



The best way to
get working capital to
grow your business.

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Does your financial institution
really understand your business?

Would access to additional capital help
your business become more profitable
and productive?

Could you better manage your
strategic business plan if access to
capital were not an issue?

Now you can make business
decisions from a position of financial
strength, enjoy better planning, inventory
control and enhanced revenue. Your
business will benefit from a reduction of
credit risk and increased negotiating
strength with suppliers.



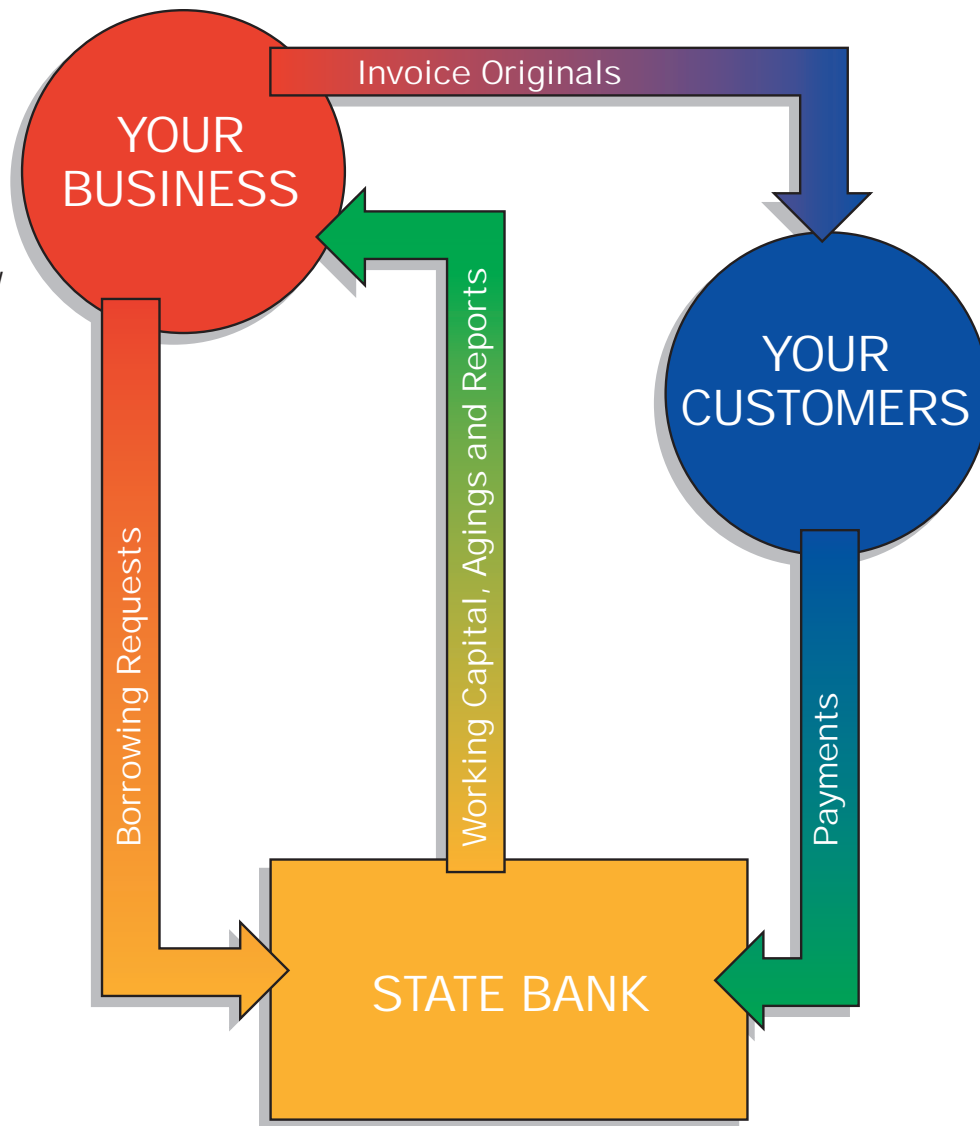
How It Works.

Your business submits borrowing requests for funding for which you receive immediate cash. Bypassing the 30 to 60 day wait for payment on your product or services creates working capital to cover payroll, purchase new inventory and fund marketing efforts.

This also gives your business the freedom to offer credit terms that are often required by larger customers, while maintaining the cash flow to run your business efficiently.

We offer:

- Advances to 90% of eligible accounts receivable and 75% of eligible inventory
- \$500,000 to \$5 million available
- Prompt credit decisions, funding
- Clear accounting, reporting
- Prime + pricing
- Customized financial solutions
- Experienced Account Managers who deliver personal service



How It Helps.

Increased Profits. Explore the opportunities for growth and expansion with increased capital.

Working Capital. Working capital is gained without diluting equity.

Supplier Relationships. Get discounts from suppliers for prompt payment of bills.

Payroll. Worry no more about payroll when you have access to immediate cash.

Inventory Management. Maximize use of existing inventory to increase sales and improve cash cycle.

Revenue Enhancement. With greater turnaround comes overall increased revenues.

Reduce Credit Risk. Credit risk of customers is reduced by State Bank's diligent underwriting of account debtors.

Grant Credit. With State Bank, you have the flexibility to grant credit to customers large and small.

Increased Flexibility. Borrow only what you need. No scheduled debt reductions.

Banking Services. Gain access to a broad banking relationship with a full range of products and services.



Recent Transactions Funded By State Bank.

Mortgage Company

\$2,000,000.00

Mortgage Warehouse Facility

Working Capital Solutions

STATE  BANK™

Food Manufacturing

\$1,200,000.00

Revolving Credit Facility

Working Capital Solutions

STATE  BANK™

Contract Manufacturing Co.

\$600,000.00

Revolving Credit Facility

Working Capital Solutions

STATE  BANK™

High Tech Consulting Firm

\$1,200,000.00

S.L.E.D.

Working Capital Solutions

STATE  BANK™

Your Company Here!

\$X,X00,000.00

Working Capital Solutions

STATE  BANK™

Commercial Printing Company

\$750,000.00

S.L.E.D.

Working Capital Solutions

STATE  BANK™

Security Services Company

\$450,000.00

S.L.E.D.

Working Capital Solutions

STATE  BANK™

Temporary Staffing Agency

\$500,000.00

S.L.E.D.

Working Capital Solutions

STATE  BANK™

Oilfield Services Company

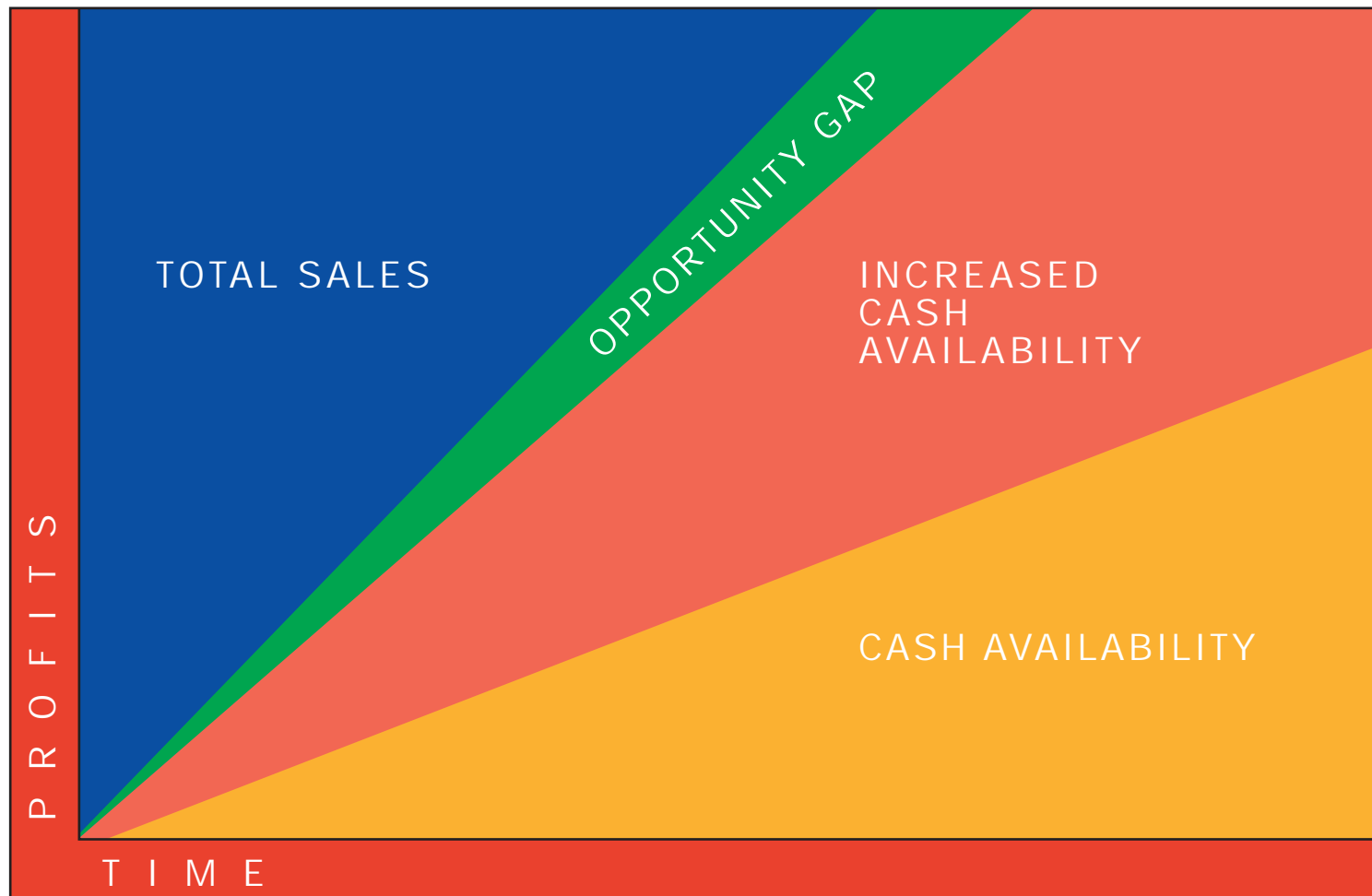
\$500,000.00

S.L.E.D.

Working Capital Solutions

STATE  BANK™

Why This Will Work For Your Company.



Asset Based Lending - ABL

WORKING CAPITAL SOLUTIONS

Frequently Asked Questions.

What kind of deals does the bank look for in the approval process?

- Businesses that have an opportunity to use the bank's capital to improve their profitability
- Business owners who have a strong personal credit history
- Businesses with strong, diverse and creditworthy customers

How does the bank's program work?

- Your business presents the bank with your existing and ongoing accounts receivable and inventory and receives funding upon presentation
- The bank keeps you informed of the status of your accounts through a series of timely and easy to read reports
- Your customers pay back your line of credit by remitting payment to the bank's lockbox

How does my business benefit?

- Increased Profits—Realize your true growth potential possible when cash flow is not an issue and additional working capital is injected into your business

- Decreased Costs—Take advantage of supplier discounts not previously available to your company when cash flow was tight
- Reduce Credit Risk—State Bank's diligent underwriting of your account debtors can help you identify potential losses before they happen
- Improve Overall Business Management—Better manage inventory, have no payroll worries, offer flexible terms to customers, pay off existing debt, and capture new opportunities

How long does it take to get funded?

- Once the accepted proposal has been delivered to us, the normal due diligence process (including audit, legal documentation review and underwriting), should be completed in 3 to 4 weeks

Once I'm on the program how fast will advances be made?

- In most cases, within 24 hours

What are the bank's basic requirements of a client?

- We're looking for quality businesses that can improve profitability by increasing working capital



How long do I have to be in business to be a State Bank client?

- Our clients range from relative start-up to well-established firms

Can I speak to current customers?

- Absolutely, we have several customers willing to share their experience with State Bank, please ask and we will provide references

Who is State Bank?

- State Bank is headquartered in La Grange, Texas with offices across central Texas from Austin to Houston. As a Texas State chartered, FDIC insured commercial bank, State Bank offers the security and continuity needed in today's rapidly changing financial environment, coupled with customized personal service. We capitalize on our advantages as an independent bank to excel in a select range of services. State Bank specializes in providing merchant banking services to small and medium-sized companies. As a wholly-owned subsidiary of Texas United Bancshares, Inc. (TXUI), publicly traded on the NASDAQ exchange, we are provided with a flexible balance sheet which allows us to render the

services required to truly support our clients

- Since the bank's establishment in 1868, State Bank has proudly preserved a reputation for quality service, business expertise and rigorous professional standards. Our streamlined structure allows us to operate rapidly and efficiently, and every one of our clients receives customized treatment of the kind that most banks reserve for only their biggest accounts

Can the bank provide me with other services?

- As a full service financial institution committed to serving the needs of business customers just like you, we have a range of business friendly products specifically designed to help your business do more business

What criteria does the bank use to set pricing?

- Turn of your historical and projected receivables
- Quality of business financials
- Quality of collateral
- Quality of management
- Business plan



Once I'm on the program how often can I submit borrowing requests?

- As often as you want, whenever you normally invoice your customers is the best time, the bank accepts requests 24 hours a day by fax and can generally process and fund your request the same day

Where and how does my money get funded?

- As part of the program, you will have an operating account with our bank. We fund directly into that account at no charge to you. At your request we can wire funds directly to the account of your choice for our regular wiring fee

Once on the program will I have access to decision-makers?

- Our streamlined structure allows us to operate rapidly and efficiently without unnecessary layers of corporate bureaucracy and far away loan committees and executives. Every one of our customers receives the kind of customized treatment most banks reserve only for their largest clients

Make State Bank Your Commercial Bank.

- State Bank understands business. Our experienced lenders, seasoned staff, and streamlined approach allow us to meet the needs of small to medium-size businesses. Our services grow with your business, providing you the continuity and security of a trusted strategic partner. And at State Bank superb personal service is yours from day one
- State Bank's entrepreneurial roots trace back to its beginning as an extension of John Schuhmacher's general store. His bank was chartered in 1868; in 1907 it was incorporated as a state bank. In 1940, it became La Grange State Bank. In 1997, recognizing expanded service, the bank became State Bank and began opening new branches. Today, Schuhmacher's entrepreneurial spirit lives on in banking centers from Austin to Houston

"State Bank gave us the purchasing power to fuel the highest sales increase in our 11-year history."

Wholesale Distributing Company

"We are growing and will always need some credit line to bridge the gap. State Bank is well-positioned to be there."

Jet Fuel Wholesale Distributor



State Bank has the resources to serve you:

- Owned by Texas United Bancshares
- Publicly traded on NASDAQ (TXUI)
- State Bank has over \$500 million in assets
- 17 locations from Austin to Houston

Contact Information:

Cole Harmonson, *Senior Vice President*

11921 North Mopac #100B

Austin, TX 78759

ofc (512) 528-2013 mbl (512) 657-4253

fax (512) 339-1951

cole.harmonson@statebanktx.com

John Collis, *Vice President*

7500 San Felipe, Ste. 600

Houston, TX 77063

ofc (713) 914-8023

fax (713) 914-8024

john.collis@statebanktx.com

Chris Stockholm, *Business Development Officer*

620 West Main St

Tomball, TX 77377

ofc (281) 290-0404 X 3408 mbl (281) 731-4910

fax (281) 290-9904

chris.stockholm@statebanktx.com

Trina Rayburn, *Business Development Officer*

P.O. Box 447

La Grange, TX 78945

ofc (979) 968-7281 mbl (979) 966-3315

fax (979) 968-5703

trina.rayburn@statebanktx.com

www.statebanktx.com



Asset Based Lending - ABL

WORKING CAPITAL SOLUTIONS

Case Study #1: Houston Food Manufacturer: Working with a bank that didn't understand their needs, and wouldn't raise their line of credit.

Challenge: A Houston Food Manufacturer was experiencing dramatic growth. In order to expand their operations and take advantage of the growing business, they needed their \$500,000 line of credit increased to \$1,200,000. They had an established relationship with a \$2 billion dollar bank, and looked to their existing banking relationship to help them take their company to the next level. They quickly hit a wall. Their big bank didn't fully understand this customer's business and working capital based lending. The bank put the company in a "restaurant" category and told the owner they were uncomfortable with expanding their relationship. The business owner was turned away, and their business growth was put on hold.

Fortunately, the owner made contact with State Bank – Working Capital Solutions.

The State Bank Solution: State Bank provided an ABL Credit line and created:

1. A steady, reliable flow of operating capital
2. Ready funds to purchase specialized equipment and machinery
3. Greater flexibility and a LONG TERM partner who was willing to work with them

Results: The Company seized its opportunity to grow in both size and profitability and realized more revenue than ever before.



Case Study #2: High Tech Contract Manufacturer: Working with a Factoring Company who just plain charged too much, and jeopardized profit margins.

Challenge: This Company is a growing business in a niche industry and was looking for predictable cash flow and the ability to pursue additional business. Their factor relationship was in place but the fees that were being charged were so high, that the company's bottom line was hurting.

Then, the President found State Bank – Working Capital Solutions.

The State Bank Solution: State Bank provided ABL Credit line and created:

1. Just the right amount of capital to grow their business
2. Access to additional cash without the high cost
3. A broad banking relationship with a full range of banking services

Results: This company leveraged their relationship with State Bank, taking advantage of the reasonable fees and steady source of cash flow to grow and prosper.



Complete and fax this application to Working Capital Solutions (512) 339-1951



GENERAL INFORMATION

APPLICANT (Exact Corporate Name)

STREET ADDRESS	CITY	STATE	ZIP
PO. BOX	CITY	STATE	ZIP
PHONE ()	FAX ()		
TYPE OF BUSINESS	DATE BUSINESS STARTED	CURRENT MANAGEMENT SINCE	
COUNTY WHERE BUSINESS IS LOCATED	STATE OF INCORPORATION		
CHARTER NUMBER			
FEDERAL I.D. NUMBER	<input type="checkbox"/> 'C' CORPORATION	<input type="checkbox"/> 'S' CORPORATION	
	<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> PROPRIETORSHIP	

OWNERSHIP/BOARD INFORMATION

OFFICER/PARTNER NAME	% OWNERSHIP	TITLE	SOCIAL SECURITY NUMBER	
HOME ADDRESS	CITY	STATE	ZIP	HOME PHONE ()
OFFICER/PARTNER NAME	% OWNERSHIP	TITLE	SOCIAL SECURITY NUMBER	
HOME ADDRESS	CITY	STATE	ZIP	HOME PHONE ()
OFFICER/PARTNER NAME	% OWNERSHIP	TITLE	SOCIAL SECURITY NUMBER	
HOME ADDRESS	CITY	STATE	ZIP	HOME PHONE ()

BANKING/PROFESSIONAL INFORMATION

BANK NAME	CHECKING ACCOUNT NUMBER	LOANS (yes/no)
CONTACT	TITLE	PHONE NUMBER ()
BANK NAME	CHECKING ACCOUNT NUMBER	LOANS (yes/no)
CONTACT	TITLE	PHONE NUMBER ()
ATTORNEY	PHONE NUMBER ()	
ACCOUNTANT	PHONE NUMBER ()	

cont.

Please note: The business situations described in this presentation are only examples of the types of results a customer might expect to achieve in utilizing State Bank's ABL Credit Line. Every customer's situation is different, and prospective customers are urged, together with their accounting and legal professionals, to analyze their particular business as it relates to the financing offered by State Bank. The ABL Credit Line is designed to work best for companies that are profitable, but experiencing shortages of available capital as a result of rapid growth in their business. While customers may terminate the ABL Credit Line at any time and without penalty, applicable documents will provide for the release of the bank's collateral only following payment of all obligations of the customer to the bank.

ACCOUNTS RECEIVABLE INFORMATION



ORDER ORIGATION:

☐ Purchase Order

☐ Contract

☐ Other

INVOICING METHOD:

☐ Progressive

☐ At Completion

☐ At Shipment

☐ At Delivery

TERMS (i.e., 2/10, Net 30)AVERAGE NUMBER OF INVOICES PER MONTHAVERAGE DOLLAR SIZE OF INVOICEPROJECT PEAK MONTHLY FACTORING VOLUME

	AT (DATE)	TOTAL BALANCE	CURRENT	30-60 DAYS	60+ DAYS	
ACCOUNTS RECEIVABLE						
ACCOUNTS PAYABLE						

CUSTOMER REFERENCES (Please list your three largest customers.)

COMPANY NAME

PHONE NUMBER ()

ADDRESS

CITYSTATEZIP

CONTACT

CURRENT OUTSTANDING

COMPANY NAME

PHONE NUMBER ()

ADDRESS

CITYSTATEZIP

CONTACT

CURRENT OUTSTANDING

COMPANY NAME

PHONE NUMBER ()

ADDRESS

CITYSTATEZIP

CONTACT

CURRENT OUTSTANDING

Please provide the following documents when submitting this application. Please check if included.

- ☐ Detailed Accounts Receivable Aging

☐ Certificate of Incorporation

☐ Completed Corporate Resolution

☐ Articles of Incorporation or Appropriate Organizational Agreement

☐ Financial Statements (Last Interim), Not Older than 90 Days
- ☐ Company Brochures or Product Information, If Available

☐ Principal's Personal Financial Statements

☐ Last Three FYE Financial Statements on Business

☐ Last Two Years Federal Income Tax Returns on Business
- ☐ Detailed Accounts Payable Aging

☐ Last Two Employer's Quarterly Tax Returns - Form 941 (Plus Proof of Payment)

☐ Brief Summary of Business Activities and Background of Principals

☐ Copies of Three Actual Invoices and All Back-up to Support Invoices (i.e. Bills of Lading, etc.)

Please provide additional information or explanation in the space provided below.

I, individually and as an officer of the company, understand that State Bank and its agent will rely on the information provided in this Application in its evaluation of the company's request. I hereby warrant and represent that this information and any other information the company or I may supply to State Bank and its agent represents a correct, complete and accurate disclosure of all requested information on the company and does not omit any information, the omission of which would make the disclosed information misleading. The information also includes, whether requested or not, information that would materially impact the financial data included. I hereby authorize State Bank to share credit information about our company with its affiliates, subsidiaries, parent company, and all other parties permitted or required by law. I also authorize State Bank and its agent to perform required due diligence including, but not limited to, reference calls and credit reporting services from sources they deem necessary to complete their review. I also understand that knowingly providing false or misleading information to State Bank and its agent, or any of its affiliates or representatives may constitute a criminal offense.

SIGNATURE

DATE

PRINTED NAME

TITLE