

APPLICATION TO ESTABLISH A
_____ FINANCIAL SUBSIDIARY
_____ OPERATING SUBSIDIARY
(Title 6 O.S. Section 806)
(O.A.C. § 180-10-11-9 or § 180-10-11-9.1)



OKLAHOMA STATE BANKING DEPARTMENT
2900 N. LINCOLN BLVD.
OKLAHOMA CITY, OKLAHOMA 73105

Name of Applicant _____

Address (Main Office) _____
Street City State Zip

Date of Application _____

REQUESTS FOR ADDITIONAL INFORMATION OR OTHER COMMUNICATIONS ABOUT THIS APPLICATION SHOULD BE DIRECTED TO:

Name _____ Title _____

Address _____
Street City State Zip

Telephone No. () _____ Fax No. () _____

E-mail Address _____

8. Describe the anticipated investment in, and advances to, the proposed subsidiary. Include all cash to be invested, assets to be transferred, and credit arrangements involving either the bank or the proposed subsidiary. If the proposed subsidiary is considered an “affiliate” for purposes of sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1) describe all “covered transactions” and explain their compliance with sections 23A and 23B of the Federal Reserve Act.

9. If the proposed subsidiary is a financial subsidiary, demonstrate that (1) the bank will be well capitalized after making the investment in the subsidiary, and (2) the aggregate consolidated total assets of all financial subsidiaries of the bank do not exceed the lesser of 45 percent of the bank's consolidated total assets or \$50 billion.

Capital account \$ _____ and percentage _____ % before investment in subsidiary.

Capital account \$ _____ and percentage _____ % after investment in subsidiary.*

Total assets of the bank after the investment in the proposed subsidiary: \$ _____

Total assets of all financial subsidiaries of the bank: \$ _____

Percentage of all subsidiaries' assets to bank's assets: _____ %

(*For purposes of determining regulatory capital, the bank must deduct the aggregate amount of its outstanding equity investment, including retained earnings, in its financial subsidiaries from its total assets and tangible equity and deduct such investment from its total risk-based capital (this deduction shall be made equally from Tier 1 and Tier 2 capital. The bank may not consolidate the assets and liabilities of the financial subsidiary with those of the bank)

10. If the proposed subsidiary will purchase, lease, or otherwise be involved in any financial arrangement with any of the bank's (or its subsidiaries') directors, officers, major shareholders or associate or interest thereof, furnish complete details.

11. State the name of the person who will direct the operations of the proposed subsidiary and briefly describe such person's qualifications. Identify any bank management personnel to be employed by the subsidiary or who will devote substantial time to the subsidiary. If there is expected to be any employee sharing between the bank and the proposed subsidiary, please describe the arrangement and provide a copy of any employee sharing agreement.

12. Identify and comment upon any special considerations that would be germane to an evaluation of the proposal that are not covered elsewhere in this Application.

13. Attach with this application a copy of a resolution of the Bank's board of directors, certified by the applicant's secretary or cashier, authorizing the establishment of the subsidiary.

14. Attach with this application executed copies of the proposed certificate of incorporation and bylaws, or other similar organizational documents in the case of a non-corporate entity. *NOTE, if the proposed subsidiary is a new company, the organizational documents should not be filed with the Oklahoma Secretary of State (or other state's official in the case of a subsidiary organized under another state's laws) until the Applicant has received approval of this application.*

15. Complete the pro forma balance sheet attached to this Application as Exhibit "B" for each of the first three years of the subsidiary's operation.

16. Complete the summary projection of income and expenses attached to this Application as Exhibit "C" for each of the first three years of the subsidiary's operation.

17. If the proposed subsidiary will be a financial subsidiary, the authorized officer of the bank must execute the Certification for Financial Subsidiary attached to this application as Exhibit "D".

18. Enclose a check in the amount of \$2,000 made payable to the "Oklahoma Banking Department" and submit this application to: Oklahoma State Banking Department, 2900 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105.

It is hereby certified that all representations and information in this application and any other document submitted in connection with this application contain no misrepresentations or omissions of material facts.

 Printed Name

 Signature

 Title (must be president, CEO, or other authorized officer)

EXHIBIT "A"

Identify all persons or entities (including the bank) that will own an interest in the subsidiary and list their respective number of shares, units, etc. and percentage of ownership in the subsidiary.

NAME	ADDRESS	NO. OF SHARES OWNED	PERCENTAGE OF SUBSIDIARY OWNED

EXHIBIT "B"

PRO FORMA BALANCE SHEET

ASSETS (List all major categories)	1st Year	2nd Year	3rd Year
TOTAL ASSETS			

LIABILITIES (List all major categories)	1st Year	2nd Year	3rd Year
TOTAL LIABILITIES - (1)			

CAPITAL ACCOUNTS	1st Year	2nd Year	3rd Year
TOTAL CAPITAL ACCOUNTS - (2)			
TOTAL LIABILITIES AND CAPITAL [(1) plus (2)]			

EXHIBIT "D"

CERTIFICATION FOR FINANCIAL SUBSIDIARY

The applicant bank hereby represents and certifies to the Banking Commissioner as follows:

1. The bank and each depository institution affiliate of the bank are well capitalized after deducting the aggregate amount of the outstanding equity investment, including retained earnings, of the bank in all its financial subsidiaries;
2. The bank and each depository institution affiliate of the bank are well-managed, having achieved a composite CAMELS rating of 1 or 2 on its most recent exam and at least a rating of 2 for management;
3. The aggregated consolidated total assets of all financial subsidiaries of the bank do not exceed the lesser of 45% of the consolidated total assets of the parent bank or \$50 billion;
4. The bank received at its most recent examination for compliance with the Community Reinvestment Act a rating of at least "satisfactory" or better;
5. The organizational structure of the financial subsidiary protects the separate corporate identity of the bank and does not subject the bank, its subsidiaries, or its affiliates to unlimited liability. The subsidiary's separate organizational structure withstands scrutiny under Oklahoma law, and any other law under which the subsidiary is organized, so that the liabilities of the subsidiary are not attributable to the bank. The bank also has reasonable policies and procedures in place to protect the separate corporate identity and limited liability of the bank and the financial subsidiaries of the bank;
6. The bank has procedures for identifying and managing financial risks and operational risks within the bank and the subsidiary that adequately protect the bank from such risks;
7. All transactions between the bank and the subsidiary comply with sections 23A and 23B of the Federal Reserve Act;
8. The subsidiary will not engage in any activities except those described in this application, and prior to engaging in any different or additional activities, the bank will request prior approval from the Banking Commissioner for such activities, and will provide supporting documentation explaining how the activities are financial in nature or incidental to a financial activity;
9. The representations provided in this certificate are valid and effective as of the date the application is submitted and will continue to be valid and in effect for as long as the bank owns an interest in the subsidiary. The bank will notify the Banking Commissioner immediately if any representation in this certificate becomes untrue at any time either before or after approval of the application;
10. The bank agrees that if any representation in this certificate becomes untrue at any time, the Banking Commissioner may require the bank to divest its interest in the subsidiary or may otherwise impose restrictions on the subsidiary's activities; and
11. The bank will notify the Banking Commissioner prior to disposition of the bank's interest in the subsidiary.

Signature of Authorized Officer