
INSTRUCTIONS FOR PREPARATION OF

Application to Become a Bank Holding Company and/or Acquire an Additional Bank or Bank Holding Company

FR Y-3

Who May Use This Form

This form should be used for applications filed with the Federal Reserve System (the “Federal Reserve”) under section 3 of the Bank Holding Company Act of 1956, as amended (the “BHC Act” — 12 U.S.C. 1842) including applications filed under:

- section 3(a)(1) of the BHC Act by any United States corporation, partnership, business trust, association, any other trust that does not terminate within twenty-five years (or within twenty-one years and ten months after the death of individuals living on the effective date of the trust), or similar organization that seeks to become a bank holding company with respect to one or more banks;
- section 3(a)(3) of the BHC Act by an existing bank holding company to acquire shares of a bank or bank holding company, if after such acquisition the applicant bank holding company would own 5 percent or more of the outstanding shares of any class of voting securities of the bank or bank holding company; and
- section 3(a)(5) of the BHC Act for the merger or consolidation of bank holding companies.

This form also should be used by a bank holding company or other company (as defined in section (2)(b) of the BHC Act — 12 U.S.C. 1841(b)) that seeks to acquire 25 percent or more of the total equity of a bank or bank holding company, or seeks to take other actions that would result in control of a bank or bank holding company. This form should be used only for those filings that qualify for the procedures in section 225.15 of the Board of Governors of the Federal Reserve System’s (the “Board’s”) Regulation Y.

Form FR Y-3N should be used for notifications filed under:

- section 3(a)(5)(C) of the BHC Act that qualify for the procedures in section 225.17 of Regulation Y, and
- sections 3(a)(3) and 3(a)(5) of the BHC Act that qualify for the procedures in section 225.14 of Regulation Y.

In some cases, a bank holding company acquisition may result in a person or group of persons acquiring control of the bank holding company for purposes of the Change in Bank Control Act (“CIBC Act”). In such cases, the qualifications for a regulatory exemption from the notice requirements of the CIBC Act may be fulfilled by providing, as part of the application under section 225.15 of Regulation Y, information required under paragraph (6)(A) of the CIBC Act (12 U.S.C. § 1817(j)(6)(A)) as well as any financial or other information required by the Reserve Bank under section 225.43 of Regulation Y. A person or group of persons that chooses not to provide this information as part of the application under section 225.15 of Regulation Y must separately comply with the prior notice requirements of the CIBC Act.

Preparation of Application

An applicant should consult the Board’s Regulation Y (12 CFR Part 225), a copy of which is available on the Board’s [public website](#) or from any Reserve Bank. Additional filing information is also available on the Board’s [public website](#). An applicant may submit a pre-filing before filing a formal application.¹

Inquiries regarding the preparation and filing of applications should be directed to the Reserve Bank of the Federal Reserve district in which the head office of the applicant or its sole or principal banking subsidiary

1. See SR letter 12-12 on the Board’s [public website](#).

General Instructions

either will be or is currently located (i.e., where the senior executives of the consolidated banking organization are located and overall strategic direction is established) (the “appropriate Reserve Bank”). Applicants are encouraged to contact Federal Reserve staff as soon as possible for assistance in identifying the specific type of information that should be provided in the application (particularly information related to convenience and needs or competitive considerations, including management official interlocks subject to Regulation L (12 CFR Part 212)) and to determine whether an examination of the bank(s) to be acquired will be required in connection with the proposed transaction.

The application is to be filed by submitting the information requested in this form to the appropriate Reserve Bank. Applicants are strongly encouraged to submit their applications electronically through the Federal Reserve System’s web-based application E-Apps (www.federalreserve.gov/bankinforeg/eapps.htm).² Additional information on E-Apps may be found on the Board’s [public website](#). Alternative formats to this form, if used, must provide all requested information. In order to be considered properly filed in accordance with the requirements of the BHC Act, the application must be substantially complete and responsive to each item of information requested (including an indication that the answer is “not applicable” or “none” if such is the case).

The appropriate Reserve Bank will review the submitted application to determine if it is substantially complete. If the application is considered complete, an acknowledgement letter will be sent indicating the date that the application has been formally accepted for processing. If not considered complete, the application will be returned to the applicant. As necessary to complete the record, a request for additional information may be sent to the contact person named in the application. Under certain circumstances, name check and financial information related to individuals involved in a proposed transaction may be required. Such information for individuals should be submitted on the Interagency Biographical and Financial Report (FR 2081c; OMB No. 7100-0134), and may be submitted in advance of the application. Contact the appropriate Reserve Bank for further information.

2. The application may alternatively be submitted in paper form.

If any information initially furnished in the application changes significantly during processing of the application, these changes should be communicated promptly to the appropriate Reserve Bank.

Financial Holding Companies

If the applicant seeks to become a financial holding company in connection with the proposed transaction, it must submit the necessary written declaration as part of the FR Y-3 filing. The declaration must conform to section 4(l) of the BHC Act and Regulation Y (sections 225.81 and 225.82, as appropriate). The applicant should contact the appropriate Reserve Bank and the Board’s [public website](#) for further information.

If the applicant is a financial holding company that is seeking to acquire a depository institution that is not well capitalized or well managed, the applicant must contact the appropriate Reserve Bank regarding the development and execution of an agreement under section 4(m) of the BHC Act acceptable to the Board. The agreement will outline the actions to be taken by the applicant to address the financial and/or managerial deficiencies of the depository institution, and any limitations on the activities of the applicant until those deficiencies are satisfactorily addressed.

Foreign Organizations

If the applicant is organized under the laws of a foreign country and is seeking to acquire a United States bank or bank holding company, the applicant must complete the form FR Y-3F (OMB No. 7100-0119, Application for a Foreign Organization to Acquire a U.S. Bank or Bank Holding Company) instead of this form.

Nonbanking Investments and Activities

Certain additional information is required if the applicant intends to acquire nonbanking operations, including a savings association or other nonbank insured depository institution, in connection with the proposed transaction. Any nonbanking investments or activities that are to be acquired under the authority of sections 4(c)(8) and 4(j) of the BHC Act require the prior approval of the Board and a companion FR Y-4 notification. (See section 225.28 of Regulation Y for a listing of permissible nonbanking activities approved

General Instructions

by regulation and section 225.24 of Regulation Y for the procedures to engage in those nonbanking activities.) Any nonbanking operations that are to be acquired under other provisions within section 4 of the BHC Act and that do not require the prior approval of the Board should be identified separately with relevant authorities cited. (See sections 225.22, 225.86 and 225.170 of Regulation Y for activities and investments that generally do not require the prior approval of the Board. Engaging in nonbanking acquisitions pursuant to expedited action under section 225.23 of Regulation Y is not appropriate.)

Publication Requirement

For applications filed pursuant to section 3 of the BHC Act, the applicant should publish a notice in a newspaper of general circulation in the community(ies) in which the head offices of the applicant bank holding company, its largest subsidiary bank, and each bank to be directly or indirectly acquired is located. The newspaper notice should provide opportunity for the public to submit written comments on the proposal for at least 30 calendar days after the date of publication, and must be published no more than 15 calendar days before and no later than 7 calendar days after the date that the application is filed with the appropriate Reserve Bank. The Board will publish notice of the proposal in the *Federal Register* upon receipt of the application. On written request by the applicant, the notice in the *Federal Register* may be published up to no more than 15 calendar days before the application is filed.

The applicant should consult with the appropriate Reserve Bank or the Board's [public website](#) for the specific publication format used at that Reserve Bank. A copy of the newspaper notice publication must be provided to the appropriate Reserve Bank, as required by Section 262.3(b) of the Board's Rules of Procedure.

The following is a sample notice:

Notice of Application for
(Formation of Bank Holding Company) or
(Acquisition of a Bank or
Bank Holding Company by a Bank Holding Company)
or
(Merger of Bank Holding Companies)

(Name and location of head office) intends to apply to the Federal Reserve Board for permission to (form a bank holding company with respect to) (acquire a bank,) (acquire/merge with another bank holding company,) (name and location of head office). We intend to acquire control of (name of bank and location of head office; include name and location of savings association or other nonbank insured depository institution, if any). The Federal Reserve considers a number of factors in deciding whether to approve the application, including the record of performance of banks we own in helping to meet local credit needs.

You are invited to submit comments in writing on this application to the Federal Reserve Bank of _____, (address of appropriate Reserve Bank). The comment period will not end before (date must be no less than 30 days from the date of publication of the application) and may be somewhat longer. The Board's procedures for processing applications may be found at 12 C.F.R. Part 262. Procedures for processing protested applications may be found at 12 C.F.R. 262.25. To obtain a copy of the Federal Reserve Board's procedures, or if you need more information about how to submit your comments on the application, contact (name of Reserve Bank contact and telephone number). The Federal Reserve will consider your comments and any request for a public meeting or formal hearing on the application if they are received in writing by the Reserve Bank on or before the last day of the comment period.

Confidentiality

Under the provisions of the Freedom of Information Act ("FOIA"—5 U.S.C. 552), the application is a public document and available to the public upon request. Once submitted, an application becomes a record of the Board and may be requested by any member of the public. Board records generally must be disclosed unless they are determined to fall, in whole or in part, within the scope of one or more of the FOIA exemptions from disclosure. See 5 U.S.C. 552(b)(1)-(9).

The exempt categories include (but are not limited to) "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (exemption 4), and information that, if disclosed, "would constitute a clearly unwarranted invasion of personal privacy" (exemption 6). The applicant may

General Instructions

request confidential treatment for any information submitted in (or in connection with) its application that the applicant believes is exempt from disclosure under the FOIA. For example, if the applicant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to its competitive position or that of its subsidiaries, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested.

The request for confidential treatment must be submitted in writing concurrently with the filing of the application (or subsequent related submissions), and must discuss in detail the justification for confidential treatment. Such justification must be provided for each portion of the application (or related submissions) for which confidential treatment is requested. The applicant's reasons for requesting confidentiality must specifically describe 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. (A claim that disclosure would violate the law or policy of a foreign country is not, in and of itself, sufficient to exempt information from disclosure. The applicant must demonstrate that disclosure would fall within the scope of one or more of the FOIA exemptions from disclosure.) The applicant must follow the steps outlined immediately below, and certify in the application (or related submissions) that these steps have been followed.

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."

With respect to applications that include information regarding an individual or individuals associated with the proposed transaction, the Board expects the applicant to certify that it has obtained the consent of the individual(s) to public release of such information prior to its submission to the Board or, in the absence of such consent, to submit (or ensure that the individual(s) submit(s)) a timely request for confidential treatment of the information in accordance with these instructions. Information submitted directly by an

individual or individuals will become part of the relevant application record, and, accordingly, will be a Board record subject to being requested by any member of the public under FOIA.

The Federal Reserve will determine whether information submitted as confidential will be so regarded, and will advise the applicant of any decision to make available to the public information labeled "CONFIDENTIAL." However, it shall be understood that, without prior notice to the applicant, the Board may disclose or comment on any of the contents of the application in the Order or Statement issued by the Board in connection with its decision on the application. The Board's staff normally will apprise the applicant in the course of the review process that such information may need to be disclosed in connection with the Board's action on the application.

For further information on the procedures for requesting confidential treatment and the Board's procedures for addressing such requests, consult the Board's Rules Regarding Availability of Information, 12 CFR part 261, including 12 CFR 261.17, which governs requests for confidential treatment.

Newly-Chartered or Converting Bank

If a proposed new operating bank or a charter conversion is involved, the applicant should contact the appropriate Reserve Bank before the review process for the charter application of the new or converting bank (and the review process for any related deposit insurance application) begins to determine the appropriate time(s) when the related Federal Reserve application(s) should be filed, and to discuss the informational requirements for the specific proposal. Applicants are encouraged to remain in contact with the appropriate Reserve Bank during the review process of all the relevant applications.

Supporting Information

The Federal Reserve specifically reserves the right to require the filing of additional statements and information. The questions in the application are not intended to limit an applicant's presentation. The applicant bears the full burden for presenting and documenting a case to demonstrate that it meets the statutory criteria for approval. Supporting information for any or all fac-

General Instructions

tors, setting forth the basis for the applicant's judgment to this effect, may accompany the application.

Compliance

The applicant is expected to comply with all representations and commitments made in this application. The applicant should immediately contact the appropriate Reserve Bank if there is any change in the proposal prior to consummation.

Requested Information

Proposed Transaction

1. Describe the transaction's purpose. Identify any changes to the business plan of the Bank/Bank Holding Company to be acquired or the Resultant Institution. Identify any new businesslines.
2. Provide the following with respect to the Bank/Bank Holding Company to be acquired:
 - a. Total number of shares of each class of stock outstanding;
 - b. Number of shares of each class now owned or under option by the applicant, by subsidiaries of the applicant, by principals of the applicant,³ by trustees for the benefit of the applicant, its subsidiaries, shareholders, and employees as a class, or by an escrow arrangement instituted by the applicant;
 - c. Number of shares of each class to be acquired by cash purchase; the amount to be paid, per share and in total; and the source of funds to be applied to the purchase;
 - d. Number of shares of each class to be acquired by exchange of stock, the exchange ratio, and the number and description of

3. The term principal as used herein means any individual, corporation, or other entity that (1) owns, or controls, directly or indirectly, individually or as a member of a group acting in concert, 10 percent or more of any class of voting securities or other voting equity interest of the entity; (2) is a director, trustee, partner, or executive officer; or (3) with or without ownership interest, participates, or has the authority to participate in major policy-making functions, whether or not the individual has an official title or is serving without compensation. If the applicant believes that any such individual should not be regarded as a principal, the applicant should so indicate and give reasons for such opinion.

each class of the applicant's shares to be exchanged; and

- e. A copy of the purchase, operating, shareholder, trust or other agreements associated with the proposed transaction. Also, provide the expiration dates of any contractual arrangement between the parties involved in this application and a brief description of any unusual contractual terms, especially those terms not disclosed elsewhere in the application. Note any other circumstances that might affect timing of the proposal.
3. If the proposed transaction is an acquisition of assets and assumption of liabilities, indicate the total price and the source of funds that the applicant intends to use for the proposed purchase, and discuss the effect of the transaction on the operations of the applicant.
4. If the proposed transaction involves the acquisition of an unaffiliated banking operation or otherwise represents a change in ownership of established banking operations, describe briefly the due diligence review conducted on the target operations by the applicant. Indicate the scope of and resources committed to the review, explain any significant adverse findings, and describe the corrective action(s) to be taken to address those weaknesses.
5. Provide a list of all regulatory approvals and filings required for the proposed transaction and the status of each filing.
6. Provide a copy of any findings, orders, approvals, denials or other documentation regarding the proposed transaction issued by any regulatory authority.
7. For applications filed pursuant to section 3(a)(1) of the BHC Act, if the proposed transaction would result in an organization other than a shell one-bank holding company, submit a pro forma organization chart showing the applicant's percentage of ownership of all banks and companies, both domestic and foreign, in which it directly or indirectly will own or control more than 5 percent of the outstanding voting shares.

General Instructions

Financial and Managerial Information

Note: Where the subsidiary or target banks have elected to utilize the Community Bank Leverage Framework, applicants are not required to identify risk-weighted assets or provide risk-weighted capital ratios where requested.

8. a. For an applicant that is not or would not be subject to consolidated capital standards following consummation of the proposed transaction,⁴ provide a parent company balance sheet as of the end of the most recent quarter, showing separately each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by detailed footnotes) reflecting the proposed transaction; and the resulting pro forma balance sheet. The pro forma balance sheet should reflect the adjustments required under business combination and fair value accounting standards;
- b. For an applicant that is or would be subject to consolidated capital standards following consummation of the proposed transaction,⁵ provide parent company and consolidated balance sheets as of the end of the most recent quarter, showing separately each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by detailed footnotes) reflecting the proposed transaction; and the resulting pro forma balance sheets; and

the financial information provided should be prepared in accordance with GAAP, and be in sufficient detail to reflect any:

- Common equity and preferred stock;
- Other qualifying capital;⁶
- Long and short-term debt;
- Goodwill and all other types of intangible assets;

4. This type of applicant includes a company or similar organization that on a pro forma basis would be subject to the Board's Small Bank Holding Company Policy Statement.

5. This type of applicant includes a company or similar organization that on a pro forma basis would not be subject to Board's Small Bank Holding Company Policy Statement.

6. Other qualifying capital includes, but is not limited to, trust preferred securities.

DRAFT

- Material changes between the date of the balance sheet and the date of the application (explained by footnotes).

c. Provide a broad discussion on the valuation of the target entity and any anticipated goodwill and other intangible assets. Also discuss the application of fair value and any election to apply push-down accounting adjustments, as appropriate.

9. For an applicant that is or would be subject to consolidated capital requirements under Regulation Q (12 CFR part 217) following consummation of the proposed transaction, provide a breakdown of the organization's existing and pro forma risk-weighted assets as of the end of the most recent quarter, showing each principal group of on and off-balance sheet assets and the relevant risk-weight. Also, identify the existing and pro forma components of common equity tier 1, additional tier 1 and tier 2 capital pursuant to the capital adequacy regulations as of the end of the most recent quarter, and provide calculations of applicant's existing and pro forma common equity tier 1 capital, tier 1 capital, total capital, and leverage ratios pursuant to the capital adequacy regulations. If applicable, also provide the applicant's existing and pro forma supplementary leverage ratio pursuant to the capital adequacy regulations.

10. Provide for the applicant and any other Bank(s)/Bank Holding Company(ies) that would result from the proposal:

a. A description of any plans (in connection with the proposed transaction, or otherwise) to issue, incur, or assume additional common equity, preferred stock, other qualifying capital, and/or debt. Specify the amount, purpose, name and location of the issuer and/or lender; provide a copy of any loan agreement, loan commitment letter from the lender, or other underlying agreement which provides the interest rate, maturity, collateral, and proposed amortization schedule; and discuss what resources would be used to service any debt or capital instruments arising from the proposed transaction; and

DRAFT

General Instructions

b. Cash flow projections under the following limited circumstances:

- For an applicant that is or would be subject to consolidated capital standards following consummation of the proposed transaction and that would incur or assume any debt in the proposal such that parent company long-term debt would exceed 30 percent of parent company equity capital, provide cash flow projections for the parent company for each of the next three years, along with supporting schedules for each material cash receipt and disbursement. If an applicant projects that dividends or other payments from subsidiary banks will be used to service parent company debt and/or other obligations, provide projections of subsidiary bank(s) assets, earnings, and dividends, as well as common equity tier 1, additional tier 1, total capital, and leverage ratios (including the supplementary leverage ratio, if applicable), or Community Bank Leverage Ratio, pursuant to the capital adequacy regulations. If the combined assets of the subsidiary banks exceed the asset threshold of the Board's Small Bank Holding Company Policy Statement, subsidiary bank data may be shown on an aggregate basis.
- For an applicant that is not or would not be subject to consolidated capital standards following consummation of the proposed transaction and that would incur or assume any debt or other obligations in the proposal such that parent company debt⁷ would exceed 30 percent of parent company equity capital, provide cash flow projections for the parent company for each of the next twelve years, along with supporting schedules for each material cash receipt and disburse-

ment. These projections must clearly demonstrate the ability of the parent company to reduce the debt to equity ratio to 30 percent or less within twelve years of consummation and must take into account the schedule of principal reduction required by the parent company's creditor(s). Include projections of subsidiary bank(s) assets, earnings, dividends, and other payments to affiliates, as well as common equity tier 1 capital, tier 1 capital, total capital and leverage ratios, or Community Bank Leverage Ratio, as appropriate. Explain the methods and assumptions utilized in the projections, and support all assumptions that deviate from historical performance.

- If the proposed transaction results in a change in ownership of the company (e.g., due to an exchange of stock), provide a current and pro forma shareholders list.
- If the subject transaction will be funded in whole, or in part, through the issuance of additional stock instruments, describe the current status of the stock raising efforts. Provide copies of the prospectus, private placement memorandum, and other documents associated with the capital raise. In addition, provide copies of any stock commitments, subscription agreements, or escrow account statements evidencing capital raised. Before submitting a final application, please contact the appropriate Reserve Bank to discuss the timing considerations of the capital raising efforts with regard to submission of the application.

11. For applications filed pursuant to section 3(a)(1) of the BHC Act, provide for the applicant and the Bank a list of principals (including changes or additions to this list to reflect consummation of the transaction), providing information with respect to each as follows:

- Name and address (City and State/Country). If the principal's country of citizenship is different from his or her country of residence, then state the country of citizenship;

7. Including any debt issued/incurred by nonbanking subsidiaries, such as trust preferred securities.

General Instructions

- b. Title or positions with the applicant and the Bank;
- c. Number and percentage of each class of shares of the applicant and the Bank owned, controlled, or held with power to vote by this individual;⁸
- d. Principal occupation if other than with the applicant or the Bank;
- e. Percentage of direct or indirect ownership, if such ownership represents 10 percent or more of any class of shares, or positions held in any other depository institution or depository institution holding company.⁹ Give the name and location of such other depository institution or depository institution holding company. (Information that has been collected or updated within the past 12 months may be submitted, unless the applicant has reason to believe that such information is incorrect.);
- f. Interagency Biographical and Financial Reports (IBFRs) are required for certain individuals. Consult with the appropriate Reserve Bank for guidance on who should provide an IBFR. See SR 15-8 Name Check Process for Domestic and International Applications for more details; and
- g. If the principal is a corporation or partnership, provide financial statements (balance sheets and income statements) for the two most recent fiscal years and the most recent quarter end. Discuss any negative trends in the financial statements.

12. For applications filed pursuant to sections 3(a)(3) or 3(a)(5) of the BHC Act, list any changes in management or other principal relationships for the applicant and any other Bank(s)/Bank Holding Company(ies) that would result from the proposal. For any existing

8. Include shares owned, controlled or held with power to vote by principal's spouse, dependents and other immediate family members. Give record ownership and, to the extent information is available, beneficial ownership of shares held by trustees, nominees, or in street names.

9. For purposes of this application, a "depository institution" is defined as a commercial bank (including a private bank), a savings bank, a trust company, a savings and loan association, a homestead

association, a cooperative bank, an industrial bank, or a credit union.

or proposed principal of the applicant or the Bank/Bank Holding Company that is also a principal of any other depository institution or depository institution holding company, provide the following information:

- a. Name, address, and title or position with Applicant, Bank/Bank Holding Company, and any other depository institution or depository institution holding company (give the name and location of the other depository institution or depository institution holding company);
- b. Number and percentage of each class of shares of the applicant and the Bank/Bank Holding Company owned, controlled, or held with power to vote by this individual;¹⁰
- c. Principal occupation if other than with the applicant or the Bank/Bank Holding Company;
- d. Percentage of direct or indirect ownership held in the other depository institution or depository institution holding company if such ownership represents 10 percent or more of any class of shares. (Information that has been collected or updated within the past 12 months may be submitted, unless the applicant has reason to believe that such information is incorrect; and
- e. For any new (to applicant) principal shareholders, directors, or senior executive officer, provide an IBFR including completion of all required financial information.

13. If the consolidated assets of the resulting organization are less than the asset threshold of the Board's Small Bank Holding Company Policy Statement for each principal of the applicant who either would retain personal indebtedness or act as guarantor for any debt that was incurred in the acquisition of shares of the applicant or the Bank/Bank Holding Company, provide the following:

- a. Name of borrower and title, position, or other designation that makes the borrower a principal of the applicant;
- b. Amount of personal indebtedness to be retained;

10. As defined in footnote number 3.

General Instructions

c. A description of the terms of the borrowing, the name and location of the lender, and a copy of any related loan agreement or loan commitment letter from the lender;

d. Statement of net worth as of a date within three months of the applicant's final filing of the application. The statement of net worth should be in sufficient detail to indicate each principal group of assets and liabilities of the reporting principal, and the basis for the valuation of assets (provide supporting documentation, as appropriate). In addition to debts and liabilities, the reporting principal should state on a separate schedule, any endorsed, guaranteed, or otherwise indirect or contingent liability for the obligation of others; and

e. Statement of most current year's income. In addition to indicating each principal source of annual income, the reporting principal should list annual fixed obligations arising from amortization and other debt servicing. (If the most current year's statement is not representative of the future, the reporting principal should submit a pro forma income statement and discuss the significant changes and the basis for those changes.)

14. Describe any litigation or investigation by local, state, or federal authorities involving the applicant or any of its subsidiaries or the target or any of its subsidiaries that is currently pending or was resolved within the last two years.

Competition

If the subject transaction is a bank holding company formation involving only one bank or an application filed pursuant to section 3(a)(3) or 3(a)(5) of the BHC Act to acquire a *de novo* bank, a response to items 15 and 16 is not required. Otherwise, the applicant should contact the appropriate Reserve Bank to determine whether a response to items 15 and 16 will be necessary. If a response is required, the applicant should obtain a preliminary definition of the relevant banking markets from the appropriate Reserve Bank. If the applicant disagrees with the Reserve Bank's preliminary definition of the banking market(s), it may in addition to supplying the information requested on the basis of the Reserve Bank's definition of the banking market(s), include its own definition of the banking market(s), with supportive data, and answer the questions based on its definition. If later analysis leads Federal Reserve staff to alter the preliminary definition provided, The applicant will be so informed.

15. Discuss the effects of the proposed transaction on competition considering the structural criteria specified in the Board's Rules Regarding Delegation of Authority (section 265.11c(11)(v)). The applicant may be required to provide additional information if Federal Reserve staff determines that the proposal exceeds existing competitive guidelines. Also, if divestiture of all or any portion of any bank or nonbanking company constitutes part of this proposal, discuss in detail the specifics and timing of such divestiture.

16. If the proposal involves the acquisition of non-bank operations under sections 4(c)(8) and 4(j) of the Bank Holding Company Act, a Form FR Y-4 should be submitted in connection with FR Y-3 filing. At a minimum, the information related to the nonbank operations should include the following:

- A description of the proposed activity(ies);
- The name and location of the applicant's and the Bank's direct or indirect subsidiaries that engage in the proposed activity(ies);
- Identification of the geographic and product markets in which competition would be affected by the proposal;
- A description of the effect of the proposal on competition in the relevant markets; and
- A list of major competitors in each affected market.

In addition, the applicant should identify any other nonbank operations to be acquired, with brief descriptions of the activities provided.

17. In an application in which any principal of the applicant or the Bank/Bank Holding Company is also a principal of any other insured depository institution or depository institution holding company, give the name and location of each office of such other institution that is located

General Instructions

within the relevant banking market of the Bank/Bank Holding Company, and give the approximate road miles by the most accessible and traveled route between those offices and each of the offices of Bank/Bank Holding Company.

Convenience and Needs

18. Describe how the proposal would assist in meeting the convenience and needs of the community(ies) to be served, including but not limited to the following:
 - a. Summarize efforts undertaken or contemplated by the applicant to ascertain and address the needs of the community(ies) to be served, including community outreach activities, as a result of the proposal.
 - b. For the combining institutions, list any significant anticipated changes in services or products offered by the depository subsidiary (ies) of the applicant or target that would result from the consummation of the transaction.
 - c. To the extent that any products or services of the depository subsidiary (ies) of the applicant or target would be offered in replacement of any products or services to be discontinued, indicate what these are and how they would assist in meeting the convenience and needs of the communities affected by the transaction.
 - d. Discuss any enhancements in products or services expected to result from the transaction.
19. Describe how the applicant and resultant institution, including its depository subsidiary (ies) would assist in meeting the existing and anticipated needs of its community(ies) under the applicable criteria of the Community Reinvestment Act (CRA) and its implementing regulations, including the needs of low- and moderate-income geographies and individuals. This discussion should include, but not necessarily be limited to, a description of the following:
 - a. The significant current and anticipated programs, products, and activities, including

lending, investments, and services, as appropriate, of the depository subsidiary (ies) of the applicant and the resultant institution.

- b. The anticipated CRA assessment areas of the depository subsidiary(ies) of the combined institution. If assessment areas of the depository subsidiary(ies) of the resultant institution would not include any portion of the current assessment area of that subsidiary, describe the excluded areas.
- c. The plans for administering the CRA program for the depository subsidiary (ies) of the resultant institution following the transaction.
- d. The plans for administering the CRA program for the depository subsidiary (ies) of the resultant institution following the transaction. For a subsidiary of the applicant or target that has received a CRA composite rating of “needs to improve” or “substantial noncompliance” institution-wide or, where applicable, in a state or multi-state Metropolitan Statistical Area (MSA), or has received an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which the applicant is expanding as a result of the transaction, describe the specific actions, if any, that have been taken to address the deficiencies in the institution’s CRA performance record since the rating.

20. List all offices of the depository subsidiary (ies) of the applicant or target that (a) will be established or retained as branches, including the main office, of the target’s depository subsidiary (ies), (b) are approved but unopened branch(es) of the target’s depository subsidiary (ies), including the date the current federal and state agencies granted approval(s), and (c) are existing branches that will be closed or consolidated as a result of the proposal (to the extent the information is available) and indicate the effect on the branch customers served. For each branch, list the popular name, street address, city, county, state, and zip code specifying any

General Instructions

that are in low- and moderate-income geographies.¹¹

Interstate Banking

21. If the transaction involves the acquisition of a bank located in a State other than the home State of the applicant, please provide the following information, as applicable:

- Identify any host state(s) involved with this transaction that require the target to be in operation for a minimum number of years and discuss compliance with this age requirement.
- Discuss compliance with nationwide and statewide deposit concentration limits to the transaction.
- Discuss compliance with state-imposed deposit caps.
- Discuss compliance with community reinvestment laws.
- Discuss any other restrictions that the host state(s) seek to apply (including state anti-trust restrictions).

Financial Stability

If either the acquirer or the target's total assets exceeds \$10 billion as of the most recent quarter for which data is available, address the following questions:

- If either the acquirer or the target conducts any cross-border activities, please describe the nature of these activities and the amounts of cross-border assets and liabilities as of the most recent quarter for which data is available.
- For each financial service below, if the dollar volume related to the service provided either by the acquirer or the target exceeds \$1 billion, please report the annual volume over the past 12 months (otherwise, do not report).

Financial Service	Acquirer	Target
Short-term funding (e.g., repos, fed funds)		
Underwriting services (e.g., equity, corporate bonds, commercial paper, ABS)		
Trading activities (e.g., equity, corporate bonds, derivatives)		
Payments, clearing, settlement, and custody services		
Prime brokerage		
Securities lending		
Corporate trust		
Correspondent banking		
Wealth management		
Insurance (including reinsurance)		

11. Please designate branch consolidations as those terms are used in the Joint Policy Statement on Branch Closings, [64 FR 34844 (June 29, 1999)].

Board of Governors of the Federal Reserve System



Notification by a Bank Holding Company to Acquire a Nonbank Company and/or Engage in Nonbanking Activities—FR Y-4

Corporate Title of Notificant

Street Address

City _____ State _____ Zip Code _____

Hereby provides the Board with a notice pursuant to:

(1) Section 4(c)(8) and 4(j) of the Bank Holding Company Act of 1956, as amended ("BHC Act"— 12 U.S.C. § 1843), under the "Expedited action for certain nonbanking proposals by well-run bank holding companies" as described in section 225.23 of Regulation Y; or

(2) Section 4(c)(8) and 4(j) of the BHC Act, under the "Procedures for other nonbanking proposals" as described in section 225.24 of Regulation Y;

for prior approval to engage directly or indirectly in certain nonbanking activities, *de novo*, through acquisition of the assets of a going concern, or through direct or indirect ownership, control, or power to vote at least _____ (_____ %) of the voting shares of:

Number _____

Corporate Title of Company to be Acquired and/or Description of Nonbanking Activity (refer to section 225.28 of Regulation Y, as applicable)

Street Address

City _____ State _____ Zip Code _____

Does notificant request confidential treatment for any portion of this submission?

Yes

As required by the General Instructions, a letter justifying the request for confidential treatment is included.

The information for which confidential treatment is being sought is separately bound and labeled "Confidential."

No

Public reporting burden for this collection of information is estimated to average 0.5 hours for a post-consummation notification, 5 hours for an expedited notification, and 12 hours for a complete notification, including the time to gather and maintain data in the required form, to review instructions, and to 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: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0121), Washington, DC 20503. The Federal Reserve may not conduct or sponsor, and an organization or a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

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

Name _____
Title _____
Street Address _____
City _____ State _____ Zip Code _____
Area Code / Phone Number _____
Email Address _____

Name _____
Title _____
Street Address _____
City _____ State _____ Zip Code _____
Area Code / Phone Number _____
Email Address _____

Certification

I certify that the information contained in this notification has been examined carefully by me and is true, correct, and complete, and is current as of the date of this submission to the best of my knowledge and belief. I acknowledge that any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject me to legal sanctions provided by 18 U.S.C. §§ 1001 and 1007.

I also certify, with respect to any information pertaining to an individual and submitted to the Board in (or in connection with) this notification, that the notificant has the authority, on behalf of the individual, to provide such information to the Board and to consent or to object to public release of such information. I certify that the notificant and the involved individual consent to public release of any such information, except to the extent set forth in a written request by the notificant or the individual, submitted in accordance with the Instructions to this form and the Board's Rules Regarding

Availability of Information (12 C.F.R. Part 261), requesting confidential treatment for the information.

I acknowledge that approval of this notification is in the discretion of the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Actions or communications, whether oral, written, or electronic, by the Federal Reserve or its employees in connection with this filing, including approval if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, the United States or any other entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of the Federal Reserve to exercise its supervisory, regulatory, or examination powers under applicable laws and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agency of the Federal Reserve or of the United States.

Signed this _____ day of _____, _____.
Day _____ Month _____ Year _____

Signature of Chief Executive Officer or Designee

Print or Type Name _____ Title _____

INSTRUCTIONS FOR PREPARATION OF

Notification by a Bank Holding Company

to Acquire a Nonbank Company and/or

Engage in Nonbanking Activities

FR Y-4

Who May Use This Form

This form should be used for notifications filed with the Federal Reserve System (the "Federal Reserve") under section 4 of the Bank Holding Company Act of 1956, as amended (the "BHC Act"—12 U.S.C. 1843) pursuant to sections 225.23 or 225.24 of the Board of Governors of the Federal Reserve System's (the "Board's") Regulation Y, where a bank holding company proposes to engage in a nonbanking activity, either *de novo* or through the acquisition or control of shares or assets of an existing nonbank company.

Exemptions for certain *de novo* activities: A well-run bank holding company (a company meeting the criteria in sections 225.23(c) of Regulation Y) that complies with the requirements in section 225.22(a) of Regulation Y may engage *de novo* in the nonbanking activities listed in section 225.28(b) of Regulation Y (except operating a nonbank insured depository institution) without obtaining the Board's prior approval. However, a notice must be provided to the appropriate Reserve Bank (defined below) within 10 business days after commencing the activity as required by section 225.22(a) of Regulation Y. In fulfilling that notice requirement, the notifying bank holding company should *not* use this form, but instead must provide by letter the information and certifications specified in section 225.22(a)(3) of Regulation Y.

Preparation of Notification

A notificant should consult the Board's Regulation Y (12 CFR Part 225), a copy of which is available on the Board's [public website](#) or from any Reserve Bank.

Additional filing information is also available on the Board's [public website](#).

Federal Reserve district in which the head office of Notificant or its sole or principal banking subsidiary either will be or is currently located (i.e. where the senior executives of the consolidated banking organization are located and overall strategic direction is established) (the "appropriate Reserve Bank"). The notificants are encouraged to contact Federal Reserve staff as soon as possible to discuss whether a notification is appropriate for the proposed transaction.

The notification is to be filed by submitting the information requested in this form to the appropriate Reserve Bank. Notificants are strongly encouraged to submit their notifications electronically through the Federal Reserve System's web-based application E-Apps (www.federalreserve.gov/bankinforeg/eapps.htm).¹ Additional information on E-Apps may be found on the Board's [public website](#). Alternative formats to this form, if used, must provide all requested information. In order to be considered properly filed in accordance with the requirements of the BHC Act, the notification must be substantially complete and responsive to each item of information requested (including an indication that the answer is

“not applicable” or “none” if such is the case). Filing Categories

A notificant should identify the specific legal authority(ies) for engaging in the proposed nonbanking activity by referring to section 225.28(b) of Regulation Y – *Activities determined by regulation to be permissible and* provide the citation in this section under which the proposed activity is permissible or, alternatively, refer to the order of the Board of Governors in which the Board previously determined the activity to be so closely related to banking, or managing or controlling banks as to be a proper incident thereto.

For filers submitting notice as described in section 225.23 of Regulation Y refer to the following:

Section 225.23(c)(1)-(6) Criteria for use of expedited procedure. Address each item of this section to confirm eligibility to file under the expedited procedure or, if not applicable, indicate NA and describe why.

Section 225.23(a)(1) Information required. Provide a detailed response to each item or, if not applicable, indicate NA and describe why.

For filers submitting notice as described in section 225.24 of

GEN-1

February

Regulation Y refer to the following:

Section 225.24(a)(1) *Engaging de novo in listed activities.* If filer proposed to commence the activity “de novo,” provide the information identified in this paragraph.

Section 225.24(a)(2) *Acquiring company engaged in listed activities.* If filer proposes to acquire an ongoing concern, provide a detailed response to each item or, if not applicable, indicate NA and describe why.

Section 225.24(b)(1) *Notice to public. Listed activities and*

activities approved by order. The Reserve Bank will publish notice in the *Federal Register* for activities in these categories.

(1) *Expedited Nonbanking Proposals*—A well-run bank holding company may (i) engage *de novo* in any nonbanking activity approved by Board order and (ii) acquire voting shares or assets of a going concern engaged in any nonbanking activity approved by Board regulation (except operating a nonbank insured depository institution) and most nonbanking activities approved by Board order if the bank holding company has

1. The notification may alternatively be submitted in paper form.

DRAFT

General Instructions

provided written notice to the appropriate Reserve Bank at least 12 business days before commencing the proposed activity and the appropriate Reserve Bank or the Board has not indicated within that period that a notice would be required under section 225.24 of Regulation Y. The criteria and information required to comply with the 12 business day prior notice procedure are described in section 225.23 of Regulation Y. This expedited procedure may not be used for proposals to acquire or otherwise operate a nonbank insured depository institution.

Proposals eligible for the 12 business day prior notice procedure in section 225.23 of Regulation Y do not include proposals that the Board has indicated (in section 225.23(c)(3)(ii) of Regulation Y) are subject to the notice procedures provided in section 225.24 of Regulation Y. For example, some activities approved only by Board order may require a notice under section 225.24 of Regulation Y. Questions regarding whether an activity approved by Board order requires a notice under section 225.24 of Regulation Y should be addressed to the appropriate Reserve Bank.

(2) *Other Nonbanking Proposals*—Proposals that do not qualify for the 10 business day post notice procedure (section 225.22(a) of Regulation Y) or the 12 business day prior notice (section 225.23 of Regulation Y) procedure discussed above must comply with the procedures in section 225.24 of Regulation Y. Proposals in which a company would become a bank holding company must also comply with the procedures in section 225.24 of Regulation Y. Proposals that are eligible for processing under authority delegated to the appropriate Reserve Bank will be acted on within 30 calendar days after the notice is filed unless the Notificant is informed otherwise. Proposals that are not otherwise eligible for Reserve Bank processing will normally be acted on by the Board within 60 calendar days after the notice is filed.

(a) *Engaging de novo in Listed Activities*—Proposals to engage *de novo* in any nonbanking activity described in section 225.28(b) of Regulation Y that are filed under the procedures described in this Filing Category must

contain the information set forth in section 225.24(a)(1) of Regulation Y. Proposals to engage *de novo* in operating a nonbank insured depository institution or to engage in nonbanking activities through an initial joint venture are usually viewed as acquisitions for purposes of this paragraph, and must follow the procedures described in paragraph (b) below. Questions regarding whether an activity would be considered *de novo* should be addressed to the appropriate Reserve Bank.

(b) *Acquiring a Company Engaged in Listed Activities*—Proposals to acquire voting shares or assets of a going concern engaged in any nonbanking activity described in section 225.28(b) of Regulation Y, that are filed under the procedures described in this Filing Category, must contain the information set forth in section 225.24(a)(2) of Regulation Y.

(c) *Engaging in or Acquiring a Company Engaged in Unlisted Activities*—Proposals to engage *de novo* or to acquire voting shares or assets of a going concern engaged in any nonbanking activity not described in section 225.28(b) of Regulation Y that are filed under the procedures described in this Filing Category must contain the information set forth in sections 225.24(a)(2) and (4) of Regulation Y.

Proposals involving the acquisition of an insured depository institution that require approval under section 4 of the BHC Act should use this form. The filing must be modified to satisfy the same information and publication requirements that would apply if the savings association or other nonbank insured depository institution to be acquired were a bank. Generally, the notification must satisfy the requirements contained in sections 225.14, 225.15, and 225.16 of Regulation Y. If the notificant is seeking expedited action for the proposal, the bank holding company and the proposal must satisfy all applicable criteria under section 225.14 of Regulation Y. The notificant may use the forms FR Y-3 and FR Y-3N as guides for the type of information that should be included in the notification. Notice of the

General Instructions

DRAFT

proposals also may be filed under section 225.24 of Regulation Y as described in Filing Category (2).

Publication Requirement

Proposals filed under the 12 business day prior notice procedure (section 225.23 of Regulation Y) described in Filing Category (1) do not require public notice. All proposals filed under section 225.24 of Regulation Y described in Filing Category (2) will be published in the *Federal Register* with a public comment period of at least 15 calendar days. The Board will publish notice of the proposal in the *Federal Register* upon receipt of the notification. On written request by the notificant, the notice in the *Federal Register* may be published up to 15 calendar days before the notification is filed.

As a matter of policy, proposals to acquire a savings association also require newspaper publication with a public comment period of at least 30 calendar days after the date of publication. The notice must be published in a newspaper of general circulation in the communities in which the head offices of the notificant bank holding company, its largest subsidiary bank, and each savings association to be directly or indirectly acquired is located. See 12 CFR 262.3(b)(1)(ii)(E). The newspaper notice for a proposal to acquire a savings association also must be published no more than 15 calendar days before and no later than 7 calendar days after the date that the notification is filed with the appropriate Reserve Bank.

Notificant should consult with the appropriate Reserve Bank or the Board's [public website](#) for the specific publication format used at that Reserve Bank. A copy of any required newspaper notice publication must be provided to the appropriate Reserve Bank, as required by Section 262.3(b) of the Board's Rules of Procedure.

Supporting Information

The Federal Reserve specifically reserves the right to require the filing of additional statements and information. The questions in the notification are not intended to limit a notificant's presentation. The notificant bears the full burden for presenting and documenting a case to demonstrate that it meets the statutory criteria for approval. Supporting information for any or all factors, setting forth the basis for the notificant's judgment to this effect, may accompany the notification.

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Confidentiality

Under the provisions of the Freedom of Information Act (“FOIA”—5 U.S.C. 552), the notification is a public document and available to the public upon request. Once submitted, a notification becomes a record of the Board and may be requested by any member of the public. Board records generally must be disclosed unless they are determined to fall, in whole or in part, within the scope of one or more of the FOIA exemptions from disclosure. See 5 U.S.C. § 552(b)(1)-(9).

The exempt categories include (but are not limited to) “trade secrets and commercial or financial information obtained from a person and privileged or confidential” (exemption 4), and information that, if disclosed, “would constitute a clearly unwarranted invasion of personal privacy” (exemption 6). The notificant may request confidential treatment for any information submitted in or in connection with its notification that the notificant believes is exempt from disclosure under FOIA. For example, if the notificant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to its competitive position or that of its subsidiaries, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested.

The request for confidential treatment must be submitted in writing concurrently with the filing of the notification (or subsequent related submissions), and must discuss in detail the justification for confidential treatment. Such justification must be provided for each portion of the notification (or related submissions) for which confidential treatment is requested. The notificant's reasons for requesting confidentiality must specifically describe 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. (A claim that disclosure would violate the law or policy of a foreign country is not, in and of itself, sufficient to exempt information from disclosure. The notificant must demonstrate that disclosure would fall within the scope of one or more of the FOIA exemptions from disclosure.) The notificant must follow the steps outlined immediately below, and certify in the

notification (or related submissions) that these steps have been followed.

Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the notification (by reference to the confidential section); (2) separately bound; and (3) labeled “CONFIDENTIAL.”

With respect to notifications that include information regarding an individual or individuals associated with the proposed transaction, the Board expects the notificant to certify that the notificant has obtained the consent of the individual(s) to public release of such information prior to its submission to the Board or, in the absence of such consent, to submit (or ensure that the individual(s) submit(s)) a timely request for confidential treatment of the information in accordance with these instructions. Information submitted directly by an individual or individuals will become part of the relevant notification record, and, accordingly, will be a Board record subject to being requested by any member of the public under FOIA.

The Federal Reserve will determine whether information submitted as confidential will be so regarded, and will advise the notificant of any decision to make avail-

able to the public information labeled “CONFIDENTIAL.” However, it should be understood that, without prior notice to the notificant, the Board may disclose or comment on any of the contents of the notification in the Order or Statement issued by the Board in connection with its decision on the notification. The Board's staff normally will apprise the notificant in the course of the review process that such information may need to be disclosed in connection with the Board's action on the notification.

For further information on the procedures for requesting confidential treatment and the Board's procedures for addressing such requests, consult the Board's Rules Regarding Availability of Information, 12 CFR part 261, including 12 CFR 261.17, which governs requests for confidential treatment.

Compliance

The notificant is expected to comply with all representations and commitments made in this notification. The notificant should immediately contact the appropriate Reserve Bank if there is any change in the proposal prior to consummation.