

Conditional Approval #1333
March 2025

February 18, 2025

Via Electronic Mail

Gerard J. Buccino
Chief Executive Officer
CenTrust Bank, National Association
385 Waukegan Road
Northbrook, IL 60062

Re: Substantial Asset Change Application and Residency Waivers
CenTrust Bank, National Association, Northbrook, Illinois
Charter Number: 24617
OCC Control Numbers: 2023-5.53-334213 and 2024-Waiver-337608

Dear Mr. Buccino:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the application of CenTrust Bank, National Association, Northbrook, Illinois (CenTrust), to effect a substantial asset change resulting from a material increase in size. The application is part of a larger transaction in which Billfloat, Inc., a Delaware corporation doing business as SmartBiz Loans (SmartBiz), seeks to become a bank holding company by indirectly acquiring CenTrust. This conditional approval is granted after a thorough review of all available information, including the representations and commitments made in the application and by CenTrust's and SmartBiz's representatives.

CenTrust applied to the OCC for prior approval of a substantial asset change under 12 CFR 5.53. The proposed transaction will occur in two steps: (i) first, SmartBiz has established a merger subsidiary that will merge with and into United Community Bancshares, Inc. (UCB), a Delaware corporation and CenTrust's bank holding company, with UCB remaining as the surviving entity; and (ii) second, SmartBiz will merge with and into UCB, with UCB surviving (collectively, the Transaction). The business plan indicates that SmartBiz will expand the national bank's lending and deposit-taking activities nationwide causing a material increase in assets, as well as offer a loan origination platform to partner banks. The business plan also provides that CenTrust Bank, National Association will be renamed as SmartBiz Bank, National Association (collectively, the Bank).

In deciding the change in asset composition application, the OCC considered the factors under 12 CFR 5.53(d)(3) including the capital level of the resulting institution; the conformity of the transaction to applicable law, regulation and supervisory policies; the purpose of the transaction; the transaction's impact on the safety and soundness of the bank; and any effect on the bank's shareholders, depositors, other creditors, and customers. The OCC also considered additional factors under 12 CFR 5.20(f)(2) including whether the directors are familiar with national banking laws and regulations; whether there is competent management, including a board of

directors, with ability and experience relevant to the types of services to be provided; whether capital is sufficient to support the projected volume and type of business; whether the institution can reasonably be expected to achieve and maintain profitability; whether the institution will be operated in a safe and sound manner; and whether the title misrepresents the nature of the institution or the services it offers. The OCC reviewed all factors and deemed conditional approval consistent with regulatory requirements.

Additionally, the OCC hereby grants a waiver of the residency requirements of 12 USC 72 for the non-resident directors listed in Attachment A for the Bank. These waivers are based upon a thorough review of all available information, including the representations and commitments made in the application by CenTrust's and SmartBiz's representatives. The OCC reserves the right to withdraw the waivers at any time and, at our discretion, to request additional biographical and/or financial information on these individuals. All other requirements of 12 USC 72 remain applicable.

This approval is subject to the following conditions:

1. The Bank shall: (i) give the San Francisco Supervisory Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations,¹ and (ii) obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's notice. This condition shall remain in effect during the Bank's first three years of operation.
2. The Bank shall maintain loan concentrations consistent with all loan concentration limits set forth in its business plan.
3. The Bank shall maintain minimum capital levels commensurate with the prospective risk of the Bank's business plan, with a tier 1 leverage ratio of no less than 11.0 percent throughout the first three years of operation.
4. The Bank must receive the \$6 million capital injection from its parent, net of expenses, immediately after consummation of the Transaction pursuant to the business plan filed with the application.
5. After consummation of the Transaction, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position. This condition shall remain in effect during the Bank's first two years of operation.

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

6. The Bank shall submit a draft Community Reinvestment Act (CRA) Strategic Plan within ninety (90) days of the closing of the Transaction and a finalized CRA Strategic Plan within twelve (12) months of the closing of the Transaction.
7. The Bank shall take all steps necessary to ensure compliance with all representations and commitments made by CenTrust, SmartBiz, and their representatives in the application, including those set forth in the letter dated February 5, 2025, from Gerard Buccino, Chief Executive Officer, to the OCC, and to see that they are fully adopted, timely implemented, and adhered to thereafter.

The conditions of this approval are conditions “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 conditions are enforceable under 12 USC 1818.

This approval is also subject to the following pre-consummation requirement:

1. All regulatory approvals must be received prior to consummation of the Transaction, including approval from the Federal Reserve for the related holding company application.

If all steps of the Transaction are not consummated within six (6) months of the date of this letter, this approval shall automatically terminate, unless the OCC grants an extension of the time period. Within ten (10) days of consummating the final step in this Transaction, the Bank must advise the Licensing Office of the effective date of consummation so the OCC may complete its records. If any of the terms, conditions, or parties to the Transaction described in the application change, the OCC must be informed in writing prior to consummation to determine if any additional action or reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Substantial Asset Change application.

You are reminded that in order to make the Bank’s title change effective, the Bank shall submit amended Articles of Association to the OCC pursuant to 12 USC 21a and 12 CFR 5.42.

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 CenTrust’s and SmartBiz’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.

If you have any questions, contact David Hanlon at david.hanlon@occ.treas.gov or 202-450-0177. Please include the OCC control number on any correspondence related to this filing.

Sincerely,

/s/

Debra M. Burke
Director for Licensing

Attachment A

Directors Granted Residency Waivers

Evan Singer
Brian Ascher
Tim Bogan
Ann Marie Mehlum
Sean O'Malley
Noah Walley
Hope Mehlman