



March 14, 2022

Conditional Approval #1284
April 2022

John W. Tanselle
Partner
SmithAmundsen, LLC
201 N. Illinois Street, Suite 1400
Indianapolis, IN 46204

Re: Application to Include Subordinated Debt in Tier 2 Capital
United Fidelity Bank, F.S.B., Evansville, Indiana
OCC Control No.: 2022-CE-Capital&Div-326089

Charter No.: 703676

Dear Mr. Tanselle:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the application by United Fidelity Bank, F.S.B. (Bank) to include \$50,000,000 in subordinated debt in Tier 2 capital pursuant to 12 CFR 5.56. This letter serves as the official notification that the subordinated debt qualifies as Tier 2 capital.

This conditional approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the bank's representatives.

The subordinated debt is to be issued in March 2022 and mature in 2032. It will pay a fixed-to-floating rate of interest for the duration of the note.

Condition

This approval is subject to the following *condition*:

- The pricing of the subordinated note must be consistent with the eligibility criteria for a Tier 2 capital instrument. Specifically, the conversion of the subordinated note from a fixed rate instrument to a floating rate instrument in 2027 must not result in any increase in the credit spread paid by the Bank.

The *condition* of approval is a *condition* "imposed in writing by a Federal banking agency in connection with any action on any application, notice or other request" within the meaning of 12 USC 1818. As such, the *condition* is enforceable under 12 USC 1818.

Consummation Requirements

Prior to issuance of the subordinated debt, the Bank must comply with any applicable securities offering disclosure requirements under 12 CFR 16.

Within 30 calendar days after the Bank completes the sale of subordinated debt, it must submit the following information with the OCC:

- A written report indicating the number of purchasers, the total dollar amount of securities sold, the net proceeds received by the FSA from the issuance, and the amount of subordinated debt, net of all expenses, to be included as tier 2 capital.
- Three copies of the executed subordinated debt note and a copy of all other relevant subordinated debt documents governing the issuance or administration of the securities.
- A certification by the appropriate executive officer indicating that the FSA complied with all applicable laws and regulations in connection with the offering, issuance, and sale of the securities.

The Bank must complete the sale of subordinated debt within one year after the OCC's approval under 12 CFR 5.56.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how we handled the referenced notice. We would appreciate your response so we may improve our service. Please direct questions or comments to Licensing Analyst Kaelyn Serna at (202) 450-8075 or kaelyn.serna@occ.treas.gov. You may also contact me at (312) 360-8866 or by email to john.obrien@occ.treas.gov. Please include the OCC control number on any correspondence related to this filing.

Sincerely,

/s/

John A. O'Brien
Director for District Licensing
Office of the Comptroller of the Currency