

# FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Craft Bank  
(In Organization)  
Atlanta, Fulton County, Georgia

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 and relating to the application for Federal deposit insurance for Craft Bank ("Bank"), a proposed new State nonmember bank to be located at 1575 Northside Drive, Atlanta, Georgia 30318, 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) Initial paid-in capital funds of not less than \$20,058,000 will be provided.
- (2) The Bank's Tier 1 capital to assets leverage ratio (as defined in the capital regulations of the FDIC) will be maintained at not less than eight percent (8.00%) throughout the first three years of operation and an adequate allowance for loan and lease losses be provided from the date insurance is effective.
- (3) Any changes in the Bank's proposed management or proposed ownership often 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.
- (4) 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.
- (5) The Bank must obtain adequate fidelity coverage prior to the Bank's opening.
- (6) The bank shall obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective. The Bank shall submit to the FDIC Atlanta Regional Office (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the Bank's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days after their receipt by the Bank, and (iii) written notification within 15 days when a change in the Bank's independent auditor occurs.
- (7) The Bank shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operations, the Bank shall provide prior

notice to the FDIC Atlanta Regional Director for any proposed major deviation or material changes from the submitted business plan.

- (8) During the first three years of operation, the Bank shall notify the FDIC Atlanta Regional Director of any plans to establish a loan production office, which was not previously reviewed by the FDIC as part of the Federal deposit insurance application, at least 60 days prior to opening the facility.
- (9) 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. The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. 303.101.
- (10) The Bank shall pay no dividends during the first three years of operation without the prior written approval of the FDIC's Atlanta Regional Director.
- (11) 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 implementation of any stock benefit plans, including stock options, stock warrants, or other similar stock-based compensation plans established by the Bank not previously reviewed by the FDIC as part of the application for Federal deposit insurance.
- (12) Deposit insurance will 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 FDIC and the Georgia Department of Banking and Finance.
- (13) Until the FDIC's conditional commitment 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.
- (14) If deposit insurance has not become effective within one year from the date of this ORDER, or unless, in the meantime, a 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 18<sup>th</sup> day of May, 2020.

By: \_\_\_\_\_/S/\_\_\_\_\_  
Michael J. Dean  
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Craft Bank  
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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 Craft Bank, a proposed new state nonmember bank that will be located in Atlanta, Georgia ("Bank"). The organizers concurrently applied to the Georgia Department of Banking and Finance ("State") for a state bank charter and is awaiting the State's conditional approval.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on December 15, 2019.

The organizers have not established a bank holding company. The opening capital of the Bank will be obtained from a private offering of 2,075,000 shares of common stock at a price of \$10.00 per share. The Bank's business plan is to operate a state nonmember bank that serves individuals and small- and medium-sized businesses located within a seven-mile radius of the intersection of Northside Drive NW and Fourteenth Street, Atlanta, Georgia. The Bank will offer traditional products and services and will be operated by an experienced management team and overseen by a knowledgeable and diversified Board.

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