

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Gulf Atlantic Bank
(In Organization)
Key West, Monroe County, Florida

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 Gulf Atlantic Bank, a proposed new state nonmember bank that will be located in Key West, Monroe County, Florida ("Bank"). The organizers concurrently applied for a state bank charter to the Florida Office of Financial Regulation ("State") who approved the charter on February 19, 2020.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on March 5, 2019.

The organizers have not established a bank holding company. The opening capital of the Bank will be obtained from a private offering of 1,200,000 shares of common stock at a price of \$10.00 per share. The Bank's business plan is to operate a state nonmember bank that services individuals and small- and medium-sized businesses and their employees as well as retail customers located primarily in Monroe County, Florida. The Bank's primary service area is Key West and Stock Island. 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**

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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 Gulf Atlantic Bank ("Bank"), a proposed new State nonmember bank to be located in Key West, Monroe County, Florida 33040, 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 \$12,000,000 will be provided.
- (2) That the Bank's Tier 1 capital-to-assets leverage ratio, as defined in Part 325 of the FDIC Rules and Regulations, be maintained at not less than eight percent (8.00%) throughout the first three years of operation, and an adequate allowance for loan and lease losses be provided from the date insurance is effective.
- (3) That any changes in the Bank's proposed management or 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 the 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 Bank's financial records in accordance with U.S. Generally Accepted Accounting Principles.
- (5) That, prior to the effective date of Federal deposit insurance, the Bank must obtain adequate fidelity coverage.
- (6) During the first three years of operation, the Bank must obtain the written non-objection of the FDIC's Atlanta Regional Director prior to the addition of any individual to the Board of Directors or the employment of any individual as a senior executive officer. The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. § 303.101.

- (7) That the Bank will pay no dividends during the first three years of operation without the prior written approval of the FDIC's Atlanta Regional Director.
- (8) That the Bank shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operation, the Bank shall seek the prior approval of the FDIC's Atlanta Regional Director for any proposed major deviation or material change from the submitted business plan.
- (9) That the Bank obtain an audit of its financial statements by an independent public accountant annually for at least the first three years of operation after deposit insurance is effective and submit to the FDIC's Atlanta Regional Office (i) a copy of the audited annual financial statements and the independent auditor's report within 90 days following the end of the Bank's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days of receipt, and (iii) written notification within 15 days when a change in its independent auditor occurs.
- (10) That the Bank shall notify the FDIC Atlanta Regional Director of any plans to establish a loan production office 60 days before opening the facility.
- (11) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter as a bank, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Florida Office of Financial Regulation.
- (12) That until deposit insurance becomes effective, the FDIC shall have the right to alter, suspend, or withdraw its commitment should any interim development be deemed to warrant such action.
- (13) That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a written 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.

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 21 day of February, 2020.

By: /S/

Michael J. Dean
Regional Director
Atlanta Region