

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

TEXAS DEPARTMENT OF BANKING
AUSTIN, TEXAS

Written Agreement by and among

RIVERBEND FINANCIAL CORPORATION
Fort Worth, Texas

FEDERAL RESERVE BANK OF DALLAS
Dallas, Texas

and

TEXAS DEPARTMENT OF BANKING
Austin, Texas

Docket No. 23-002-WA/RB-HC

Commissioner Order 2023-006

WHEREAS, Riverbend Financial Corporation, Fort Worth, Texas (“Riverbend”), a registered bank holding company, owns and controls Spectra Bank, Fort Worth, Texas (“Bank”), a state-chartered, nonmember bank, and a nonbank subsidiary;

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

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

WHEREAS, Shair Baz Hakemy, is authorized to enter into this Agreement on behalf of Riverbend, and consenting to compliance with each and every provision of this Agreement by Riverbend.

NOW, THEREFORE, Riverbend, the Reserve Bank, and the Department agree as follows:

Source of Strength

1. The board of directors of Riverbend shall take appropriate steps to fully utilize Riverbend's financial and managerial resources, pursuant to section 38A of the Federal Deposit Insurance Act, as amended ("the FDI Act") (12 U.S.C. § 1831o-1) and section 225.4(a) of 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, taking steps to ensure that the Bank complies with the Consent Order entered into by the Federal Deposit Insurance Corporation (the "FDIC") and the Department on December 3, 2020, and any other supervisory action taken by the Bank's federal or state regulator.

Dividends and Distributions

2. (a) Riverbend shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Department.

(b) Riverbend 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 Department.

(c) Riverbend and its nonbank subsidiary shall not make any distributions of interest, principal, or other sums on subordinated debentures, shareholder loans, or trust preferred securities without the prior written approval of the Reserve Bank and the Department.

(d) All requests for prior approval shall be received by the Reserve Bank and the Department at least 30 days prior to the proposed dividend declaration date, proposed distribution on subordinated debentures, and required notice of deferral on trust preferred securities. All requests shall contain, at a minimum, current and projected information on Riverbend's 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 or distribution.

Debt and Stock Redemption

3. (a) Riverbend and its nonbank subsidiary shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank and the Department. 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) Riverbend shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank and the Department.

Cash Flow Projections

4. Within 60 days of this Agreement, Riverbend shall submit to the Reserve Bank and the Department a written statement of its planned sources and uses of cash for debt service, operating expenses, and other purposes ("Cash Flow Projection") for 2023. Riverbend shall submit to the Reserve Bank and the Department for each calendar year subsequent to 2023 at least one month prior to the beginning of that calendar year.

Compliance with Laws and Regulations

5. (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, Riverbend 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 Riverbend shall also obtain the prior approval of the Department.

(b) Riverbend 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 FDIC's regulations (12 C.F.R. Part 359).

Progress Reports

6. Within 45 days after the end of each calendar quarter following the date of this Agreement, Riverbend shall submit to the Reserve Bank and the Department 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.

Communications

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

(a) Ms. Amy McGregor
Vice President
Federal Reserve Bank of Dallas
2200 North Pearl Street
Dallas, Texas 75201

(b) Mr. Charles G. Cooper
Banking Commissioner
Texas Department of Banking

2601 North Lamar Boulevard, Suite 201
Austin, Texas 78705

(c) Mr. Shair Baz Hakemy
Chairman
Riverbend Financial Corporation
2331 W. Northwest Highway
Dallas, Texas 75220

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

9. The provisions of this Agreement shall be binding upon Riverbend and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), in their capacities as such, and their successors and assigns.

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

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

12. The Department having determined that the requirements for issuance of an order under Texas Finance Code § 35.002 have been met, this Agreement is deemed to be a consent order issued by the Department under Texas Finance Code §§ 35.002, 201.009(a) and 202.005(a)(2). Without admitting or denying any charges of unsafe and unsound banking practices, or violation of applicable Texas law, Riverbend consents to deeming this Agreement to

be a consent order for the purposes of Texas law. Riverbend hereby waives all its rights regarding an order under Texas Finance Code §§ 35.002, 35.004, 35.009, and 201.009, including requirements for issuance and service of an order under Texas Finance Code § 35.002, its right to a hearing under Texas Finance Code § 35.004, all defenses, and review of such order by a state agency, commission, or state or federal court.

13. 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). This Agreement is enforceable by the Department 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 14th day of February, 2023.

RIVERBEND FINANCIAL CORPORATION

FEDERAL RESERVE BANK OF
DALLAS

By: /s/ Shair Baz Hakemy
Shair Baz Hakemy
Chairman

By: /s/ Amy McGregor
Amy McGregor
Vice President

TEXAS DEPARTMENT OF
BANKING

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