

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Lakeside Bank (In Organization)
Lake Charles, Calcasieu Parish, Louisiana
Application for Federal Deposit Insurance

ORDER

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act and relating to the application for Federal deposit insurance for Lakeside Bank, a proposed new state nonmember bank to be located at 4537 Nelson Road, Lake Charles, Calcasieu Parish, Louisiana, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, for the reasons set forth in the attached Statement, that the application submitted by Lakeside Bank for Federal deposit insurance be, and the same hereby is, approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$12,000,000 be provided;
- (2) That the Tier 1 capital-to-assets leverage ratio (as defined in the appropriate capital regulation and guidance) be maintained at not less than eight percent during the first seven years of operation and that an adequate allowance for loan and lease losses be provided;
- (3) That a Well Capitalized position as defined by the Prompt Corrective Action provisions of Part 325 of the FDIC's Rules and Regulations be maintained throughout the first seven years of operation;
- (4) That the bank will not declare or pay any dividends for the first seven years of operation without the prior approval of the Regional Director;
- (5) That the bank shall operate within the parameters of the business plan submitted to the FDIC. During the first seven years of operations, the bank shall obtain prior approval from the FDIC Regional Director for any proposed major deviation or material change from the submitted plan before consummation of the change.
- (6) That within 60 days before the end of the third year of operation, the institution will submit to the Dallas Regional Office pro forma financial statements and a business plan for operating years four through seven;
- (7) That the bank will obtain an audit of its financial statements by an independent public accountant annually for the first seven years after deposit insurance coverage is effective and submit to the Dallas Regional Office (i) a copy of the

- (8) That the bank will develop and implement a Community Reinvestment Act (“CRA”) plan appropriate for its business strategy;
- (9) That the bank shall notify the FDIC Regional Director of any plans to establish a loan production office 60 days before opening the facility;
- (10) That any changes in proposed management or proposed ownership (10 percent or more of stock), including new acquisitions of or subscriptions to 10 percent or more of the stock, shall be approved by the FDIC prior to opening;
- (11) That an accrual accounting system be adopted for maintaining the bank's books;
- (12) That the applicant will have adequate fidelity coverage;
- (13) That Federal deposit insurance shall not become effective unless and until the applicant has been established as a State bank (not a member of the Federal Reserve System), that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the State Authority;
- (14) That until the bank is established, the FDIC has the right to alter, suspend, or withdraw its commitment should any interim development be deemed to warrant such action; and,
- (15) That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted shall expire at the end of the said twelve-month period.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: /s/
Thomas J. Dujenski
Regional Director
Dallas Regional Office

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Lakeside Bank (In Organization)
Lake Charles, Calcasieu Parish, Louisiana
Application for Federal Deposit Insurance

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. § 1815), an application for Federal deposit insurance has been filed for Lakeside Bank, a proposed new state nonmember bank to be located at 4537 Nelson Road, Lake Charles, Calcasieu Parish, Louisiana.

The Bank intends to provide a full line of traditional banking services to consumers and small- to medium-sized businesses located in and around Lake Charles, Louisiana. The applicants are cognizant of and intend to fully comply with the Community Reinvestment Act.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed, and no undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR
DALLAS REGIONAL OFFICE
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**