

FEDERAL DEPOSIT INSURANCE CORPORATION

RE: Piermont Bank (In Organization)
New York, New York County, New York

Application for Federal Deposit Insurance

ORDER

The undersigned, acting on behalf of the Board of Directors 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 with membership in the Deposit Insurance Fund for Piermont Bank (Bank), a proposed State nonmember bank, to be located at 4 Bryant Park, New York, New York County, NY 10018, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED for the reasons set forth in the attachment 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 \$40,000,000, less capital placement fees and pre-opening expenses, be provided.
2. That the Bank's 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 any changes in the Bank's proposed management or the 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.
4. 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.
5. The depository institution will 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 submit certain audit-related documents to the appropriate FDIC office within specified time frames.
6. That prior to the effective date of Federal deposit insurance, the Bank must obtain adequate fidelity coverage.

7. That Federal deposit insurance will not become effective until the Bank has been granted a charter as a depository institution and has authority to conduct a banking business.
8. 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.
9. The institution 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 for any proposed major deviation or material change from the submitted business plan.
10. During the first three years of operation, the institution shall notify the appropriate regional director of any plans to establish a Loan Production Office at least 60 days prior to opening the facility
11. 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.

Dated at New York, New York, this 10th day of June, 2019.

/S/
John F. Vogel
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 Piermont Bank, a proposed new State nonmember bank that will be located at 4 Bryant Park, New York, New York County, NY 10018 (Bank).

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on August 9, 2018.

The organizers have not established a bank holding company. The opening capital of the Bank will be no less than \$40,000,000, before deducting capital placement fees and pre-opening costs. Opening capital is to be realized from a public offering of a minimum of 3,000,000 shares of common stock and a maximum of 4,000,000 million shares, at a price of \$10.00 per share, and will also include the \$10 million in seed round financing previously raised.

The Bank will serve small- and medium-sized businesses located in the New York MSA. The Bank will offer traditional products and services. The majority of loans will be commercial and industrial credits and owner-occupied commercial real estate loans, while deposits will mainly be commercial non-maturity accounts.

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 Leverage ratio of not less than eight percent (8.00%) throughout the Bank's first three years of operation. Projected growth and earnings appear attainable, and the investment in fixed assets is reasonable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purpose of the FDI Act, and no undue risk to the Deposit Insurance Fund is apparent.

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 New York 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**