

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Integro Bank
(In Organization)
Phoenix, Maricopa County, Arizona

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 Integro Bank (“Bank”), a proposed new state nonmember bank to be located at 16215 North 28th Avenue, Phoenix, Maricopa County, Arizona 85053.

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 shall not be less than \$27,970,000.
2. That the Bank’s Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance from the FDIC) shall be maintained at not less than ten percent (10%) throughout the first three years of operation, and an adequate allowance for loan and lease losses will be provided.
3. That the Bank shall pay no dividends during the first three years of operations without the prior written approval of the FDIC’s San Francisco Regional Director and the Arizona Department of Insurance and Financial Institutions.
4. That any changes in proposed management or the proposed ownership of ten percent (10%) or more of the Bank’s stock, including new acquisitions of or subscriptions to ten percent (10%) or more of stock, shall be approved by the FDIC’s San Francisco Regional Director prior to the Bank’s opening.
5. That the Bank shall provide a final list of all shareholders prior to the Bank’s opening.
6. That the Bank shall adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles.
7. That Federal deposit insurance shall not become effective until the Bank has been granted a charter and has authority to conduct banking business, and that its establishment and option as a depository institution has been fully approved by the appropriate federal and state supervisory authorities.

8. That prior to the effective date of Federal deposit insurance, the Bank shall obtain sufficient fidelity coverage in a sufficient amount to conform to generally accepted banking practices.
9. That 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 and shall submit to the FDIC's San Francisco Regional Director: (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.
10. That the Bank must operate within the parameters of the Business Plan submitted to the FDIC. During the first three years of operation, the Bank shall seek the prior approval of the FDIC's San Francisco Regional Director and the Arizona Department of Insurance and Financial Institutions Commissioner, for any proposed major deviation or material change from the submitted Business Plan, at least 60 days prior to implementation of any such major deviation or material change.
11. That during the first three years of operation, the Bank shall submit written notice to and obtain the written non-objection of the FDIC's San Francisco Regional Director prior to implementing any change(s) in the duties, responsibilities, or authorities of any director or senior executive officer. Such notice shall be submitted at least 30 days prior to the proposed change(s), and the notice shall fully describe the reason(s) for such change(s). The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. 303.101.
12. That during the Bank's first three years of operation, the Bank must obtain the written non-objection of the FDIC's San Francisco 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.
13. That prior to executing final employment agreements and compensation arrangements for any senior executive officer, and prior to the Bank commencing operations, the Bank shall submit copies of the final employment agreements and compensation arrangements, and obtain the written non-objection of the FDIC's San Francisco Regional Director thereto.
14. That during the first three years of operation, the Bank shall submit copies of and obtain the written non-objection of the FDIC's San Francisco Regional Director prior to implementing any stock benefit plan, including with respect to stock options, stock warrants, stock grants, or other similar stock-based compensation. Any such plan shall comply with the FDIC Statement of Policy on Applications for Deposit Insurance. Furthermore, during the first three years of operation, the Bank shall submit written notice at least 60 days prior to, and obtain the FDIC's San Francisco Regional Director's

- written non-objection prior to implementing any major change to or material deviation from any previously submitted stock benefit plan.
15. That the Bank shall not engage in any leveraged lending during the first three years of operation without first obtaining the FDIC's San Francisco Regional Director's written non-objection.
 16. That during the first three years of operations, the Bank shall notify the FDIC's San Francisco Regional Director of any plans to establish a loan production office (LPO) at least 60 days prior to opening the LPO. Such notification shall include the location, financial projections, and target market for the proposed LPO.
 17. That the applicant has obtained all necessary and final approvals from the appropriate federal or state authority or other appropriate authority.
 18. That if the transaction does not take effect within twelve months from the date of this letter, or unless, in the meantime, a request for an extension of time has been approved, the consent granted shall expire at the end of the twelve months.
 19. That until the conditional commitment of the FDIC becomes effective, the FDIC retains the right to alter, suspend or withdraw its commitment should any interim development be deemed to warrant such action.

By Order of the FDIC's San Francisco Regional Director, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated at San Francisco, California this 20th day of May, 2022.

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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 Integro Bank, a proposed new community bank that will be located in Phoenix, Arizona (“Bank”). The application is intended to establish a newly-chartered, state nonmember commercial bank. The organizers concurrently applied to the State of Arizona Department of Insurance and Financial Institutions (“ADIFI”) for a state bank charter.

Notice of the Federal Deposit Insurance application, in a form approved by the FDIC, was initially published pursuant to the FDI Act on June 15, 2021. The Bank will not be operating under a holding company and will not serve as a subsidiary, affiliate, or a service corporation. The Bank’s offering circular notes that a minimum of 2,797,000 shares of common stock will be offered for sale at a price of \$10.00 per share.

The Bank's business plan is to operate a newly-chartered, state nonmember commercial bank in Phoenix, AZ. The target market is small businesses, professionals, and community organizations within a five-county region as follows: Maricopa County, AZ; Clark County, NV; and San Diego, Orange, and Riverside Counties in California. However, the bank’s headquarters and sole branch will be located in Phoenix, AZ, which is in Maricopa County. The Bank intends to focus its lending efforts on small businesses seeking commercial and industrial loans, including asset-based lending, Small Business Administration (SBA) loans, and other guaranteed or insured government loan programs, commercial real estate (CRE) loans, construction loans, and home equity loans. The Bank will also provide servicing for the SBA loans sold. The Bank plans to originate residential mortgages for sale, and offer private banking and consumer loans supporting the needs of small business customers and their employees. The Bank will be overseen by an experienced management team, including a diversified and knowledgeable Board of Directors who is 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 I capital to assets leverage ratio, as defined in the capital regulations of the FDIC, of not less than ten percent (10.00%) throughout the Bank's first three years of operation. Projected growth and future

earnings prospects 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 San Francisco Regional Director, pursuant to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

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