

**APPLICATION FOR
MERGER OR CONSOLIDATION**
submitted to the
ARKANSAS STATE BANK DEPARTMENT

We, the undersigned Directors of

Corporate Title of Applicant

Street Address

Charter Number

City

County

State

Zip Code

hereby apply to the State Bank Commissioner for written permission to merge or consolidate:

Corporate Title of Target

Charter Number

Street Address

City

County

State

Zip Code

Resulting Corporate Title (If Applicable)

Street Address

City

County

State

Zip Code

Name, title, address, and telephone number of person(s) to whom inquiries concerning this application may be directed:

I hereby certify that the bank's Board of Directors has authorized the filing of this application and that to the best of my knowledge, it contains no misrepresentations or omissions of material facts.

Signature of Authorized Officer

Date of Application

Typed Name

Title

Telephone Number

Copies: An original and 11 copies of the complete application should be filed with the Department. Additionally, please provide an original and 5 copies of any confidential or financial documentation which is separately bound, such as biographical information.

Notice Published by Applicant: Notice of intent to file an application must be published once a week for three (3) consecutive weeks in a newspaper of statewide circulation. The first publication shall be within ten (10) calendar days prior to the application's filing date. Publications must provide for a fifteen (15) day comment period beginning with the actual filing of the application. Original proofs of publication must accompany the application to the Bank Commissioner.

See Attachment - **Legal Notice**

Fee: Applicant shall submit to the Department a non-refundable filing fee of \$5,000 for consolidation or merger.

Confidentiality: Pursuant to the provisions of the Freedom of Information Act, the application is a public document and available to the public upon request, with the exception of personal financial statements submitted in support of the application.

If Applicant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to its competitive position or that of its subsidiaries, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested. The request for confidential treatment must be submitted in writing concurrently with the submission of the application, and must discuss in detail the justification for confidential treatment. Such justification must be provided for each response for which confidential treatment in the public portion of the application is requested. Applicant's reasons for requesting confidentiality should demonstrate specifically the harm that would result from public release of the information. A statement simply indicating that the information would result in competitive harm or that it is personal in nature is not sufficient. It must be demonstrated that disclosure would meet either the "substantial competitive harm" or "unwarranted invasion of personal privacy" test.

Information for which confidential treatment is requested should be: (1) Specifically identified in the public portion of the application (by reference to the confidential section); (2) bound separately from the public portion of the application; and (3) labeled "Confidential". The same procedure should be followed with regard to filing any supplemental information to the application, or in filing personal financial statements.

The Department will determine if information submitted as confidential will be so regarded, and will advise Applicant of any decision to make available to the public information labeled "Confidential". However, it shall be understood that, without prior notice to Applicant, the Department may disclose or comment on any of the contents of the application in the Order or Statement issued by the Department in connection with a decision on the application.

Filing of Articles of Merger. "Articles of Merger are to be filed with the Bank Commissioner in duplicate with original signatures, each to be certified by the President, CEO, or Vice President for

each bank providing for the merger or consolidation as approved by a majority of the stockholders. Each duplicate shall have annexed thereto, over the official signature, a certificate showing: (1) the date on which the merger was authorized by the stockholders; (2) the number of shares of each class entitled to vote on the merger which were outstanding on the date of the stockholders' meeting; (3) the number of shares of each class entitled to vote on the merger whose owners were present in person or by proxy; (4) the number of shares of each class voted for and against the merger; and (5) the manner in which the meeting was called and the time and manner of giving notice, with a certification that the meeting was lawfully called and held."

In addition to the filing of the articles of merger in duplicate, the application must be accompanied by a certified copy of the minutes of the stockholders' meeting at which the merger was approved and a certified copy of the bank's Board of Directors meeting calling for the stockholders meeting.

"One of the duplicate copies of the articles of merger filed with the Commissioner and certified as prescribed in this section, bearing an endorsement of the Commissioner showing that the merger has been approved by him and by the State Banking Board shall be returned to the applicant state bank. The merger shall become effective when it has been approved by the Commissioner and the State Banking Board." A.C.A. § 23-48-503

Plan of Merger: A plan of merger involving a state bank shall provide:

(A) The name of each party to the merger;
(B) The name of each entity that will result from the merger; and
(C) The terms and conditions of the merger. If more than one (1) bank, out-of-state bank, or savings and loan association will result or be created by the terms of the plan of merger, the terms and conditions of the merger shall include:

(1) The manner and basis of allocating and vesting the assets from the merger among one (1) or more parties;

(2) The name of the party that will be obligated to pay the fair value of any shares of stock of a bank that is a party to the merger that is held by a stockholder that has complied with the requirements of § 23-48-506 for the recovery of the fair value of the stockholder's shares; and

(3) Either:

(a) The manner and basis of allocating the liabilities and obligations of each bank, out-of-state bank, or savings and loan association that is a party to the merger among one (1) or more of the parties; or

(b) Adequate provision for the payment and discharge of the liabilities and obligations of each bank, out-of-state bank, or savings and loan association that is a party to the merger among one (1) or more of the parties.

Dissenting Shareholders: The owner of shares of a state bank which were not voted for a corporate action, and who has given notice in writing to the state bank at or prior to the meeting of the stockholders approving the corporate action, that he dissents from the corporate action shall be entitled to receive in cash the value of the shares held by him, if the dissenting stockholder has delivered a written demand for payment to the resulting bank at any time within ten (10) days after the date on which the stockholders' meeting authorizing the corporate action was concluded. A.C.A. § 23-48-506

Notice of Public Hearing: Notice of the time, place and purpose of the public hearing considering the application by the State Banking Board will be given at least **thirty** (30) **days** before the hearing date.

Stenographer/Recorder: Applicant is responsible for procuring and paying for a verbatim record of the proceedings of the Board hearing of the application. It will be the duty of Applicant to furnish at least one (1) copy of the transcript to the Commissioner free of charge. A.C.A. § 23-46-406(f)

1. ESTIMATED CONSOLIDATED FINANCIAL STATEMENTS

A. Please provide a statement of the estimated assets and liabilities and income and expenses of the proposed resulting bank, as of the date of the last call report (include Target's call report in application).

B. Please provide a proforma balance sheet and income statement for the combined entity one full year after consummation.

C. Applicant may report financial information in another format, however, please include all accounts listed below. Add other accounts which may have a bearing on the evaluation of the transaction.

	Applicant	Target	Adjustments	Consolidated
ASSETS				
CASH				
SECURITIES				
LOANS				
LESS RESERVES				
FIXED ASSETS				
OTHER REAL ESTATE				
GOODWILL				
OTHER ASSETS				
TOTAL ASSETS	\$	\$	\$	\$
LIABILITIES				
NON-INT BEARING DEP				
INT BEARING DEPOSITS				
TOTAL DEPOSITS	\$	\$	\$	\$
FED FUNDS PURCHASED				
OTHER BORROWINGS				
SUBORDINATED NOTES				
OTHER LIABILITIES				
TOTAL LIABILITIES	\$	\$	\$	\$
TOTAL EQUITY CAPITAL	\$	\$	\$	\$
TOTAL EQUITY CAPITAL AND LIABILITIES	\$	\$	\$	\$
OPERATING EARNINGS				
INT AND DIS ON LOANS				
INT AND DIV ON SEC				
SERVICE CHARGE INC				
OTHER OPERATING INC				
GROSS OPERATING INC	\$	\$	\$	\$
OPERATING EXPENSES				
INT DEPOSITS				
INT BORROWINGS				
SALARIES AND WAGES				
PROV FOR LOAN LOSS				
OTHER OPERATING EXP				
INCOME TAXES				
TOTAL OPERATING EXP	\$	\$	\$	\$
NET OPERATING INC	\$	\$	\$	\$

D. Additionally, please provide the following ratios for a) Immediately upon merger and b) One full year following consummation of merger:

- 1) ROAA
Apply Subchapter S Tax effect, if applicable
- 2) ALLL
- 3) Capital Ratios: Leverage, Common Equity Tier 1, Tier 1 Capital, and Total Capital
- 4) If you have borrowings, please state the source of borrowings.
- 5) If you have Intangible Assets, please give details on what type(s) of Intangible assets and how they were created.

2. ADEQUACY OF CAPITAL STRUCTURE

A statement of the paid-in capital structure, as of consolidation date, is as follows:

	Number of shares	Par value per share	Amount
Preferred capital	()	(\$)	\$
Common capital	()	(\$)	
Surplus			
Undivided Profits			
Other segregations of the capital account*			
Total capital			\$

*Describe other segregations of capital, including intangibles.

3. COMPETITION

Discuss the effects of the proposed transaction on existing competition in the relevant geographic markets.

List the name and location of any financial institutions now serving the trade territory to be served by the resulting institution.

Please state what effect, if any, the merger will have on the local competition.

Please provide the current market share of Applicant and Target in their respective locations.

4. PROPOSED TRANSACTION

Specifically state:

- 1) The purpose of the Merger. Describe the transaction's purpose, structure, significant terms, conditions, and termination dates of related contracts or agreements, and financing arrangements, including any plan to raise additional capital or incur debt.
- 2) Plans for current executive management of Target. (I.e. Will they be "Regional" officers?)
- 3) Plans for other current employees. Anticipated reductions in staff?
- 4) Plans for the current Board of Directors of Target.
- 5) Plans for any changes in existing branches, i.e. closings, relocations, etc. Please note that all State and Federal Regulatory procedures must be followed for branch closings or relocations.

- 6) Indicate any other filings related to this transaction with other state and federal regulators.
- 7) Summarize any pending or recently approved but not yet consummated applications involving Applicant, Target or related bank subsidiaries.
- 8) Discuss whether and how the resultant institution's business strategy, strategic plans and operations will remain the same or change from that of Applicant. Identify new business lines. Provide a copy of the business plan, if available. Discuss the plan for integrating any new businesses into the resultant institution.

5. MANAGEMENT

The proposed Directors and Executive Officers are listed below with information concerning each. Following the name of each officer, provide a brief resume of past business and banking experience and other qualifications as well as a brief statement of the proposed duties and responsibilities in connection with operation of the bank.

Name, Address & Occupation	Age	Title/Position	Net Worth	Annual Salary
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Changes in Management: No changes are contemplated in the directorate or active management of the bank, as shown above within the first year after the merger, with the following possible exceptions:

Other locations: Provide a listing of Target's authorized branch locations, ATM locations, and loan production offices, including approved and unopened locations, which will be operated by Applicant. Also, please describe any existing branches that will be closed or consolidated as a result of the proposal to the extent that such information is available and indicate the effect on branch customers served.

See Attachment - **Branch, ATM, and Loan Production Office Questionnaires**

Compliance/CRA Examination: For Target, provide the following:

- a) The date of the most recent Compliance/CRA examination;
- b) Identify the federal or state regulatory agency that performed the examination;
- c) The Compliance/CRA ratings assigned; and
- d) A copy of the response letters and correspondence addressing corrective measures implemented for institutions receiving a less than "Satisfactory" rating. No additional information is required for institutions receiving a "Satisfactory" or "Outstanding" CRA rating.

Insurance Coverage: Describe below the fidelity insurance to be purchased covering active officers and employees:

Date of Proposed Transaction: Please state the anticipated consummation date of the proposed transaction.

6. DISPOSITION OF TARGET'S CHARTER

Describe below the plans, if any, for the disposition of Target's charter. If the charter is to be acquired, additional applications must be filed by acquiring parties. Specifically state what will happen to Target's charter? (i.e. Will it be sold, cease to exist?)

7. CONSISTENCY OF CORPORATE POWERS

It is contemplated that the proposed merged bank will have only such corporate powers as are granted to a State banking corporation under the provisions of the State law? Will all requirements (including security requirements) of any Federal supervisory authorities also be met?

- 1) Is the establishment of a Trust Department contemplated?
- 2) Describe any issues regarding the permissibility of the proposal with regard to applicable state or federal laws or regulations.
- 3) Describe any nonconforming or impermissible asset or activities that the applicant or resulting institution may not be permitted to retain under relevant law or regulation, including the method of and anticipated time period for divestiture or disposal.

CERTIFICATE

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the responsible regulatory agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation.

Signed:

Chairman

CEO/President

Date

Secretary

LEGAL NOTICE

NOTE: Federal Reserve members banks are required to publish separate legal notices for the Federal Reserve and the State Bank Department.

(for Federal Reserve member banks)

(Name and location of main office) intends to apply to the Federal Reserve Board for permission to merge with *(name and location of head office)*. The Federal Reserve considers a number of factors in deciding whether to approve the application, including the record of performance of applicant banks in helping to meet local credit needs.

You are invited to submit comments in writing on this notice to the Federal Reserve Bank of St. Louis, P.O. Box 442, St. Louis, Missouri 63166-0442. Comments can also be submitted electronically at Comments.Applications@stls.frb.org. The comment period will not end before *(date must be no less than 30 days from the date of publication of the notice)* and may be somewhat longer. The Board's procedures for processing applications may be found at 12 C.F.R. Part 262. Procedures for processing protested applications may be found at 12 C.F.R. 262.25. To obtain a copy of the Federal Reserve Board's procedures, or if you need more information about how to submit your comments on the application, contact David L. Hubbard, Senior Manager, 314-444-7303. The Federal Reserve will consider your comments and any request for a public meeting or formal hearing on the application if they are received in writing by this Reserve Bank on or before the last day of the comment period.

(for the Arkansas State Bank Department)

Notice is hereby given that *(name and location of applicant)* has made application to the Arkansas State Bank Department for *(subject matter of application, including the specific location)*.

Any person desiring to comment on this application to the Arkansas State Bank Department may do so by filing his or her comments in writing to the State Bank Commissioner at the office of the department, 400 Hardin Road, Suite 100, Little Rock, Arkansas 72211. Written comments, including any formal protests, concerning this application must be received in the Arkansas State Bank Department no later than 15 days following the date of the actual filing of the application.

This notice is published pursuant to The Arkansas Banking Code of 1997, as amended.

LEGAL NOTICE
(for non-member banks)

Notice is hereby given that *(name and location of applicant)* has made application to the Federal Deposit Insurance Corporation and the Arkansas State Bank Department for the merger or consolidation of: *(target, address, city, county, state)*.

Any person wishing to comment on this application may file his or her comments in writing with the Regional Director of the Federal Deposit Insurance Corporation at its Area Office at 6060 Primacy Parkway, Suite 300, Memphis, Tennessee 38119-5770, not later than *(insert the date 30 days after the first publication)*. The period may be extended by the Regional Director for good cause. The nonconfidential portion of the application file is available for inspection within one day following the request for such file. It may be inspected in the Corporation's Area Office during regular business hours. Photocopies of information in the non-confidential portion of the application file will be made available upon request. A schedule of charges for such copies can be obtained from the Area Office.

If resulting bank will operate offices of the other bank as branches, include the following statement in the notice: It is contemplated that all offices of the above-named institutions will continue to be operated (with the exception of [insert identity and location of each office that will not be operated]).

Any person desiring to comment on this application to the Arkansas State Bank Department may do so by filing his or her comments in writing to the State Bank Commissioner at the office of the department, 400 Hardin Road, Suite 100, Little Rock, Arkansas 72211. Written comments, including any formal protests, concerning this application must be received in the Arkansas State Bank Department no later than 15 days following the date of the actual filing of the application.

This notice is published pursuant to Part 303.7 of the Rules and Regulations of the Federal Deposit Insurance Corporation and The Arkansas Banking Code of 1997, as amended.

BRANCH OFFICE QUESTIONNAIRE
(Please Type And Make Copies as Needed)

BANK NAME: _____

CITY: _____

BRANCH OFFICES (EXCLUDE MAIN OFFICE):

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

LOAN PRODUCTION OFFICE QUESTIONNAIRE
(Please Type And Make Copies as Needed)

BANK NAME: _____

CITY: _____

LOAN PRODUCTION OFFICES:

Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Facsimile Number: _____

AUTOMATIC TELLER MACHINE QUESTIONNAIRE

(Please Type And Make Copies as Needed)

BANK NAME: _____

CITY: _____

ATMs:

LOCATIONS:

Street Address: _____

City: _____ State: _____

Attached to Bank Office or Free Standing: _____

Network Affiliation (Cirrus, Gulfnet, Mpact, etc.): _____

Street Address: _____

City: _____ State: _____

Attached to Bank Office or Free Standing: _____

Network Affiliation (Cirrus, Gulfnet, Mpact, etc.): _____

Street Address: _____

City: _____ State: _____

Attached to Bank Office or Free Standing: _____

Network Affiliation (Cirrus, Gulfnet, Mpact, etc.): _____

Street Address: _____

City: _____ State: _____

Attached to Bank Office or Free Standing: _____

Network Affiliation (Cirrus, Gulfnet, Mpact, etc.): _____