

WEST VIRGINIA DIVISION OF BANKING

APPLICATION TO ESTABLISH A BRANCH BANK

Date Application Submitted to the West Virginia Division of Banking: _____

Date Application Submitted to Federal Regulatory Authority: _____

NAME OF BANK:

COMPLETE ADDRESS (MAIN OFFICE) OF APPLICANT:

STREET AND NUMBER, ALSO POST OFFICE BOX, IF APPLICABLE

CITY

COUNTY

STATE

ZIP

REPRESENTATIVE RESPONSIBLE FOR QUESTIONS PERTAINING TO THIS APPLICATION:

NAME

TITLE

TELEPHONE

INFORMATION FOR THE APPLICANT

Schedules or exhibits may be attached to this application whenever the space provided is insufficient. Attached schedules or exhibits are a part of this application and should be on paper the same size as the application form. Applications are to be securely bound.

Copies of the completed application with original signatures are to be forwarded simultaneously to the West Virginia Division of Banking and to the Regional Director of the Federal Deposit Insurance Corporation or the applicable Federal Reserve Bank. A complete copy should be retained by the bank.

Requests for clarification as to what information is necessary to complete this application should be directed to the West Virginia Division of Banking and to the Regional Director of the Federal Deposit Insurance Corporation or the applicable Federal Reserve Bank.

You may provide any information in addition to that requested in this application, which, in your opinion, might aid in the disposition of your proposal.

Complete responses to all questions in this application will expedite processing. Failure to complete all questions or to provide the requested information may result in a delay.

In preparing your application, keep in mind that both Federal and State public policy warrants making all information submitted in connection with your application available for public review unless it is confidential in nature and it qualifies for exemption under the provisions of the Freedom of Information Act (5 U.S.C. 552) or West Virginia Code §29B-1-1 et seq. Application information is likely to be of such confidential nature, when meeting any of the three following exempt categories:

1. Trade secrets and commercial or financial information obtained from persons and privileged or confidential. [5 U.S.C. 552(b)(4)], [WV Code §29-B-1-4(1)]
2. Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. [5 U.S.C. 552(b)(6)], [WV Code §29B-1-4(2)]
3. Information contained in the application form which is in the nature of examination report information [5 U.S.C. 552(b)(8)], [WV Code §29B-1-4(7)]

It is the responsibility of the applicant to clearly identify the information submitted with the proposal which it deems **CONFIDENTIAL** and to bind it separately. However, the determination of the question of confidentiality and the discretion to release information submitted resides with the West Virginia Division of Banking, the Federal Deposit Insurance Corporation and the Federal Reserve. Specific information that you may request confidential treatment for may be made available for public review after consideration of the application.

The FDIC and the Board of Governors of the Federal Reserve System require publication of the filing in this application in a newspaper of general circulation in the community in which the branch will be established. Refer to federal statutes for timing of these publications. In connection with these publications, the applicant must include the paragraph in §106-12-5 of the General Rules Implementing the West Virginia Community Reinvestment Act, effective July 1, 1993. Upon completion of the publication cycle, please provide an affidavit of publication to the West Virginia Division of Banking and federal authorities per their requirements.

RESOLUTION OF THE BOARD OF DIRECTORS OF APPLICANT BANK

The Board of Directors of the Applicant Bank at a meeting duly called and held on _____ adopted the following Resolution:

"WHEREAS, it is the sense of this meeting that application should be made on behalf of this Bank to the West Virginia Division of Banking and to the Federal Deposit Insurance Corporation (or the Federal Reserve Board if a state member bank) for written consent to establish a branch at:

Street Address City State

in accordance with provisions of State law and the Federal Deposit Insurance Act (or Federal Reserve Act if a state member bank);

NOW, THEREFORE, IT IS RESOLVED, That the President or Vice President and the Cashier or Secretary of this Bank are hereby authorized and directed to make application on behalf of this Bank to the West Virginia Division of Banking and to the Federal Deposit Insurance Corporation (or the Federal Reserve Board if a state member bank) to establish a branch at:

Street Address City State

and to submit in connection therewith information on the several factors enumerated in State and Federal statutes and to provide such assurances as may be required for the purpose of inducing the West Virginia Division of Banking and the Board of Directors of the Federal Deposit Insurance Corporation (or the Federal Reserve Board if a state member bank) to grant written consent to the establishment of a branch as indicated in this Resolution."

The above Resolution has not been rescinded or modified and has been duly entered in the minutes book of the Applicant Bank. Application is made, hereby.

NAME AND LOCATION OF APPLICANT BANK:

SIGNATURE OF PRESIDENT OR VICE PRESIDENT:

DATE

ATTEST (CASHIER OR SECRETARY):

DATE

SEAL

I. POLICY CONSIDERATIONS IN CONNECTION WITH THE PROPOSAL

If Not Applicable, please so indicate.

1. If the proposal includes a lease, a bankruptcy clause should be included in the lease(s). An example of such a clause follows:

"Notwithstanding any other provisions contained in this lease, in the event the Lessee is closed or taken over by the banking authority of the State of West Virginia, or other bank supervisory authority, the Lessor may terminate the lease only with the concurrence of such banking authority or other bank supervisory authority, and any such authority shall, in any event, have the election to either continue or to terminate the leases as provided in §31A-7-10."

2. The bank, in establishing this new office, will develop external security procedures, and install security devices in compliance with Part 326 of the FDIC Rules and Regulations and/or Federal Reserve Regulation P.
3. Any payment or arrangement to/with any bank-related party such as a director, officer or 5% or more shareholder or their relatives or business interests must be fully detailed and supported. **COMPETITIVE BIDS OR APPRAISALS MUST BE SUBMITTED WHERE INDICATED**, failure to submit these bids or appraisals will result in a delay in processing your application.
4. The federal banking authorities are responsible for consideration of environmental impact under the National Environmental Policy Act. Please complete the following questions regarding environmental factors:
 - a. Describe zoning restrictions in effect for the site of the proposed branch and any conflict between those restrictions and the bank's plans.
 - b. How will the proposal affect traffic patterns in the area? Describe how plans for parking, drive-up windows and entrance to and exit from the branch will increase or decrease traffic hazards and/or congestion in the area.
 - c. Describe ways in which the project might contribute to energy conservation efforts. For example, will customers have to travel a shorter distance to do their banking or are there plans to assure that the proposed or existing building is energy efficient?
 - d. Describe any other factors in connection with the proposal that are recognized as having either a positive or an adverse influence on the environment.

5. A determination must be made as to whether the application involves a district, site, building, structure, or object which is included in or eligible for inclusion in the National Register of Historic Places. Under certain circumstances, the applicant may be requested to aid in the determination. Please contact your federal authority regarding requirements for compliance with this section. In West Virginia contact West Virginia Division of Culture & History - Historic Preservation Section at (304) 558-0220.

II. FIXED ASSET EXPENDITURES

TEMPORARY QUARTERS

Are temporary quarters anticipated? Yes No

If yes, will temporary quarters have adequate security procedures and devices in place?

Yes No

Please describe security procedures and devices:

If temporary quarters will be utilized, complete the following:

Street Address

Direction and Distance from Permanent Quarters

Monthly Rental or Cost (Specify)

Brief Physical Description:

Provide PROFORMA ratios for total investment in premises and fixed assets pursuant to West Virginia Code §31A-4-13(b) and §31A-4-13(f) as a percent of equity capital reported on the most recent Report of Condition line 28a. **NOTE: If the bank has undergone a material change since the latest Call Report date, please submit information that includes such changes, month end financial statements are preferred.**

| AS REPORTED ON MOST RECENT CALL REPORT | | |
|--|----|------------------|
| _____ (Date) | | |
| | \$ | % EQUITY CAPITAL |
| Premises | | |
| Fixed Assets | | |
| Total | | |
| Equity Capital | | N/A |

Proforma amounts provided in this section should be added to the baseline amounts provided in the above section to reflect the bank’s actual investment in premises and fixed assets upon the operation of the proposed branch location. For example, if the bank, at the most recent call report date, had an investment in premises of \$ 400,000 and proposed to spend an additional \$75,000 to acquire the branch site, the proforma investment in premises should total \$475,000. Once the premises and fixed asset totals have been totaled, divide that total by the bank’s equity capital at the most recent call report date to get the level of investment in premises and fixed assets.

| PROFORMA TOTALS FOR THE PROPOSED BRANCH LOCATION | | |
|--|----|------------------|
| | \$ | % EQUITY CAPITAL |
| Premises | | |
| Fixed Assets | | |
| Total | | |
| Equity Capital | | N/A |

List in detail any plans of the bank to finance the construction of the branch building or other fixed assets in connection with this application. (If none, so state):

III. RELATIONSHIPS AND ASSOCIATIONS WITH THE BANK

Are any architects, real estate brokers, the sellers or lessors of land, buildings or equipment listed herein otherwise directly or indirectly associated with the Applicant?

_____ Yes _____ No

If yes, complete the following information:

| Name | Item (Mark Appropriate Column) | | | Relationship or Association With Bank (Specify Director, Officer, 5% Stockholder, or their relatives. Designate any business interests of the aforementioned.) |
|------|-----------------------------------|----------|-----------|--|
| | Land | Building | Equipment | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

If fixed assets are to be purchased from a related party, evidence of the reasonableness of the cost(s) must be provided. **Attach copies of at least two competitive bids, independent appraisals and/or other supporting evidence.**

If an insider is a party to **any** lease contract in connection with the application, explain the manner in which lease payments were determined and submit a copy or draft copy of the lease. **YOU MAY BE ASKED TO FURNISH ADDITIONAL SUPPORTING DOCUMENTATION FROM THIRD PARTIES TO SUPPORT REASONABLENESS.** If bank is proposing to invest in any real estate in excess of \$250,000, then an appraisal of such real estate must be completed per federal appraisal regulations and a copy included with this application. (You may request the appraisal to be held as **CONFIDENTIAL.**)

IV. FEES PAID IN CONNECTION WITH THE PROPOSAL

| Name of Recipient | Type of Fees Paid (Mark Appropriate Column) | | | Relationship or Association with Bank (Specify Director, Officer, 5% Stockholder, or their relatives. Designate any business interests of the aforementioned.) | Amount |
|-------------------|--|------------|-------|---|--------|
| | Legal | Consulting | Other | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

V. ADEQUACY OF THE CAPITAL STRUCTURE

Are there any plans to increase the capital structure of the bank other than through retained earnings?

_____ Yes _____ No

If yes, please give details.

INSTRUCTIONS: Complete this section **only** if new capital stock is being issued in connection with the subject application.

A. Does the bank propose to directly or indirectly finance the purchase of capital stock by a Director, Officer, or 5% Stockholder?

_____ Yes _____ No

If yes, give details in Comments.

B. Is each stockholder being offered new capital stock on a pro rata basis with his/her current holdings?

_____ Yes _____ No

If No, fully describe the manner in which the new stock will be issued in Comments below.

COMMENTS:

VI. ESTIMATED DEPOSITS FOR THE PROPOSED BRANCH

| TYPE OF DEPOSIT | ESTIMATED VOLUME AT END OF | | |
|-----------------------------------|----------------------------|-------------|------------|
| | FIRST YEAR | SECOND YEAR | THIRD YEAR |
| Demand Deposits | | | |
| Time Deposits | | | |
| NOW Accounts and Savings Deposits | | | |
| TOTAL DEPOSITS | | | |

The above estimates are based on the following data and assumptions:

Do estimated deposits for the proposed branch includes any amount indicated in deposits to be transferred? (If Yes, please detail by type of deposit.)

VII. FUTURE EARNINGS PROSPECTS DATA

ESTIMATED AVERAGE DEPOSITS FOR THE PROPOSED BRANCH

Instructions: Average branch deposits for the second and third years are computed by adding figures at the end of the preceding year to the totals at the end of the subject year and dividing by two. (Refer to Section VI on Estimated Deposits.)

| Description | AVERAGE DURING | | |
|---|----------------|-------------|------------|
| | FIRST YEAR | SECOND YEAR | THIRD YEAR |
| AVERAGE DEPOSIT VOLUME: A. Demand Deposits | | | |
| B. Interest Bearing Deposits | | | |
| Total Estimated Average Deposit Volume | | | |

COMMENTS:

VIII. ESTIMATED INCOME AND EXPENSES FOR THE PROPOSED BRANCH

INSTRUCTIONS: Gross income is calculated by multiplying the estimated average deposit volume by the bank-wide rate of gross earnings to average assets for the latest available year from the bank's most recent Uniform Bank Performance Report. Any departure from this formula must be explained in the Comments section. All columns should reflect a full year of data.

| Description | TOTAL DURING | | |
|--|--------------|-------------|------------|
| | FIRST YEAR | SECOND YEAR | THIRD YEAR |
| Gross Income (@ %) | | | |
| EXPENSES: | | | |
| Salaries and Benefits | | | |
| Interest on time and savings deposits (@ %) | | | |
| Net Occupancy Expense (details below) | | | |
| Furniture and Fixture (depreciation, rental, etc.) | | | |
| Provision for loan losses | | | |
| Other operating expenses: | | | |
| Advertising | | | |
| Stationary and supplies | | | |
| Telephone | | | |
| Legal | | | |
| Postage and express | | | |
| Computer services | | | |
| Fees paid to Regulatory Authorities | | | |
| Miscellaneous | | | |
| Total Estimated Expenses | | | |
| ESTIMATED NET PROFIT OR (LOSS) | | | |
| NET OCCUPANCY EXPENSE: | | | |
| Rent | | | |
| Depreciation | | | |
| Heat, Light, and Power | | | |
| Maintenance (including janitor's salary) | | | |
| Insurance | | | |
| Taxes on Real Estate | | | |
| Other Occupancy Expenses | | | |
| Total Occupancy Expenses | | | |
| LESS: Rental Income Anticipated | | | |
| Net Occupancy Cost | | | |
| End of Year Total Assets Projected | | | |

COMMENTS:

IX.

MANAGEMENT

Outline Changes in Senior Management of the Bank Which Have Occurred Since the Last Examination.

Outline Plans for Management/Employees at the Proposed Location.

X.

CONVENIENCE AND NEEDS

The Applicant is responsible for developing the convenience and needs of the community in a way which clearly shows the economic support and justification for the proposed branch. Submit such data relating to the trade area which you feel is relevant to the proposal. If an economic survey or feasibility study has been prepared, it may provide most of the information needed. Please attach the survey or study.

Provide the distance from the main banking facility to the proposed branch location.

Describe the trade territory which the proposed branch will serve.

COMPETITION (List all banks and branches now serving the trade territory to be served by the proposed branch. Include a map of the trade territory pinpointing the location of the main office, existing branches, the proposed branch, and the location of offices of competing banks.)

| <u>NAME OF BANK</u> | <u>LOCATION (City & State)</u> | <u>DEPOSITS (Date & Source)</u> | <u>DISTANCE AND DIRECTION FROM PROPOSED BRANCH OFFICE</u> |
|---------------------|--|---|---|
|---------------------|--|---|---|

List the name and location of any financial institutions, other than banks, now serving the trade area to be served. (Include savings and loan associations, credit unions and finance companies.)

LIST SERVICES TO BE OFFERED AT THE BRANCH (e.g. accept deposits, make loans, etc.)

XI. OTHER MATTERS

Subject to approval of this application by regulatory authorities, what is the anticipated date for opening the proposed branch facility? If not within six months of obtaining regulatory approvals, please explain the circumstances which will prevent opening.

Provide copies of all information submitted to federal banking regulatory authorities.

XI.**COMMUNITY REINVESTMENT ACT CONSIDERATIONS**

West Virginia Code §31A-8B-3 and Federal Regulations require that the assessment of the record of performance under the Community Reinvestment Act be taken into account in connection with this application. The Applicant must discuss its record, as well as any expected changes in its performance, in helping meet the credit needs of its entire community, including low and moderate income neighborhoods, consistent with the safe and sound operation of the bank. Indicate what policies or specific programs have been developed or will be implemented to help meet the expected or anticipated credit needs of the community of the proposed branch, including low and moderate income neighborhoods. Refer to the General Rules Implementing the West Virginia Community Reinvestment Act (effective July (effective July 1, 1993) and FDIC Rules and Regulations Section 345.8 (or the Federal Reserve Act if a state member bank).

Indicate the date on which the Board of Directors last reviewed the bank's Community Reinvestment Act Statement and submit a copy of said Statement.