

APPLICATION TO ESTABLISH A BRANCH

BRICK AND MORTAR FACILITY **OTHER***

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

I. GENERAL INFORMATION

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

(Street Address of Domicile)

(City) *(County)* *(State)* *(Zip Code)*

The above-stated institution hereby requests approval to establish 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 *Signature of Officer* *Date*

II. BRANCH

Application is hereby made for permission to establish 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)

(Expected Opening Date)

[Attach sheet for additional locations.]

INTERSTATE - If this application contemplates the establishment of an interstate branch, please provide evidence that the application complies with the host state's laws.

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 Texas Department of Banking as soon as possible.

Legal notice of this application is being published on *(Date)* _____

in the *(Name of Newspaper)* _____

(Address of Newspaper) _____

IV. REQUESTS

Requests for additional information or other communications concerning this application should be directed to the following official:

(Name)

(Title)

(Mailing Address)

(City)

(State)

(Zip Code)

(Telephone Number)

V. SUPPLEMENTAL INFORMATION

You only need to 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 Commissioner 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 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 variance 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 cost exceed the maximum investment in Fixed Assets prescribed by Section 34.002 of the Texas Finance Code (100% of its unimpaired capital and surplus)?

YES NO

If YES, attach an explanation regarding 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 resolutions 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. 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.