

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

BANKING COMMISSIONER
OF THE
TEXAS DEPARTMENT OF BANKING
AUSTIN, TEXAS

Written Agreement by and among

ABCT HOLDINGS, INC.
Waco, Texas

FEDERAL RESERVE BANK OF DALLAS
Dallas, Texas

and

BANKING COMMISSIONER OF THE
TEXAS DEPARTMENT OF BANKING
Austin, Texas

Docket No. 13-020-WA/RB-HC
Commissioner Order 2013-014

WHEREAS, ABCT Holdings, Inc., Waco, Texas (“Holdings”), a registered bank holding company, owns and controls Alliance Bank Central Texas, Waco, Texas (“Bank”), a state-chartered, nonmember bank;

WHEREAS, it is the common goal of Holdings, the Federal Reserve Bank of Dallas (the “Reserve Bank”), and the Banking Commissioner (the “Commissioner”) of the Texas Department of Banking to maintain the financial soundness of Holdings so that Holdings may serve as a source of strength to the Bank;

WHEREAS, Holdings, the Reserve Bank, and the Commissioner have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on August 5, 2013, the board of directors of Holdings, at a duly constituted meeting, adopted a resolution authorizing and directing Eric Shero, President, to enter into this Agreement on behalf of Holdings, and consenting to compliance with each and every provision of this Agreement by Holdings and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. §§ 1813(u) and 1818(b)(3)).

NOW, THEREFORE, Holdings, the Reserve Bank, and the Commissioner agree as follows:

Source of Strength

1. The board of directors of Holdings shall take appropriate steps to fully utilize Holdings’ financial and managerial resources, pursuant to section 38A of the FDI Act (12 U.S.C. § 1831o-1) and Regulation Y of the Board of Governors of the Federal Reserve System (the “Board of Governors”) (12 C.F.R. § 225.4 (a)), to serve as a source of strength to the Bank, including, but not limited to ensuring that the Bank operates in a safe and sound manner and complies with the Consent Order issued jointly by the Federal Deposit Insurance Corporation and the Commissioner on August 21, 2012, and any other supervisory action taken by the Bank’s federal or state regulator with respect to the supervision and regulation of the Bank.

Dividends

2. (a) Holdings shall not declare or pay any dividends without the prior written approval of the Reserve Bank, the Director of the Division of Banking Supervision, Regulation (the “Director”) of the Board of Governors, and the Commissioner.

(b) Holdings shall not, directly or indirectly, take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank and the Commissioner.

(c) All requests for prior approval shall be received by the Reserve Bank and the Commissioner at least 30 days prior to the proposed dividend declaration date. All requests shall contain, at a minimum, current and projected information on Holdings' capital, earnings, and cash flow; the Bank's capital, asset quality, earnings, and allowance for loan and lease losses; and identification of the sources of funds for the proposed payment. Holdings must also demonstrate that the requested declaration or payment of dividends is consistent with the Board of Governors' Policy Statement on the Payment of Cash Dividends by State Member Banks and Bank Holding Companies, dated November 14, 1985 (Federal Reserve Regulatory Service, 4-877 at page 4-323).

Debt and Stock Redemption

3. (a) Holdings shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank and the Commissioner. All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the debt, and the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) Holdings shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank and the Commissioner.

Books and Records

4. Within 30 days of this Agreement, Holdings shall submit to the Reserve Bank and the Commissioner acceptable written policies and procedures to strengthen and maintain internal controls to ensure that ownership interests in Holdings are properly aggregated.

Cash Flow Projections

5. Within 30 days of this Agreement, Holdings shall submit to the Reserve Bank and the Commissioner a written statement of its planned sources and uses of cash for debt service, operating expenses, and other purposes (“Cash Flow Projection”) for the remainder of 2013. Holdings shall submit to the Reserve Bank and the Commissioner a Cash Flow Projection for each calendar year subsequent to 2013 at least one month prior to the beginning of that calendar year.

Compliance with Laws and Regulations

6. (a) In appointing any new director or senior executive officer, or changing the responsibilities of any senior executive officer so that the officer would assume a different senior executive officer position, Holdings shall comply with the notice provisions of section 32 of the FDI Act (12 U.S.C. § 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. §§ 225.71 *et seq.*), and Holdings shall also obtain prior approval of the Commissioner.

(b) Holdings shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation’s regulations (12 C.F.R. Part 359).

Progress Reports

7. Within 45 days after the end of each calendar quarter following the date of this Agreement, Holdings shall submit to the Reserve Bank and the Commissioner written progress

reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Agreement and the results thereof, and a parent company only balance sheet, income statement, and, as applicable, reports of changes in stockholders' equity.

Approval and Implementation of Plans and Procedures

8. (a) Holdings shall submit written plans and procedures that are acceptable to the Reserve Bank and the Commissioner within the applicable time periods set forth in paragraph 4 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank and the Commissioner, Holdings shall adopt the approved plans and procedures. Upon adoption, Holdings shall promptly implement the approved plans and procedures, and thereafter fully comply with them.

(c) During the term of this Agreement, the approved plans and procedures shall not be amended or rescinded without the prior written approval of the Reserve Bank and the Commissioner.

Communications

9. All communications regarding this Agreement shall be sent to:

(a) Mr. Earl Anderson
Vice president
Federal Reserve Bank of Dallas
2200 North Pearl Street
Dallas, Texas 75201

(b) Mr. Charles Cooper
Commissioner
Texas Department of Banking
2601 North Lamar Blvd.
Austin, Texas 78705

(c) Mr. Eric Shero
President
ABCT Holdings, Inc.
4721 Bosque Boulevard
Waco, Texas 76710

10. Notwithstanding any provision of this Agreement, the Reserve Bank and the Commissioner may, in their sole discretion, grant written extensions of time to Holdings to comply with any provision of this Agreement.

11. The provisions of this Agreement shall be binding upon Holdings and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

12. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank and the Commissioner.

13. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, the Commissioner, or any other federal or state agency from taking any other action affecting Holdings, the Bank, any nonbank subsidiary of Holdings, or any of their current or former institution-affiliated parties and their successors and assigns.

14. (a) Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

(b) This Agreement shall constitute an Agreement within the meaning of Sections 31.002(a)(29)(C), 35.002(a)(5), and 202.005(a)(2), Texas Finance Code and is enforceable by the Commissioner as a final, non-appealable, and immediately enforceable order pursuant to the provisions of Texas Finance Code § 35.009 and other provisions of Texas law.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 5th day of August, 2013.

ABCT HOLDINGS, INC.

FEDERAL RESERVE BANK OF
DALLAS

By: /s/ Eric Shero
Eric Shero
President

By: /s/ Earl Anderson
Earl Anderson
Vice President

TEXAS DEPARTMENT OF BANKING

By: /s/ Charles G. Cooper
Charles G. Cooper
Texas Banking Commissioner