



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429-9990

Division of Risk Management Supervision

February 8, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Board of Directors
The Equitable Bank, S.S.B.
2290 North Mayfair Road
Wauwatosa, Wisconsin 53226

RE: Notice of Intent to Convert and Interim Merger Application

Dear Members of the Board:

The Federal Deposit Insurance Corporation (“FDIC”) reviewed the Notice of Intent to Convert (“Notice”), filed on behalf of The Equitable Bank, S.S.B., Wauwatosa, Wisconsin (“Bank”), pursuant to the FDIC’s regulations at 12 C.F.R. sections 303.160 – 303.163 and 333.4, and other pertinent regulations. The Notice was filed in connection with the Bank’s Plan of Mutual Holding Company Reorganization and Minority Stock Issuance (“Plan”), whereby the Bank proposes to: (i) convert to a Wisconsin-chartered stock bank; (ii) establish a mid-tier Maryland stock holding company, TEB Bancorp, Inc. (“Bancorp”), which will own 100 percent of the Bank’s common stock; and (iii) establish a top-tier Wisconsin mutual holding company, TEB MHC, which will own 50.1 percent of Bancorp’s common stock.

Concurrently with the conversion, Bancorp intends to issue and offer for sale up to 49.9 percent of its common stock on a priority basis to: (i) eligible account holders (depositors who had accounts at the Bank with aggregate balances of at least \$50.00 at the close of business on June 30, 2017); (ii) Bank’s tax-qualified employee benefit plans (including the Equitable Savings Bank Retirement Plan); (iii) supplemental eligible account holders (depositors who had accounts at the Bank with aggregate balances of at least \$50.00 at the close of business on September 5, 2018); (iv) other eligible members of the Bank at the close of business on the voting date; and (v) the local community, to the extent applicable, in a community offering (with a preference toward persons residing in the Wisconsin Counties of Milwaukee, Racine, and Waukesha). The FDIC has also reviewed the Bank Merger Act (“BMA”) application filed in connection with the reorganization.

The FDIC has relied on information provided in the Bank’s Notice and BMA application, the accompanying materials, and subsequent responses to information requests in reaching its decision. Based on the information provided and representations made, the FDIC poses no objection to the Notice, subject to the conditions (certain of which must be met on an ongoing basis) detailed in the enclosed Order and Basis approving the BMA application filed in connection with the Notice.

The Equitable Bank, S.S.B.
Wauwatosa, Wisconsin

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Please provide documentation to the FDIC Chicago Regional Office (CRO) to support satisfaction of the conditions in the Order and Basis. Also, please notify the CRO in writing when the proposed transactions have been consummated. Should you have any questions, contact Case Manager John J. Bartelt at (312) 382-6987.

If an extension of the time limit in the Order and Basis is required, a letter requesting a specific extension of the limitation, and the reasons for the extension, should be submitted to FDIC Regional Director John P. Conneely at 300 South Riverside Plaza, Suite 1700, Chicago, Illinois 60606.

Sincerely,

/s/

James C. Watkins
Senior Deputy Director

cc: John P. Matter
President and Chief Executive Officer
The Equitable Bank, S.S.B.
2290 North Mayfair Road
Wauwatosa, Wisconsin 53226

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FEDERAL DEPOSIT INSURANCE CORPORATION

The Equitable Bank, S.S.B.
Wauwatosa, Milwaukee County, Wisconsin

Application for Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 18(c) of the Federal Deposit Insurance (“FDI”) Act, The Equitable Bank, S.S.B. (“Savings Bank”), Wauwatosa, Wisconsin, currently a state-chartered, mutually-owned Deposit Insurance Fund (“DIF”) member with total assets of \$309,808,000 and total deposits of \$243,409,000 as of December 31, 2018, filed an application (“Application”) for the FDIC’s consent to merge with Equitable Interim Bank II, Wauwatosa, Wisconsin, a proposed new interim state-chartered stock savings bank. The Application was filed in conjunction with a Notice of Intent to Convert (“Notice”) pursuant to the FDIC’s regulations at 12 C.F.R. sections 303.160 – 303.163 and 333.4, and other pertinent regulations.

The proposed transaction is to effect the Savings Bank’s reorganization pursuant to the Savings Bank’s Plan of Mutual Holding Company Reorganization and Minority Stock Issuance (the “Plan of Reorganization”), which, solely to facilitate such an undertaking, provides for the following:

- (i) Savings Bank will organize a Wisconsin-chartered interim stock savings bank as a wholly owned subsidiary (“Equitable Interim Bank I”);
- (ii) Equitable Interim Bank I will organize a Wisconsin-chartered interim stock savings bank as a wholly owned subsidiary (“Equitable Interim Bank II”);
- (iii) Equitable Interim Bank I will organize a Maryland stock corporation to be known as TEB Bancorp, Inc. (“Stock Holding Company”) as a wholly-owned subsidiary;
- (iv) Savings Bank will convert to stock form by exchanging its mutual savings bank charter for a stock savings bank charter (“Bank”) and thereby become the Bank and Equitable Interim Bank I will become the wholly-owned subsidiary of the Bank;
- (v) The shares of common stock of Equitable Interim Bank I will be cancelled, and Equitable Interim Bank I will exchange its articles of incorporation for Wisconsin mutual holding company articles of incorporation to become a Wisconsin-chartered mutual holding company to be known as TEB MHC (“Mutual Holding Company”);
- (vi) Simultaneously with steps (iv) and (v), Equitable Interim Bank II will merge with and into the Bank (“Interim Merger”), with the Bank as the resulting subsidiary of Mutual Holding Company, and all of the initially issued stock of the Bank will be transferred to Mutual Holding Company in exchange for membership interests in Mutual Holding Company; and

The Equitable Bank, S.S.B.
Order and Basis for Corporation Approval

- (vii) Mutual Holding Company will contribute the capital stock of the Bank to Stock Holding Company, and the Bank will become a wholly-owned subsidiary of Stock Holding Company.

Upon consummation of the proposed transaction, the deposits of the Bank will be insured by the DIF. The Bank will be a stock bank that is wholly owned by TEB Bancorp, Inc., which in turn is majority-owned by TEB MHC.

Following the consummation of the proposed transaction, the Bank will operate the same banking business with the same management at the same locations now being served by the Bank, including its main office at 2290 North Mayfair Road, Wauwatosa, Wisconsin. The proposed transaction will not alter the competitive structure of banking in the market served by the Bank.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the proponent, disclosed no inconsistencies with the purposes of the CRA. The Bank is expected to continue to meet the credit needs of its community, consistent with the safe and sound operation of the institution.

In connection with the Application, the FDIC has taken into consideration the financial and managerial resources and future prospects of the proponent bank and the resultant bank, the convenience and needs of the community to be served, and the effect of the proposed transaction on competition. The FDIC has also taken into consideration the effectiveness of the insured depository institution involved in the proposed transaction in combating money-laundering activities, and the risk posed by the transaction to the stability of the U.S. banking or financial system.

Having found favorably on all statutory factors, the FDIC hereby approves the Application, subject to the following conditions, some of which are continuing in nature:

- The Bank shall provide written evidence that all necessary final approvals regarding the proposed transaction have been received from the appropriate Federal and state authorities prior to consummating the proposed transaction.
- The proposed transaction may not be consummated later than six months after the date of this non-objection unless such period is extended for good cause by the FDIC.
- Until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend or withdraw its approval should any interim development be deemed to warrant such action.
- The proposed transaction may not be consummated unless the Bank has provided written confirmation to the FDIC's Chicago Regional Director that it has received subscriptions in the stock offering sufficient to ensure compliance upon completion of the transaction with the capital requirements set forth in the outstanding Amended Consent Order dated February 15, 2012.

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- The Bank shall provide written evidence that the Plan of Reorganization was approved by a vote of at least a majority of the Bank's depositors who are entitled to vote.
- During the three year period following the close of the proposed transaction, the Bank shall operate within the parameters set forth in the Business Plan submitted with the Notice (Business Plan) and must provide at least 60 days prior written notice to and receive written non-objection from the FDIC's Chicago Regional Director prior to implementing any proposed material deviation or material change from the Business Plan (including, but not limited to, any merger, acquisition or business combination) involving the Bank.
- The Bank will provide at least 60 days prior written notice to and obtain written non-objection from the FDIC's Chicago Regional Director prior to implementing any policy or executing any agreement relating to the allocation and sharing of costs with the Bank.
- The Bank shall submit copies of all final offering and disclosure materials to the FDIC's Division of Risk Management Supervision, Accounting & Securities Disclosure Section, 550-17th Street, N.W., Washington, D.C. 20429.
- The Bank shall advise the FDIC of the results of the stock offering and deliver an updated appraisal that:
 - Takes the results of the subscription offering into account;
 - Discusses any material events or changes during the subscription period; and
 - Explains any securities purchase orders that may have been rejected.
- Except for the proposed transfer of the shares of the Bank to the Stock Holding Company, no shares of stock of the Bank shall be sold, transferred, or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless 30 days prior written notice is provided to, and written non-objection is received from, the FDIC's Chicago Regional Director.
- Prior to a sale, transfer or other disposition of any shares of Stock Holding Company by the Mutual Holding Company, to any person, including any Employee Stock Ownership Plan, or a conversion of the Mutual Holding Company to stock form, the Bank shall provide prior written notice to the FDIC's Chicago Regional Director and include copies of all documents filed with the state and federal banking and/or securities regulators in connection with any sale, transfer, disposition, or conversion.
- Any change in proposed senior executive officers or the board of directors, prior to the consummation of the proposed transaction, will render this approval null and void unless the Savings Bank submits prior written notice to, and receives written non-objection from, the FDIC's Chicago Regional Director prior to the consummation of the proposed transaction.
- The Savings Bank acknowledges that any letter of non-objection from the FDIC is conditioned on the facts and circumstances as currently known to the FDIC, and the Savings Bank shall notify the FDIC's Chicago Regional Director as soon as the Savings

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Bank becomes aware of any material changes in the facts and circumstances prior to the consummation of the proposed transaction.

Pursuant to the delegated authority of the FDIC Board of Directors.

Dated at Washington, D.C. this 8th day of February, 2019.

/s/

James C. Watkins
Senior Deputy Director
Division of Risk Management Supervision