

**APPLICATION TO ESTABLISH OR RELOCATE A BRANCH OFFICE,
OR OTHER BANKING FACILITY**

INFORMATION AND INSTRUCTIONS

This application form has been designated to elicit the **minimum information required** by The Texas Department of Banking (the "DEPARTMENT"). If the space provided is insufficient, a separate page should be attached. Additional information and documents must be submitted on **8½" x 11" paper**.

The application, as well as copies of all attachments, must be **filed in duplicate** if the branch is to be located in Texas. If the branch is to be located in another state, the application, as well as copies of all attachments, must be **filed in triplicate**. Once the application and accompanying documents are received by the DEPARTMENT they will be reviewed. The applicant will be notified if additional information is required to complete the review of the proposed transaction. Only when it is determined that sufficient information has been filed to adequately review the proposed transaction, will the application be officially accepted for filing. Therefore, full and complete answers will facilitate processing of the application.

A check payable to the Banking Commissioner of Texas is required as a filing fee pursuant to 7 TAC §15.2(b). It is not refundable.

PUBLIC NOTICE. The applicant shall publish notice(s) in a newspaper(s) of general circulation pursuant to 7 TAC §15.5 and §15.42.

PUBLIC DISCLOSURE OF INFORMATION. All information submitted to the Texas Department of Banking is presumed to be public information, unless it is deemed confidential under the Texas Open Records Act. Any document in the application for which you request confidential treatment must be segregated and reference the Texas Open Records Act exception supporting the request. Final determination as to the confidentiality of any information will rest with the Banking Commissioner.

Inquiries concerning the preparation and filing of this or any other application with the DEPARTMENT should be directed to the **Corporate Activities Division** of The Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705-4294 [512/475-1300].

APPLICATION TO ESTABLISH A BRANCH

_____ **BRICK AND MORTAR FACILITY** _____ **OTHER***

I. GENERAL INFORMATION

(Print Name of Applicant, "BANK") *(Charter Number)*

(Street Address of Domicile)

(City, County, State, Zip Code)

The above-stated institution hereby requests approval to establish/relocate the branch facilities indicated herein. As an officer of the aforementioned institution, I warrant, under penalty of perjury, that all statements are true and correct and that I have been authorized to file this application.

Name of Officer (Typed) *Signature of Officer* *Date*

II. BRANCH. Application is hereby made for permission to establish/relocate the proposed type of branch/facility (the "BRANCH") indicated above at the following location(s):

(Street Address or Nearest Intersection, City, County, State, Zip Code)

(Identification/Name of Proposed BRANCH)

(Distance from BANK'S Main Office) *(Expected Opening Date)*
[Attach sheet for additional locations.]

III. LEGAL NOTICE. *The Legal Notice of Publication must comply with 7 TAC §15.5 and 7 TAC §15.42. A copy of the published notice should be forwarded to The Banking Department of Texas as soon as possible.*

Legal notice of this application is being published on _____
in the *(Name and Address of Newspaper)* _____

IV. Requests for additional information or other communications concerning this application should be directed to the following official (name, title, mailing address and telephone number).

* If other, be sure to fully describe the method of delivery of branch services proposed, i.e. courier service, mobile, temporary, etc.

V. SUPPLEMENTAL INFORMATION. YOU NEED ONLY COMPLETE THIS SECTION IF THE TRANSACTION DOES NOT QUALIFY FOR EXPEDITED TREATMENT.

1. SUMMARY. Attach a brief summary of the proposed transaction. Include an explanation of how the transaction conforms with the business plan for the BANK. The summary should also explain why the proposed transaction is in the best interest of the BANK, its depositors and the banking public.

2. PURCHASE AND ASSUMPTION TRANSACTION. Will the proposed BRANCH be established in connection with a purchase of assets and assumption of liabilities of another financial institution?

[] YES [] NO

If YES, a separate Purchase and Assumption Application may be required in addition to the branch application. Also, provide a copy of the appropriate Federal application.

3. COMMUNITY.

a. History. The Banking Commission of Texas will assess the BANK'S record of performance in helping to meet the credit needs of its entire community, including low- and moderate- income neighborhoods. **Attach a brief summary of the BANK'S record in helping to meet the credit needs of its entire community.**

b. Changes. Will the proposed BRANCH or BRANCH RELOCATION materially change the BANK'S existing community delineation?

[] YES [] NO

If YES, attach information describing the new community delineation and the BANK'S plan to meet the credit needs of its entire community.

c. Policies, Procedures or Services. Will the BANK vary its lending policy, procedures or services at the proposed SITE?

[] YES [] NO

If YES, attach a brief summary of the variances intended.

4. FACILITY.

a. Cost. Will the proposed location be leased [] or purchased []?

If purchased, provide the following:

Cost of land and building \$ _____

Cost of necessary improvements \$ _____

Additional furniture and equipment \$ _____

TOTAL \$ _____

If leased: Attach a summary of the proposed lease arrangements including amount of space to be leased, cost and terms. Also, attach an estimate of the cost of leasehold improvements and additional furniture and equipment to be needed.

- b. Fixed Assets.** Will the estimated costs exceed the maximum investment in Fixed Assets prescribed by Section 34.002 of the Texas Finance Code (100% of its unimpaired capital and surplus)?

If YES, attach a letter explaining the necessity for exceeding the maximum investment limit and requesting approval of the excess investment. The letter should indicate projected total fixed assets cost for the proposed BRANCH and the current book value of fixed asset accounts including other real estate acquired for future expansion. Include an estimated date by which compliance with the investment limit will be achieved.

- c. Nonbank Use.** Will the BANK lease any BRANCH facilities to others for nonbank use?
[] YES [] NO

If YES, indicate the approximate percentage to be leased to others (_____%) and identify the nonbank use.

- 5. BANK INSIDERS.** Will any property associated with the BRANCH be purchased or leased from any director, officer or shareholder, or associate/related interest owning or controlling, directly or indirectly 10% or more of any class of the BANK'S or the HOLDING COMPANY'S voting stock?

[] YES [] NO

If YES, provide the following:

- a. Name of individual/interest _____
- b. Relationship to BANK _____
- c. Attach copies of at least one (1) recent independent appraisal or comparable purchase or lease transaction in the vicinity of the proposed BRANCH.
- d. Attach a certified copy of the resolution(s) of the Board of Directors of the BANK approving the details of the transaction with the individual/related interest.

NOTE: Sufficient information must be provided for the Banking Commissioner to determine that terms and conditions of the transaction are no more favorable to the individual/related interest than would be available in a comparable transaction with unrelated parties. Refer to 7 TAC §3.22.

6. MANAGEMENT.

- a. Attach a list of current and proposed executive management of the BANK, including the proposed BRANCH.
- b. Attach a brief discussion demonstrating the character, responsibility and general fitness of the proposed executive officers of the proposed BRANCH.

- 7. FINANCIAL STATEMENTS AND ASSUMPTIONS.**
- a. Attach current and pro forma financial statements for the BANK demonstrating the profitable operation of the proposed BRANCH within a reasonable period of time.
 - b. Attach an explanation of the assumptions underlying the pro forma financial statements including:
 - 1) the anticipated volume of business to be generated by the proposed BRANCH; and,
 - 2) the anticipated income and expenses directly related to the operation of the proposed BRANCH.
 - c. Attach a copy of the BANK'S most recent Uniform Bank Performance Report and explain how the assumptions for the pro forma financial statement conform to the BANK'S historical performance trends (growth, return on assets, investment trends).
- 8. FRANCHISE TAX.** Attach a current "Certificate of Good Standing" from the Texas Comptroller of Public Accounts as evidence that the BANK'S franchise taxes are current.
- 9. STRATEGIC PLAN.** Attach a copy of the BANK'S Strategic Plan if the proposed branch significantly impacts the operations of the BANK in such a way as to cause major changes to the existing Strategic Plan. Detail the changes, if any, which will be made as a result of the establishment of the proposed BRANCH.
- 10. INTERSTATE.** If this application contemplates the establishment of an interstate branch, please provide evidence that the application complies with the host state's laws.