

In Re: Atlantic Capital Bank
Atlanta, Fulton County, Georgia
Application for Federal Deposit Insurance (Deposit Insurance Fund)

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 Atlantic Capital Bank, a proposed new State nonmember bank to be located at 3280 Peachtree Road, Suite 1600, Atlanta, Fulton County, Georgia, and has concluded that the application should be approved.

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

- (1) That beginning paid-in capital funds of not less than \$80,000,000 be provided, of which not less than \$40,000,000 shall be allocated to common capital and not less than \$40,000,000 to surplus;
- (2) That the Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance of the institution's primary federal regulator) 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 management or proposed ownership (10% or more of stock), including new acquisitions of or subscriptions to 10% or more of the stock, shall be approved by the FDIC prior to opening of the bank;
- (4) That all bank holding company ownership tiers, including Atlantic Capital Bancshares, Inc., BCP Fund I Southeast Holdings LLC, BankCap Partners Fund I, LP, BankCap Partners GP, LP, and BankCap Equity Fund, LLC, have 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;
- (5) That any proposed contracts, leases or agreements relating to construction or rental of permanent quarters are submitted to the Regional Director for review and comment;

- (6) That full disclosure has been made to all proposed directors and stockholders of the facts concerning any insider transaction, 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);
- (7) That the person(s) selected to serve as the principal operating officer(s) shall be acceptable to the Regional Director;
- (8) That an accrual accounting system be adopted for maintaining the bank's books;
- (9) That sufficient fidelity coverage on the bank's active officers and employees to conform to generally accepted banking practices be obtained prior to opening for business;
- (10) That the bank obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance coverage is effective and submit to the Atlanta Regional Office (i) a copy of the audited financial statements and the independent public auditor's report thereon within 90 days after 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;
- (11) That the final version of any proposed stock benefit plans (including stock options, warrants, or other similar equity compensation plans) to be adopted for the benefit of directors, executive officers, incorporators, employees, or organizers of the bank (including any awards to be granted under such plans) during the first three years of operations of the bank shall require prior notice to and a letter of non-objection from the Regional Director;
- (12) That final employment contracts for all senior executive officers shall be forwarded to the FDIC for review and approval prior to the contracts becoming effective. A written Compensation Policy should be formulated that provides for reasonable executive officer compensation based on the business plan, normal and customary levels of compensation given geographic and competitive factors, asset quality, capital, and profitability. The Compensation Policy should be forwarded to the FDIC for review and approval prior to implementation. Pending FDIC review and approval, the Compensation Policy should be ratified by board resolution, and the board

