

FEDERAL DEPOSIT INSURANCE CORPORATION

IN RE: Tennessee Bank & Trust, In Organization
Nashville, Davidson County, Tennessee
Applications for Federal Deposit Insurance,
for Consent to Purchase Assets and Assume Liabilities,
and to Establish One Branch

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 pursuant to Sections 5, 18(c), and other provisions of the Federal Deposit Insurance Act relating to applications filed by Tennessee Bank & Trust, a proposed new State non-member bank in organization, which would be located at 4007 Hillsboro Road, Nashville, Davidson County, Tennessee. The applications are for Federal deposit insurance through the Deposit Insurance Fund; for consent to purchase certain assets and assume liability to pay deposits made in the two Tennessee branches of Farmers Bank and Trust Company, Blytheville, Arkansas, with total resources of \$478,288,000 and total deposits of \$430,053,000 as of March 31, 2017; and for consent to establish a branch at 9000 Carothers Parkway, Franklin, Williamson County, Tennessee. The undersigned has concluded that the applications should be approved.

The purchase of assets and assumption of deposits is essentially a corporate reorganization, since the institutions have common ownership. The proposed transaction would not affect the structure of commercial banking or the concentration of banking resources within the relevant market. Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by Farmers Bank and Trust Company.

Favorable findings have been accorded to all factors required to be considered pertinent to each application. Accordingly, it is hereby ORDERED that the applications submitted by Tennessee Bank & Trust for Federal deposit insurance, to purchase assets and assume liabilities, and to establish a branch be and the same are hereby approved subject to the following conditions:

1. That initial paid-in capital of not less than \$21,826,000 be provided.
2. That the Tier 1 capital to assets leverage ratio 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.
5. That the results of any background investigations regarding proposed Directors or executive management not yet received be favorably resolved or changes to the composition of the Board or executive management be made to address any concerns.
6. That all necessary and final approvals have been obtained from all appropriate federal or state authorities.
7. 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 Tennessee Department of Financial Institutions.
8. That Farmers Bancorp, Inc., Blytheville, Arkansas, has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the proposed depository institution prior to its opening for business.
9. That the depository institution will have adequate fidelity coverage.
10. 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.
11. That the depository institution will develop and implement a Community Reinvestment Act plan appropriate for its business strategy, and submit this plan to the FDIC within 60 days of opening.
12. That during the first three years of operation, the depository institution will notify the FDIC Dallas Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.
13. 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 Dallas Regional Director for any proposed major deviation or material change from the submitted business plan.
14. That until the depository institution is established and the proposed transaction becomes effective, the FDIC will have the right to alter, suspend, or withdraw the said

