

FEDERAL DEPOSIT INSURANCE CORPORATION

Subject: EntreBank
(In organization)
Bloomington, Hennepin County, Minnesota

Application for Federal Deposit Insurance
Deposit Insurance Fund

ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation 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 through the Deposit Insurance Fund for EntreBank, a proposed new state-chartered nonmember bank to be located at 1550 American Boulevard East, Suite 100, Bloomington, Hennepin County, Minnesota, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by EntreBank for Federal deposit insurance is hereby approved subject to the following conditions:

1. That initial paid-in capital of not less than \$32,000,000 be provided.
2. That the Leverage ratio (as defined in the capital regulations of the FDIC) will be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided.
3. That any changes in proposed senior executive officers, proposed directors, or proposed ownership to the extent of 10 percent or more of stock, including new acquisitions of or subscriptions to 10 percent or more of stock will be approved by the FDIC prior to the opening.
4. That the depository institution will adopt an accrual accounting system for maintaining the books of the depository institution that is in accordance with U.S. Generally Accepted Accounting Principles.
5. That Federal deposit insurance will not become effective until the applicant has been granted a charter as a depository institution, has authority to conduct a depository institution business, and its establishment and operation as a depository institution has been fully approved by the appropriate State and/or Federal supervisory authority.

6. That Federal deposit insurance will not become effective until the proposed bank holding company has obtained approval from the Board of Governors of the Federal Reserve System to acquire voting stock control of the proposed depository institution.
7. That full disclosure be made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or then contemplated, including the identity of the parties to the transaction and the terms and costs involved. An insider is one who is or is proposed to be a director, officer, or incorporator of an applicant; a shareholder who directly or indirectly controls 10 or more percent of any class of the applicant's outstanding voting stock; or the associates or interests of any such person.
8. That the depository institution will have adequate fidelity coverage.
9. That 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 to the appropriate FDIC 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 depository institution'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 depository institution, and (iii) written notification within 15 days when a change in the depository institution's independent auditor occurs.
10. That the depository institution will operate within the parameters of the business plan submitted to the FDIC. During the first three years of operations, the institution will seek the prior approval of the FDIC Regional Director for any proposed major deviation or material change from the submitted business plan.
11. That the depository institution will implement a Community Reinvestment Act plan appropriate for its business strategy.
12. That during the first three years of operations, the depository institution will notify the appropriate FDIC Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.
13. That during the first three years of operations, the depository institution will seek prior non-objection from the FDIC Regional Director before implementing any bonus or incentive program.
14. That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted shall expire at the end of the said twelve-month period.

15. That until deposit insurance becomes effective, the FDIC will have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action.

Dated this 27th day of January, 2022.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: / S /
James D. LaPierre
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Subect: EntreBank
(In organization)
Bloomington, Hennepin County, Minnesota

Application for Federal Deposit Insurance

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 EntreBank, a proposed new community bank that will be located in Bloomington, MN ("Bank"). The application is intended to establish a new state-chartered nonmember commercial bank. The organizers concurrently applied to the Minnesota Department of Commerce (MDOC) for a state bank charter and received conditional approval on January 21, 2022, from the MDOC to form a de novo commercial bank known as EntreBank.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was initially published pursuant to the FDI Act on November 27, 2021. The Bank will be headquartered at 1550 American Boulevard East, Suite 100, Bloomington, Minnesota, 55425.

The organizers have established Entrepreneurs Bancshares, Inc., as the bank holding company. The opening capital of the Bank will be realized from private offerings of, at a minimum, 32,000,000 shares of common stock at a price of \$1.00 per share.

The Bank's business plan is to establish a community bank that provides banking services primarily in the Twin Cities metropolitan area. The Bank will operate in the local market offering traditional products and services, serving the needs of small and mid-size businesses and consumers in the community. The Bank will be managed 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 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. Steady growth is projected, 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 Kansas City 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**