u>-</u>	<u>3,899</u>	<u>3,936</u>
Total real estate	5,851	108	14,769	20,728
Commercial	1,056	-	3,808	4,864
Agricultural	148	10	89	247
Consumer	1,097	23	392	1,512
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,152</u>	<u>\$ 141</u>	<u>\$ 19,058</u>	<u>\$ 27,351</u>

Average nonaccrual loans during 2018 and 2017 were approximately \$14,622,000 and \$23,153,000, respectively. Approximately \$767,000 and \$1,141,000 of additional interest would have been recognized if the nonaccrual loans had been on accrual status during 2018 and 2017, respectively.

Troubled Debt Restructurings

The restructuring of a loan is considered a troubled debt restructuring (TDR) if both the borrower is experiencing financial difficulties and the creditor has granted a concession. Concessions may include interest rate reductions or below market interest rates, principal forgiveness, restructuring amortization schedules and other actions intended to minimize potential losses. At December 31, 2018 and 2017, TDRs totaled approximately \$4,504,000 and \$5,987,000, respectively. Included in these amounts are performing TDRs of approximately \$652,000 and \$896,000 at December 31, 2018 and 2017, respectively. The Company had allocated approximately \$130,000 and \$684,000 of specific reserves in regard to TDRs at December 31, 2018 and 2017, respectively.

During the year ended December 31, 2018, the Company had no loans which were modified as a TDR. During the year ended December 31, 2017, the Company had one loan which was modified as a TDR. The TDR related to one commercial loan which had a principal balance of approximately \$133,000. The modification was to modify the payment terms. The modification did not materially impact the Company's determination of the allowance for loan losses.

A TDR is considered to be in payment default once it is 30 days contractually past due under the modified terms. During the year ended December 31, 2018, the Company had one TDR which defaulted within twelve months of its modification, resulting in a charge off of approximately \$52,000. During the year ended December 31, 2017, the Company had no significant TDRs that subsequently defaulted within twelve months following their modification.

The Company is not committed to lend additional funds to debtors whose loans have been modified.

Credit Quality Information

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt, including: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. The Company uses the following definitions for risk ratings:

Pass

Loans classified as pass are loans with low to average risk.

Special Mention

Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Company's credit position at some future date.

Substandard

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Doubtful

Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

As of December 31, 2018 and 2017, and based on the most recent analysis performed, the risk category of loans by class of loans is as follows (in thousands):

	<u>Pass</u>	<u>Special Mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
December 31, 2018:					
Real estate:					
Construction, land development, land	\$ 113,047	\$ 1,164	\$ 577	\$ -	\$ 114,788
Farmland	54,160	2,992	-	-	57,152
1-4 family residential properties	427,413	1,563	8,406	662	438,044
Multi-family residential	11,444	-	-	-	11,444
Nonfarm nonresidential owner occupied	255,043	5,953	3,103	4,023	268,122
Nonfarm nonresidential other	<u>165,993</u>	<u>818</u>	<u>587</u>	<u>1,436</u>	<u>168,834</u>
Total real estate	1,027,100	12,490	12,673	6,121	1,058,384
Commercial	137,238	667	2,276	994	141,175
Agricultural	33,784	2	756	405	34,947
Consumer	108,201	93	564	47	108,905
Other	<u>3,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,895</u>
	<u>\$ 1,310,218</u>	<u>\$ 13,252</u>	<u>\$ 16,269</u>	<u>\$ 7,567</u>	<u>\$ 1,347,306</u>
December 31, 2017:					
Real estate:					
Construction, land development, land	\$ 103,702	\$ 368	\$ 549	\$ -	\$ 104,619
Farmland	47,491	526	1,840	-	49,857
1-4 family residential properties	412,428	1,273	8,494	556	422,751
Multi-family residential	13,574	-	-	-	13,574
Nonfarm nonresidential owner occupied	236,482	4,671	6,518	3,831	251,502
Nonfarm nonresidential other	<u>158,931</u>	<u>1,977</u>	<u>2,384</u>	<u>1,592</u>	<u>164,884</u>
Total real estate	972,608	8,815	19,785	5,979	1,007,187
Commercial	133,998	2,716	7,625	1,211	145,550
Agricultural	35,665	6	100	10	35,781
Consumer	100,418	18	539	78	101,053
Other	<u>3,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,758</u>
	<u>\$ 1,246,447</u>	<u>\$ 11,555</u>	<u>\$ 28,049</u>	<u>\$ 7,278</u>	<u>\$ 1,293,329</u>

AUSTIN BANCORP, INC. AND SUBSIDIARIES

6. Bank Premises and Equipment

Bank premises and equipment at December 31, 2018 and 2017 consisted of the following (in thousands):

	<u>2018</u>	<u>2017</u>
Land	\$ 10,923	\$ 10,854
Buildings and improvements	45,605	44,661
Furniture and equipment	<u>19,875</u>	<u>18,707</u>
	76,403	74,222
Accumulated depreciation	<u>(44,837)</u>	<u>(41,661)</u>
	<u>\$ 31,566</u>	<u>\$ 32,561</u>

The Company leases a portion of its bank premises under non-cancelable operating leases. Rental expense totaled approximately \$194,000 and \$216,000 for the years ended December 31, 2018 and 2017. Pursuant to the terms of the lease agreements in effect at December 31, 2018, pertaining to banking premises, future minimum rent commitments are as follows (in thousands):

<u>Year</u>	<u>Amount</u>
2019	\$ 174
2020	147
2021	147
2022	65
2023	48
Thereafter	<u>8</u>
	<u>\$ 589</u>

Additionally, a portion of the banking premises which the Company occupies is leased to certain tenants under month-to-month and term leases. Rental income totaled approximately \$1,215,000 and \$1,184,000, respectively, for the years ending December 31, 2018 and 2017. Minimum future rentals to be received on non-cancelable leases in effect at December 31, 2018 are as follows (in thousands):

<u>Year</u>	<u>Amount</u>
2019	\$ 877
2020	543
2021	322
2022	230
2023	223
Thereafter	<u>-</u>
	<u>\$ 2,195</u>

AUSTIN BANCORP, INC. AND SUBSIDIARIES

7. Goodwill

Goodwill in the amount of \$11,560,000 at December 31, 2018 and 2017 is included in the accompanying consolidated financial statements. Goodwill is assessed at least annually for impairment. At December 31, 2017, management has determined that it is not more likely than not that goodwill is impaired.

8. Deposits

Deposits at December 31, 2018 and 2017 are summarized as follows (in thousands):

	<u>2018</u>		<u>2017</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Noninterest bearing demand accounts	\$ 557,270	37.3	\$ 529,780	36.9
Interest bearing demand accounts	315,927	21.1	299,862	20.9
Savings accounts	366,012	24.5	349,380	24.3
Certificates of deposit, \$250,000 or less	202,043	13.5	205,818	14.3
Certificates of deposit, greater than \$250,000	<u>52,582</u>	<u>3.6</u>	<u>52,090</u>	<u>3.6</u>
	<u>\$ 1,493,834</u>	<u>100.0</u>	<u>\$ 1,436,930</u>	<u>100.0</u>

The Company had no brokered deposits at December 31, 2018 and 2017.

At December 31, 2018, scheduled maturities of certificates of deposit are as follows (in thousands):

<u>Year</u>	<u>Amount</u>
2019	\$ 177,084
2020	37,441
2021	16,943
2022	14,186
2023	8,317
Thereafter	<u>654</u>
	<u>\$ 254,625</u>

9. Other Borrowings

Federal Home Loan Bank

Advances from the Federal Home Loan Bank (FHLB) are collateralized by a security agreement which requires the borrowing bank to maintain a certain level of qualified first mortgage collateral in relation to the amount of outstanding debt. There were no outstanding advances from the FHLB at December 31, 2018 and 2017. The Company has additional unused borrowing capacity with the FHLB of approximately \$618,271,000 at December 31, 2018.

Securities Sold Under Agreements to Repurchase

Included in other borrowings at December 31, 2018 and 2017 are secured overnight borrowings incurred in connection with securities sold under agreements to repurchase of approximately \$30,958,000 and \$14,817,000, respectively. In connection with these repurchase agreements, the Company pledges investment securities to secure these borrowings. Information concerning such borrowings at December 31, 2018 and 2017 is summarized as follows (in thousands):

	<u>2018</u>	<u>2017</u>
Balance at year end	\$ <u>30,958</u>	\$ <u>14,817</u>
Average balance during the year	\$ <u>28,124</u>	\$ <u>16,319</u>
Maximum balance during the year	\$ <u>36,887</u>	\$ <u>22,533</u>
Average interest rate during the year	<u>1.45%</u>	<u>0.40%</u>
Weighted average interest rate at year end	<u>2.00%</u>	<u>0.90%</u>
Amortized cost of investment securities underlying these agreements	\$ <u>40,503</u>	\$ <u>27,140</u>
Fair value of investment securities underlying these agreements	\$ <u>39,775</u>	\$ <u>26,964</u>

Other

Additionally, the Company has unused federal funds lines available from a commercial bank of approximately \$25,000,000 and an unused line of credit with the Federal Reserve Bank secured by a blanket lien on the consumer loan portfolio of approximately \$62,328,000 at December 31, 2018. There was no outstanding balance under these lines of credit at December 31, 2018 and 2017.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

10. Income Taxes

The provision for income taxes for the years ended December 31, 2018 and 2017 consisted of the following (in thousands):

	<u>2018</u>	<u>2017</u>
Income tax expense (benefit):		
Current	\$ 7,455	\$ 9,481
Deferred	<u>(119)</u>	<u>4,315</u>
Income tax expense	<u>\$ 7,336</u>	<u>\$ 13,796</u>

Income taxes for financial reporting purposes differed from the amounts computed by the statutory federal income tax rates for the year ended December 31, 2018 primarily due to earnings from cash surrender values of life insurance and interest income from municipal securities which are not includable in income for federal income tax purposes offset by nondeductible meals and entertainment expenses. Income taxes for financial reporting purposes differed from the amounts computed by the statutory federal income tax rates for the year ended December 31, 2017 primarily due to the additional deferred tax expense resulting from the Tax Cuts and Jobs Act discussed in Note 1 partially offset by earnings from cash surrender values of life insurance and interest income from municipal securities.

Deferred income taxes reflect the net tax effects of temporary differences between the recorded amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and are included in other assets in the accompanying financial statements. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2018 and 2017 are as follows (in thousands):

	<u>2018</u>	<u>2017</u>
Deferred tax assets:		
Allowance for loan losses for book in excess tax	\$ 2,827	\$ 2,771
Accrued interest	338	246
Net unrealized depreciation on securities available for sale	437	247
Deferred compensation expense	1,766	1,900
Bank premises and equipment for tax in excess of book	235	33
Other	<u>13</u>	<u>25</u>
Total deferred tax assets	<u>5,616</u>	<u>5,222</u>
Deferred tax liabilities:		
FHLB stock dividends	10	6
Other	<u>191</u>	<u>110</u>
Total deferred tax liabilities	<u>201</u>	<u>116</u>
Net deferred tax asset	<u>\$ 5,415</u>	<u>\$ 5,106</u>

Included in other assets at December 31, 2018 and 2017 is a current income tax receivable of approximately \$165,000 and \$1,403,000 respectively.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

11. Employee Benefits

The Bank maintains a noncontributory profit sharing plan integrated with a contributory 401(k) employee benefit plan (Plan) covering substantially all employees. Under the Plan, the Board of Directors may contribute, at their discretion, up to 15% of eligible employee's compensation. During 2018 and 2017, the Company contributed 4.0% of the employee's base compensation plus an additional match of the lesser of 4.0% of the employee's base compensation or the employee's contribution to the 401(k) plan. Plan contributions for the years ending December 31, 2018 and 2017 were approximately \$1,650,000 and \$1,704,000, respectively.

The Company has various deferred compensation plans (Executive Plans) that provide life insurance benefits and retirement benefits for certain officers. Benefits from the Executive Plans are payable from the Company's general unpledged assets. The Company recognizes the cost of providing benefits under these Executive Plans by charging earnings a periodic accrual for estimated future retirement benefits. The provision for expense under the Executive Plans was approximately \$147,000 and \$712,000 for 2018 and 2017, respectively. The relating accrued liability was approximately \$8,407,000 and \$9,049,000 at December 31, 2018 and 2017, respectively, and is included in other liabilities in the accompanying consolidated financial statements.

The Company is the beneficiary of whole life insurance policies covering the participants of the Executive Plans. The recorded value of the related policies at December 31, 2018 and 2017 was approximately \$31,140,000 and \$28,753,000, respectively.

12. Commitments and Contingencies

The Company is involved in legal actions arising from normal business activities. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the consolidated financial position or results of operations of the Company.

The Company does not anticipate any material losses as a result of commitments and contingent liabilities.

13. Financial Instruments

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. At December 31, 2018 and 2017, the approximate amounts of these financial instruments were as follows (in thousands):

	<u>2018</u>	<u>2017</u>
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	\$ 186,506	\$ 180,516
Standby letters of credit	<u>2,286</u>	<u>2,578</u>
	<u>\$ 188,792</u>	<u>\$ 183,094</u>

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Management evaluates each customer's credit-worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the counterparty.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Standby letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company's policy for obtaining collateral and the nature of such collateral is essentially the same as that involved in making commitments to extend credit.

Although the maximum exposure to loss is the amount of such commitments, management currently anticipates no material losses from such activities.

14. Significant Group Concentrations of Credit Risk

Most of the Company's business activity is with customers located within Texas. The distribution of commitments to extend credit approximates the distribution of loans outstanding. Commercial and standby letters of credit were granted primarily to commercial borrowers.

The contractual amounts of credit related financial instruments such as commitments to extend credit and standby letters of credit represent the amounts of potential accounting loss should the contract be fully drawn upon, the customer default, and the value of any existing collateral become worthless.

At December 31, 2018 and 2017, the Company has a concentration of funds on deposit at various correspondent banks. The nature of the Company's business requires that it maintain amounts at due from banks which, at times, may exceed federally insured limits. The Company has not experienced nor anticipates any losses from such accounts.

15. Related Party Transactions

In the ordinary course of business, the Company has and expects to continue to have transactions, including borrowings, with its officers, directors and their affiliates. In the opinion of management, such transactions are on the same terms, including interest rates and collateral requirements, as those prevailing at the time for comparable transactions with unaffiliated persons. At December 31, 2018 and 2017, the aggregate amounts of such loans were approximately \$21,328,000 and \$22,602,000, respectively. During 2017, approximately \$702,000 of new loans were made and repayments totaled approximately \$1,976,000. The Company had unfunded commitments to related parties of approximately \$2,962,000 and \$3,426,000 at December 31, 2018 and 2017, respectively.

The Company leases one of its branch locations from an entity that is owned 100% by two shareholders and directors of the Company. Pursuant to the terms of the agreement dated August, 2003, the Company is obligated to pay monthly rent for a period of ten years beginning March 2004. The agreement was subsequently extended for ten years. Rent paid in connection with this lease was approximately \$45,000 for each of the years ending December 31, 2018 and 2017. Minimum future rentals in connection with this lease (also included in Note 6) are as follows (in thousands):

<u>Year</u>	<u>Amount</u>
2019	\$ 48
2020	48
2021	48
2022	48
2023	48
Thereafter	8
	<u>\$ 248</u>

16. Fair Value Disclosures

The fair value of an asset or liability is the price that would be received to sell that asset or paid to transfer that liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Company utilizes valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- *Level 1 Inputs* - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- *Level 2 Inputs* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.
- *Level 3 Inputs* - Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Furthermore, the reported fair value amounts have not been comprehensively revalued since the presentation dates, and therefore, estimates of fair value after the balance sheet date may differ significantly from the amounts presented herein.

Assets and liabilities measured at fair value on a recurring basis at December 31, 2018 and 2017 are as follows (in thousands):

	Fair Value Measurements Using		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2018:			
Securities available for sale (1)	\$ -	\$ 197,966	\$ -
December 31, 2017:			
Securities available for sale (1)	\$ -	\$ 163,694	\$ -

(1) Securities are measured at fair value on a recurring basis, generally monthly.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

The following table summarizes financial assets and non-financial assets, measured at fair value on a non-recurring basis as of December 31, 2018 and 2017, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	Total Fair <u>Value</u>
December 31, 2018:				
Financial assets - impaired loans	\$ -	\$ -	\$ 11,391	\$ 11,391
Other real estate owned	-	455	-	455
December 31, 2017:				
Financial assets - impaired loans	\$ -	\$ -	\$ 17,321	\$ 17,321
Other real estate owned	-	710	-	710

During the years ended December 31, 2018 and 2017, certain impaired loans were remeasured and reported at fair value through a specific valuation allowance allocation of the allowance for possible loan losses based upon the fair value of the underlying collateral. For the years ended December 31, 2018 and 2017, impaired loans with a carrying value of \$12,585,000 and \$18,674,000, respectively, were reduced by specific valuation allowance allocations totaling \$1,194,000 and \$1,353,000, respectively, to a total reported fair value of \$11,391,000 and \$17,321,000, respectively, based on collateral valuations utilizing Level 3 valuation inputs.

Foreclosed assets are valued at the time the loan is foreclosed upon and the asset is transferred to other real estate owned. The value is based primarily on third-party appraisals, less estimated costs to sell. Appraisals based upon comparable sales result in a Level 2 classification while appraisals based upon expected cash flows of the property result in a Level 3 classification. The appraisals are generally discounted based on management's historical knowledge, changes in market conditions from the time of valuation, and/or management's expertise and knowledge of the customer and customer's business. Other real estate owned is reviewed and evaluated on at least an annual basis for additional impairment and adjusted accordingly, based on the same factors identified above. During the years ended December 31, 2018 and 2017, there were acquisitions of other real estate owned of approximately \$624,000 and \$1,960,000, respectively. During 2018 and 2017, there were write-downs of other real estate owned of approximately \$40,000 and \$124,000, respectively.

17. Stockholders' Equity and Regulatory Matters

The Bank is subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Failure to meet capital requirements can initiate regulatory action. The final rules implementing Basel Committee on Banking Supervision's capital guidelines for U.S. banks (Basel III rules) became effective for the Bank on January 1, 2015 with full compliance of the requirements being phased in over a multi-year schedule, and fully phased in by January 1, 2019. The net unrealized gain or loss on securities available for sale is not included in computing regulatory capital. Management believes as of December 31, 2018 and 2017, the Bank meets all capital adequacy requirements to which it is subject.

Prompt corrective action regulations for banking institutions provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At December 31, 2018, the most recent regulatory notifications categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's category.

Additionally, Basel III added a 2.5% "capital conservation buffer" which was designed for bank holding companies and banking institutions to absorb losses during periods of economic stress. The implementation of the capital conservation buffer began on January 1, 2016 at the 0.625% level and will be phased in over a four-year period (increasing by 0.625% on each subsequent January 1, until it reaches 2.5% on January 1, 2019). Bank holding companies and banking institutions with capital ratios below the minimum for capital adequacy purposes plus the capital conservation buffer will face constraints on dividends, equity repurchases and executive compensation relative to the amount of the shortfall.

Actual and required capital amounts and ratios for the Bank at December 31, 2018 and 2017 are presented below (in thousands):

	<u>Actual</u>		<u>Minimum Required for Capital Adequacy Purposes</u>		<u>Minimum for Capital Adequacy Purposes Plus Capital Conservation Buffer</u>		<u>Minimum to be Well Capitalized under Prompt Corrective Action Provisions</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
December 31, 2018:								
Total capital to risk weighted assets	\$ 250,590	18.887%	\$ 106,145	8.00%	\$ 131,023	9.875%	\$ 132,681	10.00%
Tier 1 (core) capital to risk weighted assets	237,097	17.870%	79,609	6.00%	104,487	7.875%	106,145	8.00%
Common Tier 1 (CET1)	237,097	17.870%	59,707	4.50%	84,584	6.375%	86,243	6.50%
Tier 1 (core) capital to average assets	237,097	13.241%	71,625	4.00%	71,625	4.000%	89,531	5.00%
December 31, 2017:								
Total capital to risk weighted assets	\$ 225,941	17.739%	\$ 101,894	8.00%	\$ 117,815	9.250%	\$ 127,368	10.00%
Tier 1 (core) capital to risk weighted assets	212,667	16.697%	76,421	6.00%	92,341	7.250%	101,894	8.00%
Common Tier 1 (CET1)	212,667	16.697%	57,315	4.50%	73,326	5.750%	82,789	6.50%
Tier 1 (core) capital to average assets	212,667	12.659%	67,199	4.00%	67,199	4.000%	83,998	5.00%



PAYNE & SMITH, LLC
Certified Public Accountants

Independent Auditor's Report

On Additional Information

The Board of Directors
Austin BanCorp, Inc. and Subsidiaries

We have audited the consolidated financial statements of Austin BanCorp, Inc. and Subsidiaries as of and for the year ended December 31, 2018, and have issued our report thereon dated February 1, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 33 and 34 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Payne & Smith, LLC

February 1, 2019

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Consolidating Balance Sheet

December 31, 2018

(In thousands of dollars)

	Austin BanCorp, <u>Inc.</u>	Texas East Bank <u>Sves., Inc.</u>	J'ville Co., Inc. <u>Co., Inc.</u>	Austin Bank <u>Texas, N.A.</u>	AB Comm. <u>Invest Co.</u>		Austin Bank Texas, N.A. <u>Consolidated</u>	<u>Elim.</u>	<u>Consolidated</u>
ASSETS									
Cash and cash equivalents	\$ 377	\$ 53	\$ 205	\$ 94,513	\$ 367	\$ (367) (a)	\$ 94,513	\$ (635) (a)	\$ 94,513
Securities available for sale	-	-	-	197,966	-	-	197,966	-	197,966
Securities held to maturity	-	-	-	70,461	-	-	70,461	-	70,461
Investment in subsidiaries	246,666	-	-	9,703	-	(9,703) (b)	-	(246,666) (b)	-
Loans held for sale	-	-	-	994	-	-	994	-	994
Loans held for investment	-	-	-	1,324,301	9,541	-	1,333,842	-	1,333,842
Bank premises and equipment	-	-	50	31,516	-	-	31,516	-	31,566
Goodwill	647	-	-	10,913	-	-	10,913	-	11,560
Cash surrender value of life insurance	1,057	-	-	30,083	-	-	30,083	-	31,140
Other assets	<u>2,397</u>	<u>-</u>	<u>-</u>	<u>21,979</u>	<u>85</u>	<u>(238) (c)</u>	<u>21,826</u>	<u>(2,397) (c)</u>	<u>21,826</u>
	<u>\$ 251,144</u>	<u>\$ 53</u>	<u>\$ 255</u>	<u>\$ 1,792,429</u>	<u>\$ 9,993</u>	<u>\$ (10,308)</u>	<u>\$ 1,792,114</u>	<u>\$ (249,698)</u>	<u>\$ 1,793,868</u>
LIABILITIES AND STOCKHOLDERS' EQUITY									
Deposits:									
Noninterest bearing	\$ -	\$ -	\$ -	\$ 558,220	\$ 52	\$ (367) (a)	\$ 557,905	\$ (635) (a)	\$ 557,270
Interest bearing	<u>-</u>	<u>-</u>	<u>-</u>	<u>936,564</u>	<u>-</u>	<u>-</u>	<u>936,564</u>	<u>-</u>	<u>936,564</u>
Total deposits	-	-	-	1,494,784	52	(367)	1,494,469	(635)	1,493,834
Other borrowings	-	-	-	30,958	-	-	30,958	-	30,958
Other liabilities	2,091	2	5	20,322	238	(238) (c)	20,322	(2,397) (c)	20,023
Commitments and contingencies	-	-	-	-	-	-	-	-	-
Stockholders' equity:									
Preferred stock	-	-	-	-	-	-	-	-	-
Common stock	1,127	1	35	1,000	1	(1) (b)	1,000	(1,036) (b)	1,127
Paid-in capital	24,695	-	-	38,022	7,499	(7,499) (b)	38,022	(38,022) (b)	24,695
Retained earnings	224,972	50	215	208,988	2,203	(2,203) (b)	208,988	(209,253) (b)	224,972
Accumulated other comprehensive loss, net of tax	(1,645)	-	-	(1,645)	-	-	(1,645)	1,645 (b)	(1,645)
Treasury stock, at cost	<u>(96)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96)</u>
Total stockholders' equity	<u>249,053</u>	<u>51</u>	<u>250</u>	<u>246,365</u>	<u>9,703</u>	<u>(9,703)</u>	<u>246,365</u>	<u>(246,666)</u>	<u>249,053</u>
	<u>\$ 251,144</u>	<u>\$ 53</u>	<u>\$ 255</u>	<u>\$ 1,792,429</u>	<u>\$ 9,993</u>	<u>\$ (10,308)</u>	<u>\$ 1,792,114</u>	<u>\$ (249,698)</u>	<u>\$ 1,793,868</u>

See description of consolidating entries on page 35 and accompanying independent auditor's report on additional information.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Consolidating Statement of Income and Comprehensive Income

For the Year Ended December 31, 2018

(In thousands of dollars)

	Austin BanCorp, <u>Inc.</u>	Texas East Bank <u>Svcs., Inc.</u>	Jville <u>Co., Inc.</u>	Austin Bank <u>Texas, N.A.</u>	AB Comm. <u>Invest Co.</u>	<u>Elim.</u>	Austin Bank Texas, N.A. <u>Consolidated</u>	<u>Elim.</u>	<u>Consolidated</u>
Interest income:									
Interest and fees on loans	\$ -	\$ -	\$ -	\$ 71,361	\$ 489	\$ -	\$ 71,850	\$ -	\$ 71,850
Interest on deposits in other banks	-	-	-	1,068	-	-	1,068	-	1,068
Interest on securities	-	-	-	5,555	-	-	5,555	-	5,555
Other	-	-	-	124	-	-	124	-	124
Total interest income	-	-	-	<u>78,108</u>	<u>489</u>	-	<u>78,597</u>	-	<u>78,597</u>
Interest expense:									
Interest on deposit accounts	-	-	-	4,877	-	-	4,877	-	4,877
Other	-	-	-	444	-	-	444	-	444
Total interest expense	-	-	-	<u>5,321</u>	-	-	<u>5,321</u>	-	<u>5,321</u>
Net interest income	-	-	-	72,787	489	-	73,276	-	73,276
Provision for loan losses	-	-	-	2,647	-	-	2,647	-	2,647
Net interest income after provision for loan losses	-	-	-	<u>70,140</u>	<u>489</u>	-	<u>70,629</u>	-	<u>70,629</u>
Noninterest income:									
Service charges and fees	-	-	-	11,226	-	-	11,226	-	11,226
Gain on sales of loans	-	-	-	805	-	-	805	-	805
Dividend income	4,367	-	-	-	-	-	-	(4,367) (e)	-
Equity in undistributed earnings of subsidiaries	24,438	-	-	358	-	(358) (d)	-	(24,438) (d)	-
Interchange fees	-	-	-	7,858	-	-	7,858	-	7,858
Other	40	227	13	4,104	(22)	-	4,082	(122) (f)	4,240
Total noninterest income	<u>28,845</u>	<u>227</u>	<u>13</u>	<u>24,351</u>	<u>(22)</u>	<u>(358)</u>	<u>23,971</u>	<u>(28,927)</u>	<u>24,129</u>
Noninterest expense:									
Salaries and employee benefits	-	200	4	36,505	-	-	36,505	-	36,709
Occupancy of bank premises	-	5	1	6,017	-	-	6,017	(6) (f)	6,017
ATM and interchange fees	-	-	-	2,487	-	-	2,487	-	2,487
Telecommunications	-	-	-	1,011	-	-	1,011	-	1,011
Computer software maintenance	-	-	-	2,135	-	-	2,135	-	2,135
Other	217	18	-	10,271	14	-	10,285	(116) (f)	10,404
Total noninterest expense	<u>217</u>	<u>223</u>	<u>5</u>	<u>58,426</u>	<u>14</u>	-	<u>58,440</u>	<u>(122)</u>	<u>58,763</u>
Income before income tax (benefit) expense	28,628	4	8	36,065	453	(358)	36,160	(28,805)	35,995
Income tax (benefit) expense	(31)	2	2	7,268	95	-	7,363	-	7,336
Net income	<u>28,659</u>	<u>2</u>	<u>6</u>	<u>28,797</u>	<u>358</u>	<u>(358)</u>	<u>28,797</u>	<u>(28,805)</u>	<u>28,659</u>
Other comprehensive loss, net of tax, on securities available for sale:									
Change in net unrealized loss during the period	(714)	-	-	(714)	-	-	(714)	714 (g)	(714)
Reclassification adjustment for net gains included in net income	-	-	-	-	-	-	-	-	-
Other comprehensive loss, net of tax	<u>(714)</u>	-	-	<u>(714)</u>	-	-	<u>(714)</u>	<u>714</u>	<u>(714)</u>
Total comprehensive income	<u>\$ 27,945</u>	<u>\$ 2</u>	<u>\$ 6</u>	<u>\$ 28,083</u>	<u>\$ 358</u>	<u>\$ (358)</u>	<u>\$ 28,083</u>	<u>\$ (28,091)</u>	<u>\$ 27,945</u>

See description of consolidating entries on page 35 and accompanying independent auditor's report on additional information.

AUSTIN BANCORP, INC. AND SUBSIDIARIES

Description of Consolidating Entries

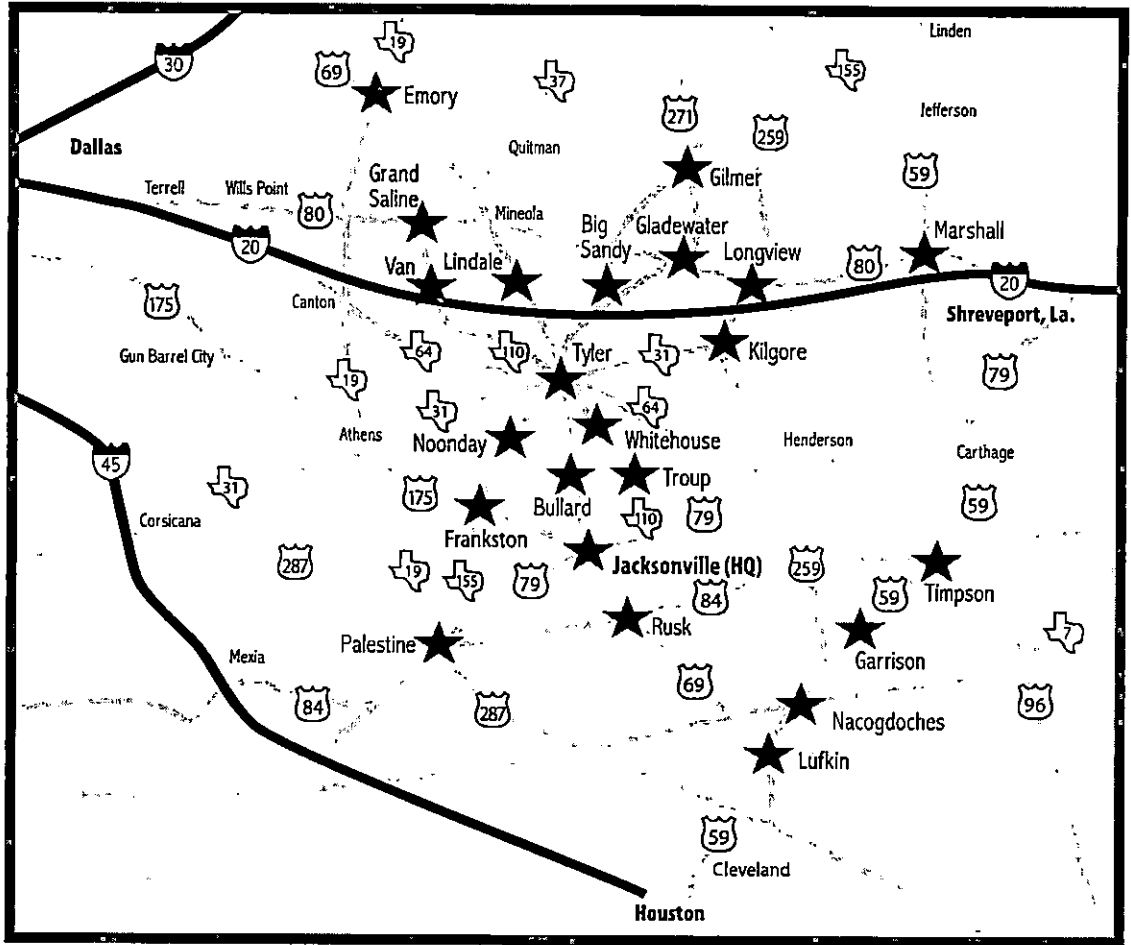
For the Year Ended December 31, 2018

- (a) To eliminate intercompany cash and deposits.
- (b) To eliminate investment accounts against the stockholder's equity of the consolidated subsidiaries.
- (c) To eliminate intercompany receivables and payables.
- (d) To eliminate equity in undistributed earnings of subsidiaries.
- (e) To eliminate dividends from subsidiaries.
- (f) To eliminate intercompany income and expense.
- (g) To eliminate the change in net unrealized loss during the period included in other comprehensive loss.

32 Banking Locations in 23 Cities and 11 Counties

Big Sandy • Bullard • Emory • Frankston • Garrison • Gilmer • Gladewater • Grand Saline
 Jacksonville (2)* • Kilgore • Lindale • Longview (5)* • Lufkin • Marshall • Nacogdoches
 Nooday • Palestine • Rusk • Timpson • Troup • Tyler (5)* • Van • Whitehouse

*Multiple Banking Locations



AUSTIN BANK

DIRECTORS

Jeff Austin, Jr.

Jeff Austin III

Sissy Austin

Nancy Abernathy

Gene Brumbelow

Todd Burton

Keith Chambers

Jane A. Chapman

Shannon Dacus

Russ Gideon

Martin Heines

Billy E. Hibbs, Jr.

Barry Hughes

Ronny E. Lee

Billy Mullins

Michael A. Neill

Robert Nichols

Joe Sharp, Jr.

John P. Williams

Paul S. Woodard, Jr.

ADVISORY

DIRECTORS

Linda Douglas

Mike Gunnels

Nathan Jones

John Ory

Jason Petersen

Brenda Sharp

Francis Spruiell

Rick Waldrop

Steve Wiggs

DIRECTORS

EMERITUS

Charles Creed

William M. Holland

Herbert Riley

Joe T. Terrell

Headquarters:

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 P.O. Box 951
 Jacksonville, Texas 75766
 Cherokee County
 903.586.1526
 Fax: 903.541.2086

Parent Company:

Austin Bancorp, Inc.

Bank Chartered:

October 1, 1900

For Information:

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Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

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OMB Number: 3064-0052
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Approval expires February 28, 2019
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Federal Financial Institutions Examination Council



Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only—FFIEC 041

Report at the close of business December 31, 2018

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State nonmember banks); 12 U.S.C. §161 (National banks); and 12 U.S.C §1464 (Savings associations).

(20181231)

(RCON 9999)

Unless the context indicates otherwise, the term "bank" in this report form refers to both banks and savings associations.

This report form is to be filed by banks with domestic offices only and total consolidated assets of less than \$100 billion, except those banks that file the FFIEC 051.

NOTE: Each bank's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Reports of Condition and Income. The Reports of Condition and Income are to be prepared in accordance with federal regulatory authority instructions. The Reports of Condition and Income must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested to by not less than two directors (trustees) for state nonmember banks and three directors for state member banks, national banks, and savings associations.

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

I, the undersigned CFO (or equivalent) of the named bank, attest that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

Director (Trustee)

Director (Trustee)

Director (Trustee)

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

Submission of Reports

Each bank must file its Reports of Condition and Income (Call Report) data by either:

- Using computer software to prepare its Call Report and then submitting the report data directly to the FFIEC's Central Data Repository (CDR), an Internet-based system for data collection (<https://cdr.ffiec.gov/cdr/>), or
- Completing its Call Report in paper form and arranging with a software vendor or another party to convert the data into the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's data file to the CDR.

For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at CDR.Help@ffiec.gov.

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach your bank's completed signature page (or a photocopy or a computer generated version of this page) to the hard-copy record of the data file submitted to the CDR that your bank must place in its files.

The appearance of your bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show at least the caption of each Call Report item and the reported amount.

Austin Bank, Texas National Association

Legal Title of Bank (RSSD 9017)

Jacksonville

City (RSSD 9130)

TX

State Abbrev. (RSSD 9200)

75766

ZIP Code (RSSD 9220)

Legal Entity Identifier (LEI) 5493008R64K2UUN2NP30

(Report only if your institution already has an LEI.) (RCON 9224)

FDIC Certificate Number 031276
(RSSD 9050)

The estimated average burden associated with this information collection is 55.35 hours per respondent and is expected to vary by institution, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, and to one of the following: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429.

Consolidated Reports of Condition and Income for a Bank With Domestic Offices Only

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For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter, and (2) the person at the bank—other than the Chief Financial Officer (or equivalent)—to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter "none" for the contact's e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

Chief Financial Officer (or Equivalent) Signing the Reports

Todd A Burton

Name (TEXT C490)

Sr. Exec. Vice President/CFO

Title (TEXT C491)

tburton@austinbank.com

E-mail Address (TEXT C492)

(903) 541-2020

Telephone: Area code/phone number/extension (TEXT C493)

(903) 541-2086

FAX: Area code/phone number (TEXT C494)

Other Person to Whom Questions about the Reports Should be Directed

Sandy Rayburn

Name (TEXT C495)

Sr. Vice President/Controller

Title (TEXT C496)

srayburn@austinbank.com

E-mail Address (TEXT 4086)

(903) 541-2024

Telephone: Area code/phone number/extension (TEXT 8902)

(903) 541-2089

FAX: Area code/phone number (TEXT 9116)

Chief Executive Officer Contact Information

This information is being requested so the Agencies can distribute notifications about policy initiatives, deposit insurance assessments, and other matters directly to the Chief Executive Officers of reporting institutions. Notifications about other matters may include emergency notifications that may or may not also be sent to the institution's emergency contacts listed below. Please provide contact information for the Chief Executive Officer of the reporting institution. Enter "none" for the Chief Executive Officer's e-mail address or fax number if not available. Chief Executive Officer contact information is for the confidential use of the Agencies and will not be released to the public.

Chief Executive Officer

John P. Williams

Name (TEXT FT42)

jwilliams@austinbank.com

E-mail Address (TEXT FT44)

(903) 541-2028

Telephone: Area code/phone number/extension (TEXT FT43)

(903) 586-0643

Fax: Area code/phone number (TEXT FT45)

Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter "none" for the contact's e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

Primary Contact

Jeff Austin, Jr.

Name (TEXT C366)

Chairman

Title (TEXT C367)

jeff@austinbank.com

E-mail Address (TEXT C368)

(903) 541-2012

Telephone: Area code/phone number/extension (TEXT C369)

(903) 586-0643

FAX: Area code/phone number (TEXT C370)

Secondary Contact

John P. Williams

Name (TEXT C371)

President

Title (TEXT C372)

jwilliams@austinbank.com

E-mail Address (TEXT C373)

(903) 541-2028

Telephone: Area code/phone number/extension (TEXT C374)

(903) 586-0643

FAX: Area code/phone number (TEXT C375)

USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information

This information is being requested to identify points-of-contact who are in charge of your bank's USA PATRIOT Act Section 314(a) information requests. Bank personnel listed could be contacted by law enforcement officers or the Financial Crimes Enforcement Network (FinCEN) for additional information related to specific Section 314(a) search requests or other anti-terrorist financing and anti-money laundering matters. Communications sent by FinCEN to the bank for purposes other than Section 314(a) notifications will state the intended purpose and should be directed to the appropriate bank personnel for review. Any disclosure of customer records to law enforcement officers or FinCEN must be done in compliance with applicable law, including the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.).

Please provide information for a primary and secondary contact. Information for a third and fourth contact may be provided at the bank's option. Enter "none" for the contact's e-mail address if not available. This contact information is for the confidential use of the Agencies, FinCEN, and law enforcement officers and will not be released to the public.

Primary Contact

Karen Faulkner

Name (TEXT C437)

Vice President

Title (TEXT C438)

kfaulkner@austinbank.com

E-mail Address (TEXT C439)

(903) 846-2212 Ext.6018

Telephone: Area code/phone number/extension (TEXT C440)

Secondary Contact

Laurie Adams

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Assistant BSA Officer

Title (TEXT C443)

ladams@austinbank.com

E-mail Address (TEXT C444)

(903) 876-2212 Ext.6038

Telephone: Area code/phone number/extension (TEXT C445)

Third Contact

Name (TEXT C870)

Title (TEXT C871)

E-mail Address (TEXT C872)

Telephone: Area code/phone number/extension (TEXT C873)

Fourth Contact

Name (TEXT C875)

Title (TEXT C876)

E-mail Address (TEXT C877)

Telephone: Area code/phone number/extension (TEXT C878)

Consolidated Report of Income

For the period January 1, 2018 — December 31, 2018

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RI-1

All report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Schedule RI—Income Statement

		Dollar Amounts in Thousands	RIAD	Amount	
1. Interest income:					
a. Interest and fee income on loans:					
(1) Loans secured by real estate:					
(a) Loans secured by 1-4 family residential properties.....					
	4435	23,354			1.a.1.a.
(b) All other loans secured by real estate.....					
	4436	28,944			1.a.1.b.
(2) Commercial and industrial loans.....					
	4012	8,768			1.a.2.
(3) Loans to individuals for household, family, and other personal expenditures:					
(a) Credit cards.....					
	B485	0			1.a.3.a.
(b) Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....					
	B486	7,935			1.a.3.b.
(4) Not applicable					
(5) All other loans (1).....					
	4058	2,849			1.a.5.
(6) Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(5)).....					
	4010	71,850			1.a.6.
b. Income from lease financing receivables.....					
	4065	0			1.b.
c. Interest income on balances due from depository institutions (2).....					
	4115	1,068			1.c.
d. Interest and dividend income on securities:					
(1) U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).....					
	B488	3,534			1.d.1.
(2) Mortgage-backed securities.....					
	B489	1,188			1.d.2.
(3) All other securities (includes securities issued by states and political subdivisions in the U.S.).....					
	4060	833			1.d.3.
e. Not applicable					
f. Interest income on federal funds sold and securities purchased under agreements to resell.....					
	4020	0			1.f.
g. Other interest income.....					
	4518	124			1.g.
h. Total interest income (sum of items 1.a.(6) through 1.g.).....					
	4107	78,597			1.h.
2. Interest expense:					
a. Interest on deposits:					
(1) Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....					
	4508	72			2.a.1.
(2) Nontransaction accounts:					
(a) Savings deposits (includes MMDAs).....					
	0093	2,102			2.a.2.a.
(b) Time deposits of \$250,000 or less.....					
	HK03	2,127			2.a.2.b.
(c) Time deposits of more than \$250,000.....					
	HK04	576			2.a.2.c.
b. Expense of federal funds purchased and securities sold under agreements to repurchase.....					
	4180	408			2.b.
c. Interest on trading liabilities and other borrowed money.....					
	4185	36			2.c.

1 Includes interest and fee income on "Loans to depository institutions and acceptances of other banks," "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."

2 Includes interest income on time certificates of deposit not held for trading.

Schedule RI—Continued

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RI-2

	Dollar Amounts in Thousands		Year-to-date		
			RIAD	Amount	
2. Interest expense (continued):					
d. Interest on subordinated notes and debentures.....			4200	0	2.d.
e. Total interest expense (sum of items 2.a through 2.d).....			4073	5,321	2.e.
3. Net interest income (item 1.h minus 2.e).....	4074	73,276			3.
4. Provision for loan and lease losses.....	4230	2,647			4.
5. Noninterest income:					
a. Income from fiduciary activities (1).....			4070	0	5.a.
b. Service charges on deposit accounts.....			4080	11,226	5.b.
c. Trading revenue (2).....			A220	0	5.c.
d. (1) Fees and commissions from securities brokerage.....			C886	497	5.d.1.
(2) Investment banking, advisory, and underwriting fees and commissions.....			C888	0	5.d.2.
(3) Fees and commissions from annuity sales.....			C887	292	5.d.3.
(4) Underwriting income from insurance and reinsurance activities.....			C386	0	5.d.4.
(5) Income from other insurance activities.....			C387	317	5.d.5.
e. Venture capital revenue.....			B491	0	5.e.
f. Net servicing fees.....			B492	0	5.f.
g. Net securitization income.....			B493	0	5.g.
h. Not applicable					
i. Net gains (losses) on sales of loans and leases.....			5416	805	5.i.
j. Net gains (losses) on sales of other real estate owned.....			5415	95	5.j.
k. Net gains (losses) on sales of other assets (3).....			B496	39	5.k.
l. Other noninterest income*.....			B497	10,700	5.l.
m. Total noninterest income (sum of items 5.a through 5.l).....	4079	23,971			5.m.
6. a. Realized gains (losses) on held-to-maturity securities.....	3521	0			6.a.
b. Realized gains (losses) on available-for-sale securities.....	3196	0			6.b.
7. Noninterest expense:					
a. Salaries and employee benefits.....			4135	36,505	7.a.
b. Expenses of premises and fixed assets (net of rental income (excluding salaries and employee benefits and mortgage interest).....			4217	6,017	7.b.
c. (1) Goodwill impairment losses.....			C216	0	7.c.1.
(2) Amortization expense and impairment losses for other intangible assets.....			C232	0	7.c.2.
d. Other noninterest expense*.....			4092	15,918	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d).....	4093	58,440			7.e.
8. a. Income (loss) before unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e).....	HT69	36,160			8.a.
b. Unrealized holding gains (losses) on equity securities not held for trading (4).....	HT70				8.b.
c. Income (loss) before applicable income taxes and discontinued operations (sum of items 8.a and 8.b).....	4301	36,160			8.c.
9. Applicable income taxes (on item 8.c).....	4302	7,364			9.
10. Income (loss) before discontinued operations (item 8.c minus item 9).....	4300	28,796			10.
11. Discontinued operations, net of applicable income taxes*.....	FT28	0			11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11).....	G104	28,796			12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value).....	G103	0			13.
14. Net income (loss) attributable to bank (item 12 minus item 13).....	4340	28,796			14.

* Describe on Schedule RI-E - Explanations

- 1 For banks required to complete Schedule RC-T, items 14 through 22, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 22.
- 2 For banks required to complete Schedule RI, Memorandum Item 8, trading revenue reported in Schedule RI, item 5.c, must equal the sum of Memorandum items 8.a through 8.e.
- 3 Exclude net gains (losses) on sales of trading assets and held-to-maturity and available-for-sale securities.
- 4 Item 8.b is to be completed only by institutions that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.

Schedule RI—Continued

Memoranda

	Dollar Amounts in Thousands		Year-to-date	
	RIAD	Amount		
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes.....	4513	0		M.1.
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets. (1)</i>				
2. Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8).....	8431	508		M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b).....	4313	511		M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3)).....	4507	833		M.4.
5. Number of full-time equivalent employees at end of current period (round to the nearest whole number).....			Number	
	4150	469		M.5.
<i>Memorandum item 6 is to be completed by: (1)</i>				
• banks with \$300 million or more in total assets, and				
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.				
6. Interest and fee income on loans to finance agricultural production and other loans to farmers (included in Schedule RI, item 1.a.(5)).....	4024	2,338		M.6.
7. If the reporting institution has applied push down accounting this calendar year, report the date of the institution's acquisition (see instructions) (2).....	9106	0	Date	M.7.
8. Not applicable				
<i>Memorandum items 9.a and 9.b are to be completed by banks with \$10 billion or more in total assets. (1)</i>				
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:				
a. Net gains (losses) on credit derivatives held for trading.....	C889	NR		M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading.....	C890	NR		M.9.b.
<i>Memorandum item 10 is to be completed by banks with \$300 million or more in total assets: (1)</i>				
10. Credit losses on derivatives (see instructions).....	A251	0		M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?.....	RIAD	YES / NO		
	A530	NO		M.11.
<i>Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, Part I, Memorandum items 8.b and 8.c. and is to be completed semiannually in the June and December reports only.</i>				
12. Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a)).....	F228	NR		M.12.

¹ The asset size tests and the 5 percent of total loans test are based on total assets and total loans reported in the June 30, 2017, Report of Condition.

² Report the date in YYYYMMDD format. For example, a bank acquired on March 1, 2018, would report 20180301.

Schedule RI—Continued

Memoranda—Continued

Dollar Amounts in Thousands

		Year-to-date		
RIAD	Amount			
<i>Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option.</i>				
13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:				
a. Net gains (losses) on assets.....				
F551	NR			M.13.a.
(1) Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk.....				
F552	NR			M.13.a.1.
b. Net gains (losses) on liabilities.....				
F553	NR			M.13.b.
(1) Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk.....				
F554	NR			M.13.b.1.
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings (included in Schedule RI, items 6.a and 6.b).....				
J321	0			M.14.
<i>Memorandum item 15 is to be completed by institutions with \$1 billion or more in total assets (1) that answered "Yes" to Schedule RC-E, Memorandum item 5.</i>				
15. Components of service charges on deposit accounts (sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):				
a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....				
H032	8,041			M.15.a.
b. Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....				
H033	1,373			M.15.b.
c. Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....				
H034	489			M.15.c.
d. All other service charges on deposit accounts.....				
H035	1,323			M.15.d.

¹ The \$1 billion asset-size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RI-A—Changes in Bank Equity CapitalFFIEC 041
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RI-5

	Dollar Amounts in Thousands		
	RIAD	Amount	
1. Total bank equity capital most recently reported for the December 31, 2017, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	3217	222,650	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors*.....	B507	0	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2).....	B508	222,650	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14).....	4340	28,796	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).....	B509	0	5.
6. Treasury stock transactions, net.....	B510	0	6.
7. Changes incident to business combinations, net.....	4356	0	7.
8. LESS: Cash dividends declared on preferred stock.....	4470	0	8.
9. LESS: Cash dividends declared on common stock.....	4460	4,367	9.
10. Other comprehensive income (1).....	B511	(714)	10.
11. Other transactions with stockholders (including a parent holding company)* (not included in items 5, 6, 8, or 9 above).....	4415	0	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a).....	3210	246,365	12.

* Describe on Schedule RI-E—Explanations.

1 Includes, but is not limited to, changes in net unrealized holding gains (losses) on available-for-sale securities, changes in accumulated net gains (losses) on cash flow hedges, and pension and other postretirement plan-related changes other than net periodic benefit cost.

Schedule RI-B—Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses

Part I. Charge-offs and Recoveries on Loans and Leases

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar Amounts in Thousands

	(Column A) Charge-offs (1)		(Column B) Recoveries		
	Calendar year-to-date				
	RIAD	Amount	RIAD	Amount	
1. Loans secured by real estate:					
a. Construction, land development, and other land loans:					
(1) 1-4 family residential construction loans.....	C891	7	C892	0	1.a.1.
(2) Other construction loans and all land development and other land loans.....	C893	0	C894	0	1.a.2.
b. Secured by farmland.....	3584	45	3585	1	1.b.
c. Secured by 1-4 family residential properties:					
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	5411	0	5412	0	1.c.1.
(2) Closed-end loans secured by 1-4 family residential properties:					
(a) Secured by first liens.....	C234	162	C217	86	1.c.2.a.
(b) Secured by junior liens.....	C235	174	C218	2	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties.....	3588	0	3589	0	1.d.
e. Secured by nonfarm nonresidential properties:					
(1) Loans secured by owner-occupied nonfarm nonresidential properties.....	C895	0	C896	162	1.e.1.
(2) Loans secured by other nonfarm nonresidential properties.....	C897	0	C898	78	1.e.2.
2. and 3. Not applicable					
4. Commercial and industrial loans.....	4638	1,238	4608	293	4.
5. Loans to individuals for household, family, and other personal expenditures:					
a. Credit cards.....	B514	0	B515	0	5.a.
b. Automobile loans.....	K129	91	K133	18	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	K205	530	K206	87	5.c.
6. Not applicable					
7. All other loans (2).....	4644	1,215	4628	359	7.
8. Lease financing receivables.....	4266	0	4267	0	8.
9. Total (sum of items 1 through 8).....	4635	3,462	4605	1,086	9.

1 Include write-downs arising from transfers of loans to a held-for-sale account.

2 Includes charge-offs and recoveries on "Loans to depository institutions and acceptances of other banks," "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Loans to non-depository financial institutions and other loans."

Schedule RI-B—Continued

Memoranda

Dollar Amounts in Thousands

	(Column A) Charge-offs (1)		(Column B) Recoveries		
	Calendar year-to-date				
	RIAD	Amount	RIAD	Amount	
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above.....	5409	0	5410	0	M.1.
2. Memorandum items 2.a through 2.d are to be completed by banks with \$300 million or more in total assets: (2)					
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above).....	4652	0	4662	0	M.2.a.
b. Not applicable					
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 4, above).....	4646	0	4618	0	M.2.c.
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RI-B, part I, item 8, above).....	F185	0	F187	0	M.2.d.
3. Memorandum item 3 is to be completed by: (2)					
• banks with \$300 million or more in total assets, and					
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.					
Loans to finance agricultural production and other loans to farmers (included in Schedule RI-B, part I, item 7, above).....	4655	235	4665	18	M.3.
Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.					
4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses).....	C388		NR		M.4.

Calendar year-to-date	
RIAD	Amount
C388	NR

1 Include write-downs arising from transfers of loans to a held-for-sale account.

2 The \$300 million asset size test and the five percent of total loans test are based on the total assets and total loans reported on the June 30, 2017, Report of Condition.

Schedule RI-B—Continued

Part II - Changes in Allowance for Loan and Lease Losses

	Dollar Amounts in Thousands		RIAD	Amount	
1. Balance most recently reported for the December 31, 2017, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	B522	13,193			1.
2. Recoveries (must equal part I, item 9, column B, above).....	4605	1,086			2.
3. LESS: Charge-offs (must equal part I, item 9, column A, above less Schedule RI-B, part II, item 4).....	C079	3,462			3.
4. LESS: Write-downs arising from transfers of loans to a held-for-sale account.....	5523	0			4.
5. Provision for loan and lease losses (must equal Schedule RI, item 4).....	4230	2,647			5.
6. Adjustments* (see instructions for this schedule).....	C233	0			6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (must equal Schedule RC, item 4.c).....	3123	13,464			7.

* Describe on Schedule RI-E - Explanations.

Memoranda

	Dollar Amounts in Thousands		RIAD	Amount	
1. Allocated transfer risk reserve included in Schedule RI-B, part II, item 7, above.....	C435	0			M.1.
<i>Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>					
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges.....	C389	NR			M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges.....	C390	NR			M.3.
<i>Memorandum item 4 is to be completed by all banks.</i>					
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, part II, item 7, above).....	C781	0			M.4.

Schedule RI-C—Disaggregated Data on the Allowance for Loan and Lease Losses

Schedule RI-C is to be completed by institutions with \$1 billion or more in total assets.¹

	(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)		(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)		(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)		(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)		(Column E) Recorded Investment: Purchased Credit- Impaired Loans (ASC 310-30)		(Column F) Allowance Balance: Purchased Credit- Impaired Loans (ASC 310-30)		
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
Dollar Amounts in Thousands													
1. Real estate loans:													
a. Construction loans.....	M708	58	M709	19	M710	114,730	M711	165	M712	0	M713	0	1.a.
b. Commercial real estate loans.....	M714	7,034	M715	582	M716	487,074	M717	3,256	M719	0	M720	0	1.b.
c. Residential real estate loans.....	M721	3,548	M722	213	M723	445,940	M724	1,395	M725	0	M726	0	1.c.
2. Commercial loans ²	M727	1,926	M728	380	M729	178,091	M730	3,160	M731	0	M732	0	2.
3. Credit Cards.....	M733	0	M734	0	M735	0	M736	0	M737	0	M738	0	3.
4. Other consumer loans.....	M739	19	M740	0	M741	108,886	M742	1,297	M743	0	M744	0	4.
5. Unallocated, if any.....							M745	2,997					5.
6. Total (for each column sum of 1.a through 5) ³	M746	12,585	M747	1,194	M748	1,334,721	M749	12,270	M750	0	M751	0	6.

¹ The \$1 billion asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

² Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in items 1, 3, or 4 of Schedule RI-C.

³ The sum of item 6, columns B, D, and F, must equal Schedule RC, item 4.c. Item 6, column E, must equal Schedule RC-C, part I, Memorandum item 7.b. Item 6, column F, must equal Schedule RI-B, part II, Memorandum item 4.

Schedule RI-E—Explanations

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all discontinued operations in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI (See instructions for details.)

		Dollar Amounts in Thousands		Year-to-date		
		RIAD	Amount	RIAD	Amount	
1. Other noninterest income (from Schedule RI, item 5.l)						
Itemize and describe amounts greater than \$100,000 that exceed 7% of Schedule RI, item 5.l:						
a.	Income and fees from the printing and sale of checks.....	C013	0			1.a.
b.	Earnings on/increase in value of cash surrender value of life insurance.....	C014	0			1.b.
c.	Income and fees from automated teller machines (ATMs).....	C016	1,313			1.c.
d.	Rent and other income from other real estate owned.....	4042	0			1.d.
e.	Safe deposit box rent.....	C015	0			1.e.
f.	Bank card and credit card interchange fees.....	F555	7,858			1.f.
g.	Income and fees from wire transfers not reportable as service charges on deposit accounts.....	T047	0			1.g.
h.	TEXT 4461	4461	0			1h.
i.	TEXT 4462	4462	0			1i.
j.	TEXT 4463	4463	0			1j.
2. Other noninterest expense (from Schedule RI, item 7.d)						
Itemize and describe amounts greater than \$100,000 that exceed 7% of Schedule RI, item 7.d:						
a.	Data processing expenses.....	C017	0			2.a.
b.	Advertising and marketing expenses.....	0497	1,472			2.b.
c.	Directors' fees.....	4136	0			2.c.
d.	Printing, stationery, and supplies.....	C018	0			2.d.
e.	Postage.....	8403	0			2.e.
f.	Legal fees and expenses.....	4141	0			2.f.
g.	FDIC deposit insurance assessments.....	4146	0			2.g.
h.	Accounting and auditing expenses.....	F556	0			2.h.
i.	Consulting and advisory expenses.....	F557	0			2.i.
j.	Automated teller machine (ATM) and interchange expenses.....	F558	2,487			2.j.
k.	Telecommunications expenses.....	F559	0			2.k.
l.	Other real estate owned expenses.....	Y923	0			2.l.
m.	Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses).....	Y924	0			2.m.
n.	TEXT 4464 Computer Software Maintenance	4464	2,135			2.n.
o.	TEXT 4467	4467	0			2.o.
p.	TEXT 4468	4468	0			2.p.
3. Discontinued operations and applicable income tax effect (from Schedule RI, item 11)						
(itemize and describe each discontinued operation):						
a. (1)	TEXT FT29	FT29	0			3.a.1.
	(2) Applicable income tax effect.....	FT30	0			3.a.2.
b. (1)	TEXT FT31	FT31	0			3.b.1.
	(2) Applicable income tax effect.....	FT32	0			3.b.2.

Schedule RI-E—Continued

		Dollar Amounts in Thousands		Year-to-date		
				RIAD	Amount	
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):						
a.	TEXT 8526			8526	0	4.a.
b.	TEXT 8527			8527	0	4.b.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):						
a.	TEXT 4498			4498	0	5.a.
b.	TEXT 4499			4499	0	5.b.
6. Adjustments to allowance for loan and lease losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):						
a.	TEXT 4521			4521	0	6.a.
b.	TEXT 4522			4522	0	6.b.

7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):

Comments?.....

RIAD	YES / NO
4769	NO

7.

Other explanations (please type or print clearly):
(TEXT 4769)

Consolidated Report of Condition for Insured Banks and Savings Associations for December 31, 2018

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC—Balance Sheet

		Dollar Amounts in Thousands	RCON	Amount	
Assets					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a.	Noninterest-bearing balances and currency and coin (1).....		0081	37,948	1.a.
b.	Interest-bearing balances (2).....		0071	56,565	1.b.
2. Securities:					
a.	Held-to-maturity securities (from Schedule RC-B, column A).....		1754	70,461	2.a.
b.	Available-for-sale securities (from Schedule RC-B, column D).....		1773	197,966	2.b.
c.	Equity securities with readily determinable fair values not held for trading (3).....		JA22	NR	2.c.
3. Federal funds sold and securities purchased under agreements to resell:					
a.	Federal funds sold.....		B987	0	3.a.
b.	Securities purchased under agreements to resell (3).....		B989	0	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):					
a.	Loans and leases held for sale.....		5369	994	4.a.
b.	Loans and leases held for investment.....	B528		1,347,306	4.b.
c.	LESS: Allowance for loan and lease losses.....	3123		13,464	4.c.
d.	Loans and leases held for investment, net of allowance (item 4.b minus 4.c).....	B529		1,333,842	4.d.
5. Trading assets (from Schedule RC-D).....					
			3545	0	5.
6. Premises and fixed assets (including capitalized leases).....					
			2145	31,516	6.
7. Other real estate owned (from Schedule RC-M).....					
			2150	455	7.
8. Investments in unconsolidated subsidiaries and associated companies.....					
			2130	0	8.
9. Direct and indirect investments in real estate ventures.....					
			3656	0	9.
10. Intangible assets (from Schedule RC-M).....					
			2143	10,913	10.
11. Other assets (from Schedule RC-F).....					
			2160	51,454	11.
12. Total assets (sum of items 1 through 11).....					
			2170	1,792,114	12.
Liabilities					
13. Deposits:					
a.	In domestic offices (sum of totals of columns A and C from Schedule RC-E).....		2200	1,494,469	13.a.
(1)	Noninterest-bearing (4).....	6631		557,905	13.a.1.
(2)	Interest-bearing.....	6636		936,564	13.a.2.
b.	Not applicable				
14. Federal funds purchased and securities sold under agreements to repurchase:					
a.	Federal funds purchased (5).....		B993	0	14.a.
b.	Securities sold under agreements to repurchase (6).....		B995	30,958	14.b.
15. Trading liabilities (from Schedule RC-D).....					
			3548	0	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M).....					
			3190	0	16.
17. and 18. Not applicable					
19. Subordinated notes and debentures (7).....					
			3200	0	19.

1 Includes cash items in process of collection and unposted debits.
 2 Includes time certificates of deposit not held for trading.
 3 Item 2.c is to be completed only by institutions that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.
 4 Includes all securities resale agreements, regardless of maturity.
 5 Includes noninterest-bearing, demand, time, and savings deposits.
 6 Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
 7 Includes all securities repurchase agreements, regardless of maturity.
 8 Includes limited-life preferred stock and related surplus.

Schedule RC—Continued

		Dollar Amounts in Thousands		
		RCON	Amount	
Liabilities - continued				
20.	Other liabilities (from Schedule RC-G).....	2930	20,322	20.
21.	Total liabilities (sum of items 13 through 20).....	2948	1,545,749	21.
22.	Not applicable			
Equity Capital				
Bank Equity Capital				
23.	Perpetual preferred stock and related surplus.....	3838	0	23.
24.	Common stock.....	3230	1,000	24.
25.	Surplus (excludes all surplus related to preferred stock).....	3839	38,022	25.
26.	a. Retained earnings.....	3632	208,988	26.a.
	b. Accumulated other comprehensive income (1).....	B530	(1,645)	26.b.
	c. Other equity capital components (2).....	A130	0	26.c.
27.	a. Total bank equity capital (sum of items 23 through 26.c).....	3210	246,365	27.a.
	b. Noncontrolling (minority) interests in consolidated subsidiaries.....	3000	0	27.b.
28.	Total equity capital (sum of items 27.a and 27.b).....	G105	246,365	28.
29.	Total liabilities and equity capital (sum of items 21 and 28).....	3300	1,792,114	29.

Memoranda

To be reported with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2017.....

RCON	Number
6724	NR

M.1.

- 1a = An integrated audit of the reporting institution's financial statements and its internal control over financial reporting conducted in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) or the Public Company Accounting Oversight Board (PCAOB) by an independent public accountant that submits a report on the institution
- 1b = An audit of the reporting institution's financial statements only conducted in accordance with the auditing standards of the AICPA or the PCAOB by an independent public accountant that submits a report on the institution
- 2a = An integrated audit of the reporting institution's parent holding company's consolidated financial statements and its internal control over financial reporting conducted in accordance with the standards of the AICPA or the PCAOB by an independent public accountant that submits a report on the consolidated holding company (but not on the institution separately)
- 2b = An audit of the reporting institution's parent holding company's consolidated financial statements only conducted in accordance with the auditing standards of the AICPA or the PCAOB by an independent public accountant that submits a report on the consolidated holding company (but not on the institution separately)

- 3 = This number is not to be used
- 4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state-chartering authority)
- 5 = Directors' examination of the bank performed by other external auditors (may be required by state-chartering authority)
- 6 = Review of the bank's financial statements by external auditors
- 7 = Compilation of the bank's financial statements by external auditors
- 8 = Other audit procedures (excluding tax preparation work)
- 9 = No external audit work

To be reported with the March Report of Condition.

2. Bank's fiscal year-end date (report the date in MMDD format).....

RCON	Date
8678	NR

M.2.

1 Includes, but is not limited to, net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and accumulated defined benefit pension and other postretirement plan adjustments.
2 Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule RC-A—Cash and Balances Due From Depository InstitutionsFFIEC 041
Page 18 of 84
RC-3*Schedule RC-A is to be completed only by banks with \$300 million or more in total assets. (1)*

Exclude assets held for trading.

	Dollar Amounts in Thousands		RCON	Amount	
1. Cash items in process of collection, unposted debits, and currency and coin:					
a. Cash items in process of collection and unposted debits.....	0020	18,782			1.a.
b. Currency and coin.....	0080	18,076			1.b.
2. Balances due from depository institutions in the U.S.:.....	0082	5,592			2.
3. Balances due from banks in foreign countries and foreign central banks:.....	0070	0			3.
4. Balances due from Federal Reserve Banks.....	0090	52,063			4.
5. Total (sum of items 1 through 4) (must equal Schedule RC, sum of items 1.a and 1.b).....	0010	94,513			5.

¹ The \$300 million asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.**Schedule RC-B—Securities**

Exclude assets held for trading.

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale				
	(Column A)		(Column B)		(Column C)		(Column D)		
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
1. U.S. Treasury securities.....	0211	0	0213	0	1286	24,839	1287	24,782	1.
2. U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities) (1).....	HT50	0	HT51	0	HT52	157,012	HT53	155,259	2.
3. Securities issued by states and political subdivisions in the U.S.....	8496	36,537	8497	35,916	8498	1,183	8499	1,183	3.

¹ Includes Small Business Administration "Guaranteed Loan Pool Certificates," U.S. Maritime Administration obligations", Export-Import Bank participation certificates", and obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

Schedule RC-B—Continued

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale					
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value			
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount		
4. Mortgage-backed securities (MBS):										
a. Residential mortgage pass-through securities:										
(1) Guaranteed by GNMA.....	G300	0	G301	0	G302	74	G303	80	4.a.1.	
(2) Issued by FNMA and FHLMC.....	G304	33,924	G305	33,440	G306	16,940	G307	16,662	4.a.2.	
(3) Other pass-through securities.....	G308	0	G309	0	G310	0	G311	0	4.a.3.	
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):										
(1) Issued or guaranteed by U.S. Government agencies or sponsored agencies (2).....	G312	0	G313	0	G314	0	G315	0	4.b.1.	
(2) Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (2).....	G316	0	G317	0	G318	0	G319	0	4.b.2.	
(3) All other residential MBS.....	G320	0	G321	0	G322	0	G323	0	4.b.3.	
c. Commercial MBS:										
(1) Commercial mortgage pass-through securities:										
(a) Issued or guaranteed by FNMA, FHLMC, or GNMA.....	K142	0	K143	0	K144	0	K145	0	4.c.1.a.	
(b) Other pass-through securities.....	K146	0	K147	0	K148	0	K149	0	4.c.1.b.	

¹ U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Schedule RC-B—Continued

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
4. c.(2) Other commercial MBS:									
(a) Issued or guaranteed by U.S. Government agencies or sponsored agencies(1).....	K150	0	K151	0	K152	0	K153	0	4.c.2.a.
(b) All other commercial MBS.....	K154	0	K155	0	K156	0	K157	0	4.c.2.b.
5. Asset-backed securities and structured financial products:									
a. Asset-backed securities (ABS).....	C026	0	C988	0	C989	0	C027	0	5.a.
b. Structured financial products.....	HT58	0	HT59	0	HT60	0	HT61	0	5.b.
6. Other debt securities:									
a. Other domestic debt securities.....	1737	0	1738	0	1739	0	1741	0	6.a.
b. Other foreign debt securities.....	1742	0	1743	0	1744	0	1746	0	6.b.
7. Investments in mutual funds and other equity securities with readily determinable fair values (2, 3).....					A510	0	A511	0	7.
8. Total (sum of items 1 through 7) (total of column A must equal Schedule RC, item 2.a) (total of column D must equal Schedule RC, item 2.b).....	1754	70,461	1771	69,356	1772	200,048	1773	197,966	8.

1 U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

2 Report Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock in Schedule RC-F, item 4.

3 Item 7 is to be completed only by institutions that have not adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the Instructions for further detail on ASU 2016-01.

Schedule RC-B—Continued

Memoranda

	Dollar Amounts in Thousands		
	RCON	Amount	
1. Pledged securities (1).....	0416	163,442	M.1.
2. Maturity and repricing data for debt securities (1), (2) (excluding those in nonaccrual status):			
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: (3), (4)			
(1) Three months or less.....	A549	10,582	M.2.a.1.
(2) Over three months through 12 months.....	A550	15,967	M.2.a.2.
(3) Over one year through three years.....	A551	112,183	M.2.a.3.
(4) Over three years through five years.....	A552	56,756	M.2.a.4.
(5) Over five years through 15 years.....	A553	22,274	M.2.a.5.
(6) Over 15 years.....	A554	0	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: (3), (5)			
(1) Three months or less.....	A555	0	M.2.b.1.
(2) Over three months through 12 months.....	A556	0	M.2.b.2.
(3) Over one year through three years.....	A557	369	M.2.b.3.
(4) Over three years through five years.....	A558	9,850	M.2.b.4.
(5) Over five years through 15 years.....	A559	40,446	M.2.b.5.
(6) Over 15 years.....	A560	0	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of: (6)			
(1) Three years or less.....	A561	0	M.2.c.1.
(2) Over three years.....	A562	0	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above).....	A248	26,549	M.2.d.
<i>Memorandum item 3 is to be completed semiannually in the June and December reports only.</i>			
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer).....	1778	0	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			
a. Amortized cost.....	8782	0	M.4.a.
b. Fair value.....	8783	0	M.4.b.

1 Includes held-to-maturity securities at amortized cost and available-for-sale securities at fair value.
 2 Exclude investments in mutual funds and other equity securities with readily determinable fair values.
 3 Report fixed rate debt securities by remaining maturity and floating rate debt securities by next repricing date.
 4 Sum of Memorandum items 2.a.(1) through 2.a.(6) plus any nonaccrual debt securities in the categories of debt securities reported in Memorandum item 2.a that are included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 1, 2, 3, 4.c.(1), 5, and 6, columns A and D, plus residential mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.
 5 Sum of Memorandum items 2.b.(1) through 2.b.(6) plus any nonaccrual mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, item 4.a, sum of columns A and D, less the amount of residential mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.
 6 Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual "Other mortgage-backed securities" included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 4.b and 4.c.(2), columns A and D.

Schedule RC-B—Continued

Memoranda—Continued

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
<i>Memorandum items 5.a through 5.f are to be completed by banks with \$10 billion or more in total assets. (1)</i>									
5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a):									
a. Credit card receivables.....	B838	NR	B839	NR	B840	NR	B841	NR	M.5.a.
b. Home equity lines.....	B842	NR	B843	NR	B844	NR	B845	NR	M.5.b.
c. Automobile loans.....	B846	NR	B847	NR	B848	NR	B849	NR	M.5.c.
d. Other consumer loans.....	B850	NR	B851	NR	B852	NR	B853	NR	M.5.d.
e. Commercial and industrial loans.....	B854	NR	B855	NR	B856	NR	B857	NR	M.5.e.
f. Other.....	B858	NR	B859	NR	B860	NR	B861	NR	M.5.f.

¹ The \$10 billion asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-B—Continued

Memoranda—Continued

Memorandum items 6.a through 6.g are to be completed by banks with \$10 billion or more in total assets. (1)

Dollar Amounts in Thousands

	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B, items 5.b):									
a. Trust preferred securities issued by financial institutions.....	G348	NR	G349	NR	G350	NR	G351	NR	M.6.a.
b. Trust preferred securities issued by real estate investment trusts.....	G352	NR	G353	NR	G354	NR	G355	NR	M.6.b.
c. Corporate and similar loans.....	G356	NR	G357	NR	G358	NR	G359	NR	M.6.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs).....	G360	NR	G361	NR	G362	NR	G363	NR	M.6.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs.....	G364	NR	G365	NR	G366	NR	G367	NR	M.6.e.
f. Diversified (mixed) pools of structured financial products.....	G368	NR	G369	NR	G370	NR	G371	NR	
g. Other collateral or reference assets.....	G372	NR	G373	NR	G374	NR	G375	NR	M.6.f. M.6.g.

1 The \$10 billion asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-C—Loans and Lease Financing Receivables

Part I. Loans and Leases

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or fair value, (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar Amounts in Thousands

	(Column A) To Be Completed by Banks with \$300 Million or More in Total Assets (1)		(Column B) To Be Completed by All Banks	
	RCON	Amount	RCON	Amount
1. Loans secured by real estate:				
a. Construction, land development, and other land loans:				
(1) 1-4 family residential construction loans.....			F158	33,951
(2) Other construction loans and all land development and other land loans.....			F159	80,837
b. Secured by farmland (including farm residential and other improvements).....			1420	57,152
c. Secured by 1-4 family residential properties:				
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....			1797	9,849
(2) Closed-end loans secured by 1-4 family residential properties:				
(a) Secured by first liens.....			5367	417,968
(b) Secured by junior liens.....			5368	11,221
d. Secured by multifamily (5 or more) residential properties.....			1460	11,444
e. Secured by nonfarm nonresidential properties:				
(1) Loans secured by owner-occupied nonfarm nonresidential properties.....			F160	268,122
(2) Loans secured by other nonfarm nonresidential properties.....			F161	168,834
2. Loans to depository institutions and acceptances of other banks.....			1288	0
a. To commercial banks in the U.S.:.....	B531	0		
b. To other depository institutions in the U.S.:.....	B534	0		
c. To banks in foreign countries.....	B535	0		
3. Loans to finance agricultural production and other loans to farmers.....			1590	34,947
4. Commercial and industrial loans.....			1766	141,175
a. To U.S. addressees (domicile).....	1763	141,175		
b. To non-U.S. addressees (domicile).....	1764	0		
5. Not applicable				
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
a. Credit Cards.....			B538	0
b. Other revolving credit plans.....			B539	4,482
c. Automobile loans.....			K137	36,175
d. Other consumer loans (includes single payment and installment loans other than automobile loans and all student loans).....			K207	68,248
7. Not applicable				
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.:.....			2107	2,274

¹ The \$300 million asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-C—Continued

Part I. Continued

	(Column A) To Be Completed by Banks with \$300 Million or More in Total Assets (1)		(Column B) To Be Completed by All Banks	
	RCON	Amount	RCON	Amount
Dollar Amounts in Thousands				
9. Loans to nondepository financial institutions and other loans:				
a. Loans to nondepository financial institutions.....			J454	0
b. Other loans.....			J464	1,621
(1) Loans for purchasing or carrying securities (secured and unsecured).....	1545	265		
(2) All other loans (exclude consumer loans).....	J451	1,356		
10. Lease financing receivables (net of unearned income).....			2165	0
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases).....	F162	0		
b. All other leases.....	F163	0		
11. LESS: Any unearned income on loans reflected in items 1-9 above.....			2123	0
12. Total loans and leases held for investment and held for sale (sum of items 1 through 10 minus item 11) (must equal Schedule RC, sum of items 4.a and 4.b).....			2122	1,348,300

Memoranda

	Dollar Amounts in Thousands		RCON	Amount
1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, part I, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):				
a. Construction, land development, and other land loans:				
(1) 1-4 family residential construction loans.....			K158	0
(2) Other construction loans and all land development and other land loans.....			K159	0
b. Loans secured by 1-4 family residential properties.....			F576	0
c. Secured by multifamily (5 or more) residential properties.....			K160	0
d. Secured by nonfarm nonresidential properties:				
(1) Loans secured by owner-occupied nonfarm nonresidential properties.....			K161	0
(2) Loans secured by other nonfarm nonresidential properties.....			K162	0
e. Commercial and industrial loans.....			K256	0
<i>Memorandum items 1.e.1 and 2 are to be completed by banks with \$300 million or more in total assets. (1) (sum of Memorandum items 1.e.1 and 2 must equal Memorandum item 1.e.):</i>				
(1) To U.S. addressees (domicile).....	K163	0		M.1.e.1.
(2) To non-U.S. addressees (domicile).....	K164	0		M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures).....			K165	0
<i>Itemize loan categories included in Memorandum item 1.f, above that exceed 10% of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a through 1.e plus 1.f):</i>				
(1) Loans secured by farmland.....	K166	0		M.1.f.1.
(2)-(3) Not applicable				

¹ The \$300 million asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

	Dollar Amounts in Thousands	RCON	Amount	
1.f. (4) Loans to individuals for household, family, and other personal expenditures:				
(a) Credit cards.....	K098	0		M.1.f.4.a.
(b) Automobile loans.....	K203	0		M.1.f.4.b.
(c) Other (includes revolving credit plans other than credit cards and other consumer loans).....	K204	0		M.1.f.4.c.
<i>Memorandum item 1.f.(5) is to be completed by: (1)</i>				
• Banks with \$300 million or more in total assets				
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans				
(5) Loans to finance agricultural production and other loans to farmers included in Schedule RC-C, Part I, Memorandum item 1.f, above.....	K168	0		M.1.f.5.
g. Total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a.(1) through 1.e plus 1.f).....		HK25	0	M.1.g.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):				
a. Closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, Part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of: (2), (3)				
(1) Three months or less.....	A564	27,834		M.2.a.1.
(2) Over three months through 12 months.....	A565	58,257		M.2.a.2.
(3) Over one year through three years.....	A566	146,736		M.2.a.3.
(4) Over three years through five years.....	A567	151,116		M.2.a.4.
(5) Over five years through 15 years.....	A568	21,048		M.2.a.5.
(6) Over 15 years.....	A569	9,233		M.2.a.6.
b. All loans and leases (reported in Schedule RC-C, Part I, items 1 through 10, column B, above) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, Part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of: (2), (4)				
(1) Three months or less.....	A570	140,117		M.2.b.1.
(2) Over three months through 12 months.....	A571	158,272		M.2.b.2.
(3) Over one year through three years.....	A572	297,999		M.2.b.3.
(4) Over three years through five years.....	A573	298,663		M.2.b.4.
(5) Over five years through 15 years.....	A574	25,045		M.2.b.5.
(6) Over 15 years.....	A575	499		M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, Part I, items 1 through 10, column B, above) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status).....	A247	175,206		M.2.c.

1 The \$300 million asset size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2017, Report of Condition.

2 Report fixed rate loans and leases by remaining maturity and floating rate loans by next repricing date.

3 Sum of Memorandum items 2.a.(1) through 2.a.(6) plus total nonaccrual closed-end loans secured by first liens on 1-4 family residential properties included in Schedule RC-N, 1.c.(2)(a), column C, must equal total closed-end loans secured by first liens on 1-4 family residential properties from Schedule RC-C, part I, item 1.c.(2)(a), column B.

4 Sum of Memorandum items 2.b.(1) through 2.b.(6), plus total nonaccrual loans and leases from Schedule RC-N, item 9, column C, minus nonaccrual closed-end loans secured by first liens on 1-4 family residential properties included in Schedule RC-N, item 1.c.(2)(a), column C, must equal total loans and leases from Schedule RC-C, part I, sum of items 1 through 10, column B, minus total closed-end loans secured by first liens on 1-4 family residential properties from Schedule RC-C, part I, item 1.c.(2)(a), column B.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

	Dollar Amounts in Thousands		
	RCON	Amount	
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, Part I, items 4 and 9, column B (1).....	2746	5,451	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties (included in Schedule RC-C, Part I, item 1.c.(2)(a), column B).....	5370	49,019	M.4.
5. To be completed by banks with \$300 million or more in total assets: (2) Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, part I, items 1.a through 1.e, column B).....	B837	0	M.5.
<i>Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>			
6. Outstanding credit card fees and finance charges included in Schedule RC-C, Part I, item 6.a.....	C391	NR	M.6.
<i>Memorandum items 7.a, 7.b, and 8.a are to be completed by all banks semiannually in the June and December reports only.</i>			
7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):			
a. Outstanding balance.....	C779	0	M.7.a.
b. Amount included in Schedule RC-C, part I, items 1 through 9.....	C780	0	M.7.b.
8. Closed-end loans with negative amortization features secured by 1-4 family residential properties:			
a. Total amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, Part I, items 1.c.(2)(a) & 1.c.(2)(b)).....	F230	0	M.8.a.
<i>Memorandum items 8.b and 8.c are to be completed semiannually in the June and December reports only by banks that had closed-end loans with negative amortization features secured by 1-4 family residential properties (as reported in Schedule RC-C, part I, Memorandum item 8.a.) as of December 31, 2017, that exceeded the lesser of \$100 million or 5 percent of total loans and leases held for investment and held for sale (as reported in Schedule RC-C, part I, item 12, column B).</i>			
b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties.....	F231	NR	M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the amount reported in Memorandum item 8.a above.....	F232	NR	M.8.c.
9. Loans secured by 1-4 family residential properties in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b)).....	F577	0	M.9.
10. and 11. Not applicable			

¹ Exclude loans secured by real estate that are included in Schedule RC-C, part I, items 1.a through 1.e, column B.

² The \$300 million asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

Memorandum items 12.a, 12.b, 12.c, and 12.d are to be completed semiannually in the June and December reports only.

	(Column A) Fair Value of Acquired Loans and Leases at Acquisition Date		(Column B) Gross Contractual Amounts Receivable at Acquisition Date		(Column C) Best Estimate at Acquisition Date of Contractual Cash Flows Not Expected to be Collected	
	RCON	Amount	RCON	Amount	RCON	Amount
Dollar Amounts in Thousands						
12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:						
a. Loans secured by real estate.....	G091	0	G092	0	G093	0
b. Commercial and industrial loans.....	G094	0	G095	0	G096	0
c. Loans to individuals for household, family, and other personal expenditures.....	G097	0	G098	0	G099	0
d. All other loans and all leases.....	G100	0	G101	0	G102	0

	Dollar Amounts in Thousands	
	RCON	Amount
<i>Memoranda item 13 is to be completed by banks that had construction, land development, and other land loans (as reported in Schedule RC-C, Part I, item 1.a, column B) that exceeded 100 percent of total capital (as reported in Schedule RC-R, Part I, item 35.a) as of December 31, 2017.</i>		
13. Construction, land development, and other land loans with interest reserves:		
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, Part I, item 1.a, column B).....	G376	0
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(b)).....	RIAD G377	0
<i>Memorandum item 14 is to be completed by all banks.</i>		
14. Pledged loans and leases.....	RCON G378	1,338,684
<i>Memorandum item 15 is to be completed for the December report only.</i>		
15. Reverse mortgages:		
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, part I, item 1.c, above):		
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages.....	J466	0
(2) Proprietary reverse mortgages.....	J467	0
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages:		
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages.....	J468	0
(2) Proprietary reverse mortgages.....	J469	0
c. Principal amount of reverse mortgage originations that have been sold during the year:		
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages.....	J470	0
(2) Proprietary reverse mortgages.....	J471	0

Schedule RC-C—Continued

Part II—Loans to Small Businesses and Small Farms

Report the number and amount currently outstanding as of the report date of business loans with "original amounts" of \$1,000,000 or less and farm loans with "original amounts" of \$500,000 or less. The following guidelines should be used to determine the "original amount" of a loan:

- (1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date.
- (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender.
- (3) For All othe loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Loans to Small Businesses

1. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), and all or substantially all of the dollar volume of your bank's "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4, (1) have original amounts of \$100,000 or less (If your bank has no loans outstanding in both of these two loan categories, place an "X" in the box marked "NO.").....

RCON	YES / NO
6999	NO

If YES, complete items 2.a and 2.b below, skip items 3 and 4, and go to item 5.

If NO and your bank has loans outstanding in either loan category, skip items 2.a and 2.b, complete items 3 and 4 below, and go to item 5.

If NO and your bank has no loans outstanding in both loan categories, skip items 2 through 4, and go to item 5.

2. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:

- a. "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2) (Note: Sum of items 1.e.(1) and 1.e.(2) divided by the number of loans should NOT exceed \$100,000.).....
- b. "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4. (1) (Note: Item 4, (1) divided by the number of loans should NOT exceed \$100,000.).....

Number of Loans	
RCON	Number
5562	NR
5563	NR

Dollar Amounts in Thousands

3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2) (sum of items 3.a through 3.c must be less than or equal to Schedule RC-C, part I, sum of items 1.e.(1) and 1.e.(2)):

- a. With original amounts of \$100,000 or less.....
- b. With original amounts of more than \$100,000 through \$250,000.....
- c. With original amounts of more than \$250,000 through \$1,000,000.....

4. Number and amount currently outstanding of "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4 (1) (sum of items 4.a through 4.c must be less than or equal to Schedule RC-C, part I, item 4 (1)):

- a. With original amounts of \$100,000 or less.....
- b. With original amounts of more than \$100,000 through \$250,000.....
- c. With original amounts of more than \$250,000 through \$1,000,000.....

(Column A) Number of Loans		(Column B) Amount Currently Outstanding	
RCON	Number	RCON	Amount
5564	352	5565	15,047
5566	328	5567	44,518
5568	339	5569	132,643
5570	2,225	5571	51,624
5572	276	5573	27,334
5574	125	5575	33,378

¹ Banks with \$300 million or more in total assets should provide the requested information for "Commercial and industrial loans" based on the loans reported in Schedule RC-C, part I, item 4.a, column A, "Commercial and industrial loans to U.S. addressees."

Schedule RC-C—Continued

Part II—Continued

Agricultural Loans to Small Farms

5. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b, and all or substantially all of the dollar volume of your bank's "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3, have original amounts of \$100,000 or less (If your bank has no loans outstanding in both of these two loan categories, place an "X" in the box marked "NO.").....

RCON	YES / NO
6860	NO

If YES, complete items 6.a and 6.b below, and do not complete items 7 and 8.
If NO and your bank has loans outstanding in either loan category, skip items 6.a and 6.b and complete items 7 and 8 below.
If NO and your bank has no loans outstanding in both loan categories, do not complete items 6 through 8.

6. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:
a. "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b. (Note: Item 1.b divided by the number of loans should NOT exceed \$100,000.).....
b. "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3 (Note: Item 3 divided by the number of loans should NOT exceed \$100,000.).....

Number of Loans	
RCON	Number
5576	NR
5577	NR

Dollar Amounts in Thousands

7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b (sum of items 7.a through 7.c must be less than or equal to Schedule RC-C, part I, item 1.b):
a. With original amounts of \$100,000 or less.....
b. With original amounts of more than \$100,000 through \$250,000.....
c. With original amounts of more than \$250,000 through \$500,000.....

8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3 (sum of items 8.a through 8.c must be less than or equal to Schedule RC-C, part I, item 3):
a. With original amounts of \$100,000 or less.....
b. With original amounts of more than \$100,000 through \$250,000.....
c. With original amounts of more than \$250,000 through \$500,000.....

(Column A) Number of Loans		(Column B) Amount Currently Outstanding	
RCON	Number	RCON	Amount
5578	147	5579	5,908
5580	91	5581	11,694
5582	48	5583	17,576
5584	1,023	5585	21,454
5586	85	5587	8,403
5588	18	5589	5,090

Schedule RC-D—Trading Assets and Liabilities

Schedule RC-D is to be completed by (1) banks that reported total trading assets of \$10 million or more in any of the four preceding calendar quarters and (2) all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

		Dollar Amounts in Thousands		RCON	Amount	
Assets						
1.	U.S. Treasury securities.....	3531		NR		1.
2.	U.S. Government agency obligations (exclude mortgage-backed securities).....	3532		NR		2.
3.	Securities issued by states and political subdivisions in the U.S.....	3533		NR		3.
4.	Mortgage-backed securities (MBS):					
a.	Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA.....	G379		NR		4.a.
b.	Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (1) (include CMOs, REMICs, and stripped MBS).....	G380		NR		4.b.
c.	All other residential MBS.....	G381		NR		4.c.
d.	Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (1).....	K197		NR		4.d.
e.	All other commercial MBS.....	K198		NR		4.e.
5.	Other debt securities:					
a.	Structured financial products.....	HT62		NR		5.a.
b.	All other debt securities.....	G386		NR		5.b.
6.	Loans:					
a.	Loans secured by real estate:					
(1)	Loans secured by 1-4 family residential properties.....	HT63		NR		6.a.1.
(2)	All other loans secured by real estate.....	HT64		NR		6.a.2.
b.	Commercial and industrial loans.....	F614		NR		6.b.
c.	Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):.....	HT65		NR		6.c.
d.	Other loans.....	F618		NR		6.d.
7. and 8.	Not applicable					
9.	Other trading assets.....	3541		NR		9.
10.	Not applicable					
11.	Derivatives with a positive fair value.....	3543		NR		11.
12.	Total trading assets (sum of items 1 through 11) (must equal Schedule RC, item 5).....	3545		NR		12.
Liabilities						
13. a.	Liability for short positions.....	3546		NR		13.a.
b.	Other trading liabilities.....	F624		NR		13.b.
14.	Derivatives with a negative fair value.....	3547		NR		14.
15.	Total trading liabilities (sum of items 13.a through 14) (must equal Schedule RC, item 15).....	3548		NR		15.

Memoranda

		Dollar Amounts in Thousands		RCON	Amount	
1.	Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a.(1) through 6.d.):					
a.	Loans secured by real estate:					
(1)	Loans secured by 1-4 family residential properties.....	HT66		NR		M.1.a.1.
(2)	All other loans secured by real estate.....	HT67		NR		M.1.a.2.
b.	Commercial and industrial loans.....	F632		NR		M.1.b.
c.	Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....	HT68		NR		M.1.c.
d.	Other loans.....	F636		NR		M.1.d.

¹ U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Schedule RC-E—Deposit Liabilities

	Transaction Accounts				Nontransaction Accounts	
	(Column A) Total Transaction Accounts (Including Total Demand Deposits)		(Column B) Memo: Total Demand Deposits (1) (Included in Column A)		(Column C) Total Nontransaction Accounts (Including MMDAs)	
	RCON	Amount	RCON	Amount	RCON	Amount
Dollar Amounts in Thousands						
Deposits of:						
1. Individuals, partnerships, and corporations.....	B549	194,287			B550	1,206,278 1.
2. U.S. Government.....	2202	1			2520	0 2.
3. States and political subdivisions in the U.S.....	2203	8,156			2530	85,347 3.
4. Commercial banks and other depository institutions in the U.S.....	B551	38			B552	362 4.
5. Banks in foreign countries.....	2213	0			2236	0 5.
6. Foreign governments and official institutions (including foreign central banks).....	2216	0			2377	0 6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a).....	2215	202,482	2210	151,042	2385	1,291,987 7.

Memoranda

	Dollar Amounts in Thousands		
	RCON	Amount	
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts.....	6835	32,551	M.1.a.
b. Total brokered deposits.....	2365	0	M.1.b.
c. Brokered deposits of \$250,000 or less (fully insured brokered deposits) (2).....	HK05	0	M.1.c.
d. Maturity data for brokered deposits:			
(1) Brokered deposits of \$250,000 or less with a remaining maturity of one year or less (included in Memorandum item 1.c above).....	HK06	0	M.1.d.1.
(2) Not applicable			
(3) Brokered deposits of more than \$250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b. above).....	K220	0	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only).....	5590	93,503	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits.....	K223	0	M.1.f.
g. Total reciprocal deposits (as of the report date).....	JH83	0	M.1.g.

¹ Includes interest-bearing and noninterest-bearing demand deposits.

² The dollar amount used as the basis for reporting in Memorandum item 1.c reflects the deposit insurance limit in effect on the report date.

Schedule RC-E—Continued

Memoranda—Continued

		Dollar Amounts in Thousands		RCON	Amount	
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):						
a. Savings deposits:						
(1) Money market deposit accounts (MMDAs).....		6810	177,681			M.2.a.1.
(2) Other savings deposits (excludes MMDAs).....		0352	859,681			M.2.a.2.
b. Total time deposits of less than \$100,000.....		6648	112,830			M.2.b.
c. Total time deposits of \$100,000 through \$250,000.....		J473	89,213			M.2.c.
d. Total time deposits of more than \$250,000.....		J474	52,582			M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of \$100,000 or more included in Memorandum items 2.c and 2.d above.....		F233	11,558			M.2.e.
3. Maturity and repricing data for time deposits of \$250,000 or less:						
a. Time deposits of \$250,000 or less with a remaining maturity or next repricing date of: (1), (2)						
(1) Three months or less.....		HK07	41,543			M.3.a.1.
(2) Over three months through 12 months.....		HK08	95,988			M.3.a.2.
(3) Over one year through three years.....		HK09	43,207			M.3.a.3.
(4) Over three years.....		HK10	21,305			M.3.a.4.
b. Time deposits of \$250,000 or less with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above) (3).....		HK11	137,387			M.3.b.
4. Maturity and repricing data for time deposits of more than \$250,000:						
a. Time deposits of more than \$250,000 with a remaining maturity or next repricing date of: (1), (4)						
(1) Three months or less.....		HK12	19,572			M.4.a.1.
(2) Over three months through 12 months.....		HK13	20,125			M.4.a.2.
(3) Over one year through three years.....		HK14	11,057			M.4.a.3.
(4) Over three years.....		HK15	1,828			M.4.a.4.
b. Time deposits of more than \$250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.1 and 4.a.2 above) (3).....		K222	39,697			M.4.b.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?.....						
		RCON	YES / NO			
		P752	YES			M.5.

Memorandum items 6 and 7 are to be completed by institutions with \$1 billion or more in total assets (5) that answered "Yes" to Memorandum item 5 above.

		Dollar Amounts in Thousands		RCON	Amount	
6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a and 6.b must be less than or equal to item 1, column A, above):						
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.....						
		P753	54,715			M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.....						
		P754	41,038			M.6.b.

- 1 Report fixed rate time deposits by remaining maturity and floating rate time deposits by next repricing date.
- 2 Sum of Memorandum items 3.a.(1) through 3.a.(4) must equal Schedule RC-E, sum of Memorandum items 2.b and 2.c.
- 3 Report both fixed-and floating-rate time deposits by remaining maturity. Exclude floating-rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.
- 4 Sum of Memorandum items 4.a.(1) through 4.a.(4) must equal Schedule RC-E, Memorandum item 2.d.
- 5 The \$1 billion asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-E—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			
(1) Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use.....			
	P756	127,788	M.7.a.1.
(2) Deposits in all other MMDAs of individuals, partnerships, and corporations.....			
	P757	49,893	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			
(1) Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use.....			
	P758	578,784	M.7.b.1.
(2) Deposits in all other savings deposit accounts of individuals, partnerships, and corporations.....			
	P759	280,897	M.7.b.2.

Schedule RC-F—Other Assets

		Dollar Amounts in Thousands		RCON	Amount	
1.	Accrued interest receivable (1).....			B556	6,894	1.
2.	Net deferred tax assets (2).....			2148	7,653	2.
3.	Interest-only strips receivable (not in the form of a security) (3).....			HT80	0	3.
4.	Equity investments without readily determinable fair values (4).....			1752	2,297	4.
5.	Life insurance assets:					
a.	General account life insurance assets.....			K201	30,083	5.a.
b.	Separate account life insurance assets.....			K202	0	5.b.
c.	Hybrid account life insurance assets.....			K270	0	5.c.
6.	All other assets (itemize and describe amounts greater than \$100,000 that exceed 25% of this item).....			2168	4,527	6.
a.	Prepaid expenses.....	2166	1,712			6.a.
b.	Reposessed personal property (including vehicles).....	1578	0			6.b.
c.	Derivatives with a positive fair value held for purposes other than trading.....	C010	0			6.c.
d.	FDIC loss-sharing indemnification assets.....	J448	0			6.d.
e.	Computer software.....	FT33	0			6.e.
f.	Accounts receivable.....	FT34	0			6.f.
g.	Receivables from foreclosed government-guaranteed mortgage loans.....	FT35	0			6.g.
h.	TEXT 3549 Fiserv Settlement Deposit	3549	1,347			6.h.
i.	TEXT 3550	3550	0			6.i.
j.	TEXT 3551	3551	0			6.j.
7.	Total (sum of items 1 through 6) (must equal Schedule RC, item 11).....			2160	51,454	7.

- 1 Includes accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets.
- 2 See discussion of deferred income taxes in Glossary entry on "income taxes."
- 3 Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, Item 2.b, or as trading assets in Schedule RC, Item 5, as appropriate.
- 4 Includes Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule RC-G—Other Liabilities

		Dollar Amounts in Thousands		RCON	Amount	
1.	a. Interest accrued and unpaid on deposits (1).....			3645	431	1.a.
	b. Other expenses accrued and unpaid (includes accrued income taxes payable).....			3646	7,534	1.b.
2.	Net deferred tax liabilities (2).....			3049	0	2.
3.	Allowance for credit losses on off-balance sheet credit exposures.....			B557	29	3.
4.	All other liabilities (itemize and describe amounts greater than \$100,000 that exceed 25% of this item).....			2938	12,328	4.
a.	Accounts payable.....	3056	0			4.a.
b.	Deferred compensation liabilities.....	C011	8,407			4.b.
c.	Dividends declared but not yet payable.....	2932	0			4.c.
d.	Derivatives with a negative fair value held for purposes other than trading.....	C012	0			4.d.
e.	TEXT 3552	3552	0			4.e.
f.	TEXT 3553	3553	0			4.f.
g.	TEXT 3554	3554	0			4.g.
5.	Total (sum of items 1 through 4) (must equal Schedule RC, item 20).....			2930	20,322	5.

- 1 For savings banks, include "dividends" accrued and unpaid on deposits.
- 2 See discussion of deferred income taxes in Glossary entry on "income taxes."

Schedule RC-K—Quarterly Averages (1)

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		Dollar Amounts in Thousands	RCON	Amount	
Assets					
1.	Interest-bearing balances due from depository institutions.....		3381	62,009	1.
2.	U.S. Treasury securities and U.S. Government agency obligations (2) (excluding mortgage-backed securities).....		8558	186,742	2.
3.	Mortgage-backed securities (2).....		8559	46,523	3.
4.	All other debt securities (2) and equity securities with readily determinable fair values not held for trading purposes (3).....		8560	37,770	4.
5.	Federal funds sold and securities purchased under agreements to resell.....		3365	0	5.
6.	Loans:				
a.	Total loans.....		3360	1,353,242	6.a.
b.	Loans secured by real estate:				
(1)	Loans secured by 1-4 family residential properties.....		3465	437,938	6.b.1.
(2)	All other loans secured by real estate.....		3466	597,147	6.b.2.
c.	Commercial and industrial loans.....		3387	173,318	6.c.
d.	Loans to individuals for household, family, and other personal expenditures:				
(1)	Credit cards.....		8561	0	6.d.1.
(2)	Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....		8562	109,537	6.d.2.
<i>Item 7 is to be completed by (1) banks that reported total trading assets of \$10 million or more in any of the four preceding calendar quarters and (2) all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes. (4)</i>					
7.	Trading Assets.....		3401	NR	7.
8.	Lease financing receivables (net of unearned income).....		3484	0	8.
9.	Total assets (4).....		3368	1,801,535	9.
Liabilities					
10.	Interest-bearing transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....		3485	21,996	10.
11.	Nontransaction accounts:				
a.	Savings deposits (includes MMDAs).....		8563	1,169,828	11.a.
b.	Time deposits of \$250,000 or less.....		HK16	202,851	11.b.
c.	Time deposits of more than \$250,000.....		HK17	52,217	11.c.
12.	Federal funds purchased and securities sold under agreements to repurchase.....		3353	34,498	12.
13.	To be completed by banks with \$100 million or more in total assets: (5) Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases).....		3355	5,870	13.

1 For all items, banks have the option of reporting either (1) an average of DAILY figures for the quarter, or (2) an average of WEEKLY figures (i.e., the Wednesday of each week of the quarter).

2 Quarterly averages for all debt securities should be based on amortized cost.

3 For institutions that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities, quarterly averages for equity securities with readily determinable fair values should be based on fair value. For institutions that have not adopted ASU 2016-01, quarterly averages for equity securities with readily determinable fair values should be based on historical cost.

4 The quarterly average for total assets should reflect securities not held for trading as follows:

a) Debt securities at amortized cost.

b) For institutions that have adopted ASU 2016-01, equity securities with readily determinable fair values at fair value. For institutions that have not adopted ASU 2016-01, equity securities with readily determinable fair values at the lower of cost or fair value.

c) For institutions that have adopted ASU 2016-01, equity investments without readily determinable fair values, their balance sheet carrying values (i.e., fair value or, if elected, cost minus impairment, if any, plus or minus changes resulting from observable price changes). For institutions that have not adopted ASU 2016-01, equity investments without readily determinable fair values at historical cost.

5 The \$100 million asset-size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-K—Quarterly Averages (1) - Continued

Memorandum

Dollar Amounts in Thousands

RCON	Amount
3386	36,008

Memorandum item 1 is to be completed by: (2)

- banks with \$300 million or more in total assets, and
- banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.

1. Loans to finance agricultural production and other loans to farmers..... M.1.

¹ For all items, banks have the option of reporting either (1) an average of DAILY figures for the quarter, or (2) an average of WEEKLY figures (i.e., the Wednesday of each week of the quarter).

² The \$300 million asset-size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2017, Report of Condition.

Schedule RC-L—Derivatives and Off-Balance Sheet Items

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

		Dollar Amounts in Thousands		RCON	Amount	
1. Unused commitments:						
a.	Revolving, open-end lines secured by 1-4 family residential properties, e.g., home equity lines.....	3814	4,552			1.a.
<i>Item 1.a.(1) is to be completed for the December report only.</i>						
(1)	Unused commitments for reverse mortgages outstanding that are held for investment (included in item 1.a. above).....	HT72	0			1.a.1.
b.	Credit card lines.....	3815	0			1.b.
<i>Items 1.b.(1) and 1.b.(2) are to be completed semiannually in the June and December reports only by banks with either \$300 million or more in total assets or \$300 million or more in credit card lines. (1) (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)</i>						
(1)	Unused consumer credit card lines.....	J455	0			1.b.1.
(2)	Other unused credit card lines.....	J456	0			1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:						
(1) Secured by real estate:						
(a)	1-4 family residential construction loan commitments.....	F164	19,850			1.c.1.a.
(b)	Commercial real estate, other construction loan, and land development loan commitments.....	F165	46,235			1.c.1.b.
(2)	NOT secured by real estate	6550	0			1.c.2.
d.	Securities underwriting.....	3817	0			1.d.
e. Other unused commitments:						
(1)	Commercial and industrial loans.....	J457	41,208			1.e.1.
(2)	Loans to financial institutions.....	J458	0			1.e.2.
(3)	All other unused commitments.....	J459	74,661			1.e.3.
2. Financial standby letters of credit.....						
		3819	2,286			2.
<i>Item 2.a is to be completed by banks with \$1 billion or more in total assets. (1)</i>						
a.	Amount of financial standby letters of credit conveyed to others.....	3820	0			2.a.
3. Performance standby letters of credit.....						
		3821	0			3.
<i>Item 3.a is to be completed by banks with \$1 billion or more in total assets. (1)</i>						
a.	Amount of performance standby letters of credit conveyed to others.....	3822	0			3.a.
4. Commercial and similar letters of credit.....						
		3411	0			4.
5. Not applicable						
6. Securities lent and borrowed:						
a.	Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank).....	3433	0			6.a.
b.	Securities borrowed.....	3432	0			6.b.
7. Credit derivatives:						
a. Notional amounts:						
(1)	Credit default swaps.....	C968	0	C969	0	7.a.1.
(2)	Total return swaps.....	C970	0	C971	0	7.a.2.
(3)	Credit options.....	C972	0	C973	0	7.a.3.
(4)	Other credit derivatives.....	C974	0	C975	0	7.a.4.

1 The asset size tests and the \$300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2017, Report of Condition.

Schedule RC-L—Continued

Dollar Amounts in Thousands		(Column A) Sold Protection		(Column B) Purchased Protection		RCON		Amount		
		RCON	Amount	RCON	Amount					
7. b. Gross fair values:										
(1) Gross positive fair value.....		C219	0	C221	0					7.b.1.
(2) Gross negative fair value.....		C220	0	C222	0					7.b.2.
7. c. Notional amounts by regulatory capital treatment: (1)										
(1) Positions covered under the Market Risk Rule:										
(a) Sold protection		G401	0							7.c.1.a.
(b) Purchased protection		G402	0							7.c.1.b.
(2) All other positions:										
(a) Sold protection		G403	0							7.c.2.a.
(b) Purchased protection that is recognized as a guarantee for regulatory capital purposes		G404	0							7.c.2.b.
(c) Purchased protection that is not recognized as a guarantee for regulatory capital purposes		G405	0							7.c.2.c.
7. d. Notional amounts by remaining maturity:										
(1) Sold credit protection: (2)										
(a) Investment grade.....		G406	0	G407	0	G408	0			7.d.1.a.
(b) Subinvestment grade		G409	0	G410	0	G411	0			7.d.1.b.
(2) Purchased credit protection: (3)										
(a) Investment grade.....		G412	0	G413	0	G414	0			7.d.2.a.
(b) Subinvestment grade		G415	0	G416	0	G417	0			7.d.2.b.
8. Not applicable										
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")										
						3430		0		9.
a. Not applicable										
b. Commitments to purchase when-issued securities		3434		0						9.b.
c. Standby letters of credit issued by another party (e.g., a Federal Home Loan Bank) on the bank's behalf		C978		0						9.c.
d. TEXT 3555		3555		0						9.d.
e. TEXT 3556		3556		0						9.e.
f. TEXT 3557		3557		0						9.f.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")										
						5591		0		10.
a. Commitments to sell when-issued securities										
b. TEXT 5592		5592		0						10.b.
c. TEXT 5593		5593		0						10.c.
d. TEXT 5594		5594		0						10.d.
e. TEXT 5595		5595		0						10.e.

1 Sum of items 7.c.(1)(a) and 7.c.(2)(a) must equal sum of items 7.a.(1) through (4), column A. Sum of items 7.c.(1)(b), 7.c.(2)(b), and 7.c.(2)(c) must equal sum of items 7.a.(1) through (4), column B.

2 Sum of items 7.d.(1)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column A.

3 Sum of items 7.d.(2)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column B.

Schedule RC-L—Continued

Items 11.a and 11.b are to be completed semiannually in the June and December reports only.

11. Year-to-date merchant credit card sales volume:

- a. Sales for which the reporting bank is the acquiring bank
- b. Sales for which the reporting bank is the agent bank with risk

RCON	Amount	
C223	0	11.a.
C224	0	11.b.

Dollar Amounts in Thousands

Derivatives Position Indicators	(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts	
	Amount	Amount	Amount	Amount	
12. Gross amounts (e.g., notional amounts) (for each column, sum of items 12.a through 12.e must equal sum of items 13 and 14):					
a. Futures contracts.....	RCON 8693 0	RCON 8694 0	RCON 8695 0	RCON 8696 0	12.a.
b. Forward contracts.....	RCON 8697 994	RCON 8698 0	RCON 8699 0	RCON 8700 0	12.b.
c. Exchange-traded option contracts:					
(1) Written options.....	RCON 8701 0	RCON 8702 0	RCON 8703 0	RCON 8704 0	12.c.1.
(2) Purchased options.....	RCON 8705 0	RCON 8706 0	RCON 8707 0	RCON 8708 0	12.c.2.
d. Over-the-counter option contracts:					
(1) Written options.....	RCON 8709 0	RCON 8710 0	RCON 8711 0	RCON 8712 0	12.d.1.
(2) Purchased options.....	RCON 8713 0	RCON 8714 0	RCON 8715 0	RCON 8716 0	12.d.2.
e. Swaps.....	RCON 3450 0	RCON 3826 0	RCON 8719 0	RCON 8720 0	12.e.
13. Total gross notional amount of derivative contracts held for trading.....	RCON A126 0	RCON A127 0	RCON 8723 0	RCON 8724 0	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading.....	RCON 8725 994	RCON 8726 0	RCON 8727 0	RCON 8728 0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate.....	RCON A589 0				14.a.
15. Gross fair values of derivative contracts:					
a. Contracts held for trading:					
(1) Gross positive fair value.....	RCON 8733 0	RCON 8734 0	RCON 8735 0	RCON 8736 0	15.a.1.
(2) Gross negative fair value.....	RCON 8737 0	RCON 8738 0	RCON 8739 0	RCON 8740 0	15.a.2.
b. Contracts held for purposes other than trading:					
(1) Gross positive fair value.....	RCON 8741 0	RCON 8742 0	RCON 8743 0	RCON 8744 0	15.b.1.
(2) Gross negative fair value.....	RCON 8745 0	RCON 8746 0	RCON 8747 0	RCON 8748 0	15.b.2.

Schedule RC-L—Continued

Item 16 is to be completed only by banks with total assets of \$10 billion or more. (1)

	(Column A)		(Columns B-D)			(Column E)		
	Banks and Securities Firms		Not applicable			Corporations and All Other Counterparties		
Dollar Amounts in Thousands	RCON	Amount				RCON	Amount	
16. Over-the counter derivatives:								
a. Net current credit exposure.....	G418	NR				G422	NR	16.a.
b. Fair value of collateral:								
(1) Cash—U.S. dollar.....	G423	NR				G427	NR	16.b.1.
(2) Cash—Other currencies.....	G428	NR				G432	NR	16.b.2.
(3) U.S. Treasury securities.....	G433	NR				G437	NR	16.b.3.
(4) through (6) Not applicable								
(7) All other collateral.....	G453	NR				G457	NR	16.b.7.
(8) Total fair value of collateral (sum of items 16.b.(1) through (7)).....	G458	NR				G462	NR	16.b.8.

¹ The \$10 billion asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-M—Memoranda

Dollar Amounts in Thousands		RCN	Amount	
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:				
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests.....				
	6164		24,290	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of \$500,000 or 5 percent of total capital as defined for this purpose in agency regulations.....				
	Number			
	6165		4	1.b.
2. Intangible assets:				
a. Mortgage servicing assets.....				
	3164		0	2.a.
(1) Estimated fair value of mortgage servicing assets.....				
	A590		0	2.a.1.
b. Goodwill.....				
	3163		10,913	2.b.
c. All other intangible assets.....				
	JF76		0	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10).....				
	2143		10,913	2.d.
3. Other real estate owned:				
a. Construction, land development, and other land.....				
	5508		0	3.a.
b. Farmland.....				
	5509		0	3.b.
c. 1-4 family residential properties.....				
	5510		455	3.c.
d. Multifamily (5 or more) residential properties.....				
	5511		0	3.d.
e. Nonfarm nonresidential properties.....				
	5512		0	3.e.
f. Total (sum of items 3.a through 3.e) (must equal Schedule RC, item 7).....				
	2150		455	3.f.
4. Cost of equity securities with readily determinable fair values not held for trading (the fair value of which is reported in Schedule RC, item 2.c) (1).....				
	JA29			4.
5. Other borrowed money:				
a. Federal Home Loan Bank advances:				
(1) Advances with a remaining maturity or next repricing date of: (2)				
(a) One year or less.....				
	F055		0	5.a.1.a.
(b) Over one year through three years.....				
	F056		0	5.a.1.b.
(c) Over three years through five years.....				
	F057		0	5.a.1.c.
(d) Over five years.....				
	F058		0	5.a.1.d.
(2) Advances with a REMAINING MATURITY of one year or less (included in item 5.a.(1)(a) above) (3).....				
	2651		0	5.a.2.
(3) Structured advances (included in items 5.a.(1)(a) - (d) above).....				
	F059		0	5.a.3.
b. Other borrowings:				
(1) Other borrowings with a remaining maturity or next repricing date of: (4)				
(a) One year or less.....				
	F060		0	5.b.1.a.
(b) Over one year through three years.....				
	F061		0	5.b.1.b.
(c) Over three years through five years.....				
	F062		0	5.b.1.c.
(d) Over five years.....				
	F063		0	5.b.1.d.
(2) Other borrowings with a REMAINING MATURITY of one year or less (included in item 5.b.(1)(a) above) (5).....				
	B571		0	5.b.2.
c. Total (sum of Items 5.a.(1)(a)-(d) and Items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16).....				
	3190		0	5.c.

1 Item 4 is to be completed only by insured state banks that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities, and have been approved by the FDIC to hold grandfathered equity investments. See instructions for further detail on ASU 2016-01.

2 Report fixed rate advances by remaining maturity and floating-rate advances by next repricing date.

3 Report both fixed and floating-rate advances by remaining maturity. Exclude floating-rate advances with a next repricing date of one year or less that have a remaining maturity of over one year.

4 Report fixed rate other borrowings by remaining maturity and floating-rate other borrowings by next repricing date.

5 Report both fixed and floating-rate other borrowings by remaining maturity. Exclude floating-rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

* Amounts previously reported in item 3.f will be included in item 3.c.

Schedule RC-M—Continued

Dollar Amounts in Thousands

	RCON	YES / NO	
6. Does the reporting bank sell private label or third-party mutual funds and annuities?.....	B569	YES	6.

	RCON	Amount	
7. Assets under the reporting bank's management in proprietary mutual funds and annuities.....	B570	0	7.

8. Internet Website addresses and physical office trade names:

a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any
(Example: www.examplebank.com):

TEXT			
4087	http://	www.austinbank.com	8.a.

b. URLs of all other public-facing Internet websites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz): (1)

(1)	TE01 N528	http://	8.b.1.
(2)	TE02 N528	http://	8.b.2.
(3)	TE03 N528	http://	8.b.3.
(4)	TE04 N528	http://	8.b.4.
(5)	TE05 N528	http://	8.b.5.
(6)	TE06 N528	http://	8.b.6.
(7)	TE07 N528	http://	8.b.7.
(8)	TE08 N528	http://	8.b.8.
(9)	TE09 N528	http://	8.b.9.
(10)	TE10 N528	http://	8.b.10.

c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:

(1)	TE01 N529		8.c.1.
(2)	TE02 N529		8.c.2.
(3)	TE03 N529		8.c.3.
(4)	TE04 N529		8.c.4.
(5)	TE05 N529		8.c.5.
(6)	TE06 N529		8.c.6.

Item 9 is to be completed annually in the December report only.

9. Do any of the bank's Internet websites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the website?.....

RCON	YES / NO	
4088	YES	9.

10. Secured liabilities:

a. Amount of "Federal funds purchased" that are secured (included in Schedule RC, item 14.a).....

RCON	Amount	
F064	0	10.a.

b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d)).....

F065	0	10.b.
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11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?.....

RCON	YES / NO	
G463	YES	11.

12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?.....

G464	NO	12.
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¹ Report only highest level URLs (for example, report www.examplebank.biz, but do not also report www.examplebank.biz/checking). Report each top level domain name used (for example, report both www.examplebank.biz and www.examplebank.net).

Schedule RC-M—Continued

Dollar Amounts in Thousands		RCON	Amount	
13. Assets covered by loss-sharing agreements with the FDIC:				
a. Loans and leases (included in Schedule RC, items 4.a and 4.b):				
(1) Loans secured by real estate:				
(a) Construction, land development, and other land loans:				
(1) 1-4 family residential construction loans.....	K169	0		13.a.1a1
(2) Other construction loans and all land development and other land loans	K170	0		13.a.1a2
(b) Secured by farmland.....	K171	0		13.a.1b
(c) Secured by 1-4 family residential properties:				
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	K172	0		13.a.1c1
(2) Closed-end loans secured by 1-4 family residential properties:				
(a) Secured by first liens.....	K173	0		13.a.1.c2a
(b) Secured by junior liens	K174	0		13.a.1.c2b
(d) Secured by multifamily (5 or more) residential properties.....	K175	0		13.a.1d
(e) Secured by nonfarm nonresidential properties:				
(1) Loans secured by owner-occupied nonfarm nonresidential properties.....	K176	0		13.a.1e1
(2) Loans secured by other nonfarm nonresidential properties.....	K177	0		13.a.1e2
(2) - (4) Not applicable				
(5) All other loans and all leases.....	K183	0		13.a.5
b. Other real estate owned (included in Schedule RC, item 7):				
(1) Construction, land development, and other land.....	K187	0		13.b.1.
(2) Farmland.....	K188	0		13.b.2.
(3) 1-4 family residential properties.....	K189	0		13.b.3.
(4) Multifamily (5 or more) residential properties.....	K190	0		13.b.4.
(5) Nonfarm nonresidential properties.....	K191	0		13.b.5.
(6) Not applicable				
(7) Portion of covered other real estate owned included in items 13.b.1 through 5 above that is protected by FDIC loss-sharing agreements.....	K192	0		13.b.7.
c. Debt securities (included in Schedule RC, items 2.a and 2.b).....				
	J461	0		13.c.
d. Other assets (exclude FDIC loss-sharing indemnification assets).....				
	J462	0		13.d.
<i>Items 14.a and 14.b are to be completed annually in the December report only.</i>				
14. Captive insurance and reinsurance subsidiaries:				
a. Total assets of captive insurance subsidiaries (1).....	K193	0		14.a.
b. Total assets of captive reinsurance subsidiaries (1).....	K194	0		14.b.
<i>Item 15 is to be completed by institutions that are required or have elected to be treated as a Qualified Thrift Lender.</i>				
15. Qualified Thrift Lender (QTL) test:				
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2).....				
	L133		Number	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?.....				
	L135		YES / NO	15.b.

¹ Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting bank.

Schedule RC-M—Continued

Item 16.a and, if appropriate, items 16.c and 16.d are to be completed semiannually in the June and December reports only. Item 16.b is to be completed annually in the June report only.

16. International remittance transfers offered to consumers: (1)

a. As of the report date, did your institution offer to consumers in any state any of the following mechanisms for sending international remittance transfers?

- (1) International wire transfers
- (2) International ACH transactions
- (3) Other proprietary services operated by your institution
- (4) Other proprietary services operated by another party

b. Did your institution provide more than 100 international remittance transfers in the previous calendar year or does your institution estimate that it will provide more than 100 international remittance transfers in the current calendar year?.....

Items 16.c and 16.d are to be completed by institutions that answered "Yes" to item 16.b in the current report or, if item 16.b is not required to be completed in the current report, in the most recent prior report in which item 16.b was required to be completed.

c. Indicate which of the mechanisms described in items 16.a.(1), (2), and (3) above is the mechanism that your institution estimates accounted for the largest number of international remittance transfers your institution provided during the two calendar quarters ending on the report date.
(For international wire transfers, enter 1; for international ACH transactions, enter 2; for other proprietary services operated by your institution, enter 3. If your institution did not provide any international remittance transfers using the mechanisms described in items 16.a.(1), (2), and (3) above during the two calendar quarters ending on the report date, enter 0.).....

d. Estimated number and dollar value of international remittance transfers provided by your institution during the two calendar quarters ending on the report date:

- (1) Estimated number of international remittance transfers.....
- (2) Estimated dollar value of international remittance transfers.....
- (3) Estimated number of international remittance transfers for which your institution applied the temporary exception.....

RCON	YES / NO	
N517	YES	16.a.1.
N518	NO	16.a.2.
N519	NO	16.a.3.
N520	NO	16.a.4.
N521	NR	16.b.
RCON	Number	
N522	1	16.c.
RCON	Number	
N523	115	16.d.1.
RCON	Amount	
N524	772	16.d.2.
RCON	Number	
N527	0	16.d.3.

¹ Report information about international electronic transfers of funds offered to consumers in the United States that: (a) are "remittance transfers" as defined by subpart B of Regulation E (12 CFR § 1005.30(e)), or (b) would qualify as "remittance transfers" under subpart B of Regulation E (12 CFR § 1005.30(e)) but are excluded from that definition only because the provider is not providing those transfers in the normal course of its business. See 12 CFR § 1005.30(f). For purposes of this item 16, such transfers are referred to as international remittance transfers. Exclude transfers sent by your institution as a correspondent bank for other providers. With the exception of item 16.a.(4), report information only about transfers for which the reporting institution is the provider. For item 16.a.(4), report information about transfers for which another party is the provider, and the reporting institution is an agent or a similar type of business partner interacting with the consumers sending the international remittance transfers.

Schedule RC-N—Past Due and Nonaccrual Loans, Leases, and Other Assets

	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCON	Amount	RCON	Amount	RCON	Amount	
Dollar Amounts in Thousands							
1. Loans secured by real estate:							
a. Construction, land development, and other land loans:							
(1) 1-4 family residential construction loans.....	F172	176	F174	0	F176	0	1.a.1.
(2) Other construction loans and all land development and other land loans.....	F173	490	F175	0	F177	127	1.a.2.
b. Secured by farmland.....	3493	257	3494	0	3495	0	1.b.
c. Secured by 1-4 family residential properties:							
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	5398	68	5399	0	5400	0	1.c.1.
(2) Closed-end loans secured by 1-4 family residential properties:							
(a) Secured by first liens.....	C236	3,842	C237	28	C229	3,744	1.c.2.a.
(b) Secured by junior liens.....	C238	94	C239	0	C230	21	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties.....	3499	141	3500	0	3501	0	1.d.
e. Secured by nonfarm nonresidential properties:							
(1) Loans secured by owner-occupied nonfarm nonresidential properties.....	F178	853	F180	0	F182	5,137	1.e.1.
(2) Loans secured by other nonfarm nonresidential properties.....	F179	0	F181	0	F183	1,949	1.e.2.
2. Loans to depository institutions and acceptances of other banks.....	B834	0	B835	0	B836	0	2.
3. Not applicable							
4. Commercial and industrial loans.....	1606	926	1607	0	1608	1,771	4.
5. Loans to individuals for household, family, and other personal expenditures:							
a. Credit cards.....	B575	0	B576	0	B577	0	5.a.
b. Automobile loans.....	K213	267	K214	0	K215	26	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	K216	513	K217	70	K218	273	5.c.
6. Not applicable							
7. All other loans (1).....	S459	165	S460	0	S461	433	7.
8. Lease financing receivables.....	1226	0	1227	0	1228	0	8.
9. Total loans and leases (sum of items 1 through 8).....	1406	7,792	1407	98	1403	13,481	9.
10. Debt securities and other assets (exclude other real estate owned and other repossessed assets).....	3505	0	3506	0	3507	0	10.

¹ Includes past due and nonaccrual "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."

Schedule RC-N—Continued

Amounts reported by loan and lease category in Schedule RC-N, items 1 through 8, include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in items 11 and 12 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8.

	Dollar Amounts in Thousands						
	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCON	Amount	RCON	Amount	RCON	Amount	
11. Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC.....	K036	0	K037	0	K038	3,255	11.
a. Guaranteed portion of loans and leases included in item 11 above, excluding rebooked "GNMA loans".....	K039	0	K040	0	K041	2,409	11.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 11 above.....	K042	0	K043	0	K044	0	11.b.
12. Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC:							
a. Loans secured by real estate:							
(1) Construction, land development, and other land loans:							
(a) 1-4 family residential construction loans.....	K045	0	K046	0	K047	0	12.a.1.a.
(b) Other construction loans and all land development and other land loans.....	K048	0	K049	0	K050	0	12.a.1.b.
(2) Secured by farmland.....	K051	0	K052	0	K053	0	12.a.2.
(3) Secured by 1-4 family residential properties:							
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	K054	0	K055	0	K056	0	12.a.3.a.
(b) Closed-end loans secured by 1-4 family residential properties:							
(1) Secured by first liens.....	K057	0	K058	0	K059	0	12.a.3.b1.
(2) Secured by junior liens.....	K060	0	K061	0	K062	0	12.a.3.b2.
(4) Secured by multifamily (5 or more) residential properties.....	K063	0	K064	0	K065	0	12.a.4.
(5) Secured by nonfarm nonresidential properties:							
(a) Loans secured by owner-occupied nonfarm nonresidential properties.....	K066	0	K067	0	K068	0	12.a.5.a.
(b) Loans secured by other nonfarm nonresidential properties.....	K069	0	K070	0	K071	0	12.a.5.b.
b. - d. Not applicable							
e. All other loans and all leases.....	K087	0	K088	0	K089	0	12.e.
f. Portion of covered loans and leases included in items 12.a through 12.e above that is protected by FDIC loss-sharing agreements.....	K102	0	K103	0	K104	0	12.f.

Schedule RC-N—Continued

Memoranda

Dollar Amounts in Thousands

	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCON	Amount	RCON	Amount	RCON	Amount	
1. Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part I, Memorandum item 1):							
a. Construction, land development, and other land loans:							
(1) 1-4 family residential construction loans.....	K105	0	K106	0	K107	0	M.1.a.1.
(2) Other construction loans and all land development and other land loans.....	K108	0	K109	0	K110	0	M.1.a.2.
b. Loans secured by 1-4 family residential properties.....	F661	0	F662	0	F663	293	M.1.b.
c. Secured by multifamily (5 or more) residential properties.....	K111	0	K112	0	K113	0	M.1.c.
d. Secured by nonfarm nonresidential properties:							
(1) Loans secured by owner-occupied nonfarm nonresidential properties.....	K114	0	K115	0	K116	3,511	M.1.d.1.
(2) Loans secured by other nonfarm nonresidential properties.....	K117	0	K118	0	K119	0	M.1.d.2.
e. Commercial and industrial loans.....	K257	0	K258	0	K259	28	M.1.e.
<i>Memorandum items 1.e.(1) and (2) are to be completed by banks with \$300 million or more in total assets (sum of Memorandum items 1.e.(1) and (2) must equal Memorandum item 1.e):¹</i>							
(1) To U.S. addressees (domicile).....	K120	0	K121	0	K122	28	M.1.e.1.
(2) To non-U.S. addressees (domicile).....	K123	0	K124	0	K125	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures).....	K126	0	K127	0	K128	19	M.1.f.
<i>Itemize loan categories included in Memorandum item 1.f, above that exceed 10% of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status (sum of Memorandum items 1.a through 1.e plus 1.f, columns A through C):</i>							
(1) Loans secured by farmland.....	K130	0	K131	0	K132	0	M.1.f.1.
(2 - 3) Not applicable							

¹ The \$300 million asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.

Schedule RC-N—Continued

Memoranda—Continued

Dollar Amounts in Thousands

	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCON	Amount	RCON	Amount	RCON	Amount	
1. f. (4) Loans to individuals for household, family, and other personal expenditures:							
(a) Credit cards.....	K274	0	K275	0	K276	0	M.1.f.4.a.
(b) Automobile loans.....	K277	0	K278	0	K279	0	M.1.f.4.b.
(c) Other (includes revolving credit plans other than credit cards and other consumer loans).....	K280	0	K281	0	K282	0	M.1.f.4.c.
<i>Memorandum item 1.f.5. is to be completed by: (1)</i>							
• Banks with \$300 million or more in total assets							
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans							
(5) Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, Memorandum item 1.f, above.....	K138	0	K139	0	K140	0	M.1.f.5.
1.g. Total loans restructured in troubled debt restructurings included in Schedule RC-N items 1 through 7, above (sum of Memorandum items 1.a.(1) through 1.e plus 1.f) (2).....	HK26	0	HK27	0	HK28	3,851	M.1.g.
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above.....	6558	0	6559	0	6560	0	M.2.
3. <i>Memorandum items 3.a through 3.d are to be completed by banks with \$300 million or more in total assets: (1)</i>							
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above).....	1248	0	1249	0	1250	0	M.3.a.
b. Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2, above).....	5380	0	5381	0	5382	0	M.3.b.
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4, above).....	1254	0	1255	0	1256	0	M.3.c.

1 The \$300 million asset size test and the five percent of total loans test are based on the total assets and total loans reported on the June 30, 2017, Report of Condition.

2 Exclude amounts reported in Memorandum Items 1.e.(1), 1.e.(2), and 1.f.(1) through 1.f.(5) when calculating the total in Memorandum item 1.g.

Schedule RC-N—Continued

Memoranda—Continued

	Dollar Amounts in Thousands						
	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCON	Amount	RCON	Amount	RCON	Amount	
3 d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8, above).....	F166	0	F167	0	F168	0	M.3.d.
<i>Memorandum item 4 is to be completed by: (1)</i>							
• banks with \$300 million or more in total assets							
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans:							
4. Loans to finance agricultural production and other loans to farmers (included in Schedule RC-N, item 7, above).....	1594	165	1597	0	1583	433	M.4.
5. Loans and leases held for sale (included in RC-N, items 1 through 8, above).....	C240	0	C241	0	C226	0	M.5.
6. Not applicable							

Memorandum items 7, 8, 9.a, and 9.b are to be completed semiannually in the June and December reports only.

	RCON	Amount	
7. Additions to nonaccrual assets during the previous six months.....	C410	2,085	M.7.
8. Nonaccrual assets sold during the previous six months.....	C411	0	M.8.

	Dollar Amounts in Thousands						
	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCON	Amount	RCON	Amount	RCON	Amount	
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):							
a. Outstanding balance.....	L183	0	L184	0	L185	0	M.9.a
b. Amount included in Schedule RC-N, items 1 through 7, above.....	L186	0	L187	0	L188	0	M.9.b

¹ The \$300 million asset-size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2017, Report of Condition.

Schedule RC-O—Other Data for Deposit Insurance and FICO Assessments

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All FDIC-insured depository institutions must complete items 1 and 2, 4 through 9, 10, and 11, Memorandum item 1, and, if applicable, item 9.a, Memorandum items 2, 3, and 6 through 18 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 3 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 6 through 18 on a fully consolidated basis.

		Dollar Amounts in Thousands		RCON	Amount	
1.	Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.....	F236	1,495,267			1.
2.	Total allowable exclusions, including interest accrued and unpaid on allowable exclusions.....	F237	0			2.
3.	Not applicable					
4.	Average consolidated total assets for the calendar quarter.....	K652	1,801,535			4.
a.	Averaging method used					
	(for daily averaging, enter 1, for weekly averaging, enter 2).....	K653	1			4.a
5.	Average tangible equity for the calendar quarter (1).....	K654	236,047			5.
6.	Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions.....	K655	0			6.
7.	Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1){a)-(d) minus item 10.b):					
a.	One year or less.....	G465	0			7.a.
b.	Over one year through three years.....	G466	0			7.b.
c.	Over three years through five years.....	G467	0			7.c.
d.	Over five years.....	G468	0			7.d.
8.	Subordinated notes and debentures with a remaining maturity of (sum of items 8.a. through 8.d. must equal Schedule RC, item 19):					
a.	One year or less.....	G469	0			8.a.
b.	Over one year through three years.....	G470	0			8.b.
c.	Over three years through five years.....	G471	0			8.c.
d.	Over five years.....	G472	0			8.d.
9.	Reciprocal brokered deposits (included in Schedule RC-E, Memorandum item 1.b).....	G803	0			9.
	<i>Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution.</i>					
a.	Fully consolidated reciprocal brokered deposits.....	L190			NR	9.a
10.	Banker's bank certification:					
	Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations?.....	K656	NO			10.
	<i>If the answer to item 10 is "YES", complete items 10.a and 10.b.</i>					
a.	Banker's bank deduction.....	K657			NR	10.a
b.	Banker's bank deduction limit.....	K658			NR	10.b
11.	Custodial bank certification:					
	Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations?.....	K659	NO			11.
	<i>If the answer to item 11 is "YES", complete items 11.a and 11.b. (2)</i>					
a.	Custodial bank deduction.....	K660			NR	11.a
b.	Custodial bank deduction limit.....	K661			NR	11.b

1 See instructions for averaging methods. Tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, Part I, for deposit insurance assessment purposes, item 26, except as described in the instructions.

2 If the amount reported in item 11.b is zero, item 11.a may be left blank.

Schedule RC-O—Continued

Memoranda

		Dollar Amounts in Thousands	RCON	Amount	
1. Total deposit liabilities of the bank, including related interest accrued and unpaid, less allowable exclusions, including related interest accrued and unpaid (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):					
a. Deposit accounts (excluding retirement accounts) of \$250,000 or less: (1)					
(1) Amount of deposit accounts (excluding retirement accounts) of \$250,000 or less.....			F049	984,246	M.1.a.1.
(2) Number of deposit accounts (excluding retirement accounts) of \$250,000 or less.....		Number F050 110,495			M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than \$250,000: (1)					
(1) Amount of deposit accounts (excluding retirement accounts) of more than \$250,000.....			F051	475,065	M.1.b.1.
(2) Number of deposit accounts (excluding retirement accounts) of more than \$250,000.....		Number F052 724			M.1.b.2.
c. Retirement deposit accounts of \$250,000 or less: (1)					
(1) Amount of retirement deposit accounts of \$250,000 or less.....			F045	32,602	M.1.c.1.
(2) Number of retirement deposit accounts of \$250,000 or less.....		Number F046 1,419			M.1.c.2.
1. d. Retirement deposit accounts of more than \$250,000: (1)					
(1) Amount of retirement deposit accounts of more than \$250,000.....			F047	3,354	M.1.d.1.
(2) Number of retirement deposit accounts of more than \$250,000.....		Number F048 9			M.1.d.2.
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets. (2)</i>					
2. Estimated amount of uninsured assessable deposits, including related interest accrued and unpaid (see instructions) (3).....			5597	375,230	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:					
TEXT A545			RCON A545	FDIC Cert. No. 00000	M.3.
4. and 5. Not applicable					

1 The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.
2 The \$1 billion asset size test is based on the total assets reported on the June 30, 2017, Report of Condition.
3 Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum Items 1.a through 1.d.

Schedule RC-O—Continued

Amounts reported in Memorandum items 6 through 9, 14, and 15 will not be made available to the public on an individual institution basis.

Memoranda—Continued

	Dollar Amounts in Thousands	RCON	Amount	
<i>Memorandum items 6 through 12 are to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.</i>				
6. Criticized and classified items:				
a. Special mention		K663	NR	M.6.a.
b. Substandard		K664	NR	M.6.b.
c. Doubtful		K665	NR	M.6.c.
d. Loss		K666	NR	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:				
a. Nontraditional 1-4 family residential mortgage loans		N025	NR	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans		N026	NR	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:				
a. Higher-risk consumer loans		N027	NR	M.8.a.
b. Securitizations of higher-risk consumer loans		N028	NR	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:				
a. Higher-risk commercial and industrial loans and securities		N029	NR	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities		N030	NR	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate:				
a. Total unfunded commitments		K676	NR	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)		K677	NR	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)		K669	NR	M.11.
12. Nonbrokered time deposits of more than \$250,000 (included in Schedule RC-E, Memorandum item 2.d)		K678	NR	M.12.
<i>Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Memorandum items 13.b through 13.h are to be completed by "large institutions" only.</i>				
13. Portion of funded loans and securities guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):				
a. Construction, land development, and other land loans secured by real estate		N177	NR	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties		N178	NR	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties		N179	NR	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit		N180	NR	M.13.d.
e. Commercial and industrial loans		N181	NR	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures		N182	NR	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures		N183	NR	M.13.g.
h. Non-agency residential mortgage-backed securities		M963	NR	M.13.h.
<i>Memorandum items 14 and 15 are to be completed by "highly complex institutions" as defined in FDIC regulations.</i>				
14. Amount of the institution's largest counterparty exposure		K673	NR	M.14.
15. Total amount of the institution's 20 largest counterparty exposures		K674	NR	M.15.

Schedule RC-O—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
<i>Memorandum item 16 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.</i>			
16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1).....	L189	NR	M.16.
<i>Memorandum item 17 is to be completed on a fully consolidated basis by those "large institutions" and "highly complex institutions" as defined in FDIC regulations that own another insured depository institution.</i>			
17. Selected fully consolidated data for deposit insurance assessment purposes:			
a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.....	L194	NR	M.17.a
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions.....	L195	NR	M.17.b
c. Unsecured "Other borrowings" with a remaining maturity of one year or less.....	L196	NR	M.17.c
d. Estimated amount of uninsured deposits, including related interest accrued and unpaid.....	L197	NR	M.17.d

Schedule RC-O—Continued

Memorandum item 18 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Amounts reported in Memorandum item 18 will not be made available to the public on an individual institution basis.

		Two-Year Probability of Default (PD)						
		(Column A)	(Column B)	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)
		<= 1%	1.01-4%	4.01-7%	7.01-10%	10.01-14%	14.01-16%	16.01-18%
Dollar Amounts in Thousands		Amount	Amount	Amount	Amount	Amount	Amount	Amount
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:								
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations.....		RCON M964	RCON M965	RCON M966	RCON M967	RCON M968	RCON M969	RCON M970
		NR	NR	NR	NR	NR	NR	NR
b. Closed-end loans secured by first liens on 1-4 family residential properties.....		RCON M979	RCON M980	RCON M981	RCON M982	RCON M983	RCON M984	RCON M985
		NR	NR	NR	NR	NR	NR	NR
c. Closed-end loans secured by junior liens on 1-4 family residential properties.....		RCON M994	RCON M995	RCON M996	RCON M997	RCON M998	RCON M999	RCON N001
		NR	NR	NR	NR	NR	NR	NR
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....		RCON N010	RCON N011	RCON N012	RCON N013	RCON N014	RCON N015	RCON N016
		NR	NR	NR	NR	NR	NR	NR
e. Credit cards.....		RCON N040	RCON N041	RCON N042	RCON N043	RCON N044	RCON N045	RCON N046
		NR	NR	NR	NR	NR	NR	NR
f. Automobile loans.....		RCON N055	RCON N056	RCON N057	RCON N058	RCON N059	RCON N060	RCON N061
		NR	NR	NR	NR	NR	NR	NR
g. Student loans.....		RCON N070	RCON N071	RCON N072	RCON N073	RCON N074	RCON N075	RCON N076
		NR	NR	NR	NR	NR	NR	NR
h. Other consumer loans and revolving credit plans other than credit cards.....		RCON N085	RCON N086	RCON N087	RCON N088	RCON N089	RCON N090	RCON N091
		NR	NR	NR	NR	NR	NR	NR
i. Consumer leases.....		RCON N100	RCON N101	RCON N102	RCON N103	RCON N104	RCON N105	RCON N106
		NR	NR	NR	NR	NR	NR	NR
j. Total.....		RCON N115	RCON N116	RCON N117	RCON N118	RCON N119	RCON N120	RCON N121
		NR	NR	NR	NR	NR	NR	NR

Schedule RC-O—Continued

Memorandum item 18 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Amounts reported in Memorandum item 18 will not be made available to the public on an individual institution basis.

Dollar Amounts in Thousands	Two-Year Probability of Default (PD)						(Column O)	
	(Column H)	(Column I)	(Column J)	(Column K)	(Column L)	(Column M)	(Column N)	PDs Were Derived Using (1)
	18.01–20%	20.01–22%	22.01–26%	26.01–30%	> 30%	Unscoreable	Total	
Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Number
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:								
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations.....	RCON M971	RCON M972	RCON M973	RCON M974	RCON M975	RCON M976	RCON M977	RCON M978
	NR	NR	NR	NR	NR	NR	NR	NR
b. Closed-end loans secured by first liens on 1-4 family residential properties.....	RCON M986	RCON M987	RCON M988	RCON M989	RCON M990	RCON M991	RCON M992	RCON M993
	NR	NR	NR	NR	NR	NR	NR	NR
c. Closed-end loans secured by junior liens on 1-4 family residential properties.....	RCON N002	RCON N003	RCON N004	RCON N005	RCON N006	RCON N007	RCON N008	RCON N009
	NR	NR	NR	NR	NR	NR	NR	NR
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RCON N017	RCON N018	RCON N019	RCON N020	RCON N021	RCON N022	RCON N023	RCON N024
	NR	NR	NR	NR	NR	NR	NR	NR
e. Credit cards.....	RCON N047	RCON N048	RCON N049	RCON N050	RCON N051	RCON N052	RCON N053	RCON N054
	NR	NR	NR	NR	NR	NR	NR	NR
f. Automobile loans.....	RCON N062	RCON N063	RCON N064	RCON N065	RCON N066	RCON N067	RCON N068	RCON N069
	NR	NR	NR	NR	NR	NR	NR	NR
g. Student loans.....	RCON N077	RCON N078	RCON N079	RCON N080	RCON N081	RCON N082	RCON N083	RCON N084
	NR	NR	NR	NR	NR	NR	NR	NR
h. Other consumer loans and revolving credit plans other than credit cards.....	RCON N092	RCON N093	RCON N094	RCON N095	RCON N096	RCON N097	RCON N098	RCON N099
	NR	NR	NR	NR	NR	NR	NR	NR
i. Consumer leases.....	RCON N107	RCON N108	RCON N109	RCON N110	RCON N111	RCON N112	RCON N113	RCON N114
	NR	NR	NR	NR	NR	NR	NR	NR
j. Total.....	RCON N122	RCON N123	RCON N124	RCON N125	RCON N126	RCON N127	RCON N128	
	NR	NR	NR	NR	NR	NR	NR	

1 For PDs derived using scores and default rate mappings provided by a third-party vendor, enter 1; for PDs derived using an internal approach, enter 2; for PDs derived using third-party vendor mappings for some loans within a product type and an internal approach for other loans within the same product type, enter 3. If the total reported in Column N for a product type is zero, enter 0.

Schedule RC-P—1-4 Family Residential Mortgage Banking Activities

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Schedule RC-P is to be completed by banks with at which either 1-4 family residential mortgage loan originations and purchases for resale (1) from all sources, loan sales, or quarter-end loans held for sale or trading exceed \$10 million for two consecutive quarters.

	Dollar Amounts in Thousands	RCON	Amount	
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale (1).....		HT81	8,111	1.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale (1).....		HT82	0	2.
3. 1-4 family residential mortgages sold during the quarter:.....		HT83	7,308	3.
4. 1-4 family residential mortgage loans held for sale or trading at quarter-end (included in		HT84	994	4.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.c, 5.f, 5.g, and 5.i):.....		RIAD		
		HT85	164	5.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter.....		RCON		
		HT86	0	6.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:				
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies		L191	0	7.a
b. For representations and warranties made to other parties.....		L192	0	7.b
c. Total representation and warranty reserves (sum of items 7.a and 7.b).....		M288	0	7.c

¹ Exclude originations and purchases of 1-4 family residential mortgage loans that are held for investment.

Schedule RC-Q—Assets and Liabilities Measured at Fair Value on a Recurring Basis

Schedule RC-Q is to be completed by banks that:

- (1) Have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or
- (2) Are required to complete Schedule RC-D, Trading Assets and Liabilities.

	(Column A) Total Fair Value Reported on Schedule RC		(Column B) LESS: Amounts Netted in the Determination of Total Fair Value		(Column C) Level 1 Fair Value Measurements		(Column D) Level 2 Fair Value Measurements		(Column E) Level 3 Fair Value Measurements	
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount
Dollar Amounts in Thousands										
Assets										
1. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading (1).....	JA36	197,966	G474	0	G475	0	G476	197,966	G477	0
2. Not applicable										
3. Loans and leases held for sale.....	G483	0	G484	0	G485	0	G486	0	G487	0
4. Loans and leases held for investment.....	G488	0	G489	0	G490	0	G491	0	G492	0
5. Trading assets:										
a. Derivative assets.....	3543	0	G493	0	G494	0	G495	0	G496	0
b. Other trading assets.....	G497	0	G498	0	G499	0	G500	0	G501	0
(1) Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above).....	F240	0	F684	0	F692	0	F241	0	F242	0
6. All other assets.....	G391	0	G392	0	G395	0	G396	0	G804	0
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6).....	G502	197,966	G503	0	G504	0	G505	197,966	G506	0
Liabilities										
8. Deposits.....	F252	0	F686	0	F694	0	F253	0	F254	0
9. Not applicable										
10. Trading liabilities:										
a. Derivative liabilities.....	3547	0	G512	0	G513	0	G514	0	G515	0
b. Other trading liabilities.....	G516	0	G517	0	G518	0	G519	0	G520	0
11. and 12. not applicable										
13. All other liabilities.....	G805	0	G806	0	G807	0	G808	0	G809	0
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13).....	G531	0	G532	0	G533	0	G534	0	G535	0

1 For institutions that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities, the amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c. For institutions that have not adopted ASU 2016-01, the amount reported in item 1, column A, must equal Schedule RC, item 2.b.

Schedule RC-Q—Continued

	Dollar Amounts in Thousands										
	(Column A) Total Fair Value Reported on Schedule RC		(Column B) LESS: Amounts Netted in the Determination of Total Fair Value		(Column C) Level 1 Fair Value Measurements		(Column D) Level 2 Fair Value Measurements		(Column E) Level 3 Fair Value Measurements		
	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
Memoranda											
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than \$100,000 and exceed 25% of item 6):											
a.	Mortgage servicing assets.....										
	G536	0	G537	0	G538	0	G539	0	G540	0	M.1.a.
b.	Nontrading derivative assets.....										
	G541	0	G542	0	G543	0	G544	0	G545	0	M.1.b.
c.	TEXT										
	G546	0	G547	0	G548	0	G549	0	G550	0	M.1.c.
d.	TEXT										
	G551	0	G552	0	G553	0	G554	0	G555	0	M.1.d.
e.	TEXT										
	G556	0	G557	0	G558	0	G559	0	G560	0	M.1.e.
f.	TEXT										
	G561	0	G562	0	G563	0	G564	0	G565	0	M.1.f.
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than \$100,000 and exceed 25% of item 13):											
a.	Loan commitments (not accounted for as derivatives).....										
	F261	0	F689	0	F697	0	F262	0	F263	0	M.2.a.
b.	Nontrading derivative liabilities.....										
	G566	0	G567	0	G568	0	G569	0	G570	0	M.2.b.
c.	TEXT										
	G571	0	G572	0	G573	0	G574	0	G575	0	M.2.c.
d.	TEXT										
	G576	0	G577	0	G578	0	G579	0	G580	0	M.2.d.
e.	TEXT										
	G581	0	G582	0	G583	0	G584	0	G585	0	M.2.e.
f.	TEXT										
	G586	0	G587	0	G588	0	G589	0	G590	0	M.2.f.

Schedule RC-Q—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
3. Loans measured at fair value (included in Schedule RC-C, part I, items 1 through 9):			
a. Loans secured by real estate:			
(1) Secured by 1-4 family residential properties.....	HT87	0	M.3.a.1.
(2) All other loans secured by real estate.....	HT88	0	M.3.a.2.
b. Commercial and industrial loans.....	F585	0	M.3.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....			
	HT89	0	M.3.c.
d. Other loans.....	F589	0	M.3.d.
4. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-Q, Memorandum item 3):			
a. Loans secured by real estate:			
(1) Secured by 1-4 family residential properties.....	HT91	0	M.4.a.1.
(2) All other loans secured by real estate.....	HT92	0	M.4.a.2.
b. Commercial and industrial loans.....	F597	0	M.4.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....			
	HT93	0	M.4.c.
d. Other loans.....	F601	0	M.4.d.

Schedule RC-R

Part I – Regulatory Capital Components and Ratios

Part I is to be completed on a consolidated basis.

		Dollar Amounts in Thousands		RCOA	Amount
Common Equity Tier 1 Capital					
1.	Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares.....	P742	39,022		1.
2.	Retained earnings.....	RCOA	3632	208,988	2.
3.	Accumulated other comprehensive income (AOCI).....	RCOA	B530	(1,644)	3.
a.	AOCI opt-out election (enter "1" for Yes; enter "0" for No.) (Advanced approaches institutions must enter "0" for No.).....	0=No 1=Yes	RCOA P838	1	3.a.
4.	Common equity tier 1 minority interest includable in common equity tier 1 capital.....	RCOA	P839	0	4.
5.	Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4).....	RCOA	P840	246,366	5.
Common Equity Tier 1 Capital: Adjustments and Deductions					
6.	LESS: Goodwill net of associated deferred tax liabilities (DTLs).....	P841	10,913		6.
7.	LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs.....	P842	0		7.
8.	LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs.....	P843	0		8.
9.	AOCI-related adjustments (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):				
a.	LESS: Net unrealized gains (losses) on available-for-sale securities (if a gain, report as a positive value; if a loss, report as a negative value) (1).....	P844	(1,644)		9.a.
b.	LESS: Net unrealized loss on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures (report loss as a positive value) (2).....	P845	0		9.b.
c.	LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value).....	P846	0		9.c.
d.	LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value).....	P847	0		9.d.
e.	LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value).....	P848	0		9.e.
f.	To be completed only by institutions that entered "0" for No in item 3.a: LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relates to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value).....	P849		NR	9.f.
10.	Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:				
a.	LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value).....	Q258	0		10.a.
b.	LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions.....	P850	0		10.b.
11.	LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments.....	P851	0		11.
12.	Subtotal (item 5 minus items 6 through 11).....	P852	237,097		12.

1 Institutions that entered "1" for Yes in item 3.a and have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities, should report net unrealized gains (losses) on available-for-sale debt securities in Item 9.a. Institutions that entered '1' for Yes in item 3.a and have not adopted ASU 2016-01 should report net unrealized gains (losses) on available-for-sale debt and equity securities in Item 9.a.

2 Item 9.b is to be completed only by institutions that entered "1" for Yes in item 3.a and have not adopted ASU 2016-01. See instructions for further detail on ASU 2016-01.

Schedule RC-R — Continued

Part I - Continued

		Dollar Amounts in Thousands	RCOA	Amount	
13.	LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....		P853	0	13.
14.	LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....		P854	0	14.
15.	LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....		P855	0	15.
16.	LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold.....		P856	0	16.
17.	LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions.....		P857	0	17.
18.	Total adjustments and deductions for common equity tier 1 capital (sum of items 13 through 17).....		P858	0	18.
19.	Common equity tier 1 capital (item 12 minus item 18).....		P859	237,097	19.
Additional Tier 1 Capital					
20.	Additional tier 1 capital instruments plus related surplus.....		P860	0	20.
21.	Non-qualifying capital instruments subject to phase-out from additional tier 1 capital.....		P861	0	21.
22.	Tier 1 minority interest not included in common equity tier 1 capital.....		P862	0	22.
23.	Additional tier 1 capital before deductions (sum of items 20, 21, and 22).....		P863	0	23.
24.	LESS: Additional tier 1 capital deductions.....		P864	0	24.
25.	Additional tier 1 capital (greater of item 23 minus item 24, or zero).....		P865	0	25.
Tier 1 Capital					
26.	Tier 1 capital (sum of items 19 and 25).....		8274	237,097	26.
Tier 2 Capital					
27.	Tier 2 capital instruments plus related surplus.....		P866	0	27.
28.	Non-qualifying capital instruments subject to phase-out from tier 2 capital.....		P867	0	28.
29.	Total capital minority interest that is not included in tier 1 capital.....		P868	0	29.
30. a.	Allowance for loan and lease losses includable in tier 2 capital.....		5310	13,493	30.a.
b.	(Advanced approaches institutions that exit parallel run only): Eligible credit reserves includable in tier 2 capital.....		RCOW 5310	NR	30.b.
31.	Unrealized gains on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures includable in tier 2 capital (1).....		RCOA Q257	0	31.
32. a.	Tier 2 capital before deductions (sum of items 27 through 30.a, plus item 31).....		P870	13,493	32.a.
b.	(Advanced approaches institutions that exit parallel run only): Tier 2 capital before deductions (sum of items 27 through 29, plus items 30.b and 31).....		RCOW P870	NR	32.b.
33.	LESS: Tier 2 capital deductions.....		RCOA P872	0	33.
34. a.	Tier 2 capital (greater of item 32.a minus item 33, or zero).....		5311	13,493	34.a.
b.	(Advanced approaches institutions that exit parallel run only): Tier 2 capital (greater of item 32.b minus item 33, or zero).....		RCOW 5311	NR	34.b.
Total Capital					
35. a.	Total capital (sum of items 26 and 34.a).....		RCOA 3792	250,590	35.a.
b.	(Advanced approaches institutions that exit parallel run only): Total capital (sum of items 26 and 34.b).....		RCOW 3792	NR	35.b.

1 Item 31 is to be completed only by institutions that have not adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See instructions for further detail on ASU 2016-01.

Schedule RC-R—Continued

Part I - Continued

	Dollar Amounts in Thousands	RCON	Amount	
Total Assets for the Leverage Ratio				
36. Average total consolidated assets.....		3368	1,801,535	36.
37. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 11, 13 through 17, and certain elements of item 24 - see instructions).....				
		RCOA		
		P875	10,913	37.
38. LESS: Other deductions from (additions to) assets for leverage ratio purposes.....		B596	0	38.
39. Total assets for the leverage ratio (item 36 minus items 37 and 38).....		A224	1,790,622	39.
Total Risk-Weighted Assets				
40. a. Total risk-weighted assets (from Schedule RC-R, Part II, item 31).....		A223	1,326,813	40.a.
b. (Advanced approaches institutions that exit parallel run only): Total risk-weighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60).....		RCOW		
		A223	NR	40.b.

Risk-Based Capital Ratios *

	Column A	Column B	
	RCOA	RCOW	Percentage
41. Common equity tier 1 capital ratio (Column A: item 19 divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 19 divided by item 40.b).....	P793	P793	17.8697% NR
42. Tier 1 capital ratio (Column A: item 26 divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 26 divided by item 40.b).....	7206	7206	17.8697% NR
43. Total capital ratio (Column A: item 35.a divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 35.b divided by item 40.b).....	7205	7205	18.8866% NR

Leverage Capital Ratios *

	RCOA	Percentage	
44. Tier 1 leverage ratio (item 26 divided by item 39)	7204	13.2410%	44.
45. Advanced approaches institutions only: Supplementary leverage ratio information:			
a. Total leverage exposure.....	H015	NR	45.a.
b. Supplementary leverage ratio.....	H036	NR	45.b.

Capital Buffer *

	RCOA	Percentage	
46. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments:			
a. Capital conservation buffer	H311	10.8866%	46.a.
b. (Advanced approaches institutions that exit parallel run only): Total applicable capital buffer	RCOW	H312	NR

	Dollar Amounts in Thousands	RCOA	Amount	
Institutions must complete items 47 and 48 if the amount in item 46.a is less than or equal to the applicable minimum capital conservation buffer:				
47. Eligible retained income		H313	NR	47.
48. Distributions and discretionary bonus payments during the quarter		H314	NR	48.

* Report each ratio and buffer as a percentage, rounded to four decimal places, e.g., 12.3456.

Schedule RC-R—Continued

Part II. Risk-Weighted Assets

Institutions are required to assign a 100 percent risk weight to all assets not specifically assigned a risk weight under Subpart D of the federal banking agencies' regulatory capital rules (1) and not deducted from tier 1 or tier 2 capital.

	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)
			Allocation by Risk-Weight Category							
			0%	2%	4%	10%	20%	50%	100%	150%
Dollar Amounts in Thousands										
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Balance Sheet Asset Categories (2)										
1. Cash and balances due from depository institutions.....	RCON D957 94,513	RCON S396 0	RCON D958 70,139				RCON D959 24,374	RCON S397 0	RCON D960 0	RCON S398 0
2. Securities:	RCON D961 70,461	RCON S399 0	RCON D962 0	RCON HJ74 0	RCON HJ75 0		RCON D963 63,241	RCON D964 7,220	RCON D965 0	RCON S400 0
a. Held-to-maturity securities.....										
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....	RCON JA21 197,966	RCON S402 (2,082)	RCON D967 24,913	RCON HJ76 0	RCON HJ77 0		RCON D968 175,135	RCON D969 0	RCON D970 0	RCON S403 0
3. Federal funds sold and securities purchased under agreements to resell:	RCON D971 0		RCON D972 0				RCON D973 0	RCON S410 0	RCON D974 0	RCON S411 0
a. Federal funds sold.....										
b. Securities purchased under agreements to resell.....	RCON H171 0	RCON H172 0								
4. Loans and leases held for sale:	RCON S413 994	RCON S414 0	RCON H173 0				RCON S415 0	RCON S416 994	RCON S417 0	
a. Residential mortgage exposures.....										
b. High volatility commercial real estate exposures.....	RCON S419 0	RCON S420 0	RCON H174 0				RCON H175 0	RCON H176 0	RCON H177 0	RCON S421 0

1 For national banks and federal savings associations, 12 CFR Part 3; for state member banks, 12 CFR Part 217; and for state nonmember banks and state savings associations, 12 CFR Part 324.

2 All securitization exposures held as on-balance sheet assets of the reporting institution are to be excluded from items 1 through 8 and are to be reported instead in item 9.

Schedule RC-R—Continued

Part II—Continued

	(Column K)	(Column L)	(Column M)	(Column N)	(Column O)	(Column P)	(Column Q)	(Column R)	(Column S)
	Allocation by Risk-Weight Category							Application of Other Risk-Weighting Approaches (3)	
	250% (4)	300%	400%	600%	625%	937.5%	1250%	Exposure Amount	Risk-Weighted Asset Amount
Dollar Amounts in Thousands	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Balance Sheet Asset Categories (continued)									
1. Cash and balances due from depository institutions.....									1.
2. Securities:									
a. Held-to-maturity securities.....									2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....	RCON H270	RCON S405		RCON S406				RCON H271	RCON H272
	NR	0		0				0	0
3. Federal funds sold and securities purchased under agreements to resell:									
a. Federal funds sold.....									3.a.
b. Securities purchased under agreements to resell.....									3.b.
4. Loans and leases held for sale:								RCON H273	RCON H274
a. Residential mortgage exposures.....								0	0
b. High volatility commercial real estate exposures.....								RCON H275	RCON H276
								0	0

³ Includes, for example, investments in mutual funds/investment funds, exposures collateralized by securitization exposures or mutual funds, separate account bank-owned life insurance, and default fund contributions to central counterparties.

⁴ Column K - 250% risk weight is applicable to advanced approaches institutions only. The 250% risk weight currently is not applicable to non-advanced approaches institutions.

Schedule RC-R—Continued

Part II—Continued

	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	Allocation by Risk-Weight Category							
			(Column C)	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)
			0%	2%	4%	10%	20%	50%	100%	150%
Dollar Amounts in Thousands										
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
4. Loans and leases held for sale (continued):										
c. Exposures past due 90 days or more or on nonaccrual (5).....	RCON S423	RCON S424	RCON S425	RCON HJ78	RCON HJ79		RCON S426	RCON S427	RCON S428	RCON S429
	0	0	0	0	0		0	0	0	0
d. All other exposures.....	RCON S431	RCON S432	RCON S433	RCON HJ80	RCON HJ81		RCON S434	RCON S435	RCON S436	RCON S437
	0	0	0	0	0		0	0	0	0
5. Loans and leases held for investment:										
a. Residential mortgage exposures.....	RCON S439	RCON S440	RCON H178				RCON S441	RCON S442	RCON S443	
	449,488	0	0				0	434,449	15,039	
b. High volatility commercial real estate exposures.....	RCON S445	RCON S446	RCON H179				RCON H180	RCON H181	RCON H182	RCON S447
	80,837	0	0				0	0	0	80,837
c. Exposures past due 90 days or more or on nonaccrual (6).....	RCON S449	RCON S450	RCON S451	RCON HJ82	RCON HJ83		RCON S452	RCON S453	RCON S454	RCON S455
	9,618	0	0	0	0		1,927	0	0	7,691
d. All other exposures.....	RCON S457	RCON S458	RCON S459	RCON HJ84	RCON HJ85		RCON S460	RCON S461	RCON S462	RCON S463
	807,363	0	42,379	0	0		5,978	0	759,006	0
6. LESS: Allowance for loan and lease losses.....	RCON 3123	RCON 3123								
	13,464	13,464								

⁵ For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

⁶ For loans and lease held for investment, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

Schedule RC-R—Continued

Part II—Continued

	(Column K)	(Column L)	(Column M)	(Column N)	(Column O)	(Column P)	(Column Q)	(Column R)	(Column S)	
	Allocation by Risk-Weight Category							Application of Other Risk-Weighting Approaches (7)		
	250% (8)	300%	400%	600%	625%	937.5%	1250%	Exposure Amount	Risk-Weighted Asset Amount	
Dollar Amounts in Thousands	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
4. Loans and leases held for sale (continued):										
c. Exposures past due 90 days or more or on nonaccrual (9).....								RCON H277 0	RCON H278 0	4.c.
d. All other exposures.....								RCON H279 0	RCON H280 0	4.d.
5. Loans and leases held for investment:										
a. Residential mortgage exposures.....								RCON H281 0	RCON H282 0	5.a.
b. High volatility commercial real estate exposures.....								RCON H283 0	RCON H284 0	5.b.
c. Exposures past due 90 days or more or on nonaccrual (10).....								RCON H285 0	RCON H286 0	5.c.
d. All other exposures.....								RCON H287 0	RCON H288 0	5.d.
6. LESS: Allowance for loan and lease losses.....										6.

⁷ Includes, for example, investments in mutual funds/investment funds, exposures collateralized by securitization exposures or mutual funds, separate account bank-owned life insurance, and default fund contributions to central counterparties.

⁸ Column K - 250% risk weight is applicable to advanced approaches institutions only. The 250% risk weight currently is not applicable to non-advanced approaches institutions.

⁹ For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

¹⁰ For loans and lease held for investment, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

Schedule RC-R—Continued

Part II—Continued

	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)
			Allocation by Risk-Weight Category							
			0%	2%	4%	10%	20%	50%	100%	150%
Dollar Amounts in Thousands	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
7. Trading assets.....	RCON D976	RCON S466	RCON D977	RCON HJ86	RCON HJ87		RCON D978	RCON D979	RCON D980	RCON S467
	0	0	0	0	0		0	0	0	0
	RCON D981	RCON S469	RCON D982	RCON HJ88	RCON HJ89		RCON D983	RCON D984	RCON D985	RCON H185
	94,338	10,913	1,171	0	0		1,126	0	81,128	0
8. All other assets (11).....										
a. Separate account bank-owned life insurance.....										
b. Default fund contributions to central counterparties.....										

¹¹ Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

Schedule RC-R—Continued

Part II—Continued

	(Column K)	(Column L)	(Column M)	(Column N)	(Column O)	(Column P)	(Column Q)	(Column R)	(Column S)
	Allocation by Risk-Weight Category							Application of Other Risk-Weighting Approaches (12)	
	250% (13)	300%	400%	600%	625%	937.5%	1250%	Exposure Amount	Risk-Weighted Asset Amount
Dollar Amounts in Thousands	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
7. Trading assets.....	RCON H289	RCON H186	RCON H290	RCON H187				RCON H291	RCON H292
	NR	0	0	0				0	0
	RCON H293	RCON H188	RCON S470	RCON S471				RCON H294	RCON H295
	NR	0	0	0				0	0
8. All other assets (14).....								RCON H296	RCON H297
a. Separate account bank-owned life insurance.....								0	0
b. Default fund contributions to central counterparties.....								RCON H298	RCON H299
								0	0

¹² Includes, for example, investments in mutual funds/investment funds, exposures collateralized by securitization exposures or mutual funds, separate account bank-owned life insurance, and default fund contributions to central counterparties.

¹³ Column K - 250% risk weight is applicable to advanced approaches institutions only. The 250% risk weight currently is not applicable to non-advanced approaches institutions.

¹⁴ Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

Schedule RC-R—Continued

Part II—Continued

	(Column A) Totals	(Column B) Adjustments to Totals Reported in Column A	(Column Q) Allocation by Risk-Weight Category (Exposure Amount)	(Column T) Total Risk-Weighted Asset Amount by Calculation Methodology	(Column U)
	Amount	Amount	1250%	SSFA (15)	Gross-Up
			Amount	Amount	Amount
Dollar Amounts in Thousands					
Securitization Exposures: On- and Off-Balance Sheet					
9. On-balance sheet securitization exposures:					
a. Held-to-maturity securities.....	RCON S475	RCON S476	RCON S477	RCON S478	RCON S479
	0	0	0	0	0
b. Available-for-sale securities.....	RCON S480	RCON S481	RCON S482	RCON S483	RCON S484
	0	0	0	0	0
c. Trading assets.....	RCON S485	RCON S486	RCON S487	RCON S488	RCON S489
	0	0	0	0	0
d. All other on-balance sheet securitization exposures.....	RCON S490	RCON S491	RCON S492	RCON S493	RCON S494
	0	0	0	0	0
10. Off-balance sheet securitization exposures.....	RCON S495	RCON S496	RCON S497	RCON S498	RCON S499
	0	0	0	0	0

	(Column A) Total From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)
	Amount	Amount	Allocation by Risk-Weight Category							
			0%	2%	4%	10%	20%	50%	100%	150%
Dollar Amounts in Thousands										
11. Total balance sheet assets (16).....	RCON 2170	RCON S500	RCON D987	RCON HJ90	RCON HJ91		RCON D988	RCON D989	RCON D990	RCON S503
	1,792,114	(4,633)	138,602	0	0		271,781	442,663	855,173	88,528

	(Column K)	(Column L)	(Column M)	(Column N)	(Column O)	(Column P)	(Column Q)	(Column R)
	Allocation by Risk-Weight Category							Application of Other Risk- Weighting Approaches
	250% (17)	300%	400%	600%	625%	937.5%	1250%	
Dollar Amounts in Thousands								
11. Total balance sheet assets (16).....	RCON S504	RCON S505	RCON S506	RCON S507			RCON S510	RCON H300
	NR	0	0	0			0	0

¹⁵ Simplified Supervisory Formula Approach.

¹⁶ For each of columns A through R of item 11, report the sum of items 1 through 9. For item 11, the sum of columns B through R must equal column A. Item 11, column A, must equal Schedule RC, item 12.

¹⁷ Column K - 250% risk weight is applicable to advanced approaches institutions only. The 250% risk weight currently is not applicable to non-advanced approaches institutions.

Schedule RC-R—Continued

Part II—Continued

	(Column A) Face, Notional, or Other Amount	CCF (18)	(Column B) Credit Equivalent Amount (19)	(Column C)	(Column D)	(Column E)	(Col F)	(Column G)	(Column H)	(Column I)	(Column J)
				Allocation by Risk-Weight Category							
				0%	2%	4%	10%	20%	50%	100%	150%
Dollar Amounts in Thousands	Amount		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Derivatives, Off-Balance Sheet Items, and Other Items Subject to Risk Weighting (Excluding Securitization Exposures) (20)											
12. Financial standby letters of credit.....	RCON D991 2,286	1.0	RCON D992 2,286	RCON D993 0	RCON HJ92 0	RCON HJ93 0		RCON D994 0	RCON D995 0	RCON D996 2,286	RCON S511 0
13. Performance standby letters of credit and transaction-related contingent items.....	RCON D997 0	0.5	RCON D998 0	RCON D999 0				RCON G603 0	RCON G604 0	RCON G605 0	RCON S512 0
14. Commercial and similar letters of credit with an original maturity of one year or less.....	RCON G606 0	0.2	RCON G607 0	RCON G608 0	RCON HJ94 0	RCON HJ95 0		RCON G609 0	RCON G610 0	RCON G611 0	RCON S513 0
15. Retained recourse on small business obligations sold with recourse.....	RCON G612 0	1.0	RCON G613 0	RCON G614 0				RCON G615 0	RCON G616 0	RCON G617 0	RCON S514 0

18 Credit conversion factor.

19 Column A multiplied by credit conversion factor. For each of items 12 through 21, the sum of columns C through J plus column R must equal column B.

20 All derivatives and off-balance sheet items that are securitization exposures are to be excluded from items 12 through 21 and are to be reported instead in item 10.

Schedule RC-R—Continued

Part II—Continued

	(Column A) Face, Notional, or Other Amount	CCF (21)	(Column B) Credit Equivalent Amount (22)	(Column C)	(Column D)	(Column E)	(Col F)	(Column G)	(Column H)	(Column I)	(Column J)
				Allocation by Risk-Weight Category							
				0%	2%	4%	10%	20%	50%	100%	150%
Dollar Amounts in Thousands											
Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
16. Repo-style transactions (23).....	RCON S515		RCON S516	RCON S517	RCON S518	RCON S519		RCON S520	RCON S521	RCON S522	RCON S523
30,958	1.0	30,958	30,958	0	0		0	0	0	0	0
17. All other off-balance sheet liabilities.....	RCON G618		RCON G619	RCON G620				RCON G621	RCON G622	RCON G623	RCON S524
0	1.0	0	0				0	0	0	0	0
18. Unused commitments (exclude unused commitments to asset-backed commercial paper conduits):											
a. Original maturity of one year or less.....	RCON S525		RCON S526	RCON S527	RCON HJ96	RCON HJ97		RCON S528	RCON S529	RCON S530	RCON S531
99,255	0.2	19,851	0	0	0		0	0	19,851	0	0
b. Original maturity exceeding one year	RCON G624		RCON G625	RCON G626	RCON HJ98	RCON HJ99		RCON G627	RCON G628	RCON G629	RCON S539
87,251	0.5	43,626	0	0	0		0	5,205	38,421	0	0
19. Unconditionally cancelable commitments	RCON S540		RCON S541								
0	0.0	0									
20. Over-the-counter derivatives			RCON S542	RCON S543	RCON HK00	RCON HK01	RCON S544	RCON S545	RCON S546	RCON S547	RCON S548
			0	0	0	0	0	0	0	0	0
			RCON S549	RCON S550	RCON S551	RCON S552		RCON S554	RCON S555	RCON S556	RCON S557
			0	0	0	0		0	0	0	0
21. Centrally cleared derivatives											
22. Unsettled transactions (failed trades) (24)	RCON H191			RCON H193				RCON H194	RCON H195	RCON H196	RCON H197
0			0					0	0	0	0

21 Credit conversion factor.

22 For items 16 through 19, column A multiplied by credit conversion factor.

23 Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.

24 For item 22, the sum of columns C through Q must equal column A.

Schedule RC-R—Continued

Part II—Continued

	(Column O)	(Column P)	(Column Q)	(Column R)	(Column S)
	Allocation by Risk-Weight Category			Application of Other Risk-Weighting Approaches (25)	
	625%	937.5%	1250%	Credit Equivalent Amount	Risk-Weighted Asset Amount
	Amount	Amount	Amount	Amount	Amount
Dollar Amounts in Thousands					
16. Repo-style transactions (26).....				RCON H301	RCON H302
				0	0
17. All other off-balance sheet liabilities.....					
18. Unused commitments (excludes unused commitments to asset-backed commercial paper conduits):				RCON H303	RCON H304
a. Original maturity of one year or less.....				0	0
b. Original maturity exceeding one year				0	0
19. Unconditionally cancelable commitments					
				RCON H309	RCON H310
20. Over-the-counter derivatives				0	0
21. Centrally cleared derivatives					
22. Unsettled transactions (failed trades) (27).....	RCON H198	RCON H199	RCON H200		
	0	0	0		

²⁵ Includes, for example, exposures collateralized by securitization exposures or mutual funds.

²⁶ Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.

²⁷ For item 22, the sum of columns C through Q must equal column A.

Schedule RC-R—Continued

Part II—Continued

	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)
	Allocation by Risk-Weight Category							
	0%	2%	4%	10%	20%	50%	100%	150%
Dollar Amounts in Thousands	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22)	RCON G630	RCON S558	RCON S559	RCON S560	RCON G631	RCON G632	RCON G633	RCON S561
	169,560	0	0	0	271,781	447,868	915,731	88,528
24. Risk weight factor	X 0%	X 2%	X 4%	X 10%	X 20%	X 50%	X 100%	X 150%
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	RCON G634	RCON S569	RCON S570	RCON S571	RCON G635	RCON G636	RCON G637	RCON S572
	0	0	0	0	54,356	223,934	915,731	132,792

Schedule RC-R—Continued

Part II—Continued

	(Column K)	(Column L)	(Column M)	(Column N)	(Column O)	(Column P)	(Column Q)
Allocation by Risk-Weight Category							
Dollar Amounts in Thousands	250% (28) Amount	300% Amount	400% Amount	600% Amount	625% Amount	937.5% Amount	1250% Amount
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22)							
	RCON S562	RCON S563	RCON S564	RCON S565	RCON S566	RCON S567	RCON S568
24. Risk weight factor	NR	0	0	0	0	0	0
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	X 250%	X 300%	X 400%	X 600%	X 625%	X 937.5%	X 1250%
	RCON S573	RCON S574	RCON S575	RCON S576	RCON S577	RCON S578	RCON S579
	NR	0	0	0	0	0	0

	Totals	
Dollar Amounts in Thousands	RCON	Amount
26. Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold.....	S580	1,326,813
27. Standardized market-risk weighted assets (applicable only to banks that are covered by the market risk capital rules).....	S581	0
28. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve (29).....	B704	1,326,813
29. LESS: Excess allowance for loan and lease losses	A222	0
30. LESS: Allocated transfer risk reserve	3128	0
31. Total risk-weighted assets (item 28 minus items 29 and 30).....	G641	1,326,813

²⁸ Column K - 250% risk weight is applicable to advanced approaches institutions only. The 250% risk weight currently is not applicable to non-advanced approaches institutions.

²⁹ Sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and item 27 (if applicable).

Schedule RC-R—Continued

Part II—Continued

Memoranda

		Dollar Amounts in Thousands	RCON	Amount	
1.	Current credit exposure across all derivative contracts covered by the regulatory capital rules		G642	0	M.1.

		With a remaining maturity of						
		(Column A) One year or less		(Column B) Over one year through five years		(Column C) Over five years		
		RCON	Amount	RCON	Amount	RCON	Amount	
2.	Notional principal amounts of over-the-counter derivative contracts:	Dollar Amounts in Thousands						
a.	Interest rate	S582	994	S583	0	S584	0	M.2.a.
b.	Foreign exchange rate and gold	S585	0	S586	0	S587	0	M.2.b.
c.	Credit (investment grade reference asset)	S588	0	S589	0	S590	0	M.2.c.
d.	Credit (non-investment grade reference asset)	S591	0	S592	0	S593	0	M.2.d.
e.	Equity	S594	0	S595	0	S596	0	M.2.e.
f.	Precious metals (except gold)	S597	0	S598	0	S599	0	M.2.f.
g.	Other	S600	0	S601	0	S602	0	M.2.g.
3.	Notional principal amounts of centrally cleared derivative contracts:	Dollar Amounts in Thousands						
a.	Interest rate	S603	0	S604	0	S605	0	M.3.a.
b.	Foreign exchange rate and gold	S606	0	S607	0	S608	0	M.3.b.
c.	Credit (investment grade reference asset)	S609	0	S610	0	S611	0	M.3.c.
d.	Credit (non-investment grade reference asset)	S612	0	S613	0	S614	0	M.3.d.
e.	Equity	S615	0	S616	0	S617	0	M.3.e.
f.	Precious metals (except gold)	S618	0	S619	0	S620	0	M.3.f.
g.	Other	S621	0	S622	0	S623	0	M.3.g.

Schedule RC-S—Servicing, Securitization, and Asset Sale Activities

	(Column A) 1-4 Family Residential Loans		(Columns B - F) Not applicable		(Column C) All Other Loans, All Leases, and All other Assets	
	RCON	Amount	RCON	Amount	RCON	Amount
Dollar Amounts in Thousands						
Bank Securitization Activities						
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements	B705	0			B711	0 1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1.....	HU09	0			HU15	0 2.
3. Not applicable						
4. Past due loan amounts included in item 1:						
a. 30-89 days past due.....	B733	0			B739	0 4.a.
b. 90 days or more past due.....	B740	0			B746	0 4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):						
a. Charge-offs.....	RIAD				RIAD	
b. Recoveries.....	B747	0			B753	0 5.a.
	B754	0			B760	0 5.b.
<i>Item 6 is to be completed by banks with \$10 billion or more total assets. (1)</i>						
6. Amount of ownership (or seller's) interests carried as:.....					RCON	
7. and 8. Not applicable					HU19	NR 6.
For Securitization Facilities Sponsored By or Otherwise Established By Other Institutions						
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements.....	RCON					
	B776	0			B782	0 9.
<i>Item 10 is to be completed by banks with \$10 billion or more in total assets. (1)</i>						
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures.....	B783	NR			B789	NR 10.
Bank Asset Sales						
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank.....	B790	0			B796	0 11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11.....	B797	0			B803	0 12.

¹ The \$10 billion asset size test is based on total assets reported in the June 30, 2017, Report of Condition.

Schedule RC-S—Continued

Memoranda

	RCON	Amount	
1. Not applicable			
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements.....	B804	0	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements.....	B805	0	M.2.b.
c. Other financial assets (includes home equity lines) (1).....	A591	3,854	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans).....	F699	0	M.2.d.
<i>Memorandum item 3 is to be completed by banks with \$10 billion or more in total assets. (2)</i>			
3. Asset-backed commercial paper conduits: (2)			
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			
(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company.	B806	NR	M.3.a1.
(2) Conduits sponsored by other unrelated institutions	B807	NR	M.3.a2.
b. Unused commitments to provide liquidity to conduit structures:			
(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company.....	B808	NR	M.3.b1.
(2) Conduits sponsored by other unrelated institutions.....	B809	NR	M.3.b2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column G (2,3).....	C407	0	M.4.

¹ Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than \$10 million.

² The \$10 billion asset size test is based on total assets reported in the June 30, 2017, Report of Condition.

³ Memorandum item 4 is to be completed by banks with \$10 billion or more in total assets that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Schedule RC-T—Fiduciary and Related Services

1. Does the institution have fiduciary powers? (If "NO", do not complete Schedule RC-T).....
2. Does the institution exercise the fiduciary powers it has been granted?.....
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T).....

RCON	YES / NO	
A345	YES	1.
A346	NO	2.
B867	NO	3.

If the answer to item 3 is "YES," complete the applicable items of Schedule RC-T, as follows:

Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than \$250 million (as of the preceding December 31) or with gross fiduciary and related services income greater than 10% of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:

- Items 4 through 22 and Memorandum item 3 quarterly,
- Items 23 through 26 annually with the December report, and
- Memorandum items 1, 2, and 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) less than or equal to \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 13 annually with the December report, and
 - Memorandum items 1 through 3 annually with the December report.
- Institutions with total fiduciary assets greater than \$100 million but less than or equal to \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must also complete Memorandum item 4 annually with the December report.

Dollar Amounts in Thousands

	(Column A) Managed Assets	(Column B) Non-Managed Assets	(Column C) Number of Managed Accounts	(Column D) Number of Non-Managed Accounts	
	Amount	Amount	Number	Number	
Fiduciary and Related Assets	RCON B868	RCON B869	RCON B870	RCON B871	
4. Personal trust and agency accounts.....	NR	NR	NR	NR	4.
5. Employee benefit and retirement-related trust and agency accounts:					
a. Employee benefit - defined contribution.....	RCON B872	RCON B873	RCON B874	RCON B875	5.a.
b. Employee benefit - defined benefit.....	RCON B876	RCON B877	RCON B878	RCON B879	5.b.
c. Other employee benefit and retirement-related accounts.....	RCON B880	RCON B881	RCON B882	RCON B883	5.c.
	RCON B884	RCON B885	RCON C001	RCON C002	
6. Corporate trust and agency accounts.....	NR	NR	NR	NR	6.
7. Investment management and investment advisory agency accounts.....	RCON B886	RCON J253	RCON B888	RCON J254	
	NR	NR	NR	NR	7.
8. Foundation and endowment trust and agency accounts..	RCON J255	RCON J256	RCON J257	RCON J258	
	NR	NR	NR	NR	8.
9. Other fiduciary accounts.....	RCON B890	RCON B891	RCON B892	RCON B893	
	NR	NR	NR	NR	9.
10. Total fiduciary accounts (sum of items 4 through 9).....	RCON B894	RCON B895	RCON B896	RCON B897	
	NR	NR	NR	NR	10.

Schedule RC-T—Continued

	(Column A) Managed Assets	(Column B) Non-Managed Assets	(Column C) Number of Managed Accounts	(Column D) Number of Non-Managed Accounts	
	Amount	Amount	Number	Number	
Dollar Amounts in Thousands					
11. Custody and safekeeping accounts.....		RCON B898		RCON B899	11.
12. Not applicable		NR		NR	
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11).....	RCON J259	RCON J260	RCON J261	RCON J262	13.
	NR	NR	NR	NR	

	Dollar Amounts in Thousands		RIAD	Amount	
Fiduciary and related services income					
14. Personal trust and agency accounts.....			B904	NR	14.
15. Employee benefit and retirement-related trust and agency accounts:					
a. Employee benefit - defined contribution.....			B905	NR	15.a.
b. Employee benefit - defined benefit.....			B906	NR	15.b.
c. Other employee benefit and retirement-related accounts.....			B907	NR	15.c.
16. Corporate trust and agency accounts.....			A479	NR	16.
17. Investment management and investment advisory agency accounts.....			J315	NR	17.
18. Foundation and endowment trust and agency accounts.....			J316	NR	18.
19. Other fiduciary accounts.....			A480	NR	19.
20. Custody and safekeeping accounts.....			B909	NR	20.
21. Other fiduciary and related services income.....			B910	NR	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a).....			4070	NR	22.
23. Less: Expenses.....			C058	NR	23.
24. Less: Net losses from fiduciary and related services.....			A488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services.....			B911	NR	25.
26. Net fiduciary and related services income.....			A491	NR	26.

Memoranda

	Dollar Amounts in Thousands						
	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts		(Column C) All Other Accounts		
	RCON	Amount	RCON	Amount	RCON	Amount	
1. Managed assets held in fiduciary accounts:							
a. Noninterest-bearing deposits.....	J263	NR	J264	NR	J265	NR	M.1.a.
b. Interest-bearing deposits.....	J266	NR	J267	NR	J268	NR	M.1.b.
c. U.S. Treasury and U.S. Government agency obligations.....	J269	NR	J270	NR	J271	NR	M.1.c.
d. State, county, and municipal obligations.....	J272	NR	J273	NR	J274	NR	M.1.d.
e. Money market mutual funds.....	J275	NR	J276	NR	J277	NR	M.1.e.
f. Equity mutual funds.....	J278	NR	J279	NR	J280	NR	M.1.f.
g. Other mutual funds.....	J281	NR	J282	NR	J283	NR	M.1.g.
h. Common trust funds and collective investment funds.....	J284	NR	J285	NR	J286	NR	M.1.h.
i. Other short-term obligations.....	J287	NR	J288	NR	J289	NR	M.1.i.
j. Other notes and bonds.....	J290	NR	J291	NR	J292	NR	M.1.j.
k. Investments in unregistered funds and private equity investments.....	J293	NR	J294	NR	J295	NR	M.1.k.

Schedule RC-T—Continued

Memoranda—Continued

	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts		(Column C) All Other Accounts		
	RCON	Amount	RCON	Amount	RCON	Amount	
Dollar Amounts in Thousands							
1. l. Other common and preferred stocks.....	J296	NR	J297	NR	J298	NR	M.1.l.
m. Real estate mortgages.....	J299	NR	J300	NR	J301	NR	M.1.m.
n. Real estate.....	J302	NR	J303	NR	J304	NR	M.1.n.
o. Miscellaneous assets.....	J305	NR	J306	NR	J307	NR	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o).....	J308	NR	J309	NR	J310	NR	M.1.p.

	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
	RCON	Amount	RCON	Number	
Dollar Amounts in Thousands					
1. q. Investments of managed fiduciary accounts in advised or sponsored mutual funds.....	J311	NR	J312	NR	M.1.q.

	(Column A) Number of Issues		(Column B) Principal Amount Outstanding		
	RCON	Number	RCON	Amount	
Dollar Amounts in Thousands					
2. Corporate trust and agency accounts:					
a. Corporate and municipal trusteeships.....	B927	NR	RCON B928		M.2.a.
(1) Issues reported in Memorandum item 2.a that are in default.....	J313	NR	RCON J314		M.2.a.1.
b. Transfer agent, registrar, paying agent, and other corporate agency.....	B929	NR			M.2.b.

Memorandum items 3.a through 3.h are to be completed by banks with collective investment funds and common trust funds with a total market value of \$1 billion or more as of the preceding December 31.

Memorandum item 3.h only is to be completed by banks with collective investment funds and common trust funds with a total market value of less than \$1 billion as of the preceding December 31.

	(Column A) Number of Funds		(Column B) Market Value of Fund Assets		
	RCON	Number	RCON	Amount	
Dollar Amounts in Thousands					
3. Collective investment funds and common trust funds:					
a. Domestic equity.....	B931	NR	B932	NR	M.3.a.
b. International/Global equity.....	B933	NR	B934	NR	M.3.b.
c. Stock/Bond blend.....	B935	NR	B936	NR	M.3.c.
d. Taxable bond.....	B937	NR	B938	NR	M.3.d.
e. Municipal bond.....	B939	NR	B940	NR	M.3.e.
f. Short-term investments/Money market.....	B941	NR	B942	NR	M.3.f.
g. Specialty/Other.....	B943	NR	B944	NR	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g).....	B945	NR	B946	NR	M.3.h.

Schedule RC-T—Continued

Memoranda—Continued

Dollar Amounts in Thousands

	(Column A) Gross Losses Managed Accounts		(Column B) Gross Losses Non-Managed Accounts		(Column C) Recoveries		
	RIAD	Amount	RIAD	Amount	RIAD	Amount	
4. Fiduciary settlements, surcharges, and other losses:							
a. Personal trust and agency accounts.....	B947	NR	B948	NR	B949	NR	M.4.a.
b. Employee benefit and retirement-related trust and agency accounts.....	B950	NR	B951	NR	B952	NR	M.4.b.
c. Investment management and investment advisory agency accounts.....	B953	NR	B954	NR	B955	NR	M.4.c.
d. Other fiduciary accounts and related services.....	B956	NR	B957	NR	B958	NR	M.4.d.
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24).....	B959	NR	B960	NR	B961	NR	M.4.e.

Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed:

Name and Title (TEXT B962)

E-mail Address (TEXT B926)

Telephone: Area code/phone number/extension (TEXT B963) FAX: Area code/phone number (TEXT B964)

Optional Narrative Statement Concerning the Amounts Reported in the Reports of Condition and Income

The management of the reporting bank may, if it wishes, submit a brief narrative statement on the amounts reported in the Reports of Condition and Income. This optional statement will be made available to the public, along with the publicly available data in the Reports of Condition and Income, in response to any request for individual bank report data. However, the information reported in Schedule RI-E, Item 2.g; Schedule RC-O, Memorandum items 6 through 9, 14, 15 and 18; and Schedule RC-P, items 7.a and 7.b, is regarded as confidential and will not be released to the public. BANKS CHOOSING TO SUBMIT THE NARRATIVE STATEMENT SHOULD ENSURE THAT THE STATEMENT DOES NOT CONTAIN THE NAMES OR OTHER IDENTIFICATIONS OF INDIVIDUAL BANK CUSTOMERS, REFERENCES TO THE AMOUNTS REPORTED IN THE CONFIDENTIAL ITEMS IDENTIFIED ABOVE, OR ANY OTHER INFORMATION THAT THEY ARE NOT WILLING TO HAVE MADE PUBLIC OR THAT WOULD COMPROMISE THE PRIVACY OF THEIR CUSTOMERS. Banks choosing not to make a statement may check the "No comment" box below and should make no entries of any kind in the space provided for the narrative statement; i.e., DO NOT enter in this space such phrases as "No statement," "Not applicable," "N/A," "No comment," and "None."

The optional statement must be entered on this sheet. The statement should not exceed 100 words. Further, regardless of the number of words, the statement must not exceed 750 characters, including punctuation, indentation, and standard spacing between words and sentences. If any submission should exceed 750 characters, as defined, it will be truncated at 750 characters with no notice to the submitting bank and the truncated

statement will appear as the bank's statement both on agency computerized records and in computer-file releases to the public.

All information furnished by the bank in the narrative statement must be accurate and not misleading. Appropriate efforts shall be taken by the submitting bank to ensure the statement's accuracy.

If, subsequent to the original submission, material changes are submitted for the data reported in the Reports of Condition and Income, the existing narrative statement will be deleted from the files, and from disclosure; the bank, at its option, may replace it with a statement appropriate to the amended data.

The optional narrative statement will appear in agency records and in release to the public exactly as submitted (or amended as described in the preceding paragraph) by the management of the bank (except for the truncation of statements exceeding the 750-character limit described above). THE STATEMENT WILL NOT BE EDITED OR SCREENED IN ANY WAY BY THE SUPERVISORY AGENCIES FOR ACCURACY OR RELEVANCE. DISCLOSURE OF THE STATEMENT SHALL NOT SIGNIFY THAT ANY FEDERAL SUPERVISORY AGENCY HAS VERIFIED OR CONFIRMED THE ACCURACY OF THE INFORMATION CONTAINED THEREIN. A STATEMENT TO THIS EFFECT WILL APPEAR ON ANY PUBLIC RELEASE OF THE OPTIONAL STATEMENT SUBMITTED BY THE MANAGEMENT OF THE REPORTING BANK.

Comments?.....

RCON	YES / NO
6979	NO

BANK MANAGEMENT STATEMENT (please type or print clearly):
(TEXT 6980)

EXHIBIT 8

SAFEKEEPING AGREEMENT

**SAFEKEEPING AGREEMENT
BETWEEN UPSHUR COUNTY
And Austin Bank, Texas National Association
And Frost Bank**

WHEREAS, the Upshur County, hereinafter referred to as "Customer", has selected Austin Bank, Texas National Association, hereinafter referred to as "Bank", as a depository to receive demand deposits and time deposits and for the purchase of certificates of deposit by Customer; and, Bank has selected Frost Bank, hereinafter referred to as the "Safekeeping Bank", as the custodian of pledged securities, and,

AND, WHEREAS, said Bank has a place of business in the same city as Customer and is duly organized and incorporated under the laws of the United States,

NOW, THEREFORE:

1. Deposits. Customer hereby agrees and is authorized to keep in Bank moneys and funds, as certificates of deposit of Customer and demand deposits. Customer shall have the power to determine and designate the character and amount of the funds which will be deposited in Bank. Management responsibility and authority for and on behalf of Customer is hereby delegated to the (1) Manager, (2) Secretary and/or (3) Finance Director, hereafter referred to as "Designated Official". Such deposits shall never be the subject of any garnishment or attachment, and Bank and Safekeeping Bank shall not recognize any attempt to garnish or attach principal or interest or be a party to any such action.

2. Securities Pledged. Bank agrees to pledge and constantly keep, in Safekeeping Bank, as security for Customer deposits, securities owned by Bank and on which Customer shall have a lien to the extent of its deposits. Such securities shall be of the following kinds and none other:
 - (1) United States Treasury Bills, Notes and Bonds,
 - (2) Notes and Bonds of United States Agencies and Instrumentalities,
 - (3) Other Evidences of Indebtedness of the United States Government which are guaranteed as to principal and interest by the United States Government,
 - (4) Municipal bonds rated A or better.

The pledged securities shall not be less than 102% of the total amount of Customer funds, *including accrued interest*, on deposit at all times with Bank. The kind, value, and substitution of such securities shall be subject to prior approval by Customer. It is the intention of the parties that Customer shall have a first and prior lien on such securities to the extent of its funds on deposit therein and that none of such securities shall be pledged or subject to any lien other than that of Customer. The value of the securities pledged and on which Customer shall have its lien shall be determined by Bank as the current market value. The final determination of such value shall be at the discretion of Customer, whose decision shall be final and binding. Bank is to value the securities no less than monthly.

If at any time the market value of the pledged securities becomes less than 102% of the total amount of Customer funds on deposit, Bank shall immediately pledge additional securities owned by Bank, upon which additional securities Customer shall also have its first and prior lien in such additional amount as required to provide not less than the one hundred and two percent (102%) security.

If at any time the market value of the pledged securities becomes more than 102% of the total amount of Customer funds on deposit with Bank, Bank may request from Customer that certain securities be released

REQUEST FOR PROPOSALS- Upshur County Bank Depository

from the pledge to bring the total to 102% security.

Bank shall be responsible for monitoring and maintaining the required value of the pledged securities at all times.

3. Safekeeping. Securities pledged by Bank shall be delivered to Safekeeping Bank, and neither possession thereof nor the lien thereon shall ever be released by said Safekeeping Bank except on the express consent of Customer. A record of the securities pledged by Bank shall be provided simultaneously to Customer for approval as authorized securities. Bank will provide any Designated Official with original safekeeping receipts clearly marked on their face that security is pledged to Customer.

Safekeeping Bank shall permit any "Designated Official" to examine said securities in the presence of the appropriate officials of Bank at any time during normal business hours.

The Bank and Safekeeping Bank shall not be within the same holding company.

4. Indemnification of the Custodian: Exculpation. Except in cases of the Safekeeping Bank's gross negligence or willful misconduct, Bank hereby agrees to indemnify Safekeeping Bank and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity (collectively, "Claims"), or any other expenses, fees or charges of any character or nature which Safekeeping Bank may incur or with which it may be threatened by reason of Safekeeping Bank's actions under this Agreement, including but not limited to, any Claims caused or alleged to be caused by the sole or concurrent negligence of Safekeeping Bank, its employees or agents; and, in connection therewith, to indemnify Safekeeping Bank against any and all expenses, including without limitation, reasonable attorneys' fees and expenses incurred by Safekeeping Bank. Safekeeping Bank may itself defend any suit brought against it and shall be equally entitled to receive reimbursement from Bank, its reasonable attorneys' fees, expenses, and all fees and costs incident to any appeals which may result. Bank and Customer agree that Safekeeping Bank shall have no liability to either of them for any loss or damage that either or both may claim to have suffered or incurred, either directly or indirectly, by reason of this Agreement or any transaction or service contemplated by this Agreement, regardless of whether such loss or damage is caused or alleged to be caused by the sole or concurrent negligence of Safekeeping Bank, its employees or agents, unless occasioned solely by the gross negligence or willful misconduct of Safekeeping Bank. In no event shall Safekeeping Bank be liable for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond Safekeeping Bank's reasonable control or for indirect, special or consequential damages.

5. Substitution. Any change to or substitution of the securities shall be approved by Customer prior to that change or substitution and shall be subject to the lien. Bank shall have full right of substitution of securities, and the lien may be released by Customer provided that the securities substituted meet the requirements as specified in this agreement and are approved by Customer.

6. Release of Securities. Customer agrees to release to Bank, in a timely manner, any securities pledged when the amount of deposits in Bank are less than the value of the securities pledged and securities remain equaling 102% of deposits.

7. Interest Payments. Safekeeping Bank is directed to surrender all interest payments or other evidences of interest, when due, on securities to Bank, provided that securities remaining pledged are sufficient to meet or exceed by 102% the total Customer funds on deposit.

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8. Financial Statements Both Bank and Safekeeping Bank will make available to Customer, on an annual basis, audited annual financial statements.

9. Liquidation If Bank fails to faithfully perform all of the promises, conditions, duties and obligations required by law and covenanted to be performed under the terms of this contract, or if Bank fails to pay Customer the face amount, plus earned interest, of any time deposit upon the maturity date or fails to faithfully keep said funds of Customer and account for same according to law, then Customer may enforce its lien and sell the securities pledged at public or private sale. After sale is made, the net proceeds of the securities shall be applied to the satisfaction and discharge of all existing or outstanding obligations of Bank to Customer, including any necessary legal expense incident to the enforcement of this agreement, or to maintain any action against the Bank or its Receiver for any deficiency. In the event the proceeds derived from the sale are not sufficient to satisfy and discharge such obligation, Customer may proceed in a court of competent jurisdiction against Bank or any other person, firm, or corporation in possession of Bank's assets. Any suits arising hereunder shall be filed and tried in Cherokee County, Texas.

10. Term This agreement, shall extend to and cover the entire period of time during which Bank shall act as depository for Customer and until all obligations hereunder have been performed, at which time the lien hereby created on the securities or any substitutes therefor shall be released, and securities shall be returned to Bank by Safekeeping Bank.

11. Termination Notwithstanding any of the provisions hereof, Customer shall have, and does hereby retain the right to utilize, other depositories and the right to terminate this contract whenever the interest of the Customer may demand.

This Agreement shall terminate and be of no force and effect upon receipt by the Safekeeping Bank of written notice from Customer that Customer no longer claims an interest in the control account. This Agreement may be terminated by Safekeeping Bank, with or without cause, upon its delivery of thirty (30) days prior written notice thereof to Bank and Customer, and upon the expiration of such thirty (30) day period, all of Safekeeping Bank's obligations hereunder shall cease. Upon the effective date of such termination, Safekeeping bank will simultaneously transmit to Bank all Pledged Securities.

EXECUTED, this ___ day of _____, 20__.

CUSTOMER:

Signature: _____ Date: _____

Name: _____

Title: _____

Address for Notice: _____

BANK:

Signature: _____ Date: _____

Name: _____

Title: _____

Address for Notice: _____

REQUEST FOR PROPOSALS- Upshur County Bank Depository

SAFEKEEPING BANK:

Signature: _____

Date: _____

Name: _____

Title: _____

FILED
TERRI ROSS
COUNTY CLERK
2019 MAR 29 AM 11:10
UPSHUR COUNTY, TX.
BY [Signature]
DEPUTY