

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Coastal Community Bank, N.A.
(In organization)
Hollywood, Broward County, Florida

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 Coastal Community Bank, N.A. ("Bank"), a proposed new national bank to be located in Hollywood, Broward County, Florida, 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 \$19,500,000 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 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.
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 institution shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operation, the institution shall provide prior notice to the Office of the Comptroller of the Currency for any proposed major deviation or material change from the submitted business plan.
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 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.

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. 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 12th day of March, 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 Coastal Community Bank, N.A., a proposed new bank that will be located in Hollywood, Florida ("Bank"). The application is intended to establish a newly-chartered national bank. The organizers concurrently applied to the Office of the Comptroller of the Currency ("OCC") for a national bank charter and received the OCC's conditional approval on February 28, 2020.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on July 13, 2019.

The organizers have not established a bank holding company. The opening capital of the Bank will be realized from a public offering of 1,950,000 shares of common stock at a price of \$10.00 per share. The Bank's business plan is for a national bank that serves small- and medium-sized businesses and individuals located in Broward and Palm Beach Counties, Florida. 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**