

## **FEDERAL DEPOSIT INSURANCE CORPORATION**

Re: Cornerstone Community Bank  
(In Organization)  
Owensboro, Daviess County, Kentucky

### Application for Federal Deposit Insurance

#### **ORDER**

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") 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, as they relate to the application for federal deposit insurance with membership in the Deposit Insurance Fund for Cornerstone Community Bank ("Bank"), a proposed state nonmember bank to be located at 1819 Frederica Street, Owensboro, Daviess County, Kentucky 42301, 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 the Bank for federal deposit insurance be, and the same hereby is, approved, subject to the following conditions:

1. The Bank shall have initial paid-in capital funds of not less than \$20,000,000.
2. The Bank's Tier 1 Leverage ratio (as defined in the capital regulations of the FDIC) shall be maintained at not less than eight percent (8%) throughout the first three years of operation.
3. The Bank shall operate within the parameters of the business plan submitted as part of the application for federal deposit insurance. During the first three years of operation, the Bank shall provide prior written notice to and obtain non-objection from the FDIC Chicago Regional Director for any proposed major deviation or material change from the submitted business plan.
4. Prior to opening for business, the Bank shall obtain the FDIC Chicago Regional Director's prior written approval for any changes in the Bank's proposed ownership or control of 10 percent (10%) or more of the Bank's stock, including new acquisitions of or subscriptions to 10 percent (10%) or more of stock.
5. Prior to commencing operations, and during the first three years of operation, the Bank shall provide written notice to, and obtain the prior written non-objection from, the FDIC Chicago Regional Director for any proposed change to the Board of Directors of the Bank (Board of Directors) or to any senior executive officer position. Notice shall be submitted at least 30 days prior to the proposed election to the Board of Directors or appointment to a senior executive position, and shall include a complete Interagency Biographical and Financial Report for the individual. The terms "director" and senior executive officer" shall have the meaning set forth in 12 C.F.R. §303.101.
6. Prior to opening for business, the Bank shall make full disclosure to all proposed directors of the Bank of the facts concerning the interest of any insider in any transactions being effected or contemplated, including outstanding options to purchase common stock, specifying the identity of the parties to the transaction and the terms and costs involved. An "insider" is a person who: (i) is or is proposed to be a director, officer or incorporator of the Bank; (ii) is a shareholder who directly or

indirectly controls ten percent (10%) or more of any class of the Bank's outstanding voting stock; or (iii) is an associate or related interest of any such persons.

7. Prior to opening for business, the Bank shall submit to the FDIC Chicago Regional Director final employment agreements and compensation arrangements for any director or senior executive officer of the Bank and take such action as required if the FDIC objects to such agreements and arrangements.
8. Prior to the effective date of federal deposit insurance, the Bank shall obtain adequate fidelity coverage.
9. The Bank shall obtain an audit of its financial statements by an independent public accountant (independent auditor) annually for at least the first three years of operation and submit to the FDIC's Chicago Regional Office: (i) a copy of the audited annual financial statements and the independent auditor's report within ninety (90) days following the end of the Bank's fiscal year; (ii) a copy of any other reports by the independent auditor (including management letters) within fifteen (15) days after receipt by the Bank; and (iii) written notification within fifteen (15) days when a change in the Bank's independent auditor occurs.
10. The Bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles.
11. Federal deposit insurance shall not become effective until the Bank has been granted a charter as a depository institution, has authority to conduct a banking business, and its establishment and operation as a depository institution has been fully approved by the Kentucky Department of Financial Institutions.
12. With respect to any proposed director or senior executive officer for whom a background check has not been completed, the depository institution shall take such action as required by the FDIC if the FDIC objects to any such person based on information obtained through the background check.
13. The consent granted by the FDIC shall expire one (1) year from the date of this ORDER unless federal deposit insurance has become effective as of such date, or unless the FDIC has approved a written request for an extension of time by the Bank.
14. Until federal deposit insurance becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed by the FDIC to warrant such action.

By Order of the Deputy Regional Director of the Chicago Regional Office, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated in Chicago, Illinois this 30th day of January, 2026.

BY: /S/

Larisa M. Collado  
Deputy Regional Director

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Application for Federal Deposit Insurance

### **STATEMENT**

Pursuant to the provisions of Section 6 of the Federal Deposit Insurance Act ("FDI Act") (12 U.S.C. § 1815), the Federal Deposit Insurance Corporation ("FDIC") received an Interagency Charter and Federal Deposit Insurance Application on behalf of Cornerstone Community Bank, a proposed new state nonmember bank that will be located in Owensboro, Kentucky ("Bank"). The application is intended to establish a newly chartered state nonmember commercial bank. The organizers concurrently applied to the Kentucky Department of Financial Institutions for a state bank charter.

Notice of the federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act.

The organizers have not established a bank holding company. The opening capital of the Bank will be realized from a private placement offering for a minimum of 2,000,000 shares of common stock, or \$20 million, at a price of \$10.00 per share.

The Bank's business plan is for a community bank that serves small and mid-size businesses and individuals located in the Daviess County, Kentucky area. The Bank will offer traditional products and services and will be overseen by an experienced management team, including a diversified and knowledgeable Board of Directors who are committed to serving the local community.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals in the business plan. The Bank will be capitalized with an amount sufficient to achieve and maintain a Tier 1 capital to assets leverage ratio, as defined in the capital regulations of the FDIC, of not less than eight percent (8.00%) throughout the Bank's first three years of operation. Projected growth and earnings appear attainable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purposes of the FDI Act, and no undue risk to the Deposit Insurance Fund is evident.

Accordingly, based upon a careful evaluation of all available facts and information, and in consideration of the factors of Section 6 of the FDI Act, the Chicago Deputy Regional Director, pursuant to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**DEPUTY REGIONAL DIRECTOR  
DIVISION OF RISK MANAGEMENT SUPERVISION  
FEDERAL DEPOSIT INSURANCE CORPORATION**