CONFIDENTIAL

Fortuna Bank
(In Organization)

Confidential Private Placement Memorandum

FOR
2,016,300 SHARES OF COMMON STOCK MINIMUM OFFERING
2,500,000 SHARES OF COMMON STOCK MAXIMUM OFFERING
$10.00 PER SHARE

August 25, 2023

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FORTUNA BANK
(IN ORGANIZATION)

Up to 2,500,000 Shares of Common Stock
$10.00 per Share

Fortuna Bank (in organization) ("Fortuna Bank" or the "Bank") is an Ohio-chartered commercial bank in the process of formation. We are offering shares of our common stock to capitalize the Bank. We have received the approval of the Ohio Division of Financial Institutions ("ODFI") to raise capital and commence banking operations. We have filed an application with the Federal Deposit Insurance Corporation ("FDIC") for federal insurance of the Bank's deposit accounts that is currently pending. Approvals from the ODFI and the FDIC are both subject to customary regulatory and operational conditions, which we must satisfy prior to opening the Bank. We expect to open the Bank in the fourth quarter of 2023 or the first quarter of 2024.

The Bank is offering a minimum of 2,016,300 shares and a maximum of 2,500,000 shares of its common stock, par value $0.01 per share, at an offering price of $10.00 per share (the "offering"). Prior to the offering there has been no public market for the common stock of the Bank and we do not expect a market to develop in the foreseeable future. The minimum purchase for any one investor is 1,000 shares ($10,000) unless we approve a lesser subscription amount in our discretion. We do not intend to accept any subscriptions from an individual investor for an amount greater than 9.9% of the total shares of stock that we sell in the offering, or 201,629 shares ($2,016,290) based on the sale of 2,016,300 shares. We reserve the right to waive or change these limits without notifying any subscriber. The shares are being offered directly by the Bank. However, the Bank may elect to utilize the services of an underwriter or placement agent to sell any of the shares offered hereby. See "The Offering and Method of Subscription."

We must receive and accept subscription orders for a minimum of 2,016,300 shares in order to close the offering, issue shares to investors and open the Bank. The offering will terminate on October 31, 2023 and may be terminated earlier or extended at our discretion. We may not extend the offering beyond March 29, 2024. All of the subscription funds that we receive from investors, other than the at-risk capital provided by our board members, executive officers and original investors (the "Initial Investors"), will be placed in an escrow account until (1) we sell at least 2,016,300 shares, including those shares issued to the Initial Investors in exchange for the at-risk capital they have provided, and (2) we receive final approvals from our bank regulatory agencies. If we do not meet these conditions before the end of the offering period (including any extensions thereof), we will promptly return all funds to subscribers, without penalty or interest. **Once we accept your subscription in whole or in part, you may not revoke it without our consent.**

Investment in the common stock involves substantial risk. Please see "Risk Factors" beginning on page 11. You should not invest in this offering unless you can afford to lose some or all of your investment.

THE SHARES OF COMMON STOCK OFFERED HEREUNDER ARE NOT SAVINGS ACCOUNTS OR SAVINGS DEPOSITS AND WILL NOT BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC") OR ANY OTHER GOVERNMENT AGENCY. THESE SECURITIES ARE SUBJECT TO INVESTMENT RISK, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FDIC, THE SECURITIES AND EXCHANGE COMMISSION ("SEC") NOR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, INCLUDING THE OHIO DIVISION OF FINANCIAL INSTITUTIONS ("ODFI") NOR HAVE SUCH AGENCIES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. NO REGISTRATION STATEMENT COVERING THE OFFER AND SALE OF THE BANK'S COMMON STOCK HAS BEEN OR WILL BE FILED WITH THE SEC, THE ODFI OR ANY OTHER STATE SECURITIES REGULATOR.

	Aggregate Offering Price	Estimated Offering Costs (1)	Net Proceeds to Bank
Total Minimum Offering	$20,163,000	$163,000	$20,000,000
Total Maximum Offering	$25,000,000	$163,000	$24,837,000

(1) Does not include any commissions payable to an underwriter or placement agent and does not include pre-opening expenses. Although the Bank does not intend to do so, should the Bank utilize the services of an underwriter or placement agent to sell any of the shares offered hereby, the proceeds to the Bank, as set forth above, will be decreased based upon the commissions payable to the underwriter or placement agent.

This private placement memorandum is dated August 25, 2023.

Important Information

We are providing this private placement memorandum and any related material on a confidential basis solely for you to consider the purchase of our common stock. By accepting this private placement memorandum, you agree to maintain the confidentiality of the information contained in this memorandum, not to copy or reproduce any portion of this memorandum, and to use the information solely to evaluate an investment in our common stock. You agree that you are purchasing the shares for your own account and not for distribution or resale to others. If requested, you agree to return this private placement memorandum and all such other material to the Bank if you do not subscribe for any shares.

We reserve the right, in our sole discretion, for any reason whatsoever, to (a) modify, amend or withdraw all or a portion of this offering, (b) accept or reject, in whole or in part, any prospective investment in our common stock, or (c) allot to any prospective investor less than the amount of common stock that investor desires to purchase. We will have no liability whatsoever to any offeree or investor in the event that any of the foregoing occurs.

This private placement memorandum and any projections delivered with it include forward-looking information. The projections and information are based on assumptions about future events that are inherently uncertain and subjective. We make no representation or warranty about whether we will attain the results projected. The projections of our future performance are based on certain assumptions, and our actual results may vary materially and adversely from the results projected.

No person other than authorized representatives of the Bank is authorized to give any information or to make any representation other than those contained in this private placement memorandum and any supplement or addendum we have prepared. We take no responsibility for, and provide no assurance as to the reliability of, any other information that others may give you. In making an investment decision, investors must rely on their own examinations of the Bank and the terms of the offering, including the merits and risks involved. Before the closing of the offering, any prospective investor may ask questions of and receive answers from us concerning (a) the Bank, (b) the terms and conditions of the offering, and (c) any additional relevant information we possess.

You should only rely upon information contained in this private placement memorandum. In making an investment decision, you must rely on your own examinations of the Bank and the terms of this offering, including the merits and risks involved. You are not to construe the contents of this private placement memorandum, or of any prior or subsequent communications from us or any of our employees, agents, or affiliates, as investment, legal, or tax advice. You should consult your own counsel, accountant, and other professional advisors about legal, tax, and other related matters concerning your investment.

Unless the context requires otherwise, all references in this private placement memorandum to "the Bank," "we," "us," and "our" refer to Fortuna Bank (in organization).

The information contained in this private placement memorandum is accurate only as of the date that appears on the cover, regardless of the time of delivery of this private placement memorandum or of any sale of our common stock. This private placement memorandum supersedes all prior or contemporaneous written or verbal communications made on behalf of, or pertaining to, the Bank. No persons other than authorized representatives of the Bank are authorized to make any statements or to provide information about the Bank to prospective investors.

This private placement memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities nor shall there be any sale thereof in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful. Any distribution of this private placement memorandum by an offeree in whole or in part is unauthorized.

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Market and Industry Data

Within this private placement memorandum, we reference certain market, industry and demographic data and other statistical information. We have obtained this data and information from various independent, third-party industry sources and publications. Nothing in the data or information used or derived from third-party sources should be construed as advice. Some data and other information are also based on our good faith estimates, which are derived from our review of internal surveys and independent sources. We believe that these external sources and estimates are reliable but such sources and estimates have not been independently verified. Although we are not aware of any misstatements regarding the economic, employment, industry and other market data presented herein, these estimates involve inherent risks and uncertainties and are based on assumptions that are subject to change.

FORWARD-LOOKING STATEMENTS

This private placement memorandum contains forward-looking statements about the Bank and about our current expectations, plans, strategies, prospects and projections about future events. These statements generally can be identified by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “plan,” “will,” “would,” “should,” “could,” “may” or other similar expressions. Although we believe that the expectations, plans, strategies, prospects and projections suggested by such forward-looking statements are reasonable, we can give no assurance that they will be achieved or will actually occur.

These forward-looking statements are subject to certain risks and uncertainties that could cause the Bank’s actual results to differ materially from our intended results. Important factors that could cause actual results to differ materially from those reflected in or suggested by our forward-looking statements are set forth under the heading “Risk Factors” beginning on page 11 of this private placement memorandum. Other factors, many of which are beyond our control, that could cause actual conditions, events or results to differ significant from those described in the forward-looking statements include, but are not limited to:

- general economic conditions, either nationally or in some or all of the areas in which we and our customers conduct our respective businesses, including the Columbus, Ohio Metropolitan Area, including the effects of inflation or a potential recession, and securities and real estate markets or banking industry conditions;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses;
- our ability to access cost-effective funding;
- economic and/or policy changes related to the national or local health emergencies or pandemics;
- changes in real estate values, which could impact the quality of the assets securing loans in our portfolio, and other changes in the quality or composition of our loan or securities portfolios;
- changes in the monetary and fiscal policies of the U.S. Government, including policies of the U.S. Department of the Treasury and the Board of Governors of the Federal Reserve System (the “Federal Reserve”), and changes in inflation and interest rates, which may affect our net income and other future cash flows, or the market value of our assets, including our investment securities;
- competition from larger and more established banks, other community banks or from the internet;
- our ability to execute on our business objective of being a majority women-owned and women-managed financial institution;
- our ability to manage market risk, credit risk and operational risk;
- our ability to attract new customers and retain existing customers in the manner anticipated;
- changes in the demand for deposit, loan, and investment products and other financial services in the markets we serve;
- our timely development of new lines of business and competitive products or services in a changing environment, and the acceptance of such products or services by our customers;

- our ability to hire and retain key personnel;
- the outcome of pending or threatened litigation, or of matters before regulatory agencies, whether currently existing or commencing in the future;
- environmental conditions that exist or may exist on properties we own, lease or mortgage;
- operational issues, including disruptions or breaches of systems, due to cyber-attacks, or capital expenditures required by, developments in information technology systems;
- the inability of third-party providers to perform as expected;
- recent events involving the failure of financial institutions that may adversely affect our business, and our ability to raise capital;
- changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action, pertaining to banking, securities, taxation, financial accounting and reporting, environmental protection, and insurance, and our ability to comply with such changes in a timely manner;
- changes in our ability to access the capital markets;
- natural disasters, war, pandemics or terrorist activities; and
- other economic, competitive, governmental, regulatory, technological, and geopolitical factors affecting our operations, pricing, and services.

You should not place undue reliance on these forward-looking statements, which reflect our expectations only as of the date of this private placement memorandum. We do not assume any obligation to revise or update forward-looking statements except as may be required by law.

SUMMARY

The following is a brief summary of certain information contained elsewhere in this private placement memorandum. This summary is not intended to be a summary of all material information relating to the offering and is qualified in its entirety by the more detailed information contained elsewhere in this private placement memorandum.

Fortuna Bank (in organization)

Fortuna Bank (in organization) ("Fortuna Bank" or the "Bank") is being organized as an Ohio-chartered commercial bank. The Bank will have its principal office located in Grandview Heights, Ohio.

The Bank will be a full-service community bank offering traditional commercial and retail loan and deposit products and services to all individuals and small- and medium-sized businesses in the Columbus, Ohio Metropolitan Area (the "CMA"). We believe that by focusing on relationship banking with local decision making, coupled with best-in-class electronic banking products and services, the Bank will distinguish itself from the larger banks operating in the CMA. While the Bank will be a full-service financial institution servicing the banking needs of all businesses and individuals, the Bank expects to have a majority of women in leadership positions, including as chief executive officer and chief lending officer, and a majority of women Board members. Moreover, it is expected to be majority women-owned. In this regard, the Bank's mission is to create a platform to provide women and women-owned and women-managed businesses the necessary financial resources for success, including education, access to capital, mentoring and partnerships. In addition to this emphasis and mission, the Bank will strive to become a bank of choice for all small to mid-sized companies and professionals and individuals in and around the CMA.

The Bank will offer a variety of commercial, residential and consumer loan products, including owner-occupied and nonowner-occupied commercial real estate ("CRE") and multifamily mortgage loans; commercial business loans and commercial lines of credit to small- and medium-sized businesses and professionals, including, upon accreditation, Small Business Administration ("SBA") loans; fixed-rate and adjustable-rate one- to four-family residential real estate loans; home equity lines of credit ("HELOCs"); commercial and residential construction loans; consumer loans, including deposit and installment loans; and automobile loans. Additionally, the Bank will consider utilizing a third party to offer business and consumer credit cards.

The Bank has not yet commenced banking operations. We have filed an application with the Ohio Division of Financial Institutions (the "ODFI"), the chartering authority for the Bank, seeking permission to organize the Bank, and an application with the Federal Deposit Insurance Corporation ("FDIC") for federal insurance of the Bank's deposit accounts. We have received approval from the ODFI to raise capital pursuant to this offering and to commence banking operations, but this approval is subject to customary regulatory and operational conditions and we cannot commence banking operations until we satisfy these final conditions. The closing of the offering and commencement of the Bank's banking operations are contingent upon the receipt of final regulatory approvals from the ODFI and the FDIC and on the Bank receiving and accepting subscriptions for at least 2,016,300 shares of common stock.

We expect to commence banking operations in the fourth calendar quarter of 2023 or the first calendar quarter of 2024, but no assurance can be made as to when, or if, the Bank will receive and accept subscriptions for at least 2,016,300 shares of common stock, or when and if the Bank will satisfy the final conditions required by the ODFI's and FDIC's approvals. Until we satisfy these conditions and obtain these final regulatory approvals and receive subscriptions for 2,016,300 shares, we cannot commence banking operations and generate any operational revenue. During this offering and pre-opening process, we will continue to incur start-up expenses.

Grandview Heights and Upper Arlington, Ohio and the Columbus, Ohio Metropolitan Market Area

The CMA is an attractive banking market. The organizers believe that the area encompassing Grandview Heights and the southern portion of Upper Arlington, Ohio, both in Franklin County, which is in the immediate northwest suburbs of Columbus and which the Bank expects to be its primary market area for retail deposit taking, provides attractive growth potential for the Bank. In 2021, this market area had a population of 28,000, having grown from 2010 through 2021 at a rate of 7.4%, as compared to a growth rate of 1.7% for Ohio and 7.2% for the United States during this same period. According to *Census Bureau and Demographics Now*, from 2021 through 2026 the population is predicted to grow at a rate of 8.0%, outpacing the expected growth rates of 0.4% and 3.5% for Ohio and the United States, respectively, during this same time period. In 2021, the per capita income for the market area was \$60,000 compared to per capita income of \$33,000 and \$36,000 in Ohio and the United States, respectively, according to the *US Census Quickfacts.* As of July 2023, the unemployment rate in Franklin County was 3.3%, compared to unemployment rates of 3.3% and 3.5%, for Ohio and the United States, respectively. In 2021, the median housing values in Grandview Heights and Upper Arlington were \$310,000 and \$363,000, respectively, compared to median housing values of \$163,000 and \$228,000 for Ohio and the United States, respectively.

Columbus, Ohio is home to the corporate headquarters of many national and international institutions and enterprises including Cardinal Health, Abercrombie and Fitch, Big Lots, Nationwide Insurance and Wendy's Restaurants. As of June 30, 2022, the latest date for which data is available, aggregate deposits of Franklin County were \$84.0 billion. Community banks (with deposits of less than \$5.0 billion) held approximately just 5.0% of Franklin County's deposits as of that date. According to the FDIC website, as of June 30, 2022, there were 34 insured banks operating in Franklin County. Of this number, six institutions maintained 91.0% of aggregate deposits.

We believe that the ongoing consolidation in the banking industry that has taken place in the CMA during the past ten years illustrates the need for a *de novo* bank based in the CMA. Since 2008, many banks operating in the CMA (mostly community banks) have sold to other financial institutions. Since 2008, there have been four *de novo* banks in the CMA. We believe these market dynamics, primarily because the large banks dominate the CMA banking sector, support the opportunity for a new community bank. Additionally, there are no locally headquartered banks in the CMA with a special business focus and mission to provide banking services to women and women-owned and women-managed entities. The organizers believe that this business focus and mission will differentiate the Bank from its many potential competitors. Fortuna Bank will be led by local bankers and business leaders with current working knowledge of the market and will focus on providing banking products and services to local businesses, the credit and banking needs of which larger banks with centralized decision making often do not effectively serve.

Our Board of Directors and Executive Officers

Our board of directors consists of experienced business leaders, including two of our executive officers. We believe that our executive officers combine extensive community banking and managerial experience, with the necessary market knowledge and energy to establish and grow a successful and profitable new bank.

All of our directors have close ties to, and are actively involved in, business communities in the CMA. Moreover, two of our board members have significant experience working with *de novo* financial institutions. By combining our management team's experience and personal contacts with that of our directors, we believe we will achieve success by focusing on professionals, small- and mid-sized business entities and professional organizations as well as individuals throughout the CMA. Additionally, with five of our initial seven board members, as well as the Bank's chief executive officer and chief lending officer, being women, we believe we are being true to the Bank's mission to be the bank of choice for women and women-owned and women-managed businesses throughout the CMA. We have a current commitment from an experienced senior loan officer to become our chief lending officer and she plans to join the Bank when we open. Our executive officers and members of our board of directors are:

Ilaria Rawlins, President, Chief Executive Officer and Director. Ms. Rawlins is a career banker with over 30 years of banking experience, including executive leadership, having served in a variety of roles with several banks including as Retail Bank President and SVP of Retail Development. Ms. Rawlins is results-oriented with expertise in leadership, community relations, strategy execution, idea creation and goal achievement.

From 2014 through 2021, Ms. Rawlins held roles of increasing responsibility at First Financial Bank, Cincinnati, Ohio, serving from March 2019 until September 2021 as Retail Bank President where she was responsible for leading the bank's entire retail network, consisting of 140 branches and 775 full-time associates with ultimate responsibility for sales, service, operational and financial performance of the retail line of business.

Prior to her tenure at First Financial Bank, from 2006 until its sale in 2014, Ms. Rawlins served as Senior Vice President of Retail Development for First Bexley Bank, a Columbus, Ohio *de novo* where she had extensive involvement in organizing and launching the bank. During her tenure at First Bexley, she was responsible for client acquisition, treasury management sales, bank compliance, bank marketing, core system integration, and community initiatives. She played an integral role in the sale of the bank and led the merger integration and system conversion activities related to the First Financial Bank purchase in 2014.

Most recently, Ms. Rawlins was employed by a multi-state bank holding company where her responsibilities included innovation, strategy execution and CRA/FRP program management.

Anthony Stollings, Chief Financial Officer and Director. Mr. Stollings is a seasoned bank executive with over 40 years of banking experience, including having served for various institutions in the roles of President, Chief Operating Officer, Chief Banking Officer, Chief Financial Officer, Chief Risk Officer and Controller. From 2006 until 2019, Mr. Stollings held roles of increasing responsibility at First Financial Bancorp, a publicly traded bank holding company with $15 billion in total assets, including having served most recently from 2015 until 2019 as President and Chief Banking Officer. During his 13-year tenure, Mr. Stollings also served on the executive committee and played a key role in the institution's asset growth of over five times.

Lisa Berger, Chairwoman of the Board. Ms. Berger is a licensed attorney and title agent. Prior to its sale to Chicago Title in 2016, Ms. Berger was the owner and operator of Amerititle Downtown. Prior to this, from 2004 until 2006, Ms. Berger practiced law at Kayne Law Group and practiced real estate law at Porter, Wright, Morris & Arthur from 1998 until 2004. Ms. Berger is active in civic and educational charities in the CMA including having served on the Board of Trustees of Columbus School for Girls.

Christie Angel, Director. Ms. Angel is the managing partner of the Columbus office of BroadView Talent Partners. Until the end of 2022 and for five years prior, Ms. Angel acted as President and CEO of the YWCA Columbus. She has more than two decades of experience working in the private and public sectors of the CMA. Prior to joining YWCA Columbus, Ms. Angel was principal of government relations and public affairs for Calfee Strategic Solutions, a subsidiary of the law firm Calfee, Halter & Griswold. She previously served as Deputy Chief of Staff to former Columbus Mayor Michael B. Coleman and worked in the corporate government relations field at a Fortune 10 telecommunications company and a boutique consulting firm.

Carla Donev, Director. Ms. Donev is an information technology and cybersecurity professional currently serving as Vice President and Chief Information Security Officer of NiSource where she oversees cybersecurity for NiSource, Columbia Gas and other brands across six states, positions she had held since 2018. Prior to this, from 2013 until 2018, Ms. Donev headed cybersecurity for Cardinal Health and Designer Show Warehouse (DSW) and from 2004 until 2013 functioned in various roles performing IT Audit and management activities for Deloitte and Cardinal Health. Ms. Donev serves on the Board of Trustees for Columbus Children's Theatre and Columbus Speech and Hearing Center.

Lori Kaiser, Director. Ms. Kaiser is a certified public accountant and is the founder and prior owner of Kaiser Consulting, an accounting and consulting firm headquartered in Powell, Ohio. Prior to founding Kaiser Consulting in 2001, she was the Chief Financial Officer at Lowestpremium.com and also the Corporate Controller for Nationwide Communications, Inc. Ms. Kaiser was elected to the Board of Directors of The Capitol Series Trust, a publicly traded company, and has served as the Audit Committee Chair for the Trust. She meets all the criteria for and currently functions as an SEC Audit Committee Financial Expert. Additionally, she has served as a Board Member for the Ohio Society of CPAs, National Church Residences, Franklin University, The Women's Fund of Central Ohio, National Association of Women Business Owners, and Columbus Chamber of Commerce.

Jeff Meyer, Director. Mr. Meyer is an attorney and title agent. Prior to selling his interests to Fidelity National Title Company, a division of Fidelity National Financial (NYSE: FNF) in January, 2023, Mr. Meyer founded and operated 10 title agencies in Columbus, Ohio and Chicago, Illinois over the past 30 years. Previously, he was an attorney for Benesch law firm and Cardinal Realty Services, Inc., a public REIT. He currently manages the operations of four title agencies, including Clean Title, a division of Fidelity National Title Company. Mr. Meyer has extensive community banking board experience, having served as an organizer and director of First Bexley Bank from May 2006 until it was acquired by First Financial Bancorp (NASDAQ: FFBC) in August 2014. He then served as a director of First Financial Bancorp from September 2014 to March 2018. Mr. Meyer is active in civic and charitable organizations and has served as Chairman of the Board of Trustees for the Columbus Jewish Foundation and Columbus Jewish Community Center.

For more information regarding our directors and executive officers, see "Directors and Executive Officers" on beginning on page 44.

Our Business Strategy

Fortuna Bank's strategy is to leverage the management team's combined 90 years of in-market banking experience and customer relationships, and the directors' and initial investors' extensive influence and community relationships in the CMA to capitalize on the existing market opportunity for a successful community bank. Fortuna Bank will operate as a community bank, emphasizing personal service, accessibility and flexibility in the face of mass market-oriented large national and super-regional banks which maintain local branch networks. While the Bank will be a full-service financial institution servicing the banking needs of all businesses and individuals, the Bank expects to have a majority of women in leadership positions, including as chief executive officer and chief lending officer, and a majority of women Board members. Moreover, it is expected to be majority women-owned. In this regard, the Bank's mission is to create a platform to provide women and women-owned and women-managed businesses the necessary financial resources for success, including education, access to capital, mentoring and partnerships. The Bank will execute on the following strategies in order to achieve its goal to grow in a sustainable, profitable and competitive manner while maintaining superior asset quality and strong risk management practices:

- **Best People** - Seek and retain those individuals with in-market experience, strong ethical values and a strong desire to provide Fortuna Bank's customers with the best service available to ensure the ongoing execution of its strategies. Management's current working knowledge of the banking talent in the market will be invaluable in identifying and recruiting the best bankers for Fortuna Bank.
- **Relationship Banking** - Employ a marketing strategy focused on relationship development through leveraging the contacts and networks of the proposed management, directors and initial investors in Fortuna Bank. The management team's contacts and customer relationships built over the many years of banking in the CMA and the directors' extensive contacts in the community will serve as an initial platform for quality loan and deposit growth for Fortuna Bank. Due to the management team's long-established relationships with existing and recent past customer bases, management is confident a segment of these customers will desire to continue these banking relationships at Fortuna Bank.
- **Marketing Emphasis for Women and Women-Owned Enterprises -** Strive to be the bank of choice for women and women-owned businesses. We believe that women-owned entities have traditionally been underserved by the financial serviced industry, and through direct marketing efforts, including advertising and specialty programming, we will strive to gain a sizable share of this banking market.
- **Traditional Products** - Offer products and services based on traditional, prudent and sound banking practices established with the objective to benefit both the Bank and the Bank's customers.
- **Technology-Focused** - Pursue a technology-focused strategy through implementation of the best management information system available to achieve maximum efficiency and to provide our customers with the most convenient and secure delivery platforms. The Bank is not burdened with legacy systems which provides an opportunity for management to acquire systems that are industry-tested but best suited for the Bank's business focus. Technology will be instrumental in providing a "frictionless" customer relationship and a more efficient delivery channel compared to an extensive branch network, allowing for more investment in "people talent" and technology instead of more banking facilities.
- **Comprehensive Risk Management -** Maintain a comprehensive risk management framework to ensure the safety and soundness of the Bank. The risk management framework will include policies, procedures and reporting to ensure proper credit and capital management, interest rate risk and liquidity management, robust regulatory compliance and comprehensive operational controls and will evolve and mature consistent with the size and complexity of Fortuna Bank.

Stock Ownership by our Board, Executive Officers and Founders

To date, our Initial Investors, which include our directors and executive officers, have provided initial at-risk capital of $810,000, which is being used to pay organizational expenses and will be applied to the purchase of shares of common stock at the $10.00 per share price upon closing of the offering. The Initial Investors have committed to provide additional at-risk capital prior to the Bank opening for business as needed. Our Initial Investors have committed to purchase approximately $2.7 million (270,000 shares) of common stock, of which $810,000 has already been collected and is being used for organizational expenses. In recognition of the commitment and placement of the initial investment money as "at-risk" capital, the Bank intends to grant to each Initial Investor at no additional cost to the Initial Investor, warrants to purchase 1,000 shares of the Bank's common stock, for each $100,000 of initial investment money received prior to the Bank commencing operations, or a total of 27,000 warrants. Each of these warrants will have an exercise price of $10.00 and will vest immediately with no expiration date.

Taking into account these purchases and assuming the exercise of all of the warrants in full, the Initial Investors' ownership of the Bank will be 14.54% if we complete the minimum offering, or 11.75% if we complete the maximum offering.

Additionally, we intend to adopt an equity incentive plan, subject to shareholder approval, authorizing a number of shares not expected to exceed 20% of the shares that we sell in the offering. This amount will be reduced on a one-for-one basis based on the number of warrants which we will grant to the Initial Investors for their placement of at-risk funds. Therefore, our intent is to have the aggregate dilution of all options, warrants and restricted shares not to exceed 20% of the shares sold in the initial offering. The plan will permit us to issue options and, subject to regulatory non-objection, restricted stock from time to time to our officers, directors and key employees to further align their interests with those of our shareholders.

The Offering

Securities Offered	A minimum of 2,016,300 shares and a maximum of 2,500,000 shares of common stock, par value $0.01 per share.
Offering Price	$10.00 per share. We determined the $10.00 per share stock price arbitrarily based on the typical price for new community bank stock offerings.
Minimum Investment	The minimum subscription amount is 1,000 shares ($10,000). We reserve the right to waive this minimum amount in our sole discretion.
Maximum Investments	It is expected that the Bank will not accept subscriptions from any one subscriber in an amount greater than 9.9% of the total shares sold, or 201,629 shares ($2,016,290) based on the sale of 2,016,300 shares. However, we reserve the right to waive this restriction without notice to other subscribers.
Subscription Orders Are Irrevocable Once Submitted	Once you have delivered a signed subscription agreement along with payment in full for the shares for which you subscribe, you may not change or revoke your subscription without the Bank's consent. We also reserve the right to reject any subscription in whole or in part for any reason, at or after the submission of a subscription order.
Plan of Distribution	The shares are being offered by the Bank without compensation. The Bank has not currently engaged any brokers, salespersons or others in connection with the sale of the shares. However, we may engage the services of an underwriter, broker or placement agent to sell shares in this offering.
Escrow of Subscription Funds	All subscription funds raised pursuant to this private placement memorandum will be held in escrow in a noninterest-bearing account with United Bankers' Bank (the "Escrow Account") pending successful completion of the offering and receipt of final regulatory approvals from the ODFI and the FDIC. Unless we receive and accept subscriptions for a minimum of 2,016,300 shares in this offering (including shares purchased by the Initial Investors with at-risk funds), no shares will be issued and all of the cash paid by subscribers for the shares held in the escrow account will be returned to the subscribers without penalty or interest.
Offering Period	The offering will continue until the earlier of the date on which the Bank has received and accepted orders for 2,016,300 shares or October 31, 2023, as the expiration date of the offering. We may, in our sole discretion,

extend the offering until March 29, 2024. See "The Offering and Method of Subscription."

Market for Common Stock

There is no public market for our common stock, and we do not anticipate that any market will develop in the foreseeable future. Therefore, purchasers of the common stock will be required to bear the economic risk of investment for an indefinite period of time. See "Market for Our Common Stock."

Use of Proceeds

The Bank will use the proceeds of the offering to pay the expenses related to the offering, for organizational and preopening expenses, and for working capital and general business purposes. See "Use of Proceeds."

No Expected Cash Dividends

The Bank does not intend to pay cash dividends on the common stock for the foreseeable future. The Bank intends to retain earnings, if any, to increase the Bank's capital during its initial years of operation. Further, cash dividends may not be declared by the board of directors unless the Bank meets certain regulatory requirements and the Bank's capital will remain unimpaired following the dividend payment. The FDIC and ODFI generally restrict cash dividends during the first three years of a new bank's operation. **You should not subscribe for the common stock if you need or desire to receive dividend income from an investment.** See "Dividend Policy."

Method of Subscription

Subscriptions for shares may be made by completing and signing the Subscription Agreement that accompanies this private placement memorandum, and mailing or electronically delivering the Subscription Agreement to the Bank, together with payment in full for the total purchase price according to the instructions set forth in the Subscription Agreement. If your subscription is accepted, the acceptance section of the Subscription Agreement will be signed by the Bank and a copy returned to the subscriber. The Bank reserves the right to reject any subscriptions, in whole or in part, for any reason, in its sole discretion, at the time a subscription is submitted or any time thereafter. See "The Offering and Method of Subscription."

Risk Factors

Investment in shares of the common stock involves substantial risk. Before investing, you should carefully consider the information set forth under "Risk Factors," beginning on page 11, for a discussion of the risks related to an investment in our common stock.

RISK FACTORS

You should consider carefully the following risk factors in evaluating a potential investment in our common stock.

Investment in the common stock of the Bank involves significant risks including the possible loss of principal. In addition to considerations bearing on your individual investment objectives, you should consider the following:

The Bank does not have a proven history of successful operations or profitability, and we cannot give any assurance that we will ever be profitable.

The purpose of the offering is to capitalize the Bank which will operate initially through its office in Grandview Heights, Ohio. The Bank's business plan provides in large part for the Bank's loan and deposit growth through the servicing of small- and mid-sized businesses and individuals in the CMA, with a marketing emphasis on women-owned and women-managed businesses. No assurance can be given that the Bank will develop its operations successfully or profitably.

The establishment and profitable development of a new banking operation is a difficult endeavor, and significant expenses and effort will be expended by the Bank, with no guarantee of success. Although the Bank's directors and executive officers have significant banking experience and business contacts in the CMA, the Bank projects that it will incur losses of approximately $2.11 million (including an estimated $837,000 of pre-opening organizational costs and expenses) over the course of the first two years of operations, and there can be no assurance that actual losses will not exceed such estimates. To the extent that the Bank realizes net income, it is expected that such net income, for at least the first several years following commencement of its operations, will be utilized by the Bank to fund continued growth, and will not be available for distribution by the Bank in the form of cash dividends.

Once submitted, your subscription is irrevocable and you will not have access to those funds unless the offering is terminated.

Before the Bank can commence business, we must sell at least 2,016,300 shares of common stock, the ODFI must grant final approval of the Bank's charter and the FDIC must grant approval of the Bank's application for deposit insurance. We have received the approval of the ODFI to raise capital and to commence banking operations. This approval is subject to customary regulatory and operational conditions, which we must satisfy prior to opening the Bank. The Bank will use its best efforts to satisfy the conditions imposed in the approval, complete this offering and obtain final approvals as soon as possible. We expect to complete the offering, receive these final approvals and commence operations in the fourth calendar quarter of 2023 or the first calendar quarter of 2024. However, we may extend the offering period until March 29, 2024. Accordingly, if we are unable to satisfy all conditions to opening, you could be without access to your funds for an extended period of time.

Once submitted to the Bank, your subscription order to purchase shares of common stock is irrevocable, unless the offering terminates or we are unable to complete the offering by March 29, 2024. Your investment decision is made at the time you submit your subscription, and any funds delivered in connection with your subscription will not be returned to you for any reason, including as a result of a material adverse event affecting us or the economy in general, unless the offering conditions are not met or this offering is otherwise cancelled in its entirety or if we reject your subscription. We may reject your subscription in whole or in part, at the time you submit your order or at any time after it is received and accepted. In the event of rejection, only the portion of the funds that represent the portion of the subscription rejected will be returned to you, without penalty or interest.

The Bank has incurred, and will continue to incur, substantial offering and organizational costs and expenses until operations are commenced. Any delay in opening the Bank will result in additional losses.

It is estimated that prior to commencement of operations, the Bank will have incurred aggregate offering and organizational costs and expenses of approximately $1.0 million. Such costs and expenses include, among other things, amounts paid for certain legal fees, accounting fees, marketing studies, costs incurred to prepare the Bank's charter and insurance applications, salaries, overhead and costs to build out the Bank's office. The Bank's operations are anticipated to commence in the fourth calendar quarter of 2023 or the first calendar quarter of 2024 but the actual date will depend on many factors, including, but not limited to, the successful completion of this offering and the timing of final regulatory approvals by the ODFI and the FDIC. Such expenses will likely be greater if commencement of operations is delayed or if the services of an underwriter or placement agent are utilized to sell any of the shares offered hereby. The Bank has received from the Initial Investors $810,000 of at-risk investment funds that will be applied to the payment of shares at the same $10.00 per share price offered hereby. Those payments, and additional funds as needed from the Initial Investors, are being used to pay offering and organizational costs and expenses until proceeds of the offering are released from escrow.

We intend to open the Bank in the fourth quarter of 2023 or the first quarter of 2024, subject to receipt of all required final regulatory approvals. Regulatory approvals may include various conditions that are onerous, burdensome, or that require time consuming activities to satisfy. Compliance with these conditions of approval may take longer than anticipated and, therefore, could delay the Bank's opening. If the Bank's opening is delayed, our organizational and pre-opening expenses will increase. Because the Bank would not be open and generating revenue, these additional expenses would cause our accumulated losses to increase.

We expect to incur losses for at least our first two years, and there is a risk we may never become profitable.

In order for us to become profitable, we will need to attract a large number of customers to deposit and borrow money. This will take time. We expect to incur large initial expenses and expect to incur losses for at least our first two years. Our profitability will depend on our ability to develop a quality loan portfolio and a core deposit base, both of which may take several years to develop. Additionally, many of our loans initially will be new loans to new borrowers. Accordingly, it will take several years to determine our borrowers' payment histories, and, as a result, we will not be able to reliably evaluate the quality of the loan portfolio until that time. We also will be a highly regulated institution. Our ability to grow and achieve profitability may be adversely affected by state and federal regulations that limit a bank's ability to make loans and purchase securities. Although we expect to become profitable by the end of our second year of operations, there is a risk that a deterioration of the local economy, adverse government regulation, or other factors could affect our plans. If this happens, we may never become profitable and you will lose part or all of your investment.

Our common stock is illiquid and a public trading market for the common stock is not expected to develop for the foreseeable future.

There is no established trading market for our common stock and we do not expect an active or liquid market to develop. Accordingly, purchasers of the common stock will be required to bear the economic risk of this investment for an indefinite period of time.

If you purchase shares of the Bank's common stock, you will experience immediate book value dilution.

Assuming that offering and organizational costs are incurred as described in "Use of Proceeds," if 2,500,000 shares are sold in the offering, assuming an accumulated deficit of $837,000 from the pre-opening costs and expenses, the book value of the shares outstanding will be $9.60 per share, an immediate decrease in the book value per share of approximately $0.40 from the $10.00 per share offering price, and if 2,016,300 shares are sold in the offering, the book value of the shares outstanding will be approximately $8.86 per share as of commencement of banking operations, an immediate decrease in the book value per share of the shares issued of approximately $1.14 per share from the $10.00 per share offering price.

The Bank's success will depend in large part upon the service of its directors and senior management team, and we may be unable to attract or retain qualified key employees, which could adversely affect our business prospects.

The Bank's success will depend significantly upon the continued service of a qualified board of directors and senior management team that possesses the experience and skills required to conduct many of our business activities. Additionally, the members of the board of directors and our senior executive officers must be approved by the FDIC and ODFI.

Additionally, as we seek to grow the Bank, we may not be able to hire or retain the key personnel that we depend on for success, and the loss of the services of key personnel, or the inability to attract additional qualified personnel, could have a material adverse effect upon the Bank's business, operating results, and financial condition. The Bank's employees may voluntarily terminate their employment at any time, and competition for qualified employees is intense.

The offering price of $10.00 per share was determined arbitrarily and is not indicative of the future price at which you may be able to sell your shares.

Since the Bank does not have an operating history, the offering price of $10.00 per share has been set arbitrarily by the directors of the Bank and bears no relationship to assets, book value or any other criteria of value. There can be no assurance that the price, if any, that you may be able to obtain for the sale of your common stock after the Bank commences operations will be at or above $10.00 per share.

The Bank does not intend to declare cash dividends for the foreseeable future.

The Bank presently intends to follow a policy of retaining earnings for the purpose of increasing the Bank's net worth and reserves during at least the first three years of operation. Accordingly, it is anticipated that cash dividends will not be declared and paid during the early stages of the Bank's development, and no assurance can be given that dividends will be declared in the future. The ability of the Bank to pay cash dividends will also be subject to the restrictions set forth in applicable state and federal banking laws and regulations. In addition, the FDIC generally restricts dividends during the first three years of a new bank's operation. **The shares should not be purchased by persons who need or desire dividend income from their investment.** See "Dividend Policy."

The Bank may be unable to satisfy its future capital requirements, or to satisfy such requirements on favorable terms.

We anticipate that the net proceeds of the sale of the shares in this offering will satisfy the capital requirements of the Bank through at least its first three years of operations. Future capital requirements, however, depend on many factors, including the Bank's ability to attract customers, provide additional services and achieve profitable operations. To the extent that the funds generated by the offering and operations are insufficient to fund future operating requirements, it may be necessary to raise additional funds through public or private financing. Any equity or debt financings, if available at all, may be on terms which are not favorable to the Bank or then existing shareholders. If adequate capital is not available, the Bank will be subject to an increased level of regulatory supervision and the Bank's business, operating results, and financial condition could be adversely affected. See "Supervision and Regulation" for more information.

The Bank will face strong competition from many other banks, savings institutions, and other financial organizations, as well as many other companies now offering a broad array of financial services.

Many of the Bank's competitors have greater financial resources, name recognition, market presence, and operating experience than the Bank. While the Bank's strategy will be to attract customers by offering products and services tailored to small- and mid-sized businesses and individuals throughout the CMA, there can be no assurance that the Bank will be able to gain market acceptance and reach its desired market and operate profitably.

A number of banks and other providers of ancillary financial services operating in the CMA offer banking and financial services and products to residents and businesses in the area that we do not or cannot provide. Additionally, there are a number of internet-based website and mobile applications that will create additional competition for both loans and deposits.

Management expects that competition will intensify in the future both from existing institutions as well as new institutions, websites and mobile applications. Management believes that the Bank's ability to compete successfully depends upon a number of factors, including establishing market presence, ensuring customer service and satisfaction, competing with the pricing policies of its competitors, introducing new products and services by the Bank in a timely manner as compared to its competitors, and managing industry and general economic trends. See "Business of the Bank − Competition" for more information.

The Bank's performance will be affected by the economic conditions of the Bank's targeted market area.

Unexpected changes in the national and local economy may adversely affect the ability of the Bank to attract deposits and to make loans, and economic downturns could result in nonpayment of borrowers' outstanding loans. Initially, the Bank will primarily serve individuals and businesses located in the CMA. Our success will depend on the economic conditions, including employment levels, population growth, income levels and savings trends, in our market area. Long-term downtrends in areas such as real estate and consumer spending could have an adverse impact on the Bank's ability to become or remain profitable. While management does not expect any one factor to affect the Bank's success or failure, such risks are beyond the control of management of the Bank and may have a material adverse effect on the Bank's financial condition and the value of the shares.

Changes in governmental economic and monetary policies may affect the ability of the Bank to attract deposits and make loans.

The success of the Bank will depend in significant part upon its ability to earn income on loans and investments and to charge fees for services in amounts that exceed the interest to be paid on deposits and borrowings by the Bank. Loan collectability and interest rates, including the rates paid on deposits and borrowings and the rates earned on loans and investments, are affected by fiscal and monetary policies as well as by national, state, and local economic conditions. While the Bank will seek to manage this risk, there is no assurance that it will be successful in doing so. See "Supervision and Regulation."

We are subject to interest rate risk, and fluctuations in market interest rates may affect our interest margins and income, demand for our products, defaults on loans, loan prepayments and the fair value of our financial instruments.

The operating results of the Bank will be substantially dependent on its net interest income, which is the difference between (i) interest income earned on its interest-earning assets, such as loans and securities, and (ii) interest expense paid on its interest-bearing liabilities, such as deposits and borrowed funds. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and policies of governmental and regulatory agencies, particularly the Federal Reserve. Changes in monetary policy, including changes in interest rates, could influence the interest we receive on loans and investments and the amount of interest we pay on deposits and borrowings, which may affect our net interest margins. Such changes could also affect (i) demand for our products and services and price competition, in turn affecting our ability to originate loans and obtain deposits; (ii) the fair value of our financial assets and liabilities; (iii) the average duration of our securities portfolio and other interest-earning assets; (iv) levels of defaults on loans; and (v) loan prepayments.

During 2022 and 2023, in response to accelerated inflation, the Federal Reserve implemented monetary tightening policies, resulting in significantly increased interest rates, and rates may increase further. If the interest rates paid on deposits and other borrowings increase at a faster rate than the interest rates received on loans and other investments, our net interest income, and therefore earnings, could be adversely affected. In addition, our net interest margin may contract in a rising rate environment because our funding costs may increase faster than the yield we earn on our interest-earning assets. In a rising rate environment, demand for loans may decrease and loans with adjustable interest rates are more likely to experience a higher rate of default. Additionally, changes in interest rates also affect the fair value of the securities portfolio. Generally, the value of securities moves inversely with changes in interest rates. The combination of these events may adversely affect our financial condition and results of operations.

Earnings could also be adversely affected if the interest rates received on loans and other investments fall more quickly than the interest rates paid on deposits and other borrowings. In addition, in a falling rate environment, loans may be prepaid sooner than we expect, which could result in a delay between when we receive the prepayment and when we are able to redeploy the funds into new interest-earning assets and in a decrease in the amount of interest income we are able to earn on those assets. If we are unable to manage these risks effectively, our financial condition and results of operations could be materially adversely affected.

Our intended emphasis on commercial real estate lending and commercial business lending pursuant to our business plan could expose us to increased lending risks.

Our business strategy centers on commercial real estate and commercial business lending. We expect to grow our loan portfolio with respect to these types of loans and intend to continue to emphasize these types of lending. As a result, our credit risk profile will be higher than community banks that have higher concentrations of one-to four-family residential loans. Loans secured by commercial real estate and commercial business loans generally expose a lender to greater risk of non-payment and loss than one-to four-family residential mortgage loans because repayment of the loans often depends on the successful operation of the property or business and the income stream of the underlying property or business. This risk increases during a negative economic cycle. Additionally, with respect to commercial real estate loans, such loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to one-to four-family residential mortgage loans. Accordingly, an adverse development with respect to one loan or one credit relationship can expose us to greater risk of loss compared to an adverse development with respect to a one-to four-family residential mortgage loan. We will seek to minimize these risks through our underwriting policies, which will require such loans to be qualified on the basis of the property's collateral value, net income and debt service ratio; however, there is no assurance that our underwriting policies will protect us from credit-related losses. Finally, if we foreclose on commercial real estate loans, our holding period for the collateral is expected to be longer than for that of one-to four-family residential mortgage loans because there are fewer potential purchasers of the collateral.

If bank regulators impose limitations on our commercial real estate lending activities, our earnings could be adversely affected.

The FDIC, the Office of the Comptroller of the Currency and the Federal Reserve (collectively, the "Agencies") have issued joint guidance entitled "Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices" (the "CRE Guidance"). Although the CRE Guidance does not establish specific lending limits, it provides that a bank's commercial real estate lending exposure may receive increased supervisory scrutiny where total nonowner-occupied commercial real estate loans, including loans secured by apartment buildings, investor commercial real estate and construction and land loans, represent 300% or more of an institution's total risk-based capital and the outstanding balance of the commercial real estate loan portfolio has increased by 50% or more during the preceding 36 months. Additional guidance discussing prudent risk management for commercial real estate lending has expressed the Agencies' concerns about easing commercial real estate underwriting standards and directs financial institutions to maintain underwriting discipline and exercise risk management practices to identify, measure and monitor lending risks, and indicates that the Agencies will continue "to pay special attention" to commercial real estate lending activities and concentrations going forward. If the FDIC were to impose restrictions on the amount of commercial real estate loans we can hold in our portfolio, or require higher capital ratios as a result of the level of commercial real estate loans we hold, our earnings could be adversely affected.

If our allowance for credit losses is not sufficient to cover actual credit losses, our earnings may decrease.

The Bank must maintain an allowance for credit losses, which is established through a provision for credit losses that represents management's best estimate of the current expected losses within the loan portfolio. We will make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. In determining the amount of the allowance for credit losses, we will review our loans and our loss and delinquency experience, and we evaluate economic conditions. If our assumptions or the results of our analyses are incorrect, our allowance for credit losses may not be sufficient to cover losses inherent in our loan portfolio, resulting in additions to our allowance. In addition, our emphasis on loan growth and on increasing our portfolio of commercial real estate loans, as well as any future credit deterioration or changes in economic conditions could require us to increase our allowance for credit losses in the future. Any increases in the allowance for credit losses may result in a decrease in our net income and, possibly, our capital, and could have an adverse effect on our financial condition and results of operations.

The Current Expected Credit Loss (CECL) standard will be effective for the Bank upon consummation of banking operations. CECL will require financial institutions to determine periodic estimates of lifetime expected credit losses on loans, and recognize the expected credit losses as allowances for credit losses.

In addition, federal regulators periodically review our allowance for credit losses and as a result of such reviews, we may decide to adjust our allowance for credit losses or recognize further loan charge-offs. However, regulatory agencies are not directly involved in the process of establishing the allowance for credit losses, as the process is our responsibility and any adjustment of the allowance is the responsibility of our management. Material additions to the allowance would materially decrease our net income and may have a material adverse effect on our financial condition, results of operations and capital.

Inflation can have an adverse impact on our business and on our customers.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Recently, there have been market indicators of a pronounced rise in inflation and the Federal Reserve has raised certain benchmark interest rates in an effort to combat inflation. In an inflationary period, the value of our investment securities, particularly those with longer maturities, would decrease, although this effect can be less pronounced for floating rate instruments. In addition, inflation generally increases the cost of goods and services we will use in our business operations, such as electricity and other utilities, which increases our noninterest expenses. Furthermore, our customers will also be affected by inflation and the rising costs of goods and services used in their households and businesses, which could have a negative impact on their ability to repay their loans with us.

The Bank will operate in a highly regulated industry and our non-compliance with, or changes in, legislation, regulation and government policy could adversely affect the commercial banking industry and the operations of the Bank.

The Bank will be subject to extensive supervision, regulation, and control. Federal and Ohio laws and regulations govern numerous matters affecting the Bank, including changes in the ownership or control of banks, maintenance of adequate capital and the financial condition of financial institutions, permissible types and amounts of extensions of credit and investments, permissible non-banking activities, the level of reserves against loan losses, and restrictions on dividend payments. This regulation and supervision are intended primarily for the protection of the insurance fund and depositors and loan customers of the Bank, and not shareholders. The Bank's regulators have the power to issue cease and desist orders to prevent or remedy unsafe or unsound practices or violations of law by banks subject to their regulation. We will also be subject to numerous laws designed to protect consumers, including the Community Reinvestment Act and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisition, restrictions on expansion, and restrictions on entering new business lines. We may incur fines and other negative consequences from regulatory violations, possibly even unintentional violations. Any such incidents could have a material adverse effect on the Bank's business, financial condition and results of operations.

Prospective investors should be aware that the statutes and regulations governing financial institutions in general, and the commercial banking industry in particular, are subject to change at any time and have been substantially modified during recent years. Such governing laws can be anticipated to continue to be the subject of future modification. Changes to statutes, regulations or regulatory policies could affect the manner in which the Bank is permitted to conduct its business, however, management of the Bank cannot predict what effect any such future modifications will have on the operations of the Bank. In addition, the primary focus of banking regulators is the protection of depositors, rather than the shareholders, of the regulated institutions.

We face a risk of non-compliance and enforcement actions with respect to the Bank Secrecy Act and other anti-money laundering statutes and regulations.

The Bank's business will be subject to Bank Secrecy Act ("BSA") and anti-money laundering ("AML") laws and regulations, which require financial institutions to institute and maintain an AML program, file suspicious activity and currency transaction reports as appropriate, and maintain transaction records. Similar laws apply to movements of currency and payments through electronic transactions.

In recent years, banking regulators have intensified their focus on BSA/AML compliance requirements. The Federal Financial Crimes Enforcement Network is authorized to impose significant civil money penalties for violations of AML requirements and has recently engaged in coordinated enforcement efforts with federal banking regulators. There is also increased scrutiny of compliance with the rules enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), which involve sanctions for dealing with certain persons or countries.

While the Bank will have in place policies, procedures and controls to ensure its compliance with the BSA and other AML and OFAC statutes and regulations, if our policies, procedures and controls were deemed deficient, the Bank would be subject to liability, including fines and regulatory actions, which may include restrictions on our ability to pay dividends, and we may be required to obtain regulatory approvals to proceed with certain aspects of our business plain. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have reputational consequences for the Bank. Any one of these results could have an adverse effect on our business, financial condition and results of operation.

We will be subject to the Community Reinvestment Act ("CRA") and fair lending laws, and failure to comply with these laws could lead to material penalties.

The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other federal and state fair lending laws and regulations impose nondiscriminatory lending requirements on financial institutions. The Consumer Financial Protection Bureau ("CFPB"), the United States Department of Justice, the ODFI and other federal agencies are responsible for enforcing these laws and regulations. A successful challenge to an institution's performance under the CRA or fair lending laws and regulations could result in a wide variety of sanctions, including paying damages and civil money penalties, injunctive relief, imposition of restrictions on merger and acquisition activity and restrictions on expansion activity. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation.

The Bank's directors and management will have significant discretion over the investment of the offering proceeds and may not be able to successfully deploy the proceeds of the offering.

The proceeds of the offering, after payments to various parties for expenses incurred for management, consulting, regulatory, legal, and accounting services, as well as for office space and clerical support during the Bank's organization, will be used by the Bank for its working capital and general corporate purposes. Consequently, the board of directors and management of the Bank will have broad discretion in allocating a significant portion of the net proceeds of the offering, and their failure to utilize the funds effectively could reduce the Bank's profitability. Investing the proceeds of the offering in securities until we are able to deploy the proceeds will provide lower margins than those we expect to earn on loans, potentially adversely affecting our earnings. See "Use of Proceeds."

The Bank will not file certain reports with regulators.

The Bank's common stock will not be registered with the Securities and Exchange Commission ("SEC") or with the FDIC under the Securities Exchange Act of 1934. Consequently, the Bank will not file periodic and other reports (*e.g.*, Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K, and proxy statements) with the SEC, the FDIC or any state securities commission. If the Bank reaches 2,000 shareholders, the Bank will be required to file periodic reports with the FDIC. Regardless of the number of shareholders of the Bank, the Bank will file call reports with the FDIC on a quarterly basis. Such reports will be available on the FDIC website (www.fdic.gov). The Bank intends to make available to shareholders annual audited financial statements, and may provide more regular communications to its shareholders regarding the operations of the Bank.

A failure in or breach of our operational or security systems or infrastructure, or those of third parties, could disrupt our business, and adversely impact our results of operations, liquidity and financial condition, as well as cause reputational harm.

The Bank will collect, process and store sensitive consumer data by utilizing computer systems and telecommunications networks operated by both the Bank and third-party service providers. Our operational and security systems, infrastructure, including our computer systems, data management, and internal processes, as well as those of third parties, will be integral to our business. We will rely on our employees and third parties in our day-to-day and ongoing operations, who may, as a result of human error, misconduct or malfeasance, or failure or breach of third-party systems or infrastructure, expose us to risk. We will take measures to implement backup systems and other safeguards to support our operations, but our ability to conduct business may be adversely affected by any significant disruptions to us or to third parties with whom we interact. In addition, our ability to implement backup systems and other safeguards with respect to third-party systems is more limited than with our own systems.

We ultimately expect to handle a substantial volume of customer and other financial transactions every day. Our financial, accounting, data processing, check processing, electronic funds transfer, loan processing, online and mobile banking, automated teller machines, or ATMs, backup or other operating or security systems and infrastructure may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control. This could adversely affect our ability to process these transactions or provide these services. There could be sudden increases in customer transaction volume, electrical, telecommunications or other major physical infrastructure outages, natural disasters, events arising from local or larger scale political or social matters, including terrorist acts, and cyber-attacks. We will seek to continuously update our systems to support our operations and growth. This updating entails significant costs and creates risks associated with implementing new systems and integrating them with existing ones. Operational risk exposures could adversely impact our results of operations, liquidity and financial condition, and cause reputational harm.

A cyber-attack, information or security breach, or a technology failure of ours or of a third-party could adversely affect our ability to conduct our business or manage our exposure to risk, result in the disclosure or misuse of confidential or proprietary information, increase our costs to maintain and update our operational and security systems and infrastructure, and adversely impact our results of operations, liquidity and financial condition, as well as cause reputational harm.

Our business will be highly dependent on the security and efficacy of our infrastructure, computer and data management systems, as well as those of third parties with whom we interact. Cyber security risks for financial institutions have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state actors. Our operations will rely on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in our computer and data management systems and networks, and in the computer and data management systems and networks of third parties. We will rely on digital technologies, computer, database and email systems, software, and networks to conduct our operations. In addition, to access our network, products and services, our customers and third parties are expected to use personal mobile devices or computing devices that will be outside of our network environment.

Financial services institutions have been subject to, and are likely to continue to be the target of, cyber-attacks, including computer viruses, malicious or destructive code, phishing attacks, denial of service or other security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of the institution, its employees or customers or of third parties, or otherwise materially disrupt network access or business operations. For example, denial of service attacks have been launched against a number of large financial institutions and several large retailers have disclosed substantial cyber security breaches affecting debit and credit card accounts of their customers. There can be no assurance that we will not suffer material losses or other material consequences relating to technology failure, cyber-attacks or other information or security breaches.

Misconduct by employees could also result in fraudulent, improper or unauthorized activities on behalf of clients or improper use of confidential information. The Bank may not be able to prevent employee errors or misconduct, and the precautions the Bank takes to detect this type of activity might not be effective in all cases. Employee errors or misconduct could subject the Bank to civil claims for negligence or regulatory enforcement actions, including fines and restrictions on our business.

In addition, there have been instances where financial institutions have been victims of fraudulent activity in which criminals pose as customers to initiate wire and automated clearinghouse transactions out of customer accounts. The recent massive breach of the systems of a credit bureau presents additional threats as criminals now have more information about a larger portion of the population of the United States than past breaches have involved, which could be used by criminals to pose as customers initiating transfers of money from customer accounts. Although the Bank will have policies and procedures in place to verify the authenticity of its customers, the Bank cannot assure that such policies and procedures will prevent all fraudulent transfers. Such activity can result in financial liability and harm to our reputation.

As cyber threats and other fraudulent activity continues to evolve, we may be required to expend significant additional resources to continue to modify and enhance our protective measures or to investigate and remediate any information security vulnerabilities or incidents. Any of these matters could result in our loss of customers and business opportunities, significant disruption to our operations and business, misappropriation or destruction of our confidential information and/or that of our customers, or damage to our customers' and/or third parties' computers or systems, and could result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures, reputational damage, reimbursement or other compensatory costs, and additional compliance costs. In addition, any of the matters described above could adversely impact our results of operations and financial condition.

We will rely on third-party providers and other suppliers for a number of services that are important to our business. An interruption or cessation of an important service by any third-party could have a material adverse effect on our business.

We will be dependent for the majority of our technology, including our core operating system, on third-party providers. If these companies were to discontinue providing services to us, we may experience significant disruption to our business. In addition, each of these third parties faces the risk of cyber-attack, information breach or loss, or technology failure. If any of our third-party service providers experience such difficulties, or if there is any other disruption in our relationships with them, we may be required to find alternative sources of such services. We will be dependent on these third-party providers securing their information systems, over which we have limited control, and a breach of their information systems could adversely affect our ability to process transactions, service our clients or manage our exposure to risk and could result in the disclosure of sensitive, personal customer information, which could have a material adverse impact on our business through damage to our reputation, loss of business, remedial costs, additional regulatory scrutiny or exposure to civil litigation and possible financial liability. Assurance cannot be provided that we could negotiate terms with alternative service sources that are as favorable or could obtain services with similar functionality as found in existing systems without the need to expend substantial resources, if at all, thereby resulting in a material adverse impact on our business and results of operations.

Future issuances of the Bank's common stock, or the exercise of options or warrants to purchase the Bank's common stock, may result in dilution to you.

At our first shareholders' meeting which will be held before we commence banking operations, we intend to adopt a stock incentive plan, subject to shareholder approval, covering a number of shares not expected to exceed 20% of the shares that we sell in the offering. This amount will be reduced on a one-for-one basis based on the number of warrants which we will grant to the Initial Investors for their placement or commitment of at-risk funds. Therefore, our intent is to have the aggregate dilution of all options, warrants and restricted shares not to exceed 20% of the shares sold in the initial offering. The plan will permit us to issue options and/or restricted stock from time to time to our officers, directors and key employees to further align their interests with those of our shareholders. We may offer further equity incentives to our officers, directors and key employees after the Bank becomes profitable. The future issuance of equity compensation will result in voting power dilution to other shareholders, and could result in book value dilution to existing shareholders.

In addition to the stock incentive plan, in recognition of the placement or commitment of the initial investment money as "at-risk" capital, the Bank intends to grant to each Initial Investor at no additional cost to the Initial Investor, warrants to purchase 1,000 shares of the Bank's common stock, for each $100,000 of initial investment money received or committed prior to the Bank commencing operations. Each of these warrants will have an exercise price of $10.00 and will vest immediately with no expiration date. The future exercise of these warrants will result in voting power dilution or book value dilution, or both, to other shareholders.

Furthermore, if it becomes necessary to raise additional capital in the future to support growth, an offering of additional common stock by the Bank would dilute the ownership percentage of purchasers of shares in this offering and, depending on the subscription price of the additional common stock, could be dilutive to book value per share of such purchasers. During any future offering of common stock, existing shareholders may be offered the opportunity to purchase additional shares, but the Bank will not have an obligation to offer such additional shares to existing shareholders.

Recent events involving the failure of financial institutions may adversely affect our business, and the market price of our common stock.

Recent developments and events in the financial services industry, including the large-scale deposit withdrawals over a short period of time at Silicon Valley Bank, Signature Bank and First Republic Bank that resulted in the failure of those institutions have resulted in decreased confidence in banks among depositors, other counterparties and investors, as well as significant disruption, volatility and reduced valuations of equity and other securities of banks in the capital markets. These events have occurred against the backdrop of a rapidly rising interest rate environment which, among other things, has resulted in unrealized losses in longer duration securities and loans held by banks, more competition for bank deposits and may increase the risk of a potential recession. These recent events may result in changes to laws or regulations governing banks and bank holding companies or result in the impositions of restrictions through supervisory or enforcement activities, including higher capital requirements, which could have a material impact on our businesses. The cost of resolving the recent failures may prompt the FDIC to increase its premiums above the recently increased levels or to issue additional special assessments.

THE OFFERING AND METHOD OF SUBSCRIPTION

General

We are offering a minimum of 2,016,300 shares and a maximum of 2,500,000 shares of our common stock, par value $0.01 per share, at a price of $10.00 per share.

We are offering our common stock through a private placement offering. The offering will continue until the earlier of the date on which we have received and accepted orders for at least 2,016,300 shares or such number of shares up to 2,500,000 shares, or October 31, 2023. However, if we have not yet received and accepted subscriptions for 2,500,000 shares, we may, in our sole discretion, extend the offering until March 29, 2024. Extension of the offering period will likely cause an increase in our expenses. We intend to inform all subscribers of any extensions of the offering, but we do not have to give you notice prior to the extension. If we extend the offering, subscriptions we have already accepted will still be binding.

All of the subscription funds that we receive from investors, other than the at-risk capital provided by our Initial Investors, will be placed in an escrow account until (1) we sell at least 2,016,300 shares, including those shares purchased by the Initial Investors in exchange for the at-risk capital they have provided, and (2) we receive final approvals from our bank regulatory agencies. If we do not meet these conditions before the end of the offering period (including any extensions thereof), we will promptly return all funds to subscribers, without penalty or interest.

We intend to impose a minimum purchase for any investor of 1,000 shares ($10,000), although we reserve the right to accept subscriptions for fewer shares. In addition, we do not expect to accept subscriptions from any one subscriber in an amount greater than 9.9% of the total shares sold, or 201,629 shares ($2,016,290) based on the sale of 2,016,300 shares, although we reserve the right to waive or change this limit without further notifying all subscribers.

The shares are being offered on a best-efforts basis by authorized representatives of the Bank. Our directors and executive officers will not receive any commissions or other compensation for soliciting sales of the shares, but they will be reimbursed for reasonable expenses they incur in the offering. The Bank has not currently engaged any brokers, salespersons or others in connection with the sale of the shares. However, we may engage the services of an underwriter, broker or placement agent to sell shares in this offering.

Once we accept your subscription in whole or in part, you may not revoke it without our consent. We reserve the right to cancel or reject any or all subscriptions before or after acceptance until the proceeds of this offering are released from escrow. If the subscription offering is oversubscribed, we reserve the right to allocate shares among subscribers in any way that we, in our discretion, consider to be reasonable and appropriate. In deciding which subscriptions to accept, we may take into account many factors, including, but not limited to:

- the order in which subscriptions are received; and
- a subscriber's potential to do business with, or to direct customers to, the Bank.

If we reject any subscription, or accept a subscription but subsequently elect to cancel all or part of the subscription, we will refund, without interest or penalty, the amount remitted for shares for which the subscription is rejected or canceled. After we receive the funds out of escrow, we promptly will issue certificates for shares to fulfill valid stock subscriptions.

Our Initial Investors, which includes our directors, executive officers and certain other original investors, intend to purchase in the aggregate approximately 270,000 shares ($2.7 million). Of this amount, we have already received aggregate subscription funds from these individuals in the amount of

$810,000, all of which is at-risk funds being utilized, as needed by the Bank, to fund the Bank's pre-opening expenses.

Conditions to the Offering and Release of Funds

We will place all subscription funds received from the offering, other than the initial at-risk capital provided by our Initial Investors, with United Bankers' Bank, which will serve as an independent escrow agent. The Escrow Agent will hold these funds, and no shares will be issued, until:

- We have accepted subscriptions and payment in full for a minimum of 2,016,300 shares at $10.00 per share, which includes shares purchased with at-risk funds by our Initial Investors; and

- We have received final regulatory approvals from the ODFI to commence banking operations and from the FDIC for federal deposit insurance.

We have to satisfy these conditions on or prior to October 31, 2023, or if the offering period is extended, on or prior to March 29, 2024.

If we terminate the offering or if the offering period expires before these conditions are satisfied, then:

- We will cancel accepted subscription agreements and subscribers in the offering will not become shareholders;

- The funds held in the escrow account will not be subject to the claims of any of our creditors or be available to defray the expenses of this offering; and

- Our Escrow Agent will return the full amount of all subscription funds promptly to subscribers, without penalty or interest.

Plan of Distribution

Our officers and directors, in reliance on Rule 3a4-1 of the Securities Exchange Act of 1934, will make sales of the shares of common stock on a "best-efforts" basis. Each person who purchases shares of common stock must enter into a subscription agreement with us setting forth the terms of the purchaser's agreement to purchase the shares for which the purchaser has subscribed and certifying certain other information prior to the acceptance of any order.

We intend to sell most of our shares to individuals and businesses in the CMA who share our desire to support a new local community bank with an emphasis to service the financial and banking needs of women and women-owned and women-managed businesses and entities. Our marketing efforts will be focused on persons and businesses in the CMA. We may also market our common stock to some of their personal contacts outside of this area. Our marketing will be accomplished through a combination of telephone calls, mail, electronic communications, and personal visits and meetings. None of our officers, directors or employees will receive any commission or other compensation in connection with this offering. We will, however, reimburse reasonable out-of-pocket expenses incurred by them in this offering.

None of the Bank or its Initial Investors (which includes our officers and directors) has made any recommendation to any investor about whether such investor should purchase any shares in the offering. Investors are urged to make an independent investment decision about whether to subscribe for and purchase shares in the offering and make their own assessment of the Bank's business and the offering.

Investors should consult with their own financial and legal advisors as to the suitability of any investment made in the Bank.

The Bank has not currently engaged any brokers, salespersons or others in connection with the sale of the shares. However, we may engage the services of an underwriter, broker or placement agent to sell shares in this offering. If we do so, the expenses of the offering will increase and the net proceeds from the sale of shares will decrease, based on any commissions and other expenses related to such services.

Subscription Agreement and Subscription Through Individual Retirement Accounts

Each subscriber for shares is required to complete and submit to the Bank a subscription agreement included with this confidential private placement memorandum.

For prospective subscribers who wish to subscribe for shares through an Individual Retirement Account (IRA), the fiduciaries of each IRA and qualified plan should determine whether a contemplated investment in our common stock is consistent with the investment objectives and policy of the IRA or qualified plan, as applicable, including the requirement regarding diversification of investments. Each such fiduciary, including the beneficiary of an IRA, should also be familiar with the rules under both the Internal Revenue Code of 1986, as amended and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), governing prohibited transactions and should determine that any contemplated investment is not prohibited by those rules. A violation of the prohibited rules may result in an IRA's loss of its tax-deferred attributes and may lead to the imposition of excise taxes and related penalties on the fiduciary acting on behalf of the qualified plan.

Any potential investor that wishes to purchase shares through an IRA or qualified plan should consult its own tax and ERISA advisors.

Exemption from Registration

We believe that the offer and sale of the Bank's common stock is exempt from the registration requirements of the federal Securities Act of 1933 and the Ohio Securities Act. No registration statement has been or will be filed with the Securities and Exchange Commission, the ODFI, or any other state securities regulator, in connection with this offering. We are not offering the Bank's common stock in any state where the offer or sale of the stock is not permitted.

How to Subscribe

If you desire to purchase shares in this offering, you should:

1. Complete, date, and execute the Subscription Agreement which you received with this private placement memorandum;

2. Make a check, bank draft, or money order payable to "United Bankers' Bank as Escrow Agent for Break the Ceiling, LLC" (Note in memo-Fortuna Bank in organization).

OR

3. Wire funds to:

Receiver ABA: United BKRS of Bloomington 091001322
Beneficiary Bank: RT# 091001322 - United Bankers' Bank 1650 W. 82nd St. Bloomington, MN 55431
Beneficiary: Break the Ceiling, LLC 5001649 - Escrow for Fortuna Bank (in organization)
Account: 5001649
Further Credit: Investor's Name

<u>YOU SHOULD WIRE FUNDS ONLY PURSUANT TO THE ABOVE WIRE INSTRUCTIONS CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM. UNDER NO CIRCUMSTANCES SHOULD YOU WIRE FUNDS TO ANY OTHER ACCOUNT FOR SUBSCRIPTIONS IN THE OFFERING. NO ONE FROM THE ESCROW AGENT WILL CONTACT YOU TO PROVIDE ALTERNATE INSTRUCTIONS.</u>

You must pay the full aggregate purchase price of the shares for which you are subscribing at the time you submit your completed Subscription Agreement; and

Deliver the check, bank draft, or money order (if applicable) and completed Subscription Agreement to the following address:

Lisa Berger
244 North Parkview Avenue
Columbus, Ohio 43209

If you have any questions about the offering or how to subscribe, please call Lisa Berger at (614) 596-9548 or Ilaria Rawlins at (614) 588-2769 or email fortunabank2023@gmail.com. If you subscribe, you should retain a copy of the completed Subscription Agreement for your records.

USE OF PROCEEDS

We will receive gross proceeds of $20,163,000 if we sell the minimum amount of shares of common stock in the offering, and gross proceeds of $25,000,000 if we sell the maximum number of shares of common stock in the offering.

The following table shows our anticipated use of the proceeds. All proceeds received by the Bank will be in the form of investments in the Bank's capital stock. The estimated organizational, offering, and pre-opening costs and expenditures of the Bank are $1.0 million. We will pay for these costs and expenditures with the at-risk capital provided by our Initial Investors until we break escrow, a condition of which is selling the minimum number of shares (2,016,300) offered in the offering (including shares purchased by the Initial Investors). The Bank's actual offering, organizational and pre-opening costs and expenditures could be more or less than estimated. If costs and expenditures are greater than our current estimates, the net proceeds will be less than the amount projected. The Bank will use the remaining proceeds to make loans, purchase securities, and otherwise conduct the business of the Bank.

	Minimum Offering 2,016,300 shares	Maximum Offering 2,500,000 shares
Total investments in the Bank's capital stock	$ 20,163,000	$ 25,000,000
Estimated offering expenses [(1)]	(163,000)	(163,000)
Estimated net proceeds of offering	20,000,000	24,837,000
Lease deposit, leasehold improvement, furniture, fixtures, equipment and other expenditures	(837,000)	(837,000)
Remaining cash proceeds	$ 19,163,000	$ 24,000,000

(1) Estimated offering expenses include: (i) offering circular printing, postage and engraving fees; (ii) legal fees and expenses; (iii) administrative costs; and (iv) other miscellaneous disbursements.

CAPITALIZATION

The following table shows our pro forma capitalization giving effect to the sale of the minimum and maximum number of shares in the offering. The table assumes pre-opening organizational costs and expenditures estimated to be $1.0 million, of which $163,000 are expected capitalized costs and $837,000 are deferred tax asset. Final expenditures are subject to regulatory approval. After the offering, we will have 2,016,300 shares of common stock outstanding if the minimum number of shares is sold and 2,500,000 shares of common stock outstanding if the maximum number of shares is sold.

	At the Minimum Offering	At the Maximum Offering
Shareholders' Equity:		
Common Stock, $0.01 par value per share; 5,000,000 shares authorized; 2,016,300 shares issued and outstanding at the minimum offering; 2,500,000 shares issued and outstanding at the maximum offering	$ 20,163	$ 25,000
Preferred Stock, $0.01 par value per share; 500,000 shares authorized; no shares issued and outstanding	—	—
Accumulated deficit	(837,000)	(837,000)
Additional paid-in capital	19,979,837	24,812,000
Total capitalization	$ 19,163,000	$ 24,000,000

DILUTION

Purchasers of the shares will pay $10.00 per share. Based on "Capitalization" above, the book value per share as of the commencement of business (after deducting organizational, offering and pre-opening costs and expenses) would be approximately $8.86 if the minimum number of shares is sold, or $9.60 if the maximum number of shares is sold. The net book value of each share of common stock purchased is subject to dilution as a result of the organizational, offering and pre-opening costs and expenses. These dilutive effects have been included in the calculations above.

Additionally, in recognition of their efforts to organize the Bank and their commitment to the placement of at-risk investment funds, the Initial Investors will receive, in the aggregate, warrants to purchase 27,000 shares of common stock, at an exercise price of $10.00 per share. The future exercise of these warrants will result in voting power dilution, and could result in book value dilution to other shareholders.

Additionally, we intend to adopt a stock incentive plan, subject to shareholder approval, covering a number of shares not expected to exceed 20% of the shares that we sell in the offering. This amount will be reduced on a one-for-one basis based on the number of warrants which we will grant to the Initial Investors for their placement or commitment of at-risk funds. Therefore, our intent is to have the aggregate dilution of all options, warrants and restricted shares not to exceed 20% of the shares sold in the initial offering. The plan will permit us to issue options and, subject to regulatory non-objection, restricted stock, from time to time to our officers, directors and key employees to further align their interests with those of our shareholders. We may offer further equity incentives to our officers, directors and key employees after the Bank becomes profitable. The future issuance of equity compensation will result in voting power dilution to other shareholders, and could result in book value dilution to existing shareholders.

DIVIDEND POLICY

We expect to retain all earnings to operate and expand the Bank's business. We do not intend to pay cash dividends during at least the first three years of operations. Our ability to pay cash dividends will depend primarily on the profitability of the Bank. Additionally, the FDIC generally restricts dividends during the first three years of a new bank's operation, and the Ohio Banking Code restricts the declaration of dividends by a bank until its surplus is equal to the amount of its common stock. See "Supervision and Regulation" beginning on page 38.

In addition to the availability of funds from the Bank, our dividend policy is subject to the discretion of our board of directors and will depend upon a number of factors, including future earnings, financial condition, cash needs, and general business conditions.

MARKET FOR OUR COMMON STOCK

No shares of the Bank's common stock have yet been issued. There is no public trading market for the stock, and we do not expect that there will be a trading market for the stock for the foreseeable future. Therefore, any purchases and sales will generally take place pursuant to negotiated transactions. Shareholders wishing to sell common stock may have to seek buyers and negotiate a transaction price by themselves.

If you subscribe for shares, we cannot assure you that you will be able to readily or quickly resell your shares if you need to liquidate your investment to meet unexpected financial needs. You should consider the illiquid nature of any investment in the Bank's common stock and be prepared and financially able to hold any shares you purchase for an indefinite period of time.

BUSINESS OF THE BANK

Introduction

Fortuna Bank (in organization) is being organized as an Ohio-chartered commercial bank. The Bank will be headquartered in Grandview Heights, Ohio, where the Bank intends to lease its main office facility. In addition, customers will have convenient access to the Bank through online and mobile banking applications to meet their banking needs.

Based on the management team's experience in the Columbus, Ohio market area ("CMA"), the online and mobile banking applications are expected to be widely used by the Bank's target customers, thus reducing the need for an extensive "bricks and mortar" branch network. The online and mobile banking applications will provide customers the ability to pay bills, make wire transfers and make remote deposits, and for business account customers, set up ACH transactions and make tax payments.

Fortuna Bank will operate as a community bank, emphasizing personal service and flexibility in the face of increasing standardization by the large national and super-regional banks that maintain local branch networks. While the Bank will be a full-service financial institution servicing the banking needs of all businesses and individuals, the Bank expects to have a majority of women in leadership positions, including as chief executive officer and chief lending officer, and a majority of women Board members. Moreover, it is expected to be majority women-owned. In this regard, the Bank's mission is to create a platform to provide women and women-owned and women-managed businesses the necessary financial resources for success, including education, access to capital, mentoring and partnerships. In addition to this emphasis and mission, the Bank will strive to be become a bank of choice for all small to mid-sized companies and professionals and individuals in and around the CMA.

Increased consolidation of regionally based banks, the current economic environment and inconsistent delivery of products and service by large banks have heightened the local market's need for a community-based bank such as Fortuna Bank. Fortuna Bank aims to fill the need for a customer relationship-focused, technology-focused, local community bank in the market area to provide attractive and competitive financial products and services, with an exceptional level of quality service to meet the needs of local businesses, professional firms, their employees and residents of the communities the Bank serves. Management and the Board will relentlessly pursue the Bank's vision and mission to partner with local businesses, professionals and individuals to achieve mutual long-term success by combining personalized loan, deposit and cash management solutions with a commitment to accessibility through people and technology-forward service and flexibility, resulting in an unmatched and frictionless relationship banking experience.

Market Opportunity for a De Novo Bank in the CMA

Our management's and Board's extensive in-market banking experience and customer connections provide an excellent opportunity for Fortuna Bank to participate in, contribute to, and benefit from the prosperity and growth of this dynamic region. The significant consolidation in the banking industry in the CMA has created a void in the local banking market, leaving Fortuna Bank's target clients (both businesses and consumers) with fewer community banking choices. Additionally, we believe that our mission to provide best-in-class banking services to women and women-owned and women-managed entities will enhance the Bank's profile. Collectively, we believe these factors provide an extraordinary opportunity for Fortuna Bank's success.

The CMA is an attractive banking market. The organizers believe that the area encompassing Grandview Heights and the southern portion of Upper Arlington, Ohio, both in Franklin County, which is in the immediate northwest suburbs of Columbus and which the Bank expects to be its primary market area for retail deposit taking, provides attractive growth potential for the Bank. In 2021, this market area had a population of 28,000, having grown from 2010 through 2021 at a rate of 7.4%, as compared to a growth rate of 1.7% for Ohio and 7.2% for the United States during this same period. According to

Census Bureau and Demographics Now, from 2021 through 2026 the population is predicted to grow at a rate of 8.0%, outpacing the expected growth rates of 0.4% and 3.5% for Ohio and the United States, respectively, during this same time period. In 2021, the per capita income for the market area was $60,000 compared to per capita income of $33,000 and $36,000 in Ohio and the United States, respectively, according to the *US Census Quickfacts.* As of July 2023, the unemployment rate in Franklin County was 3.3%, compared to unemployment rates of 3.3% and 3.5%, for Ohio and the United States, respectively. In 2021, the median housing values in Grandview Heights and Upper Arlington were $310,000 and $363,000, respectively, compared to median housing values of $163,000 and $228,000 for Ohio and the United States, respectively.

Columbus, Ohio is home to the corporate headquarters of many national and international institutions and enterprises including Cardinal Health, Abercrombie and Fitch, Big Lots, Nationwide Insurance and Wendy's Restaurants. As of June 30, 2022, the latest date for which data is available, aggregate deposits of Franklin County were $84.0 billion. Community banks (with deposits of less than $5.0 billion) held approximately just 5.0% of Franklin County's deposits as of that date. According to the FDIC website, as of June 30, 2022, there were 34 insured banks operating in Franklin County. Of this number, six institutions maintained 91.0% of aggregate deposits.

We believe that the ongoing consolidation in the banking industry that has taken place in the CMA during the past ten years illustrates the need for a *de novo* bank based in the CMA. Since 2008, many banks operating in the CMA (mostly community banks) have sold to other financial institutions and, in part as a result of this consolidation, the CMA banking is dominated by large banks seeking to serve the mass market. We believe that this dynamic supports the opportunity for a new community bank. Additionally, there are no locally headquartered banks in the CMA with a special business focus and mission to provide banking services to women and women-owned and women-managed entities. Fortuna Bank will be led by local bankers with current working knowledge of the market and will focus on providing banking products and services to local businesses, the credit and banking needs of which larger banks with centralized decision making often do not effectively serve.

Pre-Opening Activities

Prior to opening for business and commencing banking operations, we will:

- renovate and upfit the facility we select for the Bank's headquarters and banking office in Grandview Heights, Ohio;
- arrange to purchase or lease and to install necessary banking equipment;
- hire and train Bank staff;
- make arrangements with service companies for data processing and other operations services;
- install operating systems, and finalize and implement business and banking policies and procedures relating to matters such as lending and deposit operations, bank security, regulatory compliance, internal controls, asset and liability management and other matters;
- establish relationships with the Federal Reserve and/or correspondent banks for the clearing of checks, wire transfers and other customer transactions; and
- make all other arrangements necessary to begin banking operations.

Before the ODFI authorizes the Bank to begin operations, it must determine that the Bank has personnel, facilities and operating policies and procedures in place that it considers necessary to successfully conduct a banking business.

Our Business Strategy

Fortuna Bank's strategy is to leverage the management team's combined 90 years of in-market banking experience and customer relationships, and the directors' and certain investors' extensive influence and community relationships in the CMA area to capitalize on the existing market opportunity for a successful community bank. Fortuna Bank will operate as a community bank, emphasizing personal service, accessibility and flexibility in the face of mass market-oriented large national and super-regional banks which maintain local branch networks. We believe that the Bank will differentiate itself from other banks operating in our primary service area by:

- ***Women-Focused.*** Fulfilling our mission of being an industry-leading provider of financial services to women and women-owned and women-managed businesses. This is evidenced, in part, through the selection of women to fill a majority of the Bank's senior management positions, including the chief executive officer and chief lending officer, and board positions at the Bank, each of whom has a passion to ensure the Bank creates a platform to provide women and women-owned and women-managed businesses the necessary financial resources for success, including education, access to capital, mentoring and partnerships.

- ***Service Culture.*** The organizers believe a bank with a customer-centric approach will distinguish itself from the regional and national banks which dominate the CMA banking landscape. Regardless of how the customer chooses to interact with the Bank (*e.g.*, walk-in, phone, electronic communication), the customer will be placed in contact with an officer of the Bank who is empowered to make decisions, thereby differentiating itself from the multiple layers of bureaucracy of larger banks.

- ***Local Decision Making and Relationship Banking.*** The Bank is committed to being both proactive and responsive to customers' needs. As a locally managed institution, we believe we will differentiate the Bank through efficient and quick yet prudent decision making on loan requests as well as general customer service. We believe that the management team's contacts and customer relationships built over the many years of banking in the CMA and the directors' extensive contacts in the community will serve as an initial platform for quality loan and deposit growth for the Bank. Based on the management team's long-established relationships with existing and recent past customer bases, management is confident a segment of these customers will desire to continue these banking relationships at Fortuna Bank.

- ***Business Focus.*** As a large metropolitan area and home to many regional and national enterprises, the CMA is both a national headquarters or regional office of many large and widespread organizations and businesses. The national and international financial institutions which dominate the CMA focus the majority of their resources on these entities. We believe that small- to mid-sized businesses in the CMA, professional industries, community organizations, non-profits and real estate professionals would welcome local bankers who understand their business. As an entrepreneurial bank, we believe the Bank's organizers can identify with and better service its entrepreneurial customers. Additionally, there is estimated to be approximately 2,000 women-owned businesses in the CMA and the Bank will employ strategic marketing efforts, including targeted advertising and programming, to use its best efforts to win a significant portion of this business.

- ***Technology-Focus***. Pursue a technology-focused strategy through implementation of the best management information system available to achieve maximum efficiency and to provide our customers with the most convenient and secure delivery platforms. The Bank is not burdened with legacy systems which provides an opportunity for management to acquire systems that are industry-tested but best suited for the Bank's business focus. Technology will be instrumental in providing a "frictionless" customer relationship and a more efficient delivery channel compared to an extensive branch network, allowing for more investment in "people talent" and technology instead of more banking facilities.

- ***Strategic Location.*** The Bank expects to derive a significant amount of its initial business through the breadth of business connections from its well-seasoned management and board of directors. The Bank's initial office will be located in Grandview Heights, Ohio. Thereafter as the Bank grows, branching, if any, is expected to be limited but strategic.

- ***Experienced Management Team and Board of Directors***. Our management team, comprised of our president and chief executive officer, chief financial officer and chief lending officer, collectively has over 90 years of banking experience, the majority of which was with community and regional banks. The management team has extensive ties to the CMA business community which it is expected will support a significant amount of the Bank's initial growth. Additionally, the Board of Directors is comprised of local business and community leaders, all of whom have personal business and community-involvement accomplishments, with some also having substantial community and regional bank board experience.

- ***Best People***. Seek and retain those individuals with in-market experience, strong ethical values and a strong desire to provide Fortuna Bank's customers with the best service available to ensure the ongoing execution of its strategies. Management's current working knowledge of the banking talent in the market will be invaluable in identifying and recruiting the best bankers for Fortuna Bank.

- ***Traditional Products***. Offer products and services based on traditional, prudent and sound banking practices established with the objective to benefit both the Bank and the Bank's customers.

- ***Comprehensive Risk Management.*** Maintain a comprehensive risk management framework to ensure the safety and soundness of the Bank. The risk management framework will include policies, procedures and reporting to ensure proper credit and capital management, interest rate risk and liquidity management, robust regulatory compliance and comprehensive operational controls; and will evolve and mature consistent with the size and complexity of Fortuna Bank.

Competition

Commercial banking in the CMA is highly competitive, due in large part to the region's attractive demographics. We will compete with other commercial banks, savings banks, credit unions, finance companies, and money market mutual funds operating in the CMA as well as on-line competitors who are located outside of the CMA. As of June 30, 2022, the latest date for which data are available, aggregate deposits of Franklin County were $84.0 billion. Community banks (with deposits of less than $5.0 billion) held approximately just 5.0% of Franklin County's deposits as of that date. According to the FDIC website, as of June 30, 2022, there were 34 insured banks operating in Franklin County. Of this number, six institutions maintained 91.0% of aggregate deposits. Most of these institutions have substantially greater resources and lending limits than we will have, and many of these competitors offer services, including extensive and established branch networks and trust services that we either do not expect to provide or will not provide initially. Our competitors include large national, super-regional, and regional banks like Huntington National Bank, JPMorgan Chase Bank, PNC Bank, and other more locally focused institutions. Nevertheless, we believe that our management team, our focus on technology-driven relationship banking, and the economic and demographic dynamics of our service area will allow us to gain an adequate share of the area's deposits to conduct our planned business operations.

Lending Activities

Our Loan Products. Fortuna Bank will offer a variety of commercial, residential and consumer loan products, including: (i) owner and non-owner occupied commercial real estate ("CRE") and multifamily mortgage loans; (ii) commercial business loans and commercial lines of credit to small- and medium-sized businesses and professionals, including, upon accreditation, Small Business Administration ("SBA") loans; (iii) fixed-rate and adjustable-rate one- to four-family residential real estate loans; (iv) home equity lines of credit ("HELOCs"); (v) commercial and residential construction loans; (vi) consumer loans, including deposit and installment loans and automobile loans. Subject to demand, the Bank will consider utilizing a third party to offer business and consumer credit cards. Comprehensive policies and procedures will be developed to ensure that lending operations are efficient and maintain strong asset quality, including well documented mitigating factors and controls, processes and reporting.

Additional details about the Bank's expected loan product offerings and general underwriting criteria are set forth below.

- *CRE and Multifamily Mortgage Loans*. CRE loans will include loans secured by office and medical buildings, retail centers, warehouse and industrial buildings. Multifamily loans will include loans secured by apartment buildings, townhouse and small multifamily dwellings. Collateral properties, both owner-occupied properties and investor properties, and will generally be located in the CMA.

  Income property loans will generally be originated up to a loan-to-value ("LTV") ratio of 80% of the lesser of the purchase price or the appraised value of the property securing the loan and generally will require a minimum debt service coverage ratio of 1.2 times. These loans will also be subject to appropriate net worth, debt-to-worth and liquidity ratio requirements. Loan terms are expected to be up to 10 years with 25-year amortization period. Personal guarantees will also generally be required. CRE Loans may be originated with associated interest rate swap agreements to allow both the borrower and the Bank to more effectively manage their respective interest rate risk.

- *Commercial Business Loans and Commercial Lines of Credit ("LOCs").* These loans will consist of loans to businesses operating in the CMA, and will include floating lines of credit, generally indexed to *The Wall Street Journal* prime rate, and fixed-rate term loans. They will include loans secured by equipment (purchase or refinance), longer term working capital loans (*i.e.*, for accounts receivable, inventory, etc.), business acquisition and vehicle financing term loans (with maturities generally ranging from demand loans to five years).

  Commercial LOCs will be offered to provide flexibility and access to capital to meet a variety of short-term credit needs and can be structured to meet seasonal or cyclical demands. Line amounts, terms, repayment schedules and collateral can all be structured to meet the specific needs of the borrower. Purposes for lines of credit could include short-term working capital (*i.e.*, accounts receivable, inventory, etc.), construction or development financing and support of bonding requirements.

  Commercial business loans will generally be subject to a minimum debt service coverage ratio of 1.2 times, appropriate net worth, debt-to-worth and liquidity ratio requirements, depending on the nature of collateral, industry and loan amount. The commercial business loans will generally be originated up to 80% LTV. Personal guarantees will also generally be required.

  Upon accreditation and subject to market demand, the Bank intends to offer SBA loans.

- *Construction Loans*. Construction loans for commercial and residential properties will be extended to established local developers, builders and investors with an emphasis on pre-sold properties. Construction loans for one- to four-family residential mortgages, including for speculative construction, will be originated up to an LTV of 85% with typical loan size of $500,000 - $1.0 million. Commercial construction and construction/permanent loans will be secured by small scale projects such as residential, retail, mixed use, industrial and office. Commercial construction loans will generally be offered up to an LTV ratio of 80% of the lesser of the appraised market value of the completed property or the total cost of the construction project with typical loan size of $750,000 - $2.5 million. Additional requirements will include minimum projected debt service coverage ratio of 1.2 times and appropriate net worth, debt-to-worth and liquidity ratio requirements.

- *One- to Four-Family Residential Mortgage Loans.* Terms of residential mortgage loans are expected to be 15- and 30-year amortization periods with fixed or adjustable interest rates and secured by primary and secondary residences. The Bank will primarily offer 3/1 and 5/1 adjustable-rate mortgage ("ARM") loans secured by owner-occupied and nonowner-occupied residential properties located in the CMA. The residential mortgage loans will typically be originated as jumbo and non-conforming loans. Residential mortgage loans will be originated up to an LTV of 80% with up to 95% with private market insurance (PMI). Substantially all of the one- to four-family mortgage loans originated will be secured by properties within the CMA. It is expected that in the Bank's early years of operations, the Bank will sell, with servicing-retained, the majority of the fixed-rate residential mortgages that it originates.

- *Home Equity Lines of Credit.* The Bank's one- to four-family lending activities will include HELOCs generally tied to The *Wall Street Journal* prime rate and offered for terms of up to ten years for the draw period and 20-year full amortization payout period. HELOCs will be secured by first and second mortgage liens on owner-occupied one- to four-family residential properties. The Bank will originate HELOCs up to a maximum LTV ratio of 80%, inclusive of other liens on the property.

- *Other Consumer Loans and Credit Cards.* Other consumer loans will include loans secured by deposits and personal installment loans for automobiles and household items, and personal lines of credit will be granted primarily to relationship customers. The Bank may choose to offer credit cards to consumers and small business through an affinity program with no credit risk exposure to the Bank.

Credit Risk. The principal credit risk associated with each category of loans is the creditworthiness of the borrower. Borrower creditworthiness is affected by general economic conditions and the strength of the manufacturing, services, and retail market segments. General economic factors affecting a borrower's ability to repay include interest, inflation, and employment rates and the strength of the local and national economy, as well as other factors affecting a borrower's customers, suppliers, and employees.

Each category of loan has a different level of credit risk. Real estate loans are generally viewed as safer than loans secured by other assets because the value of the underlying security, real estate, is generally ascertainable and does not fluctuate as much as some other assets. Certain real estate loans are less risky than others. Residential real estate loans are generally considered the least risky type of real estate loan, followed by commercial real estate loans and construction loans. Commercial loans, which can be secured by equipment or other assets, or which can be unsecured, are generally viewed as more risky compared to real estate loans, but less risky than consumer loans. Finally, consumer loans, which can also be secured by other assets, or which can be unsecured, are generally considered to be the most risky of these categories of loans. Any type of loan which is unsecured is generally viewed as more risky than secured loans. These levels of risk are general in nature, and many factors, including the creditworthiness of the borrower or the particular nature of the secured asset, may cause any type of loan to be more or less risky than another. Additionally, these levels of risk are limited to an analysis of credit risk, and they do not take into account other risk factors associated with making loans such as the interest rate risk inherent in long-term, fixed-rate loans.

Credit Risk Management. Credit risk management will reflect a disciplined credit culture that aligns with the Board's risk appetite and recognizes that strong credit quality is a paramount priority for the Bank. The Director's Loan Committee will be responsible for the governance and oversight of the Bank's credit risk, including approving credit policies and credit authorities. Management will have the responsibility for establishing sound credit administration and underwriting processes, procedures and reporting to ensure the Board approved credit policies are adhered to and that credit risk is effectively managed.

Loan Approval and Review. The Bank's loan approval policies will provide for various levels of officer lending authority. When the amount of aggregate loans to a single borrower exceeds an individual officer's lending authority, the loan request will be considered and approved by an officer with a higher lending limit, the management loan committee, or the Directors' Loan Committee. The Bank will not make any loans to any director of the Bank unless the loan is approved by the board of directors of the Bank (excluding the director applying for such loan) and is made on terms not more favorable to the person than would be available to a person not affiliated with the Bank.

Allowance for Credit Losses. We will maintain an allowance for credit losses, which we will establish through a provision for credit losses charged against income and will be based on the newly effective Current Expected Credit Losses (CECL) standard. This standard requires earlier recognition of expected credit losses on loans and certain other instruments, compared to the incurred loss model which banks have historically followed. The CECL framework will require us to collect and analyze a substantial amount of data to determine the appropriate level of the allowance for credit losses. The adoption of CECL by all financial institutions may result in greater volatility in the level of the allowance for credit losses, depending on various factors and assumptions applied in the model, such as the reasonable and supportable forecasted economic conditions and loan payment behaviors. Any increase in the allowance for credit losses, or expenses incurred to determine the appropriate level of the allowance for credit losses, may have an adverse effect on our financial condition and results of operations.

In the earlier operating periods of the Bank, due to our limited operating history, the provision for loan losses will likely be based primarily upon our assessment of general loan loss risk compared to banks of similar size and maturity. Also, in the early operating periods, the loans in our loan portfolio and our lending relationships will be of very recent origin. In general, loans do not begin to show signs of credit deterioration or default until they have been outstanding for some period of time, a process known as seasoning. As a result, a portfolio of older loans usually will behave more predictably than a newer portfolio. Because our loan portfolio in early operating periods will be new, the level of delinquencies and defaults may not be representative of the level that will prevail when the portfolio becomes more seasoned, which may be higher than the levels in the earlier periods. If delinquencies and defaults increase in later periods, we would be required to increase our provision for loan losses, which would adversely affect our results of operations and financial condition. Periodically, we will adjust the amount of the allowance based on changing circumstances. We will charge recognized losses to the allowance and add subsequent recoveries back to the allowance for credit losses. There can be no assurance that charge-offs of loans in any future period will not exceed the allowance for credit losses as estimated at any point in time or that provisions for loan losses will not be significant to a particular accounting period.

Lending Limits. The Bank's lending activities will be subject to a variety of lending limits imposed by federal and state law. In general, the Bank will be subject to a legal limit on loans to a single borrower equal to (i) 15% of the Bank's capital for loans not fully secured by readily marketable collateral and (ii) an additional 10% of the Bank's capital for loans that are fully secured by readily marketable collateral. Different limits may apply based on the type of loan or the nature of the borrower, including the borrower's relationship to the Bank. These limits will increase or decrease as the Bank's capital increases or decreases. Unless the Bank is able to sell participations in its loans to other financial institutions, the Bank will not be able to meet all of the lending needs of loan customers requiring aggregate extensions of credit above these limits. The Bank intends to maintain an internal lending limit that is lower than the maximum allowed under federal or state banking law.

Deposit Services

We will provide a broad array of commercial and personal deposit products that will support consumers as well as the small and medium-sized businesses, which are the backbone of the community. The Bank's suite of commercial and personal deposit products will be designed to meet the needs of these customers.

The Bank will also provide a broad array of retail and commercial deposit products and cash management services with an expected initial retail deposit emphasis within the Franklin County towns of Grandview Heights and the southern portion of Upper Arlington, Ohio. Deposit products offered to consumers will include a variety of checking, money market and savings accounts, Interest on Lawyers Trust accounts ("IOLTAs") and certificates of deposit ("CDs") with various rates and terms. Other transaction accounts will generally be tiered to provide highly competitive rates and terms for higher balance accounts. The commercial deposit products and services will be tailored to the needs of small- to medium-sized businesses, including commercial checking accounts with fees and services tiered on the basis of transaction volume and balances; a commercial money market account with many of the benefits of a liquid savings account but with a higher interest rate and limits on transaction activity; IOLTAs; Fiduciary checking accounts; and CDs. Commercial depository services will include checking and cash management services. Remote deposit services, online and mobile banking will make the Bank more accessible. The Bank will also provide merchant processing services for its commercial customers through a third-party.

Remote deposit services, online and mobile banking will make the Bank more accessible.

We do not have any current plans to utilize wholesale or brokered deposits.

A detailed description of Fortuna Bank's planned deposit offerings is set forth below:

Commercial Deposit Accounts

- *Free Business Checking* - Noninterest-bearing accounts that the Bank will be seeking to market as a core deposit product targeted to those business customers that generally maintain a minimum or average balance in their checking account of at least $1,000.
- *Commercial NOW Checking* - Interest checking with $1,000 minimum balance for qualifying commercial customers.
- *Commercial Business Analysis Checking* - Flexible commercial checking product where an earnings credit is analyzed against the cost of maintaining the account.
- *Interest on Lawyers Trust Accounts (IOLTA)* - Minimum balance with tiered interest rates.
- *Commercial Money Market/Business Savings Accounts* - Will provide the Bank's commercial customers with many of the benefits of a savings account but with a higher interest rate.

Personal Deposit Accounts

- *Free Checking* - No minimum balance, no fee checking account. Direct deposit is encouraged but not required.
- *Interest Checking* - $1,000 minimum balance.
- *Premium Money Market* - $2,500 minimum balance with tiered interest levels based on balance level.

- *Premium Savings* - Account with minimum $200 balance.
- *Certificates of Deposit* - Will be offered to individuals and businesses with varying terms and interest rates including IRAs priced as to market and competitive conditions for various CD offerings. Special CD products are offered at times to attract new banking relationships.

- *Reciprocal Deposit Products* - These products, including CDARs will be offered to both personal and business customers in order to provide FDIC insurance on balances that exceed $250,000 for clients that require FDIC insurance.

Online and Mobile Banking. Online and mobile banking will be available to retail and commercial customers. For several reasons a robust online banking platform will be critical to the Bank's growth and success. First, a modern online banking platform with advanced functionality is a prerequisite to reach the target customer base in the CMA.

A robust online banking platform will also be critical to staying competitive in the industry. The trends in banking are that fewer consumers visit the branches and more are doing their banking online, including and increasingly on mobile devices, at ATMs or over the phone. Also, non-bank online lenders provide significant competition for small consumer lending and small business lending. Online credit platforms are disrupting the market through a streamlined application process, expeditious decisions, and quick disbursal of funds and customers are willing to pay higher interest rates for online speed and convenience.

The Bank intends that its online platform will offer:

- Online banking with bill-pay, remote deposit capture, wire transfer and the capability to open personal deposit accounts and take applications for certain consumer lending products, including consumer loans and credit cards;
- Business online banking for remote deposit capture, bill pay and other functionality with the capability to make business loans for a limited amount;
- Limited online money remittance service for banking customers; and
- Mobile banking with remote deposit capture capability for consumers.

We will offer commercial and retail online banking, commercial cash management services, wire transfers, and mobile banking and remote deposit capture. We will also offer cashier's checks, debit cards, access to an ATM network, direct deposit, and credit cards.

Employees

We anticipate that, upon commencement of operations, the Bank will have approximately 12 full-time employees and one part-time employee.

Properties

The Bank's initial office will be located at 871 Goodale Boulevard, Grandview Heights, Ohio. The Bank will lease the property.

SUPERVISION AND REGULATION

General. As a commercial bank organized under the banking laws and regulations of the State of Ohio, and insured by the FDIC, the Bank will be subject to supervision and regulation by the ODFI and the FDIC. The Bank does not intend initially to be a member of the Federal Reserve System.

Various regulations, requirements, and restrictions under state and federal laws will affect the operation of the Bank, including requirements to maintain a minimum level of capital, restrictions on the nature and the amount of loans which may be made and the interest which may be charged thereon, restrictions on the ability of the Bank to expand through new branches or acquisitions, restrictions on the ability of the Bank to pay dividends, regulations relating to permitted investments, and restrictions on other activities of the Bank.

The regulation and supervision of the Bank are designed primarily for the protection of depositors and the FDIC, and not the Bank's shareholders. Enforcement actions may include the imposition of a conservator or receiver, cease-and-desist orders and written agreements, the termination of insurance on deposits, the imposition of civil money penalties, and removal and prohibition orders. If any enforcement action is taken by a banking regulator, the value of an equity investment in the Bank could be substantially reduced or eliminated.

Activity Powers. The Bank will derive its lending and investment powers from Title 11 of the Ohio Revised Code and the regulations of ODFI. Under these laws and regulations, the Bank may invest in commercial and consumer loans, mortgage loans secured by residential and commercial real estate, certain types of debt securities, and certain other assets. We may also establish service corporations that may engage in activities not otherwise permissible for the bank, including certain securities and insurance brokerage. Our authority to invest in certain types of loans or other investments is also limited by federal law.

Legal Lending Limits. Subject to specified exceptions, our total loans or extensions of credit to a single borrower cannot exceed 15% of our unimpaired capital and surplus which does not include accumulated other comprehensive income. We may lend additional amounts up to 10% of our unimpaired capital and surplus if the loans or extensions of credit are fully secured by readily marketable collateral.

Branching. Under current Ohio law, we may open branch offices throughout Ohio with the prior approval of the ODFI. In addition, with prior regulatory approval or non-objection, we may acquire branches of existing banks located in Ohio. Federal law permits insured state banks to engage in interstate branching if the laws of the state where the new banking office is to be established would permit the establishment of the banking office if it were chartered by a bank in such state.

Dividend Restrictions. Statutory and regulatory limitations apply to our payment of dividends to our shareholders. If, in the opinion of our banking regulators, we were engaged in or about to engage in an unsafe or unsound practice, the banking regulator could require, after notice and a hearing, that we cease and desist from the practice. The federal banking agencies have indicated that paying dividends that deplete a depository institution's capital base to an inadequate level would be an unsafe and unsound banking practice. Under the Federal Deposit Insurance Corporation Improvement Act of 1991, a depository institution may not pay any dividend if payment would cause it to become undercapitalized or if it already is undercapitalized. Moreover, the federal agencies have issued policy statements that provide that insured banks should generally only pay dividends out of current operating earnings.

Statutes and regulations of the ODFI also impose restrictions or requirements on our ability to declare and issue dividends. In sum, prior to the declaration of a dividend on shares of our common stock, we are required to have capital surplus in an amount that equals the amount of our common stock. **We do not intend on paying cash dividends during at least our first three years of operations.**

Capital Requirements. Federal regulations require federally insured depository institutions meet several minimum capital standards: a common equity Tier 1 capital to risk-based assets ratio of 4.5%, a Tier 1 capital to risk-based assets ratio of 6.0%, a total capital to risk-based assets ratio of 8.0%, and a 4.0% Tier 1 capital to total assets leverage ratio.

In determining the amount of risk-weighted assets for calculating risk-based capital ratios, all assets, including certain off-balance sheet assets (*e.g.*, recourse obligations, direct credit substitutes, residual interests) are multiplied by a risk-weight factor assigned by the regulations based on the risks believed inherent in the type of asset. Higher levels of capital are required for asset categories believed to present greater risk. Common equity Tier 1 capital is generally defined as common shareholders' equity and related surplus and retained earnings. Tier 1 capital is generally defined as common equity Tier 1 and additional Tier 1 capital. Additional Tier 1 capital includes certain non-cumulative perpetual preferred stock and related surplus and minority interests in equity accounts of consolidated subsidiaries. Total capital includes Tier 1 capital (common equity Tier 1 capital plus additional Tier 1 capital) and Tier 2 capital. Tier 2 capital is comprised of capital instruments and related surplus, meeting specified requirements, and may include cumulative preferred stock and long-term perpetual preferred stock, mandatory convertible securities, intermediate preferred stock and subordinated debt. Also included in Tier 2 capital is the allowance for loan and lease losses limited to a maximum of 1.25% of risk-weighted assets. Calculation of all types of regulatory capital is subject to deductions and adjustments specified in the regulations. In assessing an institution's capital adequacy, the FDIC takes into consideration not only these numeric factors, but qualitative factors as well, and has the authority to establish higher capital requirements for individual institutions where deemed necessary.

In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a "capital conservation buffer" consisting of 2.5% of common equity Tier 1 capital to risk-weighted asset above the amount necessary to meet its minimum risk-based capital requirements.

Federal law required the federal banking agencies, including the FDIC, to establish a "community bank leverage ratio" of between 8% and 10% for institutions with total consolidated assets of less than $10 billion. Institutions with capital complying with the ratio and otherwise meeting the specified requirements and electing the alternative framework are considered to comply with the applicable regulatory capital requirements, including the risk-based requirements. The community bank leverage ratio was established at 9% Tier 1 capital to total average assets, effective January 1, 2020. A qualifying institution may opt in and out of the community bank leverage ratio framework on its quarterly call report. An institution that temporarily ceases to meet any qualifying criteria is provided with a two-quarter grace period to regain compliance. Failure to meet the qualifying criteria within the grace period or maintain a leverage ratio of 8% or greater requires the institution to comply with the generally applicable regulatory capital requirements.

Prompt Corrective Action Regulations. Under prompt corrective action regulations, the FDIC is authorized and, under certain circumstances, required to take supervisory actions against undercapitalized member banks. The extent of supervisory action depends upon the degree of the institution's undercapitalization. For this purpose, an insured institution is placed in one of the following five categories based on the bank's capital:

- well-capitalized (at least 5% leverage capital, 8% Tier 1 risk-based capital, 10% total risk-based capital and 6.5% common equity Tier 1 risk-based capital);

- adequately capitalized (at least 4% leverage capital, 6% Tier 1 risk-based capital, 8% total risk-based capital and 4.5% common equity Tier 1 risk-based capital);

- undercapitalized (less than 4% leverage capital, 6% Tier 1 risk-based capital, 8% total risk-based capital or 4.5% common equity Tier 1 risk-based capital);

- significantly undercapitalized (less than 3% leverage capital, 4% Tier 1 risk-based capital, 6% total risk-based capital or 3% common equity Tier 1 risk-based capital); and

- critically undercapitalized (less than 2% tangible capital).

Standards for Safety and Soundness. As required by statute, the federal banking agencies adopted final regulations and Interagency Guidelines Establishing Standards for Safety and Soundness to implement safety and soundness standards. The guidelines set forth the safety and soundness standards that the federal banking agencies use to identify and address problems at insured depository institutions before capital becomes impaired. The guidelines address internal controls and information systems, internal audit system, credit underwriting, loan documentation, interest rate exposure, asset growth, asset quality, earnings and compensation, fees and benefits. The agencies have also established standards for safeguarding customer information. If the appropriate federal banking agency determines that an institution fails to meet any standard prescribed by the guidelines, the agency may require the institution to submit to the agency an acceptable plan to achieve compliance with the standard.

Insurance of Deposit Accounts. The Bank has applied to the FDIC for federal deposit insurance. Upon opening for business, the Bank's deposits will be insured up to applicable limits by the Deposit Insurance Fund of the FDIC, generally up to a maximum of $250,000 per separately insured depositor. The FDIC charges insured depository institutions premiums to maintain the Deposit Insurance Fund.

Under the FDIC's risk-based assessment system, institutions deemed less risky of failure pay lower assessments. Assessments for institutions of less than $10 billion of assets are based on financial measures and supervisory ratings derived from statistical modeling estimating the probability of an institution's failure within three years.

The FDIC has authority to increase insurance assessments. Any significant increases would have an adverse effect on the operating expenses and results of operations of Fortuna Bank. We cannot predict what assessment rates will be in the future.

Insurance of deposits may be terminated by the FDIC upon a finding that an institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC. We do not know of any practice, condition or violation that may lead to termination of our deposit insurance.

Lending Laws. We are subject to a number of lending laws designed to protect borrowers and promote lending to various sectors of the economy and population, and failure to comply with these provisions could result in enforcement actions against us and/or our management. These laws include:

- Federal Truth-In-Lending Act, governing disclosures of credit terms to consumer borrowers;

- Home Mortgage Disclosure Act of 1975, requiring financial institutions to provide information to enable the public and public officials to determine whether a financial institution is fulfilling its obligation to help meet the housing needs of the community it serves;

- Equal Credit Opportunity Act, prohibiting discrimination on the basis of race, creed, or other prohibited factors in extending credit;

- Fair Credit Reporting Act of 1978, governing the use of consumer credit reports and the provision of information to credit reporting agencies;

- Fair Debt Collection Act, governing the manner in which consumer debts may be collected by collection agencies;

- Real Estate Settlement Procedures Act, governing closing costs and settlement procedures and disclosures to consumers related thereto;

- Servicemembers Civil Relief Act of 2004, governing the repayment terms of, and property rights underlying, secured obligations of persons in military service;

- Talent Amendment in the 2007 Defense Authorization Act, establishing a 36% annual percentage rate ceiling, which includes a variety of charges, including late fees, for consumer loans to military service members and their dependents; and

- Rules and regulations of the various federal agencies charged with the responsibility of implementing these federal laws.

Deposit Operations. Our deposit operations are subject to federal laws applicable to depository accounts, such as the:

- Truth-In-Savings Act, requiring certain disclosures for consumer deposit accounts;

- Right to Financial Privacy Act, which imposes a duty to maintain confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records;

- Electronic Funds Transfer Act and Regulation E issued by the Federal Reserve to implement that act, which govern automatic deposits to and withdrawals from deposit accounts and customers' rights and liabilities arising from the use of automated teller machines and other electronic banking services; and

- Rules and regulations of the various federal banking regulators charged with the responsibility of implementing these federal laws.

Consumer Protection Laws. The relationships between cardholders and credit card issuers and lenders are extensively regulated by federal and state consumer protection laws. If credit cards are issued by the Bank or any other subsidiaries we may acquire in the future, the most significant laws include the federal Truth in Lending, Equal Credit Opportunity, Fair Credit Reporting, Fair Debt Collection Practices and Electronic Fund Transfer Acts. These statutes impose significant disclosure requirements when a credit card account is advertised and when it is opened, both at the end of monthly billing cycles and at year end. In addition, these statutes limit customer liability for unauthorized use, prohibit certain discriminatory practices in extending credit and impose certain limitations on the type of account-related charges that may be assessed. Cardholders are entitled under these laws to have payments and credits applied to the credit card accounts promptly, to receive prescribed notices and to require billing errors to be resolved promptly.

Restrictions on Transactions with Affiliates and Insiders. We are subject to restrictions on extensions of credit to our executive officers, directors, principal shareholders and their related interests ("Insiders"). These extensions of credit (1) must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with third parties and (2) must not involve more than the normal risk of repayment or present other unfavorable features. In addition, we are subject to limitations as to the total amount of credit extended to any one Insider and to Insiders in the aggregate.

Community Reinvestment Act. Under the Community Reinvestment Act of 1977 ("CRA"), we have a continuing and affirmative obligation to help meet the credit needs of our entire community, including low- and moderate-income neighborhoods. The CRA does not establish specific lending requirements or programs for us nor does it limit our discretion to develop the types of products and services that we believe are best suited to our particular community, consistent with the CRA. The CRA requires the FDIC, in connection with its examination of the bank, to assess our record of meeting the credit needs of our community and to take the record into account in its evaluation of certain applications by the bank. The CRA also requires all institutions to make public disclosure of their CRA ratings.

Any failure by us to satisfactorily comply with the provisions of the CRA could, among other things, result in denial of certain corporate applications, such as the establishment of future branches, or potential merger transactions or other restrictions on our activities.

Privacy. Financial institutions are required to disclose their policies for collecting and protecting confidential information. Customers generally may prevent financial institutions from sharing nonpublic personal financial information with nonaffiliated third parties except under narrow circumstances, such as the processing of transactions requested by the consumer or when the financial institution is jointly sponsoring a product or service with a nonaffiliated third party. Additionally, financial institutions generally may not disclose consumer account numbers to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing to consumers.

Money Laundering and Anti-Terrorism Laws. The BSA provides, in part, for the facilitation of information sharing among governmental entities and financial institutions for the purpose of combating terrorism and money laundering by enhancing anti-money laundering and financial transparency laws, as well as enhanced information collection tools and enforcement mechanics for the U.S. government, including: (a) requiring standards for verifying customer identification at account opening; (b) rules to promote cooperation among financial institutions, regulators, and law enforcement entities in identifying parties that may be involved in terrorism or money laundering; (c) reports by nonfinancial trades and businesses filed with the Treasury Department's Financial Crimes Enforcement Network for transactions exceeding $10,000; (d) filing suspicious activities reports by brokers and dealers if they believe a customer may be violating U.S. laws and regulations; and (e) requiring enhanced due diligence requirements for financial institutions that administer, maintain, or manage private bank accounts or correspondent accounts for non-U.S. persons.

Under the BSA, the Federal Bureau of Investigation ("FBI") can send our banking regulatory agencies lists of the names of persons suspected of involvement in terrorist activities. We may be requested to search our records for any relationships or transactions with persons on those lists. If we find any relationships or transactions, we must file a suspicious activity report and contact the FBI.

OFAC, which is a division of the Treasury Department, is responsible for helping to insure that U.S. entities do not engage in transactions with "enemies" of the United States, as defined by various Executive Orders and Acts of Congress. OFAC has sent, and will send, our banking regulatory agencies lists of names of persons and organizations suspected of aiding, harboring or engaging in terrorist acts. If we find a name on any transaction, account or wire transfer that is on an OFAC list, we must freeze such account, file a suspicious activity report and notify the FBI. We have appointed an OFAC compliance officer to oversee the inspection of our accounts and the filing of any notifications. We will actively check high-risk OFAC areas such as new accounts, wire transfers and customer files. We will perform these checks utilizing software, which is updated each time a modification is made to the lists provided by OFAC and other agencies of Specially Designated Nationals and Blocked Persons.

Restrictions on Acquiring Control. Federal and Ohio law requires, with few exceptions, FDIC and ODFI approval prior to any acquisition of control of Fortuna Bank. Among other criteria, under the Change in Bank Control Act and FDIC regulations, "control" is conclusively presumed to exist if a person or company acquires, directly or indirectly, more than 25% of any class of voting stock of the bank. Under FDIC regulations, control is also presumed to exist, subject to rebuttal, if a person acquires more than 10% of any class of voting stock and no other person will own, control or hold the power to vote a greater percentage of that class of voting shares immediately after the transaction. Under the Federal Bank Holding Company Act of 1956 (the "BHC Act"), a corporate acquirer of control of the bank must register with the Board of Governors of the Federal Reserve System and be subject to the activities limitations of the BHC Act. Under the BHC Act, a corporate acquirer would control the bank if it has ownership, control or power to vote 25% or more of the outstanding securities of the bank, controls in any manner the election of a majority of directors or the power to exercise, directly or indirectly, a controlling influence over management or policies of the bank.

Federal Home Loan Bank System. We intend to be a member of the Federal Home Loan Bank of Cincinnati, which is one of the regional Federal Home Loan Banks making up the Federal Home Loan Bank System. Each Federal Home Loan Bank provides a central credit facility primarily for its member institutions. We will be required to acquire and hold shares of capital stock in the Federal Home Loan Bank of Cincinnati.

Securities Laws. If at any fiscal year-end there are 2,000 or more shareholders of record of the shares, the Bank will be required to register its shares with the FDIC and become subject to the periodic reporting and other requirements of Section 12(g) of the Securities Exchange Act of 1934, as amended.

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of the Bank, and information regarding their subscriptions for shares of the Bank's common stock, are as follows:

Name	Position	Number of Shares	Percentage Ownership (1)	Number of "at risk" Warrants	Percentage Ownership with exercise of warrants (1)
Ilaria Rawlins	President, Chief Executive Officer and Director	10,000	0.50%	1,000	0.55%
Anthony Stollings	Chief Financial Officer and Director	10,000	0.50%	1,000	0.55%
Lisa Berger, Esq.	Chairwoman of the Board	50,000	2.48%	5,000	2.72%
Christie Angel	Director	10,000	0.50%	1,000	0.55%
Carla Donev	Director	25,000	1.24%	2,500	1.36%
Lori Kaiser, CPA	Director	25,000	1.24%	2,500	1.36%
Jeff Meyer, Esq.	Director	35,000	1.74%	3,500	1.91%
All directors and officers as a group (7 persons)		165,000	8.18%	16,500	8.93%

(1) Assumes that the minimum of 2,016,300 shares are sold in the offering.

Set forth below are brief summaries of the background and business experience of the Bank's directors, executive officers and organizers. We have a current commitment from an experienced senior loan officer to become our chief lending officer and she plans to join the Bank when we open.

Ilaria Rawlins, President and Chief Executive Officer and Director. Ms. Rawlins, age 53, is a career banker with over 30 years of banking experience, including executive leadership, having served in a variety of roles with several banks including as a Retail Bank President and SVP of Retail Development. Ms. Rawlins is results-oriented with expertise in leadership, community relations, strategy execution, idea creation and goal achievement.

From 2014 through 2021, Ms. Rawlins held roles of increasing responsibility at First Financial Bank, Cincinnati, Ohio, serving from March 2019 until September 2021 as Retail Bank President where she was responsible for leading the bank's entire retail network, consisting of 140 branches and 775 full-time associates with ultimate responsibility for sales, service, operational and financial performance of the retail line of business.

Prior to her tenure at First Financial Bank, from 2006 until its sale in 2014, Ms. Rawlins served as Senior Vice President of Retail Development for First Bexley Bank, a Columbus, Ohio *de novo* where she had extensive involvement in organizing and launching the bank. During her tenure at First Bexley, she was responsible for client acquisition, treasury management sales, bank compliance, bank marketing, core system integration, and community initiatives. She played an integral role in the sale of the bank and led the merger integration and system conversion activities related to the First Financial Bank purchase in 2014.

Most recently, Ms. Rawlins was employed by a multi-state bank holding company where her responsibilities included innovation, strategy execution and CRA/FRP program management.

Anthony Stollings, Chief Financial Officer and Director. Mr. Stollings, age 68, is a seasoned bank executive with over 40 years of banking experience, in both the thrift and commercial banking sectors, including having served for various institutions in the roles of President, Chief Operating Officer, Chief Banking Officer, Chief Financial Officer, Chief Risk Officer and Controller. Mr. Stollings has extensive experience in board governance, investor relations, line of business and risk management, as well as bank operations.

From 2006 until his retirement in 2019, Mr. Stollings held roles of increasing responsibility at First Financial Bancorp, a publicly traded bank holding company with $15 billion in total assets, including having served most recently from 2015 until 2019 as President and Chief Banking Officer. During his 13-year tenure, Mr. Stollings also served on the executive committee and played a key role in the institution's asset growth of over five times. Mr. Stollings helped lead the company through numerous acquisitions of both bank and specialty finance companies, including the acquisition of three failed banks in 2009. He retired from First Financial Bancorp in September 2019.

Prior to his tenure at First Financial Bancorp, Mr. Stollings was the Chief Accounting Officer and Controller at Provident Financial Group, a $17 billion publicly traded commercial bank, that was acquired by National City Corporation (PNC) in 2004.

Lisa Berger, Chairwoman of the Board. Ms. Berger, age 53, is a licensed attorney and title agent. Prior to its sale to Chicago Title in 2016, Ms. Berger was the owner and operator of Amerititle Downtown. Prior to this, from 2004 until 2006, Ms. Berger practiced law at Kayne Law Group and practiced real estate law at Porter, Wright, Morris & Arthur from 1998 until 2004. Ms. Berger is active in civic and educational charities in the CMA including having served on the Board of Trustees of Columbus School for Girls.

Christie Angel, Director. Ms. Angel, age 58, is the managing partner of the Columbus office of BroadView Talent Partners. Until the end of 2022 and for five years prior, Ms. Angel acted as President and CEO of the YWCA Columbus. She has more than two decades of experience working in the private and public sectors of the CMA. Prior to joining YWCA Columbus, Ms. Angel was principal of government relations and public affairs for Calfee Strategic Solutions, a subsidiary of the law firm Calfee, Halter & Griswold. She previously served as Deputy Chief of Staff to former Columbus Mayor Michael B. Coleman and worked in the corporate government relations field at a Fortune 10 telecommunications company and a boutique consulting firm.

Carla Donev, Director. Ms. Donev, age 45, is an information technology and cybersecurity professional currently serving as Vice President and Chief Information Security Officer of NiSource where she oversees cybersecurity for NiSource, Columbia Gas and other brands across six states, positions she had held since 2018. Prior to this, from 2013 until 2018, Ms. Donev headed cybersecurity for Cardinal Health and Designer Show Warehouse (DSW) and from 2004 until 2013 functioned in various roles performing IT Audit and management activities for

Deloitte and Cardinal Health. Ms. Donev serves on the Board of Trustees for Columbus Children's Theatre and Columbus Speech and Hearing Center.

Lori Kaiser, CPA, Director. Ms. Kaiser, age 60, is a certified public accountant and is the founder and prior owner of Kaiser Consulting, an accounting and consulting firm headquartered in Powell, Ohio. Prior to founding Kaiser Consulting in 2001, she was the Chief Financial Officer at Lowestpremium.com and also the Corporate Controller for Nationwide Communications, Inc. Ms. Kaiser was elected to the Board of Directors of The Capitol Series Trust, a publicly traded company, and has served as the Audit Committee Chair for the Trust. She meets all the criteria for and currently functions as an SEC Audit Committee Financial Expert. Additionally, she has served as a Board Member for the Ohio Society of CPAs, National Church Residences, Franklin University, The Women's Fund of Central Ohio, National Association of Women Business Owners, and Columbus Chamber of Commerce.

Jeff Meyer, Esq., Director. Mr. Meyer, age 57, is an attorney and title agent. Prior to selling his interests to Fidelity National Title Company, a division of Fidelity National Financial (NYSE: FNF) in January, 2023, he founded and operated 10 title agencies in Columbus, Ohio and Chicago, Illinois over the past 30 years. Previously, he was an attorney for Benesch law firm and Cardinal Realty Services, Inc., a public REIT. He currently manages the operations of four title agencies, including Clean Title, a division of Fidelity National Title Company. Mr. Meyer has extensive community banking board experience, having served as an organizer and director of First Bexley Bank from May 2006 until it was acquired by First Financial Bancorp (NASDAQ: FFBC) in August 2014. He then served as a director of First Financial Bancorp from September 2014 to March 2018. Mr. Meyer is active in civic and charitable organizations and has served as Chairman of the Board of Trustees for the Columbus Jewish Foundation and Columbus Jewish Community Center.

Board Committees

The Board of Directors of the Bank intends to establish the following standing committees:

- **Asset Liability/Risk Committee (ALCO/Risk) -** The ALCO/Risk committee will assure that management is appropriately identifying, measuring, controlling, and monitoring the Bank's liquidity risk, interest rate risk, and capital adequacy positions and oversight of the Bank's investment activities. The ALCO/Risk committee will monitor industry developments and emerging risks and will be responsible for the governance and oversight of the Bank's Strategic Risk, including oversight relating to compliance risk, including matters relating to consumer compliance, fair lending, and community reinvestment programs, and Bank Secrecy Act (BSA) requirements.

- **Audit and Compliance Committee**: The Audit and Compliance Committee will recommend to the full Board of Directors the hiring of the Bank's external auditors and serve as liaison with the Bank's external auditors, oversee the internal audit and compliance functions, approve the program of work and review the results of such work, and direct review of compliance with policies, procedures, regulations and sound business practices. It is expected that this committee will be comprised only of non-employee directors.

- **Loan Committee**: The Loan Committee will review loan policies to ensure that they provide proper guidance based on current national and local economic conditions, regulatory guidance and pronouncements, and balance sheet composition. The Loan Committee will establish loan approval powers to be vested with certain officers of the Bank and provide guidance on the use and administration of such authorities. The Loan Committee will review loan asset quality information and will approve formulae for assessing portfolio risk and quantifying that risk with loan loss reserves. The Committee will also approve loans that exceed delegated loan approval thresholds or otherwise should come to the Board of Directors for approval.

- **Compensation Committee**: The Compensation Committee will establish the base salary for the Chief Executive Officer and approve recommendations by the Chief Executive Officer for all executive officers. All major employee benefit plans will be approved by the Compensation Committee. The Compensation Committee will establish management incentive programs as well as Board fees and compensation. However, the Bank does not intend to pay Board fees during its first three years of operations. It is expected that this committee will be comprised of non-employee directors.

Directors' Fees

The Bank does not intend to pay cash Board fees during its first three years of operations. If the shareholders approve a stock incentive plan, directors will be eligible for grants of equity, and may be granted equity awards, thereunder.

Employment and Executive Compensation Arrangements

The Bank intends to enter into employment agreements with each of the President and CEO, the Chief Financial Officer and the Chief Lending Officer (each, an "executive" and collectively, the "executives"). The Bank's initial and continued success depends to a significant degree on the skills and competence of these executives and the employment agreements are intended to ensure that we maintain a stable management base in our initial years of operation.

The employment agreements have an initial term of three years for each executive. The employment agreements renew on an annual basis, unless notice of nonrenewal is given, in which event the agreements will terminate two years thereafter. The current base salaries under the employment agreements are $240,000 for the President and CEO, $75,000 for the Chief Financial Officer and $200,000 for Chief Lending Officer. In addition to base salary, the agreement provides for, among other things, participation in bonus programs and other benefit plans and arrangements applicable to executive and other employees. We may terminate the executive's employment for cause at any time, in which event the executive has no right to receive compensation or other benefits for any period after his termination of employment.

Certain events resulting in the executive's termination or resignation entitle the executive to payments of severance benefits following the termination of her/his employment. In the event of the executive's involuntary termination for reasons other than for cause, disability or retirement, or in the event she/he resigns during the term of the agreement following (a) the failure to appoint her/him to the executive position set forth in the agreement, (b) a material change in the executive's function, duties or responsibilities resulting in a reduction of the responsibility, scope, or importance of her/his position, (c) a relocation of her/his office by more than 35 miles, (d) a material reduction in the benefits or perquisites paid to her/him unless the reduction is part of a reduction that is generally applicable to employees of the Bank, (e) a liquidation or dissolution of the Bank or (f) a material breach of the employment agreement by the Bank, then the executive would become entitled to a severance payment in the form of a cash lump sum equal to one times base salary for the President and CEO and 1/2 of base salary for the Chief Financial Officer and for the Chief Lending Officer. If the termination of employment follows or is in connection with a change in control, the severance would be based on base salary and bonus. In addition, the executive would become entitled, at no expense to her/him, to the continuation of non-taxable medical and dental coverage for an eighteen-month period.

Upon termination of the executive's employment (other than following a change in control), the executive will be subject to certain restrictions on her/his ability to compete or to solicit business or employees of the Bank for a period of one year following termination of employment.

Stock Warrants

In recognition of the placement or commitment of the initial investment money as “at-risk” capital, the Bank intends to grant to each initial investor, at no additional cost to the initial investor, warrants to purchase 1,000 shares of the Bank’s common stock for each $100,000 of initial investment money received or committed prior to the Bank commencing operations. Each of these warrants will have an exercise price of $10.00 per common share and will vest immediately with no expiration date.

The warrants are expected to be granted on the date the Bank commences banking operations. These warrants will not be transferable and may be exercised only by the initial investors or a family member.

Stock Incentive Plan

At its first shareholder meeting, which will be held prior to the Bank commencing operations, we expect to present to shareholders for approval an equity incentive plan (the “Plan”) which will permit the Bank to grant options and, subject to regulatory non-objection, restricted stock to its officers, employees and directors. We anticipate that we will authorize the issuance of a number of shares under the Plan equal to approximately 20% of the shares we sell in the offering. This amount will be reduced on a one-for-one basis based on the number of warrants which we will grant to the Initial Investors for their placement or commitment of at-risk funds. Therefore, our intent is to have the aggregate dilution of all options, warrants and restricted shares not to exceed 20% of the shares sold in the initial offering. The Bank’s Compensation Committee will administer the Plan and has the authority to determine and designate which officers, employees and directors are eligible to receive grants of options or restricted stock and, subject to the express provisions of the Plan, to determine the vesting, restrictions and other terms of agreements representing such options or awards as the case may be. Awards under the Plan may be granted to all current and prospective officers or other employees and all non-employee directors of the Bank. The Plan provides for a variety of equity compensation awards, including incentive stock options, non-qualified stock options and restricted stock. A complete description of the terms of the proposed Plan will be provided to our shareholders.

Exculpation and Indemnification

Our articles of incorporation contain a provision which, subject to certain exceptions described below, eliminates the liability of a director or officer of the Bank, the shareholders, or any other party for monetary damages for any breach of fiduciary duty as a director or officer. This provision does not eliminate such liability unless the director or officer (i) conducted herself or himself in good faith, (ii) believed that her or his conduct was in the Bank’s best interests and (iii) in the case of a criminal proceeding, had no reasonable cause to believe her or his conduct was unlawful.

Under our bylaws, we must indemnify any director or officer of the Bank who becomes subject to a lawsuit or proceeding arising out of their status as a director or officer, or their service at the Bank’s request as a director, officer, employee, partner (limited or general) or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan, or other enterprise, or their activities in any such capacity. Directors are entitled to be indemnified against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the director in connection with the proceeding. Our directors and officers are also entitled to have the Bank advance any such expenses prior to final disposition of the proceeding, upon delivery of a written undertaking to repay the amounts advanced if it is ultimately determined that the standard of conduct has not been met.

Certain Relationships and Related Transactions

We expect to have banking and other transactions in the ordinary course of business with our directors, and officers and their affiliates, including members of their families or corporations, partnerships, or other organizations in which such officers, or directors have a controlling interest, on substantially the same terms, including price, or interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties. These transactions are also restricted by our regulatory agencies. For a discussion of these regulations, please see “Supervision and Regulation - Restrictions on Transactions with Affiliates and Insiders.” These transactions are not expected to involve more than the normal risk of collectability or present other unfavorable features. Loans to individual directors and officers must also comply with the Bank’s lending policies, regulatory restrictions, and statutory lending limits, and directors with a personal interest in any loan application will be excluded from the consideration of such loan application. We intend for all of our transactions with our Initial Investors and other affiliates to be on terms no less favorable than could be obtained from an unaffiliated third party and to be approved by a majority of our disinterested directors.

PRINCIPAL SECURITY HOLDERS

The Bank will have 5,000,000 shares of common stock authorized, of which between 2,016,300 and 2,500,000 shares will be issued and outstanding following the offering. The amount and percent of common stock to be owned beneficially, directly or indirectly, by all directors and executive officers of the Bank as a group, and the amount that will be held by the investing public, assuming the sale of the minimum of 2,016,300 shares, is set forth in the following table:

	Amount Beneficially Owned	Percent Beneficially Owned[3]
Directors and Executive Officers as a Group (7 persons)[1]	165,000 [2]	8.18%
Investing Public	1,851,300	91.82%

(1) The Bank's directors and executive officers consist of the individuals named in the section entitled "Directors and Executive Officers."
(2) Does not include warrants to purchase 16,500 shares of common stock which are immediately exercisable and are being granted in consideration of at-risk funds provided by the directors and officers.
(3) Assumes the issuance of 2,016,300 shares of common stock. All of the organizers, directors and officers have the right to purchase additional shares in the offering.

DESCRIPTION OF COMMON STOCK

General

The authorized capital stock of the Bank will consist of 5,000,000 shares of common stock, $0.01 par value per share, and 500,000 shares of preferred stock. The following summary describes the material terms of the Bank's capital stock.

Common Stock

Holders of shares of the common stock will be entitled to receive such dividends as may from time to time be declared by the board of directors out of funds legally available for distribution. **We do not plan to declare any dividends in the foreseeable future.** See "Dividend Policy" on page 28. Holders of common stock will be entitled to one vote per share on all matters on which the holders of common stock are entitled to vote and will not have any cumulative voting rights. Shareholders will have no preemptive, conversion, redemption, or sinking fund rights. In the event of a liquidation, dissolution, or winding-up of the Bank, holders of common stock will be entitled to share equally and ratably in the assets of the Bank, if any, remaining after the payment of all debts and liabilities of the Bank and the liquidation preference of any outstanding preferred stock. The shares of common stock offered by the Bank, when issued, will be fully paid and non-assessable. The rights, preferences, and privileges of holders of common stock will be subject to any classes or series of preferred stock that the Bank may issue in the future.

Preferred Stock

The Bank's articles of incorporation provide that the board of directors is authorized, without further action by the holders of the common stock, to provide for the issuance of shares of preferred stock in one or more classes or series and to fix the designations, powers, preferences, and relative participating, optional, and other rights, qualifications, limitations, and restrictions, including the dividend rate, conversion rights, voting rights, redemption price, and liquidation preference, and to fix the number of shares to be included in any such classes or series. Any preferred stock so issued may rank senior to the common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding-up, or both. In addition, any such shares of preferred stock may have class or series voting rights. Upon completion of this offering, we will not have any shares of preferred stock outstanding. Issuances of preferred stock, while providing the Bank with flexibility in connection with general corporate purposes, may, among other things, have an adverse effect on the rights of holders of common stock. For example, the issuance of any preferred stock with voting or conversion rights may adversely affect the voting power of the holders of common stock, and such issuances could have the effect of decreasing the market price of the common stock. We do not have any current plans to issue any preferred stock.

Anti-takeover Effects

The provisions of our articles of incorporation, our bylaws, and federal and Ohio law summarized in the following paragraphs may have anti-takeover effects and may delay, defer, or prevent a tender offer or takeover attempt that a shareholder might consider to be in such shareholder's best interest, including those attempts that might result in a premium over the market price for the shares held by shareholders, and may make removal of management more difficult.

Authorized but Unissued Stock. The authorized but unissued shares of common stock and preferred stock will be available for future issuance without shareholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, and employee benefit plans. The existence of authorized but unissued and unreserved shares of common stock and preferred stock may enable the board of directors to issue shares to persons friendly to current management, which could render more difficult or discourage any attempt to obtain control of the Bank by means of a proxy contest, tender offer, merger, or otherwise, and thereby protect the continuity of our management.

Number of Directors. Our bylaws provide that the number of directors shall be fixed from time to time by resolution by a majority of the directors then in office but may not consist of fewer than five members. Initially, we intend to have seven directors.

Staggered Board of Directors. Our board of directors will be divided into three classes so that each director serves for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected. In the event of any increase in the authorized number of directors, the newly created directorships resulting from such increase shall be apportioned among the three classes of directors so as to maintain such classes as nearly equal as possible, and the terms of any newly created directorships filled by the board from such increase in the number of directors shall expire at the next election of directors by the shareholders. Approximately one-third of the board of directors will be elected at each annual meeting of shareholders. The classification of directors, together with the provisions in the articles of incorporation and bylaws described below that limit the ability of shareholders to remove directors and that permit the remaining directors to fill any vacancies on the board of directors, have the effect of making it more difficult for shareholders to change the composition of the board of directors. As a result, at least two annual meetings of shareholders may be required for the shareholders to change a majority of the directors, whether or not a change in the board of directors would be beneficial and whether or not a majority of shareholders believe that such a change would be desirable, and three meetings, rather than one, would be required to replace the entire board.

Filling Vacancies. Our bylaws provide that all vacancies on our board may be filled by a majority of the remaining directors for the unexpired term.

Advance Notice Requirements for Director Nominations. Our bylaws establish advance notice procedures with regard to the nomination, other than by or at the direction of the board of directors or a committee thereof, of candidates for election as directors. Shareholder nominations for the election of directors must be made in writing and must be delivered to the secretary of the Bank not less than 90 days in advance of the meeting. We may reject a nomination that is not made in accordance with such procedures.

Restrictions on Ownership. Under the Change in Bank Control Act of 1978, as amended, no individual or group acting in concert may acquire "control" of a bank unless the FDIC has been notified and has not objected to the transaction. Under a rebuttable presumption established by the FDIC the acquisition of 10% or more of a class of voting stock would, under the circumstances set forth in the presumption, constitute acquisition of control. Under the Change in Bank Control Act of 1978, as amended, the FDIC has 60 days from the filing of a complete notice to act, taking into consideration certain factors, including the financial and managerial resources of the acquirer and the antitrust effects of the acquisition. Under a rebuttable presumption established by the FDIC the acquisition of 10% or more of a class of voting stock would, under the circumstances set forth in the presumption, constitute acquisition of control.

FINANCIAL STATEMENTS

There are no financial statements attached to this private placement memorandum because the Bank is in organization.

The Bank intends to provide shareholders with annual financial statements and may provide more regular reports to the shareholders. Additionally, the Bank's quarterly Call Reports, which will be filed with the FDIC, containing detailed financial information, will be available publicly on the FDIC's website at www.fdic.gov.

LEGAL MATTERS

Legal matters in connection with this private placement memorandum will be passed upon for the Bank by the firm of Luse Gorman, PC, Washington, D.C.

ADDITIONAL INFORMATION

We have filed or will file various applications with the ODFI and the FDIC. No person other than authorized representatives of the Bank is authorized to give any information or to make any representation other than those contained in this private placement memorandum and any supplement or addendum we have prepared. We take no responsibility for, and provide no assurance as to the reliability of, any other information that others may give you. If other available information is inconsistent with information in this private placement memorandum, including information in public files or provided by the ODFI and the FDIC, such other information is superseded by the information in this private placement memorandum. Projections appearing in the applications to such agencies were based on assumptions that we believe were reasonable at the time, but which may have changed or otherwise be wrong. The Bank specifically disclaims all projections for purposes of this private placement memorandum and cautions prospective investors against placing reliance on them for purposes of making an investment decision. Statements contained in this private placement memorandum regarding the contents of any contract or other documents referred to are not necessarily complete.