

**APPLICATION FOR CONVERSION  
TO A STATE CHARTERED BANK**

*submitted to the*

**ARKANSAS STATE BANK DEPARTMENT**

We, the undersigned Directors of

\_\_\_\_\_  
*Corporate Title of Applicant*

\_\_\_\_\_  
*FDIC Certificate Number*

\_\_\_\_\_  
*Street Address*

\_\_\_\_\_  
*City*

\_\_\_\_\_  
*County*

\_\_\_\_\_  
*State*

\_\_\_\_\_  
*Zip Code*

hereby apply to the State Bank Commissioner and the State Banking Board for written permission to convert to a state chartered bank.

\_\_\_\_\_  
*Proposed Name of State Chartered Bank*

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*

\_\_\_\_\_  
*Address*

\_\_\_\_\_  
*City, County, and State*

## INSTRUCTIONS

**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.

**Prior to Filing Application:** Prior to filing this application, Applicant is required to comply with all provisions of applicable federal law for conversion to a state bank, including all notice requirements.

**On-Site Review:** Pursuant to the filing of the completed application, the Bank Commissioner will assign Bank Department personnel to conduct an on-site investigation of Applicant, including commercial, compliance, and trust (*where applicable*), as determined by the Commissioner.

**Filing Fees:** A nonrefundable filing fee of **\$8,000** must accompany the application to the Bank Commissioner.

**Public Hearing:** When the investigation process is completed, the application shall be referred to the State Banking Board for consideration by it and the Bank Commissioner at a public hearing. The public hearing at which the issuance of the state charter is authorized may be called by the Bank Commissioner:

- 1) by written notice to Applicant and to each member of the State Banking Board at least fourteen (14) days prior to the hearing date; and
- 2) by publication in a newspaper published in the city of Little Rock and having a general and substantially statewide circulation at least fourteen (14) days prior to 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 the Applicant to furnish at least one copy of the transcript to the Commissioner free of charge.

**Confidentiality:** Pursuant to the provisions of the Arkansas 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, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy.

If Applicant is of the opinion that disclosure of commercial or financial information would likely give advantage to its competitors, 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.

## DOCUMENTATION AND INFORMATION

- I. **PROPOSED ARTICLES OF INCORPORATION:** Provide two (2) *originals* and three (3) *copies* of the proposed Articles of Incorporation of the proposed institution, bearing the signatures of authorized directors. Articles of Incorporation must have been approved by the stockholders.

See attachment – **Articles of Agreement and Incorporation**

- II. **CONSISTENCY OF CORPORATE POWERS:** It is contemplated that the proposed bank will have only such corporate powers as are granted to a State banking corporation under the provisions of State law. All requirements (including security requirements) of any Federal supervisory authorities will be met.

Will the resulting state chartered bank operate a trust department? Yes  No

- III. **RESOLUTION BY BOARD OF DIRECTORS:** Provide a certified copy of the minutes of the meeting in which the Board of Directors approved the filing of the application.
- IV. **NOTICE TO SHAREHOLDERS:** Provide a copy of the notice informing shareholders of the meeting at which the proposed conversion was considered.
- V. **CERTIFIED COPY OF SHAREHOLDER MINUTES:** Provide a certified copy of the minutes of the shareholders meeting at which the proposed conversion was approved, and the proposed Articles of Incorporation were approved.
- VI. **PROOF OF PUBLICATION:** Formal proofs of publication must be submitted with the application to document publication of notice in conformity with applicable federal law requirements for conversion to a state bank. If the conversion involves a main office relocation or a name change, then a publication is also required for the Bank Department.
- VII. **INSURANCE COVERAGE:**
- a) Provide proof of FDIC Insurance;
  - b) Describe the fidelity insurance now in force or to be purchased covering active officers and employees.
- VIII. **PROPOSED CHANGES IN MANAGEMENT:** Identify any changes contemplated in the directorate or active management of Applicant as a result of the conversion.

## DOCUMENTATION AND INFORMATION

(continued)

IX. **BANK PREMISES:** Provide the following data:

- a) a detailed description of bank premises;
- b) date of construction;
- c) depreciated book value of all premises and fixed assets; and
- d) plans to purchase or construct additional facilities.

X. **OTHER LOCATIONS:** Provide a list of each authorized branch location, ATM location, and loan production office that the institution intends to operate after the conversion, including approved and unopened locations.

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

XI. **CERTIFICATE OF GOOD STANDING:** Provide information from the *Office of the Comptroller of the Currency/Office of Thrift Supervision* indicating that Applicant is duly chartered and operating as a *national banking association/savings and loan association*.

XII. **CERTIFICATE SIGNED BY CEO/PRESIDENT AND CASHIER:** Provide a certificate verifying and denoting all actions taken by Applicant in compliance with federal law to convert a national bank or savings association to a state bank.

XIII. **FINANCIAL REPORT FORMS:** Provide financial information for all proposed directors and executive officers (report forms enclosed).

## ESTIMATED FINANCIAL STATEMENTS

Provide a statement of the assets and liabilities and income and expenses of the proposed state chartered bank, as of the date of the last quarterly report. Include pro forma balance sheet and income statement of Applicant for the first three years of operations, reported as of the fiscal year-ends.

Applicant may report financial information in another format. However, please include all accounts listed below.

	QUARTERLY INFO	YEAR 1	YEAR 2	YEAR 3
<b>AVERAGE ASSETS</b>				
Cash				
Securities				
Loans				
Less Reserves				
Fixed Assets				
Other Real Estate				
Goodwill				
Other Assets				
<b>TOTAL ASSETS</b>				
<b>AVERAGE LIABILITIES</b>				
Non-Int Bearing Dep				
Int Bearing Deposits				
<b>TOTAL DEPOSITS</b>				
Fed Funds Purchased				
Other Borrowings				
Subordinated Notes				
Other Liabilities				
<b>TOTAL LIABILITIES</b>				
<b>TOTAL EQUITY CAPITAL</b>				
<b>TOTAL EQUITY CAPITAL &amp; LIABILITIES</b>				
<b>OPERATING EARNINGS</b>				
Int and Dis on Loans				
Int and Div on Sec				
Other Operating Inc.				
<b>GROSS OPERATING INC</b>				
<b>OPERATING EXPENSES</b>				
Int Deposits				
Int Borrowings				
Salaries and Wages				
Prov for Loan Loss				
Other Operating Exp				
Income Taxes				
<b>TOTAL OPERATING EXP</b>				
<b>NET OPERATING INC</b>				

Also, please provide the following ratios or additional information:

- a) Immediately upon conversion, and
- b) for the first three years of operations, reported as of the fiscal year-ends
  - 1) ROAA (apply Subchapter S tax effect, if applicable)
  - 2) ALLL
  - 3) Capital Ratios:
    - Tier 1 Leverage Capital
    - Common Equity Tier 1
    - Tier 1 Capital
    - Total Capital
  - 4) Please state the source of any borrowings, if applicable
  - 5) Please provide details on any types of Intangible Assets on the books and how these were created
  - 6) Please submit a current shareholder's list for the converting bank and holding company
  - 7) Please list any non-bank subsidiaries of the converting bank or holding company along with a brief description of the entity.

**ADEQUACY OF CAPITAL STRUCTURE**

Minimum capital requirements are set forth in A.C.A. § 23-48-310. Notwithstanding statutory requirements, the Bank Commissioner will exercise his or her judgment as to the adequacy of the proposed capital structure.

A statement of the paid in capital structure is as follows.

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

It shall be the policy of Applicant to maintain at all times an adequate ratio between the total sound capital structure and the value of its assets. Please refer to the enclosed State Bank Department Capital Adequacy Policy.

\* Describe other segregations of capital, including intangibles.



**MANAGEMENT**

The proposed Directors and Executive Officers are listed below with information concerning each. Following the name of each, provide a brief resume of past business and banking experience and any other qualifications as well as a brief statement of the proposed duties and responsibilities in connection with bank operations. It is also requested that each proposed Director and Executive Officer complete the enclosed **Interagency Biographical and Financial Report** and return with the application.

Applicant may report management information in another format, however, please include all categories listed below.

Name, Citizenship, Residence & Occupation	Age	Title or Position	Net Worth	Annual Salary	Par Value of stock to be Subscribed	
					Preferred	Common

**CERTIFICATE**

In support of this application, the undersigned hereby make the following statements and representations and certify, jointly and severally, that statements contained in this Application are true to the best of their knowledge and belief, and are made for the purpose of inducing the State Banking Board to approve the proposed conversion and hereby request that an Examiner of the State Bank Department be assigned to make the necessary investigation.

Signed:

\_\_\_\_\_  
*Chairman*

\_\_\_\_\_  
*CEO/President*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Secretary*

Charter No. \_\_\_\_\_

*Articles*  
*OF*  
*Agreement and Incorporation*

OF THE

\_\_\_\_\_  
Situating at \_\_\_\_\_

\_\_\_\_\_

PAID-IN CAPITAL.....\$  
PAID-IN SURPLUS .....\$  
UNDIVIDED PROFITS .....\$  
NUMBER OF DIRECTORS.....

Approved by the Bank Commissioner and the State Banking Board on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Bank Commissioner of the  
State of Arkansas

STATE BANKING BOARD

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

# State Bank Department

## ARTICLES OF AGREEMENT AND INCORPORATION OF THE

KNOW ALL MEN BY THESE PRESENTS:

That the incorporators hereinafter named, a majority of whom are bona fide residents of the State of Arkansas, have this date, and by these presents, formed a corporation under and in pursuance of the laws of the State of Arkansas, therein provided by an Act of the General Assembly of the State of Arkansas, entitled, "The Arkansas Banking Code of 1997," approved February 4, 1997 as amended, and in evidence thereof do hereby execute the following Articles of Incorporation:

First: The name of said Institution shall be \_\_\_\_\_

Second: The place of business is to be located at \_\_\_\_\_  
\_\_\_\_\_ County of \_\_\_\_\_ State of Arkansas.

Third: The amount of capital stock authorized of said bank or trust company shall be \_\_\_\_\_ shares, of which \_\_\_\_\_ shares have been subscribed for and paid in by the Incorporators at an aggregate subscription price of \$ \_\_\_\_\_. This has resulted in a total capital structure as shown by the endorsement upon the front page of these articles. The amount of paid-in surplus shall be \$ \_\_\_\_\_.

Fourth: The number of shares, the relative preferences, and powers and rights of each class shall be \_\_\_\_\_.

Fifth: The names of the stockholders and the number of shares owned by them, respectively, and their places of residence, are as follows:

Name	Residence	Shares	Amount

Sixth: The voting for directors (*shall/shall not*) be cumulative, and *if applicable, describe the extent of the preemptive rights of stockholders.*

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Seventh: The nature of the business proposed to be transacted by this corporation is

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Eighth: The affairs and business of the Corporation shall be controlled by a Board of Directors (not less than three) consisting of not less than \_\_\_\_\_ nor more than \_\_\_\_\_ members, as determined at each annual meeting. Said Board of Directors shall elect one of its members as President, and such number of Vice-Presidents as may be provided by the by-laws, and may also elect a Secretary, Treasurer, and Cashier. The initial Board of Directors shall consist of the following individuals:

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Ninth: The Board of Directors is empowered to ordain and establish all by-laws and regulations necessary to the management and business of said Corporation, and alter and repeal same at pleasure.

Tenth: The first meeting of the Incorporators for organization shall be held in \_\_\_\_\_  
\_\_\_\_\_ at the office of \_\_\_\_\_  
at \_\_\_\_\_ o'clock on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

IN TESTIMONY WHEREOF, We have hereunto set our hands, thereby certifying to the recitals of the above and forgoing articles, on this, the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.


**ACKNOWLEDGMENT**

**STATE OF ARKANSAS**

County of \_\_\_\_\_

Be it remembered that on this day came before the undersigned a \_\_\_\_\_  
within and for the County and State aforesaid, duly commissioned and acting \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Incorporators of the above named bank or trust company and acknowledged that they signed and executed the foregoing instrument for the consideration and purposes therein mentioned and set forth.

Witness my hand and seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_



**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.): \_\_\_\_\_