

Application for a Bank/Savings Bank to Consolidate or Purchase the Assets of a Bank/Savings Bank/Association/Credit Union

The Director of the Department of Insurance and Financial Services has determined that this application is available for public inspection or copying pursuant to the provisions of the Freedom of Information Act, PA 442 of 1976, MCL 15.231 et seq., section 2109 of the Michigan Banking Code of 1999, as amended, MCL 487.12109, and section 213 of the Savings Bank Act, as amended, MCL 487.3213. Accordingly, except as otherwise indicated in this application, the contents of the application shall be disclosed to any person who properly requests an opportunity for inspection, examination, or copying.

Consolidations and purchase of assets are subject to the requirements and limitations of sections 3701, 3706, 4106 and related sections of the Michigan Banking Code of 1999, as amended or sections 336, 701, 706 and related sections of the Savings Bank Act, as amended.

1. To request approval to consolidate or purchase the assets of a bank/savings bank/association/credit union with the resulting institution a state-chartered bank or state-chartered savings bank, please submit a letter application addressed to the Director of the Department of Insurance and Financial Services (DIFS). The letter must be supported with the following information:

- A. Institutions** Give the names of the institutions involved and indicate under which charter and name the resulting bank will operate and where the principal office will be located.
- B. Transaction** Summarize the terms and conditions of the consolidation agreement/purchase and assumption agreement, including details of the consideration paid, financing arrangements and debt assumption provisions. If applicable, state any ownership or control applicant's parent has with the other consolidating organization(s).
- C. Agreement** Provide a copy of the consolidation agreement/ purchase and assumption agreement, including any amendments.
- D. Financial Information** Provide the indicated financial information and describe the assumptions used to prepare the projected statements, including those about the effect of the merger transaction. Material changes between the date of the financial statements and the date of the application should be disclosed. If there are no material changes, a statement to that effect should be made.
 - A. Pro Forma Balance Sheet, as of the end of the most recent quarter and for the first year of operation after the transaction. Indicate separately for the Applicant and Target Institution each

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Michigan Department of Insurance and Financial Services

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principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet. Goodwill and all other intangible assets should be listed separately on the balance sheet. Indicate the amortization period and method used for any intangible asset and the accretion period of any purchase discount on the balance sheet.

- B. Projected Combined Statement of Income for the first year of operation following consummation.
- C. Pro Forma and Projected Regulatory Capital Schedule, as of the end of the most recent quarter and for the first year of operation, indicating:
 - Each component item for Tier 1 (Core) and Tier 2 (Supplementary) Capital, Subtotal for Tier 1 and Tier 2 Capital (less any investment in unconsolidated or nonincludable subsidiaries), Total Capital (include Tier 3 if applicable).
 - Total risk-weighted assets.
 - Capital Ratios: (1) Tier 1 capital to total risk-weighted assets; (2) Total capital to total risk-weighted assets; and (3) Tier 1 capital to average total consolidated assets (leverage ratio).

E. Future Prospects Describe the planned or anticipated effects this proposal will have on the future direction of the resulting bank with respect to assets and earnings growth, services offered and the community served.

F. Directors/Officers List the directors and senior executive officers of the resulting institution. Indicate position to be held, position held immediately prior to the consolidation or assumption and shares to be held in the resulting institution. If any of the individuals listed are not presently affiliated with the institutions involved, describe their financial institution experience, qualifications and other business affiliations.

G. Offices List all offices of the resulting bank including approved/allowed but unopened offices. Indicate which branches are currently operated by the target institution(s) and include the main office of the target institution(s). Detail any office that will be closed as

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a result of this transaction. This information does not need to be completed for a section 3706 or section 706 consolidation.

- H. Assets/Activities** Describe any nonconforming or impermissible assets 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.
- I. Trust Powers** Indicate if the consolidated bank will have trust powers.
- J. Changes** List any significant proposed changes in services or products that will result from this proposed transaction.
- K. Certification** Certify that the applicant's board of directors by resolution has authorized the filing of this application and the payment of all fees associated with this transaction. Further certify that to the best of the officer's knowledge, the application information contains no misrepresentations or omissions of material facts.

2. Complete responses to all applicable questions will expedite processing. DIFS will not accept an incomplete application for filing.
3. You may provide any additional information. Any such unsolicited information will be accepted for consideration with the understanding that it may be made public.
4. An application filed with the Director may be amended in writing.
5. A submitted application must be withdrawn by written request or allowed to proceed to a decision before any further application for the same purpose will be officially accepted.
6. Questions pertaining to the application process may be directed to the Office of Banking at 517-284-8834.
7. Refer to the Remittance Instructions for the application fee, also available on our web site.
8. It is recommended that the appropriate federal regulatory application(s) be filed contemporaneously with the filing of this application.
9. Mail the letter application to:

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
ATTENTION: OFFICE OF BANKING
P. O. BOX 30220
LANSING, MI 48909-7720**

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