

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Thrivent Bank
(In Organization)
Salt Lake City, Utah

Application for Federal Deposit Insurance

ORDER

The Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") has fully considered all available facts and information relevant to the consideration of the statutory factors enumerated in section 6 of the Federal Deposit Insurance Act ("FDI Act"), including financial history and condition, capital adequacy, future earnings prospects, general character of management, risk to the Deposit Insurance Fund, convenience and needs of the community, and consistency of corporate powers, as they relate to the application for Federal deposit insurance for Thrivent Bank ("Bank"), a proposed Utah-chartered industrial bank to be headquartered in Salt Lake City, Utah, at an address to be determined prior to commencing operations. The FDIC has concluded that the application should be approved.

Accordingly, it is hereby **ORDERED**, for the reasons set forth in the attached Statement, that the application submitted by the Bank for Federal deposit insurance be, and the same hereby is, approved, subject to the following conditions:

1. Initial paid-in capital funds of not less than \$280,000,000 plus an amount equal to the capital impact of acquisition accounting be provided.
2. The capital levels of the Bank shall at all times satisfy the following conditions:
 - The Leverage ratio shall, in no event, be less than twelve (12) percent, as calculated in accordance with Part 324 of the FDIC Rules and Regulations.
 - The Total Capital ratio shall, in no event, be less than fifteen (15) percent, as calculated in accordance with Part 324 of the FDIC Rules and Regulations.
3. The Bank shall maintain an adequate allowance for credit losses.
4. That prior to the effective date of Federal deposit insurance, the Bank, Thrivent Financial for Lutherans ("TFL"), and Thrivent Financial Holdings, Inc. shall enter into a Capital and Liquidity Maintenance Agreement and a Parent Company Agreement with the FDIC (the written agreements are attached to this Order).
5. Prior to the Bank opening for business, the Bank shall complete appropriate fair market valuations and appraisals and develop an acquisition accounting pro forma financial statement related to the merger with Thrivent Federal Credit Union, Appleton, Wisconsin. The Bank shall submit the pro forma, and obtain prior written non-objection of the Chicago Regional Office Regional Director ("Regional Director") of the FDIC, prior to consummation of the transaction.

6. The Bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. generally accepted accounting principles, and maintain separate accounting and other business records, including customer account records and data, from TFL and its affiliated entities. In addition, the Bank's books and records shall be maintained under the control and direction of authorized Bank officials and available for review by the FDIC at the Bank's main office located in Salt Lake City, Utah.
7. The Bank will obtain an audit of its financial statements by an independent public accountant ("independent auditor") annually for at least the first three years of operation and submit to the FDIC's Chicago Regional Office: (i) a copy of the audited financial statements and the independent auditor's report within ninety (90) days following the end of the Bank's fiscal year; ii) a copy of any other reports by the independent auditor (including management letters) within fifteen (15) days of receipt by the Bank; and (iii) written notification within fifteen (15) days when a change in the Bank's independent auditor occurs.
8. Prior to the Bank opening for business, the Bank shall have appointed a chief credit officer, a chief operations officer, and a chief compliance officer, all with requisite knowledge, experience, and capabilities to fulfill the responsibilities of those positions. The Bank shall submit written notice to, and obtain the prior written non-objection of, the Regional Director prior to these appointments.
9. Prior to the Bank opening for business, any additional members added to the Board of Directors of the Bank ("Board of Directors"), will require written notice to, and the prior written non-objection of the Regional Director. Such notice shall include a complete Interagency Biographical and Financial Report for each individual proposed for election or appointment.
10. Prior to opening for business and implementation of the long term incentive plan ("LTIP" or "Plan") with respect to Bank employees, the Bank shall obtain the written non-objection of the Regional Director to the proposed methodology for granting awards to Bank employees under the LTIP as well as a Plan amendment providing that (1) the Bank shall, independently from TFL, determine the performance goals and award guidelines in a manner consistent with the Bank's business plan, and (2) providing that LTIP grants and payments to Bank employees shall be determined by the Bank's Board of Directors.
11. During the Bank's first three years of operation, the Bank shall submit written notice to, and obtain the prior written non-objection of, the Regional Director for any proposed change to the Board of Directors or to any senior executive officer position. Such notice shall be submitted at least 30 days prior to the proposed election to the Board of Directors or appointment, and shall include a complete Interagency Biographical and Financial Report for each individual proposed for election or appointment. The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. 303.101.

12. Prior to the effective date of Federal deposit insurance, the Bank will obtain adequate fidelity coverage.
13. The Bank will operate within the parameters of the Business Plan submitted as part of the application for Federal deposit insurance, as updated with financial projections submitted on March 6, 2024, and approved by the Board of Directors and the FDIC. The Bank shall submit an updated Business Plan annually, and obtain the prior written non-objection of, the Regional Director. The Business Plan, as updated, shall be based on prudent operating policies, include current and three years of pro forma financial statements and other relevant exhibits, prescribe adequate capital maintenance standards relative to the Bank's risk profile, and incorporate reasonable risk limits with respect to adversely classified assets, liquidity levels, and other relevant risk factors.
14. The Bank shall submit prior written notice to the Regional Director at least sixty (60) days prior to any proposed major deviation or material change from the Business Plan. Written non-objection from the Regional Director shall be obtained prior to consummating such deviation or change. In addition, the Bank shall notify the Regional Director within fifteen (15) days if any risk limits specified within the Business Plan, as updated, are exceeded. This notice shall include the Bank's action plan to reduce said risk.
15. The Bank shall conduct business pursuant to operating policies that are commensurate with the proposed Business Plan as submitted as part of the application for Federal deposit insurance and as updated and adopted by the Board of Directors, independent from those of affiliated entities. In addition, the Board of Directors shall adopt controls reasonably designed to ensure compliance with and enforcement of Bank policies. Further, the Board of Directors shall ensure that senior executive officers are delegated reasonable authority to implement and enforce the policies independent of TFL and its affiliated entities.
16. The Bank and TFL's subsidiary Thrivent Trust Company, Appleton, Wisconsin, a limited purpose (trust-only) federal savings association ("Trust Company"), will operate as wholly separate and distinct entities.
17. The Bank shall pay no dividends during the first three years of operations without the prior written approval of the Regional Director.
18. Without the FDIC's prior written approval, the Bank shall not employ a senior executive officer who is, or during the past three years has been, associated in any manner (*e.g.*, as a director, officer, employee, agent, owner, partner, or consultant) with an affiliate of the Bank.
19. Without the FDIC's prior written approval, the Bank shall not enter into any contract for services material to the operations of the industrial bank (for example, loan servicing function) with TFL or Thrivent Financial Holdings, Inc. or any subsidiary thereof.

20. The Bank shall at all times comply with the requirements of part 354 of the FDIC Rules and Regulations.
21. The Bank shall finalize and implement a Community Reinvestment Act ("CRA") Strategic Plan appropriate for its business strategy. The CRA Strategic Plan shall be approved by the Regional Director prior to the Bank opening for business.
22. During the first three years of operation, the Bank shall notify the Regional Director of any plans to establish a loan production office at least sixty (60) days prior to opening the facility.
23. The Bank shall not commence operations until the FDIC has concluded a pre-opening visitation with findings satisfactory to the Regional Director.
24. Federal deposit insurance shall not become effective until the Bank has been granted a charter and has authority to conduct a banking business, and its establishment and operation as a depository institution has been fully approved by the State of Utah.
25. Federal deposit insurance will only become effective in conjunction with the consummation of the related merger transaction to acquire Thrivent Federal Credit Union, Appleton, Wisconsin.
26. Approval is conditioned on the facts as currently known by the FDIC. If there are any material events or changes prior to the Bank opening for business, the Bank shall notify the Regional Director as soon as the Bank becomes aware of the event. Until Federal deposit insurance becomes effective, the FDIC retains the right to alter, suspend or withdraw its commitment should an interim development be deemed by the Regional Director to warrant such action.
27. If Federal deposit insurance has not become effective within twelve (12) months from the date of this ORDER, or unless, in the meantime, a written request for an extension of time by the Bank has been approved by the FDIC, this approval shall expire at the end of the said twelve-month period.

By Order of the Board of Directors of the Federal Deposit Insurance Corporation.

Dated at Washington, D.C. this 20th day of June, 2024.

By: / S /
Debra Buie Decker
Executive Secretary

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Thrivent Bank (In organization)
Salt Lake City, Salt Lake County, Utah

Application for Federal Deposit Insurance
Bank Merger Application

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (“FDI Act”) (12 U.S.C. §1815), the Federal Deposit Insurance Corporation (“FDIC”) received an Interagency Charter and Federal Deposit Insurance Application (“FDI Application”) on behalf of Thrivent Bank (“Bank”), a proposed new Utah industrial bank, to be located in Salt Lake City, Utah. The organizers have applied to the Utah Department of Financial Institutions for an industrial bank charter.

The Bank will be formed as a wholly owned subsidiary of Thrivent Financial Holdings, Inc., Minneapolis, Minnesota, the for-profit wholly owned subsidiary of Thrivent Financial for Lutherans, Minneapolis, Minnesota, (“TFL”), (collectively “Parent Companies”). TFL is a not-for-profit corporation and fraternal benefit society with headquarters in Minnesota and Wisconsin. TFL and its subsidiaries offer nationwide financial and investment advice, trust services, and investment and insurance products.

TFL also filed an Interagency Bank Merger Application (collectively with the FDI Application referred to as “Applications”) seeking the FDIC’s consent to merge Thrivent Federal Credit Union (“TFCU”), Appleton, Wisconsin, a \$931 million federally chartered credit union with deposits currently insured by the National Credit Union Administration’s Share Insurance Fund, with and into Thrivent Bank, with Thrivent Bank as the resultant institution. The deposits to be acquired will be insured by the Deposit Insurance Fund upon consummation of the merger.

The Bank will leverage the existing products, customers, infrastructure, and personnel of TFCU. The Bank’s products and services will be delivered exclusively online. The Bank’s business plan reflects a diversified loan portfolio centered primarily in retail loans. Assets will be funded through core deposits, with negotiable order of withdrawal accounts serving as the anchor product.

The FDIC must consider the statutory factors of Section 6 of the FDI Act (12 U.S.C. §1816) when evaluating an application for deposit insurance. These factors relate to the financial history and condition of the depository institution; the adequacy of capital and management; the future earnings prospects; the risk to the Deposit Insurance Fund; the convenience and needs of the community to be served; and the consistency of corporate powers with the FDI Act.

The FDIC must consider the statutory factors of Section 18(c) of the FDI Act (12 U.S.C. § 1828(c)) when evaluating a merger application. These factors include the financial and

managerial resources and future prospects of the existing and proposed institutions; the convenience and needs of the community to be served; the risk to the stability of the United States banking or financial system; and the effectiveness of the insured depository institutions in combatting money laundering activities. The FDIC is prohibited from approving a merger application that would adversely affect competition or create a monopoly.

The FDIC also has considered whether the Parent Companies will serve as a source of financial strength to the Bank, as required by section 38A(b) of the FDI Act (12 U.S.C. §1831o-1(b)). The Bank and the Parent Companies have expressed their willingness to execute a Capital and Liquidity Maintenance Agreement with conditions and requirements for the Parent Companies to provide financial resources to support the Bank, which the FDIC has determined are reasonable and necessary to ensure the adequacy of the Bank's capital and maintain sufficient liquidity.

The FDIC also considered that the Parent Companies are not subject to consolidated Federal bank supervision. As an additional safeguard to protect the safety and soundness of the Bank and the Deposit Insurance Fund, the Bank and the Parent Companies have expressed their willingness to execute a Parent Company Agreement with conditions and requirements related to reporting and examination of Parent Companies, and to allow the FDIC to monitor compliance with laws and regulations governing transactions with affiliates. The Bank will also be required to maintain a board of directors with a majority of members that are independent of the Parent Companies.

For the purposes of the FDI Application, capital and management are considered satisfactory, and projections for future earnings prospects are favorable. Corporate powers to be exercised are consistent with the purpose of the FDI Act. The Bank's plans demonstrate a commitment to serving the convenience and needs of the community. No undue risk to the Deposit Insurance Fund is apparent.

For the purposes of the proposed merger, the Bank's financial and managerial resources and future prospects are favorable. The Bank's plans demonstrate a commitment to serving the convenience and needs of the community. The proposed transaction does not materially increase the risk to the stability of the United States banking or financial system. The Bank's capacity to effectively combat money laundering activities is favorable. Furthermore, the proposed transaction will not adversely affect competition or create a monopoly.

Accordingly, based upon careful evaluation of all available facts and information, and in consideration of the factors of Sections 6 and 18(c) of the FDI Act, the Board of Directors of the Federal Deposit Insurance Corporation has concluded that approval of the Applications is warranted, subject to certain prudential conditions.

**BOARD OF DIRECTORS
FEDERAL DEPOSIT INSURANCE CORPORATION**