

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

Public reporting burden for this collection of information is estimated to average 250 hours per response (125 hours for the charter application and 125 hours for the insurance application), including the time to review instructions, search, and to review and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429; Licensing Policy and Systems Division, Comptroller of the Currency, 250 E Street, S.W., Washington, DC 20219; or Office of Examination Policy, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552; and to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503.

An organization or a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

GENERAL INFORMATION AND INSTRUCTIONS

Preparation and Use

This application is used to effect a transaction under:

- Sections 5 and 6 of the Federal Deposit Insurance Act (FDIA), as amended (12 U.S.C. 1815, 1816), for federal deposit insurance.
- Section 5(e) of the Home Owners' Loan Act (HOLA), as amended (12 U.S.C. 1464(e)), for a federal savings association charter.
- The National Bank Act, as amended (12 U.S.C. 21 *et seq.*), for a national bank charter.
- The state law for applying for state depository charters, as approved by state regulatory authorities.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is "none," "not applicable," or "unknown," so state. Answers of "unknown" should be explained.

The questions in the application are not intended to limit the Applicant's presentation nor are the questions intended to duplicate information supplied on another form or in an exhibit. For such information, a cross reference to the information is acceptable. *Any such cross-reference must be made to a specific cite or location in the documents, so the information can be located easily.* Supporting information for all relevant factors, setting forth the basis for Applicant's conclusions, should accompany the application. The regulatory agency may request additional information.

This application form collects information that the regulatory agencies will need to evaluate a charter or insurance application. While most of the information will be available when the organizers submit the application, some information will not be available at that time. Each agency has specific purposes and different timing requirements in collecting some of this information; for example, receipt of the organizers' draft policies. For any question about when to submit a specific item, organizers should contact the appropriate regulatory agencies to discuss the specific timing for submission.

The regulatory agency must consider the applicable statutory requirements set forth in the preceding provisions, as well as applicable regulatory requirements, when acting on this application. For additional information regarding these statutory and regulatory requirements, as well as processing procedures and guidelines and any supplemental information that may be required, please refer to the appropriate regulatory agency's procedural guidelines [i.e., *Comptroller's Corporate Manual*, the FDIC's Rules and Regulations (12 C.F.R. 303) and Statement of Policy on "Applications for Deposit Insurance", the OTS' *Applications Processing Handbook*, or the application guidelines for the state in which the Applicant seeks a state charter]. The Applicant may contact the agency

directly for specific instruction or visit their websites at www.fdic.gov, www.occ.treas.gov, www.ots.treas.gov, and www.csbs.org (through "Links" to each state banking department).

Notice of Publication

The Applicant must publish notice of the proposed organization in a newspaper of general circulation in the community or communities in which the proposed financial institution will be located. Contact the appropriate regulatory agency for the specific requirements of the notice of publication.

Electronic Submission

In addition to an original application and the appropriate number of signed copies, the regulatory agencies would like to have an electronic copy of the information in the application, especially of the business plan's financial projections. Submission of an electronic copy is voluntary. It will be used only for internal review and processing and will not be released to the public. The electronic copy may be provided on a computer diskette, using common word processing and spreadsheet software. For E-mail submissions, contact the appropriate regulatory agency for instructions and information about secure transmission of confidential material.

Confidentiality

Any Applicant desiring confidential treatment of specific portions of the application must submit a request in writing with the application. The request must discuss the justification for the requested treatment. The Applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 U.S.C. 552 or relevant state law). 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) separately bound; and (3) labeled "Confidential." The Applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the application.

The Applicant should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information will be treated as confidential and will advise the Applicant of any decision to publicly release information labeled as "Confidential."

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

(Check all appropriate boxes.)

Type of Charter

- National Bank
- State Bank
- Federal Savings Bank or Association
- State Savings Association
- Other _____

Special Focus

- Community Development
- Cash Management
- Trust
- Bankers' Bank
- Credit Card: CEBA Non-CEBA
- Other _____

For OCC: Standard Expedited

Chartering Agency

- Comptroller of the Currency
- Office of Thrift Supervision
- State _____

Insurance Fund

- Bank Insurance Fund
- Savings Association Insurance Fund

Type of Insurance Application

- De Novo
- Operating Noninsured Institution
- Other _____

Federal Reserve Status

- Member Bank
- Nonmember Bank

Proposed Depository Institution (institution)

Name

Street

City

State

ZIP Code

Holding Company Identifying Information (if applicable)

Name

Street

City

State

ZIP Code

Contact Person

Name

Street

City

State

ZIP Code

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

1. Overview

- (a) Provide a brief overview of the application. The overview should describe the institution's business and any special market niche, including the products, market, services, and any nontraditional activities.
- (b) Describe any issues about the permissibility of the proposal with regard to applicable state or federal laws or regulations. Identify any regulatory waiver requests and provide adequate justification.
- (c) List and provide a copy of all applications filed in conjunction with this proposal, such as applications for holding company, trust powers, branch offices, service corporations, and other subsidiaries.
- (d) When available, provide a copy of all public or private offering materials and the proposed form of stock certificate, including any required restrictive legends.
- (e) Provide a copy of the proposed articles of association, articles of incorporation, or charter, and proposed bylaws.
- (f) Provide a copy of the business plan. The business plan should address, at a minimum, the topics contained in the appropriate regulatory agency's Business Plan Guidelines.

2. Management

- (a) Provide a list of the organizers, proposed directors, senior executive officers, and any individual, or group of proposed shareholders acting in concert, that will own or control 10 percent or more of the institution's stock. For each person listed, attach an Interagency Biographical and Financial Report, a fingerprint card, and indicate all positions and offices currently held or to be held with the institution's holding company and its affiliates, if applicable. Include the signed "Oath of Director" for each proposed director. For an OTS filing, provide a RB 20a Certification for each person listed.
- (b) Describe each proposed director's qualifications and experience to serve and oversee management's implementation of the business plan. Describe the extent, if any, to which directors or major stockholders are or will be involved in the day-to-day management of the institution. Also list the forms of compensation, if any.
- (c) Provide a list of board committees and members.
- (d) Describe any plans to provide ongoing director education or training.

- (e) Describe each proposed senior executive officer's duties and responsibilities and qualifications and experience to serve in his/her position. If a person has not yet been selected for a key position, list the criteria that will be required in the selection process. Discuss the proposed terms of employment, including compensation and benefits, and attach a copy of all pertinent documents, including an employment contract or compensation arrangement. Provide the aggregate compensation of all officers.
- (f) Describe any potential management interlocking relationships (12 U.S.C. 1467a(h)(2), 3201-3208, or applicable state law) that could occur with the establishment or ownership of the institution. Include a discussion of the permissibility of the interlock with regard to relevant law and regulations or include a request for an exemption.
- (g) Describe any potential conflicts of interest.
- (h) Describe any transaction, contract, professional fees, or any other type of business relationship involving the institution, the holding company, and its affiliates (if applicable), and any organizer, director, senior executive officer, shareholder owning or controlling 10 percent or more, and other insiders. Include professional services or goods with respect to organizational expenses and bank premises and fixed asset transactions. (Transactions between affiliates of the holding company that do not involve the institution need not be described.)
 - 1) State whether the business relationship is made in the ordinary course of business, is made on substantially the same terms as those prevailing at the time for comparable transactions with non-insiders, and does not present more than the normal risk of such transaction or present other unfavorable features.
 - 2) Specify those organizers that approved each transaction and whether the transaction was disclosed to proposed directors and prospective shareholders.
 - 3) Provide all relevant documentation, including contracts, independent appraisals, market valuations, and comparisons.
- (i) Describe all stock benefit plans of the institution and holding company, including stock options, stock warrants, and other similar stock-based compensation plans, for senior executive officers, organizers, directors, and other insiders. Include in the description:
 - 1) The duration limits.
 - 2) The vesting requirements.
 - 3) Transferability restrictions.

- 4) Exercise price requirements.
- 5) Rights upon termination.
- 6) Any “exercise or forfeiture” clause.
- 7) Number of shares to be issued or covered by the plans.

Provide a list of participants, allocation of benefits to each participant, and a copy of each proposed plan. (Plans must conform to applicable regulatory guidelines.)

3. Capital

- (a) For each class of stock, provide the number of authorized shares, the number of shares to be issued, par value, voting rights, convertibility features, liquidation rights, and the projected sales price per share. Indicate the amount of net proceeds to be allocated to common stock, paid-in surplus, and other capital segregations.
- (b) Describe any noncash contributions to capital, and provide supporting documents for assigned values, including an independent evaluation or appraisal.
- (c) Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, including technology, branching, and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including any off-balance-sheet activities contemplated. Describe any plans for the payment of dividends.
- (d) List all known subscribers to stock. For organizers, directors, 10 percent shareholders, senior executive officers, and other insiders, include the number of shares and anticipated investment and the amount of direct and indirect borrowings to finance the investment. Discuss how any debt will be serviced.
- (e) List recipients and amounts of any fees, commissions, or other considerations in connection with the sale of stock.
- (f) Indicate whether the institution plans to file for S Corporation tax status.

4. Convenience and Needs of the Community

NOTE: This information must be consistent with the proposed business plan.

(a) Market Characteristics

- 1) Define the intended geographical market area(s). Include a map of the market area, pinpointing the location of proposed bank's offices and offices of competing depository institutions.
- 2) Describe the competitive factors the institution faces in the proposed market and how the institution will address the convenience and needs of that market to maintain its long-term viability.
- 3) Discuss the economic environment and the need for the institution in terms of population trends, income, and industry and housing patterns.

(b) Community Reinvestment Act (CRA) Plan¹

NOTE: The CRA Plan must be bound separately.

- 1) Identify the assessment area(s) according to the CRA regulations.²
- 2) Summarize the performance context for the institution based on the factors discussed in the CRA regulations.³
- 3) Summarize the credit needs of the institution's proposed assessment area(s).
- 4) Identify the CRA evaluation test⁴ under which the institution proposes to be assessed.
- 5) Discuss the institution's programs, products, and activities that will help meet the existing or anticipated needs of its community(ies) under the applicable criteria of the CRA regulation, including the needs of low- and moderate-income geographies and individuals.

¹ See applicable state requirements.

² See 12 C.F.R. 25.41, 345.41, 563.41.

³ See 12 C.F.R. 25.21(b), 345.21(b), 563e.21(b).

⁴ See 12 C.F.R. 25.21(a); 345.21(a); 563e.21(a).

5. Premises and Fixed Assets

- (a) Provide a physical description for permanent premises and discuss whether they will be publicly and handicapped accessible. Indicate the level and type of property insurance to be carried.
- (b) If the permanent premises are to be purchased, provide name of seller, purchase price, cost and description of necessary repairs and alterations, and annual depreciation. If the premises are to be constructed, provide the name of the seller, the cost of the land, and the construction costs. Indicate the percentage of the building that will be occupied by the bank. Provide a copy of the appraisal.
- (c) If the permanent premises are to be leased, provide name of owner, terms of the lease, and cost and description of leasehold improvements. Provide a copy of the proposed lease when available.
- (d) If temporary quarters are planned, provide a description of interim facility, length of use, lease terms, and other associated commitments and costs.
- (e) State whether proposed premises and fixed asset expenditures conform to applicable statutory limitations.
- (f) Outline the security program that will be developed and implemented, including the security devices.⁵
- (g) Discuss any significant effect the proposal will have on the quality of the human environment. Include in the discussion changes in air and/or water quality, noise levels, energy consumption, congestion of population, solid waste disposal, or environmental integrity of private land within the meaning of the National Environmental Policy Act, 42 U.S.C. 4321, et seq.
- (h) Describe any plan to establish branches or relocate the main office within the first three years. Any acquisition or operating expenses should be reflected in the financial projections.
- (j) Indicate if the establishment of the proposed main office and/or any branch site may affect any district, site, building, structure, or object listed in, or eligible for listing in, the National Register of Historic Places pursuant to the National Historic Preservation Act, 16 U.S.C. 470f. (See the Advisory Council on Historic Preservation at www.achp.gov for the Act and implementing regulations.) Specify how such determination was made:

⁵ See 12 C.F.R. 21, 326, 568.

- 1) Consultation with the State Historic Preservation Officer (SHPO) and/or Tribal Historic Preservation Officer (THPO) (when tribal lands or historic properties of significance to a tribe are involved).
- 2) Reviewed National Register of Historic Places (see www.cr.nps.gov/nr).
- 3) Applied National Register criteria to unlisted properties.⁶
- 4) Reviewed historical records.
- 5) Contact with preservation organizations.
- 6) Other (describe).

As appropriate, provide a copy of any documentation of consultation with the SHPO and/or THPO. *You are reminded that if a historic property may be affected, no site preparation, demolition, alterations, construction or renovation may occur without the appropriate regulatory agency's authorization.*

6. Information Systems

- (a) State whether the institution plans to market its products and services (the ability to do transactions or account maintenance) via electronic means. If yes, specifically state the products and services that will be offered via electronic banking or the Internet.
- (b) Outline the proposed or existing information systems architecture and any proposed changes or upgrades. The information should describe how: (1) the information system will work within existing technology; (2) the information system is suitable to the type of business in which the institution will engage; (3) the security hardware, software, and procedures will be sufficient to protect the institution from unauthorized tampering or access; and (4) the organizers and directors will allocate sufficient resources to the entire technology plan.
- (c) Provide lists or descriptions of the primary systems and flowcharts of the general processes related to the products and services. The level of detail in these system descriptions should be sufficient to enable verification of the cost projections in the *pro formas*.
- (d) Estimate the start-up budget for the information systems related to the products and services and the expected annual operating and maintenance costs (including telecommunications, hardware, software, and personnel).

⁶ See 36 C.F.R. 60.4.

- (e) Describe the physical and logical components of security. Describe the security system and discuss the technologies used and key elements for the security controls, internal controls, and audit procedures. Discuss the types of independent testing⁷ the institution will conduct to ensure the integrity of the system and its controls.
- (f) Describe the information security program that will be in place to comply with the “Interagency Guidelines Establishing Standards for Safeguarding Customer Information.”⁸

7. Other Information

- (a) List activities and functions, including data processing, that will be outsourced to third parties, identifying the parties and noting any affiliations. Describe all terms and conditions of the vendor management activities and provide a copy of the proposed agreement when available. Describe the due diligence conducted and the planned oversight and management program of the vendors’ or service providers’ relationships (for general vendor management guidance, see the Appendix of the FFIEC’s guidance, Risk Management of Outsourced Technology Services).
- (b) List all planned expenses related to the organization of the institution and include the name of recipient, type of professional service or goods, and amount. Describe how organization expenses will be paid.
- (c) Provide evidence that the institution will obtain sufficient fidelity coverage on its officers and employees to conform with generally accepted banking practices.
- (d) If applicable, list names and addresses of all correspondent depository institutions that have been established or are planned.
- (e) Provide a copy of management’s policies for loans, investments, liquidity, funds management, interest rate risk, and other relevant policies. Provide a copy of the Bank Secrecy Act program. Contact the appropriate regulatory agencies to discuss the specific timing for submission.
- (f) For Federal Savings Banks or Associations, include information addressing the proposed institution’s compliance with qualified thrift lender requirements.

⁷ Independent tests should cover general and environmental controls as well as audit, monitoring, and balancing controls. Independent testing will provide an objective opinion on the adequacy of these controls.

⁸ See 15 U.S.C. 6801, 6805(b); 12 C.F.R. 30; 308 and 364; 568 and 570.

- (g) If the institution is, or will be, affiliated with a company engaged in insurance activities that are subject to supervision by a state insurance regulator, provide:
- 1) The name of insurance company.
 - 2) A description of the insurance activity that the company is engaged in and has plans to conduct.
 - 3) A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signature	Date	Typed Name
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FDIC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

It is understood that the Board of Directors of the Federal Deposit Insurance Corporation (Corporation), in applying the factors set out in federal statutes, will consider the application only with respect to the general character or type of business stated and that the depository institution will not engage in any other business without the prior written consent of the Corporation.

It is further understood that federal deposit insurance will not become effective (a) until the proposed depository institution has been incorporated and authorized to engage in the business of receiving deposits, (b) until the board of directors of the depository institution has adopted a resolution ratifying and confirming the action of the incorporators in making this application with supporting information, (c) until the depository institution has fulfilled such requirements, if any, as the Corporation may impose as a condition of its approval of

this application, and (d) until the depository institution has been notified that its membership in the Corporation has been approved.

Signature	Date	Typed Name
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OTS CERTIFICATION

We, the organizers, certify that:

- (i) The information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission.
- (ii) Any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed association, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014.
- (iii) The undersigned will not represent themselves as authorized to organize such association until this application is approved and, upon notification that the application has been approved, they will proceed only in accordance with the provisions of the Home Owners' Loan Act of 1933, as amended, and with rules and regulations made thereunder.
- (iv) The undersigned are not acting in this application as representative or on behalf of any person, partnership, association, or corporation undisclosed to the Office of Thrift Supervision.
- (v) No charge or expense incurred in connection with the organization of the association shall be charged to the association.
- (vi) No funds or money will be accepted for deposit or collected on account by or for the association until this application is approved and its organization has been completed.
- (vii) *For mutual associations*, an organizational committee will be created promptly upon approval of this application, and the committee members will serve as temporary officers of the association until officers are elected by the members of the association.

We request that examiners be assigned to make any investigations necessary.

We also acknowledge that approval of this application is in the discretion of the Office of Thrift Supervision. Actions or communications, whether oral, written, or electronic, by the Office of Thrift Supervision or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the Office of Thrift Supervision, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further

acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signature

Date

Typed Name

_____	_____	_____
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EXHIBITS (check all that apply)

- Business Plan
 - Financial Projections
- CRA Plan
- Articles of Association, Articles of Incorporation, or Charter
- Bylaws
- Oath of Director
- Interagency Biographical and Financial Reports
- Fingerprint cards (appropriate regulatory agency)
- Publication Certification/Affidavit/Notice of Publication
- Copies of contracts/agreements
 - Employment/compensation
 - Service providers
 - Other
- Stock Benefit Plans
- Economic survey or market feasibility study
 - Market Area Map
- Waiver request, specify: _____
- Offering Materials
- Proposed stock certificate
- Corporate or holding company audited statements or financial reports
- OCC/OTS/state filing fee
- Copy of policies, specify: _____

OTS ONLY:

- RB 20a Certification

Oath of the Bank Director

Bank Name _____
State of _____
County of _____

Date _____

I, the undersigned, a (proposed) director of the above-named bank do solemnly swear (affirm) that:

As a director, I have a legal responsibility and a fiduciary duty to shareholders to administer the depository institution's affairs faithfully and to oversee its management. In carrying out my duties and responsibilities, I shall exercise reasonable care and place the interests of the depository institution before my own interests. I shall fulfill my duties of loyalty and care to the above-named depository institution.

I shall, commensurate with my duties, diligently and honestly administer the affairs of the depository institution, and I shall not knowingly violate, or willingly permit to be violated, any applicable statute or regulation. I shall ensure that I learn of changes in statutes, regulations, and policies of the Office of Comptroller of the Currency, the Federal Deposit Insurance Corporation, or any state to whose jurisdiction my association is subject, which affect my duties, responsibilities, or obligations as a director and affiliated person of the association.

I am the owner, in good faith and in my own right, of the number of shares of stock that the law requires. I have either subscribed for this stock or it is issued and outstanding, and it is not hypothecated, or in any way pledged, as security for any loan or debt.

I shall attend meetings of the board of directors and participate fully on all committees of the board to which I am appointed.

Signature

Typed Name _____

Mailing Address _____

City _____

State _____

ZIP Code _____

Notary's Affirmation

Sworn to before me and subscribed in my presence, this ___ day of _____, _____.

Notary Public

My Commission Expires _____

Oath of Savings Association Director

Name of Savings Association _____
City _____ County _____ State _____

I, the undersigned, a [proposed] director of the above-named savings association, do solemnly swear (affirm) as follows:

1. I acknowledge that service as a director of a federally insured savings association is an important undertaking that carries with it significant duties and responsibilities. I have read and understand the OTS Directors' Responsibilities Guide describing the duties of directors and officers of savings association.
2. As a director of the above-named savings association, I have a legal responsibility and a fiduciary duty to its shareholders and creditors and to the applicable federal deposit insurance funds to administer the savings association's affairs faithfully and to oversee its management. In carrying out my duties and responsibilities, I shall exercise reasonable care and place the interests of the savings association before my own interests. I shall fulfill my duties of loyalty and care to the above-named savings association.
3. I shall diligently and honestly administer the affairs of the savings association, and I shall not knowingly violate, or willingly permit to be violated, any applicable statute or regulation. I shall ensure that I learn of changes in statutes, regulations, and policies of the Office of Thrift Supervision and the Federal Deposit Insurance Corporation or any state to whose jurisdiction my association is subject, which affect my duties, responsibilities, or obligations as a director and affiliated person of the savings association.
4. I shall attend meetings of the board of directors and participate fully on all committees of the board to which I am appointed.

Signature _____
Type Name _____
Mailing Address _____
City _____ State _____ ZIP Code _____
Date _____

Notary's Affirmation

Sworn to before me and subscribed in my presence this ____ day of _____, _____.

Notary Public _____
My Commission Expires _____

Business Plan Guidelines

Preparation and Use

The business plan should be an integral part of the management and oversight of a financial institution (institution). It should establish the institution's goals and objectives. It is a written summary of how the business will organize its resources to meet its goals and how the institution will measure progress.

The business plan should be a comprehensive plan, which is the result of in-depth planning by the institution's organizers and management. It should realistically forecast market demand, customer base, competition, and economic conditions. The plan must reflect sound banking principles and demonstrate realistic assessment of risk in light of economic and competitive conditions in the market to be served. An institution with a special purpose or focus (for example, credit card, trust only, cash management, or bankers' bank) should address this special or unique feature in detail in the appropriate sections of the plan.

The business plan should cover three years and provide detailed explanations of actions that are proposed to accomplish the primary functions of the institution. The description should provide enough detail to demonstrate that the institution has a reasonable chance for success, will operate in a safe and sound manner, and will have adequate capital to support the risk profile.

For any institution with an Internet or alternative electronic delivery channel, the plan should contain a clear and detailed definition of the market the institution plans to serve and the products and services it will provide through electronic channels. Because the Internet has a potential global market and can reach anyone with Internet access, the selected information on market area and products and services is essential. The marketing plan should explain how the institution would achieve brand recognition.

Confidentiality

Any Applicant desiring confidential treatment of specific portions of the plan and projections must submit the request in writing. The request must discuss the justification for the requested treatment. The Applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of its competitive position, invasion of privacy) that would result from public release of information (5 U.S.C. 552 or relevant state law). 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) separately bound; and (3) labeled "Confidential." The Applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the plan.

The Applicant should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information will be treated as confidential and will advise the Applicant of any decision to publicly release information labeled as "Confidential."

BUSINESS PLAN

I. Table of Contents

II. Executive Summary

Describe the highlights of the plan.

III. Description of Business

- A. Describe the institution's business and any special market niche, including the products, market, services, and nontraditional activities.
- B. If in a holding company structure, discuss the operations of the organization, including a brief detail of the organizational structure and interaction between the institution and its affiliates.
- C. Describe the extent, if any, that there are or will be transactions with affiliated entities or persons. Include terms.
- D. Discuss the legal form and stock ownership of the institution and any investment in subsidiaries or service corporations.
- E. For an operating company, describe the present financial condition and current resources, such as office network, staff, and customer base. Specifically discuss the strengths and weaknesses.
- F. Describe the proposed location, office quarters, and any branch structure.
- G. Discuss any growth or expansion plans, including additional branches, other offices, mergers, or acquisitions.

IV. Marketing Plan

A marketing plan should provide in detail factual support that the institution has reasonable prospects to achieve the revenue projections, customer volume, and key marketing and income targets. The analysis should be based on the most current data available, and the sources of information should be referenced. This section should contain an in-depth discussion of the major planning assumptions for the market analysis, economic, and competitive components used to develop the plans, objectives, and the basis for the assumptions.

A. Product Strategy

- 1) List and describe the general terms of the planned products and services, including activities of any subsidiaries. Discuss any plans to engage in any subprime or speculative lending, including plans to originate loans with high loan-to-value ratios.
- 2) Discuss how the institution will offer products and services over the three years, indicating any variation in the different market areas or distribution channels, and include the time frame for the introduction and the anticipated cost associated with each.

- 3) Describe the institution's plans to engage in any secondary market/mortgage banking activity, including loan participations. Discuss plans to use forward take-out commitments or engage in loan securitization. Describe any plans to engage in hedging activity to mitigate the risks of this activity. Also, discuss plans to retain recourse and servicing.
- 4) Describe the primary sources of loans and deposits and the major methods to solicit them. If using brokers or agents, provide full details of the nature and extent of all such activities, including sources, amounts, fees, and any intended tie-in of compensatory arrangements with the broker or agent.
- 5) Describe any arrangements with e-commerce businesses (for example, links to another's Web site to shop, order, or purchase goods and/or services online).

B. Market Analysis

- 1) Describe the intended target market and the geographical market area(s).
- 2) Describe the demographics of the target market population (for example, age, education, and occupation).
- 3) *For an OTS filing*, discuss in detail any current and/or proposed actions to accomplish the institution's commitment to promote home financing.

C. Economic Component⁹

- 1) Describe the economic forecast for the three years of the plan. The plan should cover the most likely scenario and discuss possible economic downturns.
- 2) Indicate any national, regional, or local economic factors that may affect the operations of the institution. Include an analysis of any anticipated changes in the market, the factors influencing those changes, and the effect they will have on the institution.
- 3) Describe the current economic characteristics of the proposed market(s), for example, size, income, and industry and housing patterns.
- 4) Based on the economic characteristics described previously, discuss the economic factors that influence the products and services to be offered. A more in-depth discussion is warranted when different types of services are identified for different market areas in the Description of Business section.

⁹ If obtained, discuss any independent economic survey or market feasibility study.

D. **Competitive Analysis**

- 1) Compare and contrast the institution's product strategy with its principal competitors in the target market(s). Include expected results in terms of relative strength, market share, and pricing.
- 2) Discuss the overall marketing/advertising strategy, including approaches to reach target market through the marketing of brand, products, and services. Outline the specific medium that will be used, including timing and level of advertising efforts.
- 3) Discuss potential competition in the target market(s).

V. **Management Plan — Directors and Officers**

- A. Provide the number of organizers and/or directors. Provide a list of board committees and a brief explanation of the responsibilities of each committee.
- B. Describe the organizational structure and provide an organizational chart, indicating the number of officers and employees. Describe the duties and responsibilities of the senior executive officers. Describe any management committees that are or will be established.
- C. Discuss the institution's plans to address management succession, including any management training program or other available resources.

VI. **Records, Systems, and Controls**

- A. Describe the institution's current and/or proposed accounting and internal control systems, indicating any use of electronic processing systems.
- B. Describe management's proposed internal audit function. The description should set forth the independence of the department and the scope and frequency of audits. Discuss the experience and education of the audit staff. If external auditors will be used for internal audits, provide similar information for the external auditors.
- C. Describe the compliance management programs, addressing independence, scope, frequency, and staff qualifications. Discuss how the institution will respond to consumer complaints.
- D. State plans for an annual audit by independent public accountants.
- E. Discuss the functions that will be outsourced and what the institution will do in-house.

VII. **Financial Management Plan**

- A. **Capital and Earnings**
 - 1) Discuss the capital goals and the means to achieve them.

- 2) Discuss the earnings goals in terms of return on assets, net interest margin, or other profitability measurements, and summarize the strategies to achieve those goals.
- 3) Discuss the plan for raising capital and for financing growth, with particular emphasis on conformance with regulatory capital requirements.
- 4) Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, including technology, branching, and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including any off-balance-sheet activities contemplated.
- 5) Describe the debt service requirements for any debt that will be issued at the holding company level to capitalize the institution.
- 6) Discuss the use of options, warrants, and/or other benefits associated with the institution's capital.
- 7) Summarize the dividend policy.

B. Liquidity and Funds Management

- 1) Discuss how the institution will identify and measure liquidity risk.
- 2) Discuss the institution's plan to monitor and control its liquidity risk, including funding sources (deposits, borrowings, securitizations). Include holding company support, if any.
- 3) Describe any plans to borrow funds from any financial institutions or other sources, including the amount, composition, interest rate, maturity, purpose, and collateral.
- 4) Discuss the type of investment securities the institution plans to purchase.

C. Sensitivity to Market Risk

- 1) Discuss the institution's objectives, strategies, and risk tolerance for interest rate risk.
- 2) Discuss how the institution will identify and measure interest rate risk.
- 3) Discuss the institution's asset and liability portfolio in terms of sensitivity to interest rate changes and the impact of earnings and capital and net portfolio value.¹⁰ Discuss the risk limits to control interest rate risk.
- 4) Describe any plans to use hedging activities (for example, futures, options, interest rate swaps, or other derivative instruments).

¹⁰ For OTS filing, see Thrift Bulletin 13a.

D. Credit Risk

- 1) Discuss how the institution will identify and measure credit risk.
- 2) Describe the loan review program, addressing independence, scope, frequency, and staff qualifications.
- 3) Describe the methodology used to determine the allowance for loan and lease losses.

VIII. Monitoring and Revising the Plan

- A. Describe how the board of directors will monitor adherence to the business plan.
- B. Describe how the board of directors will adjust and amend the plan to accommodate significant or material economic changes.

IX. Alternative Business Strategy (Optional unless your regulator requires)

An alternative business strategy details how an institution will operate under scenarios in which market conditions differ significantly from those projected in this business plan. This alternative business strategy should be realistic about the business risks and incorporate sound management of such risks. This alternative strategy should consider potential adverse scenarios relating to the asset or liability mixes, interest rates, operating expenses, marketing costs, and growth rates. This discussion should include realistic plans for how the bank would access additional capital, if needed, in the future and, if applicable, contingency funding plans that address strategies for managing potential liquidity fluctuations. This plan also should discuss any financial safeguards to offset unexpected costs and remain well capitalized.

Periodically, the institution should update this section, especially as the institution becomes more complex and as industry conditions change.

X. Financial Projections

- A. Provide financial information for opening day *pro forma* and quarterly projections for the three years of operations. Also provide annual totals for the Income Statement. The line items in the financial statements should be consistent with the Consolidated Reports of Condition and Income or the Thrift Financial Report (Report)¹¹ so that projected items may be compared conveniently with actual performance. The following reports should be used:

¹¹ See FDIC's Web site, <http://www.fdic.gov/regulations/resources/call/crinst/callinst.html> or <http://www.ots.treas.gov> (link to TFR form and instructions).

Projected Balance Sheet (Schedule RC or SC)

Projected Income Statement (Schedule RI or SO)

Regulatory Capital Schedule (Schedule RI-A or CCR)

The financial statements should be presented in two ways: (1) showing the dollar amounts, and (2) as a percentage of total assets.

- 1) Describe in detail all of the assumptions used to prepare the projected statements, including the assumed interest rate scenario for each interest earning asset and interest costing liability over the term of the business plan. Also present a thorough justification to support proposed capital, including any branch expansion and off-balance-sheet activities contemplated.
 - 2) Provide the basis for the assumptions used for noninterest income and noninterest expense. Indicate the amount of lease expense, capital improvements, and furniture, fixtures, and equipment, including systems and equipment upgrades.
 - 3) Describe the assumptions for the start-up costs, volumes, expected returns, and expected time frame to introduce each new product and service.
- B. Discuss how the institution used marketing studies or surveys to support the institution's projected growth.
- C. Discuss the level of marketing expenses necessary to achieve the projected market share for both loan and deposit products. Assumptions should be consistent with those experienced by other institutions in the target market. Explain any significant variances between the assumptions in the target market.
- D. Provide a sensitivity analysis of the financial projections. A sensitivity analysis provides a realistic stress test of the major underlying assumptions used in the business plan and the resultant financial projections. For example, adjust the financials to reflect the effects of adverse changes in the interest rate environment, changes in the asset/liability mix, higher than expected operating expenses, marketing costs, and/or growth rates.

CALL REPORT FINANCIAL PROJECTIONS

BALANCE SHEET

Assets
Cash and balances due from depository institutions Noninterest-bearing balances and currency and coin Interest-bearing balances
Securities Held-to-maturity securities Available-for-sale securities
Federal funds sold and securities purchased under agreements to resell
Loans and lease financing receivables Construction and land development loans secured by real estate Secured by farmland Revolving, open-end loans secured by 1-4 family residential Other first lien loans secured by 1-4 family residential Other junior lien loans secured by 1-4 family residential Secured by multifamily residential properties Secured by nonfarm nonresidential properties Loans to depository institutions Loans to finance agricultural production and other loans to farmers Commercial and industrial loans Acceptances of other banks Credit card and related plans to individuals Other loans to individuals for household, family and other personal expenditures Obligations (other than securities and leases) of states and political subdivisions in the U.S. All other loans (exclude consumer loans) Lease financing receivables (net of unearned income) Less: Unearned income Allowance for loan and lease losses Total Loans and leases, net of unearned income and allowance
Other Assets Trading assets Premises and fixed assets Other real estate owned Investments in unconsolidated subsidiaries and associated companies Customers' liability to this bank on acceptances outstanding Intangible assets All other assets (describe)
<i>Total Assets</i>

**CALL REPORT
FINANCIAL PROJECTIONS**

BALANCE SHEET (Continued)

Liabilities
Transaction deposit accounts Demand NOW accounts, ATS accounts, and other interest bearing transaction accounts
Nontransaction Deposit Accounts Money market deposit accounts (MMDAs) Other savings deposits Time deposits of \$100,000 or more Time deposits of less than \$100,000 Other nontransaction accounts (describe)
Other Liabilities Federal funds purchased and securities sold under agreements to repurchase Demand notes issued to the U.S. Treasury Trading liabilities Borrowed money with remaining maturity of one year or less Borrowed money with remaining maturity of more than one year through three years Borrowed money with remaining maturity of more than three years Bank's liability on acceptances executed and outstanding Subordinated notes and debentures All other liabilities (describe)
Total Liabilities
Equity Capital
Common stock
Surplus
Undivided profits
Other equity capital (describe)
Total Equity

CALL REPORT

FINANCIAL PROJECTIONS

REGULATORY CAPITAL

Total Equity Other Tier 1 Capital (describe)
Total Tier 1 Capital
Allowance for Loan and Lease Losses Other Tier 2 Capital (describe)
Total Tier 1 and Tier 2 Capital
Total Assets
Total Risk Weighted Assets
Capital Ratios
Tier 1 Capital / Total Risk Weighted Assets
Total Tier 1 and Tier 2 Capital/Total Risk Weighted Assets
Tier 1 Capital /Total Assets

ALLOWANCE FOR LOAN AND LEASE LOSSES

Beginning balance
Current quarter's:
Recoveries
Provision for loan and lease losses
Less: Charge-offs
Allowance ending balance

FINANCIAL PROJECTIONS

INCOME STATEMENT

Interest Income
Real estate loans
Installment loans
Credit card loans
Commercial (time and demand) and all other loans
Lease financing receivables
Balances due from depository institutions
Taxable securities issued by states and political subdivisions in the U.S.
Tax-exempt securities issued by states and political subdivisions in the U.S.
U.S. Government and other debt securities
Equity securities
Interest income from trading assets
Federal funds sold and securities purchased under agreements to resell
Other interest income (describe)
Total Interest Income
Interest Expense
Transaction accounts (NOW accounts, ATS accounts, and other)
Money market deposit accounts
Other savings deposits
Time deposits of \$100,000 or more
Time deposits of less than \$100,000
Federal funds purchased and securities sold under agreements to repurchase
Demand notes issued by the U.S. Treasury, trading liabilities, and other borrowed money
Subordinated notes and debentures
Other interest expense (describe)
Total Interest Expense
Net Interest Income
Provision for Loan and Lease Losses
Noninterest income
Service charges on deposit accounts
Other fee income
All other noninterest income
Realized gains (losses) on held-to-maturity securities
Realized gains (losses) on available-for-sale securities
Noninterest expense
Salaries and employee benefit expense
Premises and fixed assets
Other noninterest expense
Income (loss) before income taxes and extraordinary items and other adjustments
Applicable income taxes
Extraordinary items and other adjustments, net of income taxes
Net Income (Loss)
Dividends
Other changes in capital (describe)
Ending Equity Capital

FINANCIAL PROJECTIONS

INTEREST INCOME & INTEREST EXPENSE ASSUMPTIONS		
For each quarter Real estate loans Installment loans Credit card loans Commercial (time and demand) and all other loans Lease financing receivables Balances due from depository institutions Taxable securities issued by states and political subdivisions in the U.S. Tax-exempt securities issued by states and political subdivisions in the U.S. U.S. Government and other debt securities Equity securities Interest income from trading assets Federal funds sold and securities purchased under agreements to resell Other interest income	Average Balance	Interest Rate
For each quarter Transaction accounts (NOW accounts, ATS accounts, and other) Money market deposit accounts Other savings deposits Time deposits of \$100,000 or more Time deposits of less than \$100,000 Federal funds purchased and securities sold under agreements to repurchase Demand notes issued by the U.S. Treasury, trading liabilities, and other borrowed money Subordinated notes and debentures Other interest expense	Average Balance	Interest Rate

Form 1 – Balance Sheet

The Balance Sheet should be prepared showing each quarter end starting with the most current actual quarter end and projecting each quarter for years 1, 2, and 3. The balance sheet should be presented in two ways: (1) showing dollar amounts, and (2) as a percentage of total assets.

This balance sheet format is consistent with the TFR, but may show less detail if certain line items are not significant. Additional detail may be included, but these items at a minimum, should be shown.

ASSETS	TFR Item SC	COMMENTS
Cash and NonInterest-Earning Deposits	110	<i>This column provides brief reference information. Additional information on individual line items is available in the TFR manual.</i>
Total cash, noninterest earning deposits, and investment securities	10	<p>Use one or more line items to show the amounts and types of investment securities. The line items should provide sufficient detail so that one can conclude that the institution's investment policy objectives are being met. State the amount of securities designated as "held-to-maturity," "available-for-sale," and "trading." Separately state the categories in the balance sheet, or provide a separate schedule or narrative description.</p> <p>The TFR has separate line items for accrued interest receivable -SC 190 and GVAs SC199. These line items are optional for the plan. State whether you will have GVAs for your investment portfolio. If so, provide an explanation.</p>
Mortgage Pool Securities	20	<p>Provide sufficient detail so that one may review and conclude that the institution's investment policy objectives are being met. State the amount of securities designated as "held-to-maturity," "available-for-sale," and "trading." Separately state the categories in the balance sheet, or provide a separate schedule or narrative description.</p> <p>The TFR has separate line items for accrued interest receivable - SC 220 and GVAs SC 227. These line items are optional for the plan. State whether you have GVAs for your mortgage pool securities portfolio. If so, provide an explanation.</p>
Construction 1-4s	230	Construction loans should be reported net of loans in process.
Construction 5+, and NonResidential	235 240	Construction loans should be reported net of loans in process. If the level for each activity is significant, report these line items separately, otherwise combine them.
Permanent 1-4 unit residential loans.	250 253	SC 250 is "closed-end first mortgages and junior liens" and SC 253 is "revolving, open-end loans." These two items may be combined, but report them separately if the level of SC 253 is significant.

ASSETS <i>(continued)</i>	TFR Item SC	COMMENTS <i>This column provides brief reference information. Additional information on individual line items is available in the TFR manual.</i>
Permanent 5+, nonresidential, and land loans	256 260 265	If the level of each activity is significant, report these line items separately, otherwise combine them.
Accrued Interest Receivable, and Advances for Taxes and Insurance	272 275	
Allowance for Loan and Leases Losses on Mortgage Loans	283	
Total Mortgage Loans	23	
Commercial Loans	32	(Non-real estate) Provide detail by type of loan if portfolios are significant.
Consumer Loans	34	Provide detail by type of loan if portfolios are significant.
Accrued Interest Receivable	348	
Allowance for Loan and Lease Losses on NonMortgage Loans	357	
Total NonMortgage Loans	30	
REO	40	Report REO net of GVAs
REI	45	Report REI net of GVAs
Office Premises & Equipment	55	
Goodwill and Other Intangible Assets	660	

Form 1 – Balance Sheet

ASSETS <i>(continued)</i>	TFR Item SC	COMMENTS <i>This column provides brief reference information. Additional information on individual line items is available in the TFR manual.</i>
All Other assets		Use <u>one or more line items</u> to show the amounts and types of “other assets.” The total amount of “other assets” should tie to the sum of TFR items 50, 642, 644, 655, 690, and 699 if those items were reported separately.
Total Assets	SC 60	

LIABILITIES	TFR Item SC	COMMENTS <i>This column provides brief reference information. Additional information on individual line items is available in the TFR manual.</i>
Net deposits	710	
Advances from FHLB	720	
Federal Funds Purchased and Securities Sold Under Agreement to Repurchase	730	
Subordinated Debt (including mandatory convertible securities)	735	
CMOs (including REMICs) issued	740	
Other Mortgage Collateralized Securities Issued	745	
Other Borrowings	760	
Total Borrowings	72	
Other Liabilities		The sum should tie to the sum of TFR line items 75 “other liabilities,” 783 “escrows,” and 715 “unamortized yield adjustments on deposits,” if those items were reported separately

LIABILITIES <i>(continued)</i>	TFR Item SC	COMMENTS <i>This column provides brief reference information. Additional information on individual line items is available in the TFR manual.</i>
Total Liabilities	70	
Redeemable Preferred Stock/Minority Interest	799	

CAPITAL	TFR Item SC	COMMENTS <i>This column provides brief reference information. Additional information on individual line items is available in the TFR manual.</i>
Perpetual Preferred Stock	812 814	812 is Cumulative, 814 is Noncumulative. Report these items separately if amount is greater than zero.
Common Stock - Par Value	820	
Paid in Excess of par	830	
Unrealized Losses on Available for Sale Securities	860	
Retained Earnings	880	
Other Components of Equity Capital	890	Describe if amount is different than 0.
Subtotal Equity Capital	80	
Total Liabilities, Redeemable Preferred Stock/ Minority Interest, and Equity Capital	90	

Form 2 – Income Statement

The Income Statement should be prepared beginning with the most current actual quarter, and projected for each quarter for Years 1, 2, and 3. The income statement should be presented in two ways: (1) showing dollar amounts, and (2) as a percentage of average total assets.

INCOME STATEMENT Show these items at a minimum.	TFR Item SO	COMMENTS Format is consistent with the TFR
Interest Income		
Deposits/Investment	110	
Mortgage Pool Securities	120	
Mortgage Loans	140	
Commercial Loans	160	
Consumer Loans	170	
Amortization of Deferred Gain/Losses on Asset Hedges	180	
Subtotal: Interest Income	11	
Interest Expense		
Deposits	215	
Advances from FHLB	266	
Subordinated Debentures	230	
Mortgage Collateralized Securities Issued	240	
Other Borrowed Money	260	
Other Interest Expense		Should tie to sum of TFR items SO 215, SO 280, SO 290, minus SO271, if those items were reported separately.
Subtotal Interest Expense	21	
Net Interest Income Before Provision for Losses on IBA	311	
Provision for Losses on IBA	321	
Net Income After Provision for Losses on IBA	331	
NonInterest Income		
Mortgage Loan Servicing Fees	410	
Other Fees and Charges	420	
Other NonInterest Income		Should tie to sum of TFR items SO 430, 461, 465, 467, 475, 477, 485, and 491, if those items were reported separately.
Subtotal NonInterest Income	40	

INCOME STATEMENT Show these items at a minimum <i>(continued)</i>	TFR Item SO	COMMENTS Format is consistent with the TFR
NonInterest Expense		
All Personnel Expense	510	
Office Occupancy Expense	530	
Amortization of Goodwill	560	
Other NonInterest Expense		Should tie to sum of TFR items SO 510, 540, 550, 570, and 580, if those items were reported separately.
Subtotal NonInterest Expense	51	
Income (Loss) Before Income Tax	60	
Federal Taxes	710	
State /Local/Other Taxes	720	
Extraordinary Items	811	Net of tax, and cumulative effect of Changes in Acctg Principles
Net Income (Loss)	91	

Section: Business Plan Guidelines

Form 3 – Statement of Changes in Stockholder’s Equity

A forecast of the changes in stockholders’ equity should be prepared in a format substantially similar to the format shown here:

Beginning Stockholders Equity Year 1	
Net Income – Year 1	
Cash Dividends Declared	
Repurchase of Stock	
Other Comprehensive Income	
Other Changes	
Ending Stockholders Equity Year 1	
Net Income – Year 2	
Cash Dividends	
Repurchase of Stock	
Other Comprehensive Income	
Other Changes	
Ending Stockholders Equity Year 2	
Net Income – Year 3	
Cash Dividends	
Repurchase of Stock	
Other Comprehensive Income	
Other Changes	
Ending Stockholders Equity Year 3	

Form 4 – Table of Regulatory Capital Levels

This schedule should be prepared beginning with the most current quarter, and projected for each quarter for Years 1, 2, and 3. Provide supporting schedules for each capital level.

STOCKHOLDER'S EQUITY	Dollar Amount	Percent %
Tangible Capital		
Core Capital		
Risk-Based Capital		

Sample

Section: Business Plan Guidelines

A forecast of loan origination levels should be prepared in a format substantially similar to the format here:

	TFR Item	Year 1	Year 2	Year 3
Construction 1-4s	230			
Construction 5+	235			
NonResidential	240			
Permanent 1-4 unit Residential loans.	250 253			
Permanent 5+,	256			
Permanent Nonresidential	260			
Land Loans	265			
Total Mortgage Loans	23			
Commercial Loans (non-real estate)	32			
Consumer Loans	34			

Form 6 – Interest Rate Assumptions for New Production

A forecast of interest rate assumptions should be prepared in a similar format as presented here:

		Year 1				Year 2				Year 3			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Construction 1-4s	230												
Construction 5+	235												
NonResidential	240												
Permanent 1-4 unit Residential loans.	250 253												
Permanent 5+,	256												
Permanent Nonresidential	260												
Land Loans	265												
Total Mortgage Loans	23												
Commercial Loans (non-real estate)	32												
Consumer Loans	34												