

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: American Bank & Trust
(In organization)
Monroe, Union County, North Carolina

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 American Bank & Trust ("Bank"), a proposed new State nonmember bank to be located in Monroe, Union County, North Carolina, with a branch in Wingate, North Carolina, and operating a courier service, 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. That initial paid-in capital funds of not less than \$20,000,000 will be provided.
2. That the Bank's Tier 1 capital to assets leverage ratio (as defined in the capital regulations of the institution's primary federal regulator) be maintained at not less than eight percent (8.00%) throughout the first three years of operation, and that an adequate allowance for loan and lease losses ("ALLL") be provided from the date insurance is effective.
3. That the Bank shall pay no dividends during the first three years of operations without the prior written approval of the FDIC Atlanta Regional Director.
4. That any changes in the Bank's proposed management or the proposed ownership of ten percent (10.00%) or more of the Bank's stock, including new acquisitions of or subscriptions to ten percent (10.00%) or more of stock, must be approved by the FDIC prior to the Bank's opening.
5. The Bank shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operation, the institution shall seek the prior approval of the appropriate regional director or its primary federal regulator, if not the FDIC, for any proposed major deviation or material change from the submitted business plan.
6. That, during the Bank's first three years of operation, the Bank must obtain the written non-objection of the FDIC's Atlanta Regional Director prior to the addition of any individual to the board of directors or the employment of any individual as a senior executive officer of the Bank.

7. That the Bank will obtain an audit of its financial statements by an independent public accountant annually for the first three years of operation and submit to the FDIC's Atlanta Regional Office: (i) a copy of the audited annual financial statements and the independent auditor's report within 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 15 days after receipt by the Bank; and (iii) written notification within 15 days when a change in the Bank's independent auditor occurs.
8. That 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.
9. That, prior to the effective date of Federal deposit insurance, the Bank must obtain adequate fidelity coverage.
10. That Federal deposit insurance will not become effective until the Bank has been granted a charter and has authority to conduct a banking business, and that its establishment and operation as a depository institution has been fully approved by the appropriate federal and state supervisory authorities.
11. That, until 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.
12. That, if Federal deposit insurance has not become effective within one year from the date of this ORDER, or unless, in the meantime, a written request for an extension of time by the Bank has been approved by the FDIC, the consent granted shall expire at the end of this time period on said date.

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

Dated at Atlanta, Georgia this 6th day of February, 2019.

/S/
Michael J. Dean
Regional Director

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STATEMENT

Pursuant to the provisions of Section 5 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 American Bank & Trust, a proposed new state nonmember-bank that will be located in Monroe, Union County, North Carolina ("Bank"). The organizers concurrently applied for a state bank charter to the North Carolina Commissioner of Banking ("State") who approved the charter on November 7, 2018.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on August 31, 2018.

The organizers have not established a bank holding company. The opening capital of the Bank will be obtained from a private offering of 2,000,000 shares of common stock at a price of \$11.00 per share. The Bank's business plan is to operate a state nonmember bank that serves individuals and small- and medium-sized businesses located in Monroe and Union County, North Carolina. 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 is committed to serving the Bank's 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 Atlanta Regional Director, pursuant to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

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