

Waco

City

TX **76710**

State Zip Code

FDIC Certificate Number: 15657

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Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for September 30, 2010

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	Bil	Mil	Thou	
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin (1)	0081		4,026		1.a
b. Interest-bearing balances (2)	0071		3,763		1.b
2. Securities:					
a. Held-to-maturity securities (from Schedule RC-B, column A)	1754		0		2.a
b. Available-for-sale securities (from Schedule RC-B, column D)	1773		15,011		2.b
3. Federal funds sold and securities purchased under agreements to resell:					
a. Federal funds sold	B987		7,765		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		0	4.a
b. Loans and leases, net of unearned income	B528		137,865		4.b
c. LESS: Allowance for loan and lease losses	3123		1,396		4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	B529		136,469		4.d
5. Trading assets (from Schedule RC-D)		3545		0	5
6. Premises and fixed assets (including capitalized leases)		2145		5,060	6
7. Other real estate owned (from Schedule RC-M)		2150		0	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:					
a. Goodwill		3163		3,500	10.a
b. Other intangible assets (from Schedule RC-M)		0426		0	10.b
11. Other assets (from Schedule RC-F)		2160		1,954	11
12. Total assets (sum of items 1 through 11)		2170		177,548	12

(1) Includes cash items in process of collection and unposted debits.

(2) Includes time certificates of deposit not held for trading.

(3) Includes all securities resale agreements, regardless of maturity.

Schedule RC - Continued

Dollar Amounts in Thousands

	RCON	Bil	Mil	Thou	
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)	2200		161,831		13.a
(1) Noninterest-bearing (1)	6631		19,646		13.a.1
(2) Interest-bearing	6636		142,185		13.a.2
b. Not applicable					
14. Federal funds purchased and securities sold under agreements to repurchase:					
a. Federal funds purchased (2)	B993		0		14.a
b. Securities sold under agreements to repurchase (3)	B995		0		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 (4)	3200		0		19
20. Other liabilities (from Schedule RC-G)	2930		580		20
21. Total liabilities (sum of items 13 through 20)	2948		162,411		21
22. Not applicable					
EQUITY CAPITAL					
Bank Equity Capital					
23. Perpetual preferred stock and related surplus	3838		0		23
24. Common stock	3230		500		24
25. Surplus (excludes all surplus related to preferred stock)	3839		12,349		25
26. a. Retained earnings	3632		2,177		26.a
b. Accumulated other comprehensive income (5)	B530		111		26.b
c. Other equity capital components (6)	A130		0		26.c
27. a. Total bank equity capital (sum of items 23 through 26.c)	3210		15,137		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		15,137		28
29. Total liabilities and equity capital (sum of items 21 and 28)	3300		177,548		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 2009	RCON	Number	
	6724	N/A	M.1

- | | |
|--|---|
| <p>1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank</p> <p>2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)</p> <p>3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm</p> | <p>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)</p> <p>5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)</p> <p>6 = Review of the bank's financial statements by external auditors</p> <p>7 = Compilation of the bank's financial statements by external auditors</p> <p>8 = Other audit procedures (excluding tax preparation work)</p> <p>9 = No external audit work</p> |
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To be reported with the March Report of Condition.

2. Bank's fiscal year-end date	RCON	MM / DD	
	8678	N/A	M.2

- (1) Includes total demand deposits and noninterest-bearing time and savings deposits.
- (2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
- (3) Includes all securities repurchase agreements, regardless of maturity.
- (4) Includes limited-life preferred stock and related surplus.
- (5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.
- (6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.