

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Four States Bank
Carthage, Jasper County, Missouri

Application for Federal Deposit Insurance

ORDER

The undersigned, acting on behalf of the Board of Directors of the 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, and relating to the application for Federal deposit insurance for Four States Bank, a proposed new state-chartered nonmember bank to be located at 213 S. Lyon, Carthage, Missouri, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Four States Bank for Federal deposit insurance be and is approved subject to the following conditions:

- (1) That beginning paid in-capital funds will not be less than \$23,500,000;
- (2) That a Leverage Capital Ratio, as defined in Part 324 of the FDIC's Rules and Regulations, of no less than eight percent be maintained during the bank's first three years of operations, and that an adequate allowance for credit losses be provided;
- (3) That any changes in proposed directors, executive officers, or proposed ownership (10 percent or more of stock), including new acquisitions of or subscriptions to 10 percent or more of the stock, shall be approved by the FDIC prior to opening the bank;
- (4) That the bank maintains its books on an accrual accounting system in accordance with U.S. Generally Accepted Accounting Principles;
- (5) That the bank obtains adequate fidelity coverage of at least \$1,600,000 prior to opening;
- (6) That the bank obtains 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 Kansas City Regional Office (i) the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the bank's fiscal year, (ii) other reports by the independent auditor (including any management letters) within 15 days after their receipt by the bank, and (iii) written notification within 15 days when a change in the bank's independent auditor occurs;

- (7) That Federal deposit insurance shall not become effective until the applicant has been granted a charter as a depository institution and has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Missouri Division of Finance;
- (8) That Federal deposit insurance will not become effective until Four States Bancshares, Inc. has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the bank;
- (9) That the bank has fully disclosed to all proposed directors and stockholders any insider transactions being effected or contemplated, including the identity of the parties to the transaction and the terms and costs involved. An insider is any proposed director, officer, or incorporator; a shareholder who directly or indirectly controls 10 percent or more of the bank's outstanding voting stock; or a related interest of any such person;
- (10) That the bank operates within the parameters of the business plan submitted to the FDIC. Furthermore, during the first three years of operations, the bank shall obtain prior written approval from the FDIC Regional Director for any proposed major deviation or material change from the submitted plan before consummation of the change;
- (11) That the bank shall notify the FDIC Regional Director of any plans to establish a loan production office 60 days before opening the facility during the first three years of operations;
- (12) That the bank seek non-objection from the FDIC before entering into any employment agreements during the first three years of operations;
- (13) 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 twelve-month period;
- (14) 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 10th day of June 2024.

FEDERAL DEPOSIT INSURANCE CORPORATION
KANSAS CITY REGION

BY: / S /
Jessica A. Kaemingk
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Four States Bank (Proposed)
Carthage, Jasper County, Missouri
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), an application for Federal deposit insurance has been filed for Four States Bank, a proposed new state-chartered nonmember bank, to be headquartered at 213 S. Lyon, Carthage, Missouri. Notices of the Federal deposit insurance application, in a form approved by the FDIC, were published pursuant to the FDI Act on December 1, 2023 in *The Joplin Globe* and on December 6, 2023 in the *Carthage Chronicle*. The organizers have concurrently applied to the Missouri Division of Finance for a state bank charter.

The organizers have established Four States Bancshares, Inc., to wholly own the proposed Bank. An application to establish a bank holding company has been submitted to the Federal Reserve Bank of Kansas City. The opening capital of the Bank will be realized from private offerings of, at a minimum, 125,000 shares of common stock at a price of \$200 per share.

The Bank's business plan is to establish a community bank that provides traditional products and services primarily in the greater Joplin, Missouri, area, which includes Carthage, Missouri. The organizers intend to meet the needs of small and mid-sized businesses and consumers in the trade area, with an emphasis on originating Small Business Administration and United States Department of Agriculture Farm Service Agency loans. A capable and experienced management team will oversee the Bank's daily operations. The Board of Directors is diverse, experienced, and committed to serving the local community.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, 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 insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under 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