

R Bank to add first branch

2-year-old bank backed by pitcher Nolan Ryan

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Hall of Fame pitcher **Nolan Ryan**'s R Bank is taking advantage of its fast start during a tumultuous time in the banking industry to open its first branch.

The Round Rock-based bank has submitted plans to open a second retail front on Williams Drive in Georgetown. If approved by regulators, the branch would open during the first quarter 2012, CEO **Steve Stapp** said.

He's expecting a ruling on the application within 30 days. The new branch would employ six workers.

R Bank, which was founded in 2009, has grown rapidly and generated \$120 million in assets during its first 27 months of operations, Stapp said.

The bank, which specializes in small-business loans, selected Georgetown for its first expansion because the conditions for growth there are similar to those in Round Rock, where R Bank has found early success.

It reported deposits of \$94.3 million in June versus deposits of \$61.3 million in June 2010. The bank's market share has also grown from 0.27 percent last year to 0.38 percent this year, according to the Federal Deposit Insurance Corp.

The banking industry's volatility has prompted customers to seek stability with people they're more familiar with and that gives community banks such as R Bank a fundamental advantage, Stapp said.

"A lot of turmoil is taking place in larger money-center banks," he said. "Community banks — we don't fall into that category to a large extent. We're not a big fee-income type of place."

Christopher Williston, CEO of the Independent Bankers Association of Texas, has said Williamson County's surging number of residents leaves room for more banking services.

Stapp, a 30-year banking veteran, was previously executive vice president of retail banking for Houston-based Prosperity Bancshares Inc. Before Prosperity, he worked for La Grange-based State Bank, a division of Texas United Bancshares Inc., which was acquired by Prosperity in late 2006.

About 60 percent of R Bank's customers are small businesses, and the remaining 40 percent are retail customers, he said.

Ryan and Houston businessman Don Sanders established R Bank with \$12 million in startup capital, according to filings with the Texas Department of Banking.

The two met in 1979, when Sanders was a minority owner of the Houston Astros, where Ryan was a pitcher on his way to the Hall of Fame.

Sanders, founder and chairman of Houston-based investment bank Sanders Morris Harris Group Inc., and his sons Bret Sanders and **Brad Sanders** are among R Bank's organizers and investors. R Bank is the third bank for the **Sanders-Ryan** team.

In 1990, the two launched The Express Bank south of Houston after Ryan acquired nearby Danbury State Bank and renamed the charter. A year later, he acquired the Alvin branch of Merchants-Bank Houston and folded it into The Express Bank. That two-branch franchise, with about \$50 million in assets, was then sold to Houston-based First Community Bank in 2002.

A year later, Sanders and Ryan teamed to resurrect the name as The Express Bank of Texas, which opened in Round Rock with \$5.5 million in capital. The Express Bank of Texas was sold as a two-branch operation in 2006 for \$10 million to State Bank, just before the Prosperity acquisition.

R Bank is performing better than was initially projected, Stapp said.

"We've been very well-received by the community," he said. "If that wasn't the case, we wouldn't be opening a new building."

Courtesy of JB Goodwin