FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of COUNTYBANK GREENWOOD, SOUTH CAROLINA (Insured State Nonmember Bank)	))))))))	CONSENT ORDER FDIC-18-0128b

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for Countybank, Greenwood, South Carolina ("Bank"), under section 3(q) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1813(q). The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER" ("CONSENT AGREEMENT"), dated September 20, 2018, that is accepted by the FDIC.

With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation related to weaknesses in the Bank's compliance with the Bank Secrecy Act ("BSA"), subchapter II of Chapter 53 of Title 31 of the United States Code, and its implementing rules issued by the U.S. Department of Treasury, 31 C.F.R. Chapter X; the FDIC's BSA compliance regulation, 12 C.F.R. § 326.8; and the FDIC's suspicious activity report ("SAR") regulation, 12 C.F.R. Part 353 ("Part 353"); and 12 U.S.C. § 1818(s) (collectively, the "BSA Rules"), to the issuance of this Consent Order ("ORDER") by the FDIC.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) have been satisfied, the FDIC hereby orders that:

BOARD OF DIRECTORS

1. (a) As of the effective date of this ORDER, the Board shall assume full responsibility for the approval of sound policies and objectives and for the supervision of all Bank activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. The Board's participation shall include meetings to be held no less frequently than monthly. The following areas shall be reviewed and approved at each monthly meeting: BSA testing, including management's responses; high-risk deposit accounts opened during the prior month; BSA risk rating exceptions to procedures; reports of the number of accounts per risk rating; BSA staffing; BSA training; BSA compliance; and compliance with this ORDER. The Board minutes shall thoroughly document the Board's reviews and approvals, the names of any dissenting directors, and detailed discussions on all matters related to the Bank's affairs and potential actions to address audit and regulatory concerns.

(b) The Board shall maintain a Board committee ("Directors' Committee"), consisting of at least five members, to oversee the Bank's compliance with this ORDER. At least three of the members of such committee shall be directors not employed by the Bank in any capacity other than as a director. The Directors' Committee shall formulate and review monthly reports detailing the Bank's actions with respect to compliance with this ORDER. The Directors' Committee shall present a report to the Board at each regularly scheduled Board meeting, and such report shall detail the Bank's adherence to this ORDER. Such report shall be recorded in the appropriate Board meeting minutes and shall be retained in the Bank's records. Establishment of this committee does not in any way diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

BSA COMPLIANCE PROGRAM

2. Within 60 days from the effective date of this ORDER, the Bank shall revise and adopt a written BSA Compliance Program, including internal controls, policies and procedures, which fully meets all requirements of 12 C.F.R. § 326.8, addresses the deficiencies and recommendations contained in the Report of Examination dated March 5, 2018 ("Report"), and which is designed to ensure and maintain full compliance with the BSA. The BSA Compliance Program shall address the risk profile of the Bank identified in the Bank's BSA risk assessment required by paragraph 3 of this ORDER. The BSA Compliance Program will also ensure and maintain full compliance with all anti-money laundering ("AML") laws, regulations, and rules and those relating to the Office of Foreign Assets Control ("OFAC"). The Bank shall submit the BSA Compliance Program to the FDIC for non-objection or comments. Within 30 days of receipt of the FDIC's non-objection or comments and after incorporation and adoption of all comments, the Board shall approve the BSA Compliance Program, which approval shall be recorded in the minutes of the Board meeting. Within 30 days of such Board approval, the Bank shall implement and fully comply with the BSA Compliance Program in a manner acceptable to the FDIC as determined at subsequent examinations or visitations of the Bank.

RISK ASSESSMENT

3. Within 30 days from the effective date of this ORDER, the Board shall review and revise as appropriate its written policies, procedures, and processes for a risk assessment of the Bank's operations ("Risk Assessment"). The Risk Assessment shall weigh all relevant factors, including identification and measurement of the specific risk characteristics of the Bank's products, services, customers, affiliates, noncustomers, and geographic locations, with analysis of the major risk categories, including foreign nationals, non-resident aliens, non-bank financial institutions, and high-risk deposit accounts. The Risk Assessment shall address all factors that

affect the overall BSA/AML risk profile of the Bank, including the deficiencies and recommendations contained in the Report, and ensure that risk ratings are accurate and well supported by qualitative and quantitative data. The Board shall review and approve the Risk Assessment and forward it to the FDIC. Thereafter, the Bank shall conduct a Risk Assessment no less than annually. The Risk Assessment and its implementation shall be satisfactory to the FDIC as determined at subsequent examinations and/or visitations.

BSA INTERNAL CONTROLS

4. (a) Based on the results of the Risk Assessment, within 90 days from the effective date of this ORDER, the Bank shall revise the system of internal controls designed to ensure full compliance with the BSA ("BSA Internal Controls") taking into account the size and risk profile of the Bank and addressing the deficiencies and recommendations contained in the Report.

(b) At a minimum, the BSA Internal Controls shall include policies, procedures, and processes addressing the following areas:

(i) Suspicious Activity Monitoring and Reporting: Taking into account the size and risk profile of the Bank, the Bank shall develop, adopt, and implement policies, procedures, processes, and systems, including, if applicable, automated software monitoring systems, for monitoring, detecting, and reporting suspicious activity being conducted in all areas within or through the Bank. To the extent that the Bank uses automated software monitoring, the Bank shall ensure that the program for the automated software addresses the specific risk profile of Bank customers and provides reports of suspicious activities targeted to the specific characteristics of the Bank's customers. The Bank shall monitor all areas of the Bank for suspicious activity, including, but not limited to: cash transactions, international and domestic wire transfers, ACH, foreign nationals, high-risk deposit accounts, and non-bank financial institutions accounts. The Bank shall cause the timely, accurate, and complete filing of SARs.

The Bank shall require the appropriate level of documentation and support for any decision to file or not to file a SAR, as required by law.

(ii) Customer Due Diligence: The Bank shall review and enhance customer due diligence ("CDD") policies, procedures, and processes for new and existing customers ("CDD Program"):

(A) The CDD Program shall address the deficiencies and recommendations contained in the Report;

(B) The CDD Program shall operate in conjunction with the Bank's Customer Identification Program ("CIP"); and

(C) At a minimum, the CDD Program shall include:

(1) a risk rating system to assess the Bank's customer base to ensure that the risk level of each customer is accurately identified based on the potential for money laundering or other illicit activity posed by the customer's activities. Each risk rating assessment shall take into account the purpose of the account, the anticipated type and volume of account activity, including the volume and frequency of wire and cash activity in the account, the types of products and services offered, all parties involved with the customer, including beneficial owners, as defined in 31 C.F.R. § 1010.230(d), authorized signors, and locations and markets served by the customer;

(2) policies and procedures with respect to high-risk accounts and customers, including a formal visitation program for all high-risk customers, periodic update of risk grades based on changes in risk factors, and a process for obtaining higher-level approvals for accounts and transactions where appropriate;

(3) an appropriate level of ongoing monitoring commensurate with the customer's risk level to ensure that the Bank can reasonably detect suspicious activity

and accurately determine whether the customer or customer activities require enhanced due diligence ("EDD");

(4) a sufficient level of customer information at account opening and appropriate analysis of that information to assist and support the risk rating assigned, including assigning specific ranges for rating for processing cash, checks, wire transfers, and other items;

(5) procedures for documenting and supporting the risk analysis conducted under the CDD process, including procedures for validating risk ratings assigned at account opening and resolving issues in the event insufficient or inaccurate information is obtained; and

(6) procedures to reasonably ensure the timely identification and accurate reporting of known or suspected criminal activity, as required by Part 353.

(iii) Enhanced Due Diligence: As part of CDD, the Bank shall establish policies, procedures, and processes to conduct EDD necessary for those customer relationships that the Bank has reason to believe pose a heightened risk of suspicious activity, including, but not limited to, high-risk accounts:

(A) EDD, as part of CDD procedures, shall address the deficiencies and recommendations contained in the Report;

(B) EDD shall operate in conjunction with the Bank's CIP and CDD policies, procedures and processes; and

(C) At a minimum, EDD, as part of CDD procedures, shall include:

(1) procedures to determine the frequency of ongoing reviews based on customer risk level;

(2) procedures to determine the appropriate documentation necessary to conduct and support ongoing reviews and analyses in order to reasonably understand the customer's normal and expected transactions; and

(3) procedures to reasonably ensure the timely identification and accurate reporting to law enforcement and the FDIC of known or suspected criminal activity against or involving the Bank, as required by Part 353.

(iv) The policies, procedures, and processes that comprise the Bank's BSA Internal Controls shall operate in conjunction with each other and shall address the deficiencies and recommendations contained in the Report.

(v) Required Reporting: The Bank's BSA Internal Controls shall provide for periodic reports that address the following areas of activity: high-volume wire transfer accounts, activity by risk rating. The reports shall also include tracking data to ensure appropriate CIP information is obtained, site visitations are conducted, and monitoring and SAR reporting systems procedures are being implemented in a timely manner. Such reports shall be provided to the Board prior to each Board meeting.

INDEPENDENT TESTING

5. Within 60 days from the effective date of this ORDER, the Board shall establish written standards for independent testing of BSA, AML, and OFAC compliance. The testing program shall focus on ensuring adequate and accurate evaluations of the overall integrity and effectiveness of the BSA Compliance Program, including policies, procedures, and processes. Standards shall specify who will conduct independent tests or, if to be conducted by an external party, who will select the independent testers and the minimum qualifications of the independent testers. Standards will specify in-house responsibility for reviews of findings and for implementing or otherwise resolving recommendations in reports of BSA, AML, and OFAC

compliance testing, to include a comparison of major findings against other sources of external and internal information about the BSA, AML, and OFAC program. The independent testing shall, at a minimum:

(i) Test the Bank's internal procedures for monitoring compliance with the BSA Rules, including interviews of employees who handle cash transactions;

(ii) Sample large currency transactions followed by a review of the CTR filings;

(iii) Test the validity and reasonableness of the customer exemptions granted by the Bank;

(iv) Test the Bank's recordkeeping system for compliance with the BSA Rules; and

(v) Document the scope of the testing procedures performed and the findings of the testing.

The results of each independent test as well as any apparent exceptions noted during the testing shall be presented to the Board. The Board shall record the steps taken to correct any exceptions noted and address any recommendations made during each independent test in the Board meeting minutes.

BSA TRAINING

6. (a) The Bank shall ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA applicable to the individual's specific responsibilities to assure the Bank's compliance with the BSA.

(b) Within 60 days from the effective date of this ORDER, the Bank shall revise, adopt, and implement effective training programs designed for the Board, management, and staff and their specific compliance responsibilities on all relevant aspects of laws, regulations, and Bank policies, procedures and processes relating to the BSA Rules ("BSA Training Program"). The BSA Training Program shall ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA on an ongoing basis, including as they relate to high-risk accounts, products, and services. The BSA Training Program shall, at a minimum, include:

(i) An overview of the BSA Rules for new staff along with specific training designed for their specific duties and responsibilities upon hiring;

(ii) Training on the Bank's BSA, AML, and OFAC policies, procedures and processes along with new rules and requirements as they arise for appropriate personnel designed to address their specific duties and responsibilities;

(iii) A requirement that the Bank fully document the training of each employee with respect to the BSA Compliance Program, automated software, BSA, AML, and OFAC policies, procedures, and processes; and

(iv) A requirement that training be conducted no less frequently than annually.

BSA OFFICER, STAFF, AND RESOURCES

7. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop a written analysis and assessment of the Bank's BSA staffing needs ("BSA Staff Plan") for the purpose of ensuring the Bank employs BSA staff with the requisite ability, experience, and other qualifications necessary to ensure BSA compliance. The BSA Staff Plan shall include, at a minimum:

(i) Identification of both the type and number of officer and staff positions needed to properly implement, manage, and supervise the Bank's BSA Compliance Program;

(ii) Consideration of the Bank's size and growth plans, geographical areas served, products and services offered, and changes in the BSA/AML and OFAC practices, procedures, rules, and regulations;

(iii) Written evaluation of the BSA Officer, to determine whether this individual possesses the ability, experience and other qualifications required to perform present and anticipated duties, including, but not limited to, adherence to the Bank's BSA Compliance Program;

(iv) A plan to recruit and hire any additional or replacement personnel with the requisite ability, experience, and other qualifications to fill those officer or staff member positions consistent with the needs identified in the BSA Staff Plan; and

(v) An organizational chart.

(b) The Board shall review and approve the BSA Staff Plan. Periodically thereafter, but no less often than annually, the Bank shall assess its BSA staffing needs to ensure adequate and appropriate BSA staffing resources are in place at all times. Such BSA Staff Plan and its implementation shall be satisfactory to the FDIC as determined at subsequent examinations and/or visitations.

(c) Within 60 days from the effective date of this ORDER, the Board shall designate a qualified individual or individuals ("BSA Officer"), acceptable to the FDIC, with delegated authority and adequate and appropriate resources to implement the Bank's BSA Compliance Program. The BSA Officer's qualifications shall be commensurate with the complexity of the Bank's activities and the selection of the BSA Officer shall address the deficiencies and recommendations contained in the Report. The BSA Officer shall report directly to the Board and shall provide reports as required directly to the Board or to the Directors' Committee established by the Board pursuant to paragraph 1(b) of this ORDER.

BSA REPORTS

8. The Bank shall ensure that all required reports including Currency Transaction Reports, SARs, Reports of International Transportation of Currency or Monetary Instruments, Reports of Foreign Bank and Financial Accounts, and any other similar or related reports required by law or regulation are completed accurately and properly filed within required timeframes.

VIOLATIONS OF LAW AND REGULATION

9. Within 60 days from the effective date of this ORDER, the Bank will eliminate and/or correct all violations of laws and regulations related to BSA noted in the Report and shall adopt and implement appropriate procedures to ensure future compliance with all such applicable Federal and State laws and regulations.

PROGRESS REPORTS

10. Within 45 days from the end of the first quarter following the effective date of this ORDER, and within 45 days from the end of each quarter thereafter, the Bank shall furnish written progress reports to the FDIC detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the FDIC has released the Bank in writing from making further reports. All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the appropriate Board meeting minutes.

SHAREHOLDER DISCLOSURE

11. Within 30 days from the effective date of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its parent holding company. The description shall fully describe the ORDER in all material respects.

This ORDER shall not bar, stop, or otherwise prevent the FDIC, or any other federal or state agency or department from taking any action against the Bank, the Bank's current or former institution-affiliated parties, and/or any of their respective directors, officers, employees, and agents, including, but not limited to, the imposition of civil money penalties.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the FDIC.

This ORDER shall be effective on the date of issuance.

Issued Pursuant to Delegated Authority

Dated this 24th of Sept., 2018.

By:

/s/

Michael J. Dean
Regional Director
Division of Risk Management Supervision
Atlanta Region
Federal Deposit Insurance Corporation