

1402 Application by a Foreign Bank for a Certificate of Authority to Establish A Foreign Bank Limited Purpose Branch Or Foreign Bank Agency
5 Del.C. §1403

Formerly Regulation No.: 5.1403.0002

Effective Date: August 13, 1998

Any application made to the State Bank Commissioner pursuant to §1403 of Title 5, **Delaware Code**, shall be submitted on the form appended hereto and accompanied by all documents called for by such form as well as by a duly authenticated copy of its charter and bylaws. A non-refundable filing fee of \$2,000 - payable to "State of Delaware", must accompany the filing of the attached application (5 **Del. C.**, §1403(c)).

State of Delaware
OFFICE OF THE STATE BANK COMMISSIONER
Application of a Foreign Bank for a
Certificate of Authority to Establish a Foreign Bank Limited Purpose Branch
or Foreign Bank Agency
Pursuant to 5 Del. C. §1401

APPLICANT (Foreign Bank)

Name of Bank

Address of Principal Office (Street, City/Town, County, Country and Zip Code)

Country Organized in	Date Incorporated	Duration of Corporation
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Type of Business:

_____ Commercial Banking	_____ Merchant Bank	_____ Other Foreign Institution
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PROPOSED (please indicate)

_____ FOREIGN BANK LIMITED PURPOSE BRANCH OR
_____ FOREIGN BANK AGENCY

Proposed Location (Street), City/Town, County, State and Zip Code)

I, the undersigned, President of _____,
being duly authorized by a resolution of the Board of Directors (copy herewith submitted),
hereby apply for a Certificate of Authority with respect to the proposed __ foreign bank limited
purpose branch or __ foreign bank agency (please indicate). In making this application, I am not
acting as an agency for other persons undisclosed to the State Bank Commissioner.

In support of the application, I hereby make the following statements and
representations and submit the following information for the purpose of inducing the State Bank
Commissioner to issue such Certificate of Authority:

The UNDERSIGNED HEREBY CERTIFIES that the statements contained herein
are true to my best knowledge and belief.

(Print or Type Name of President)

Signature

Date

Sworn and Subscribed before me this _____ day of _____, _____.

Notary Public

Part I. APPLICANT

1. List the States and Countries into which the Applicant has been admitted or is qualified to transact business. Provide the title and address of the appropriate regulator in each case.

2. Provide an opinion of a member of the Bar of the State or Country of origin that:
 - (a) applicant's charter authorizes it to carry on the business contemplated by the application;
 - (b) applicant has at all times conducted, and is now conducting, its business as authorized by its charter and bylaws and in compliance with the laws of the State or Country of origin; and
 - (c) the application complies with the laws of the State or Country of origin.

3. If the Applicant is required to make filings with the Securities and Exchange Commission under Section 14 or 15(d) of the Securities Exchange Act of 1934, the Applicant shall file with this application copies of all such filings made within the three year period immediately preceding the date of this application (provided that 10Q filings need not be included if 10K filings for the applicable year are provided). If no such filings are made, then there shall be attached to this application copies of the applicant's annual certified financial statements for the most recent three fiscal years for which they are available and the latest available quarterly statement. If the Applicant is a subsidiary of a bank holding company, the annual financial statements for such bank holding company for the most recent three fiscal years for which they are available and for the latest available fiscal quarter shall also be attached (provided that if the Applicant's annual financial statements are prepared on a consolidated basis with those of its parent bank company, only the consolidated financial statements need be attached).

Also attach a listing of all persons who are directors or executive officers of the Applicant Bank, listing as to each: his or her name and business address, present principal business activity, occupation or employment (including office held) and, if carried on with an organization other than that the applicant, the name, principal business and address of such other organization.

4. The attached statement of financial condition should be prepared as of the date within 120 days prior to the date of the application.

INSTRUCTIONS

This statement of the financial condition of your institution should be prepared as at the date within 120 days prior to the date of the application.

1. It is requested that the statement form be carefully reviewed before preparing the figures, and that all assets, liabilities and capital accounts be segregated and reported in the appropriate printed titles, wherever possible. If you have items which cannot properly be classified under these titles, use the additional lines, and indicate clearly the nature of each such item by attaching explanations where necessary.
2. All “reserves” or “provisions” should be analyzed and reported as follows:
 - (a) Reserves or provision for known or expected losses on assets should be deducted from such asset accounts;
 - (b) Reserves or provision for known or expected liabilities should be reported in Liability items 9 or 14, as the case may be; and
 - (c) Reserves or provision for future contingencies or unforeseen losses should be included in Liability item 18.
3. Include in Asset item 3 only balances on deposit by your institution with other banks. Do not include overdrafts by other banks in their accounts with your institution, or “call loans” or other extensions of credit to them. All such advances should be included as loans, Asset item 6, or should be reported separately below in Asset item 15, with appropriate explanations.
4. Include in Asset item 4 all obligations of National governments, such as short term “treasury bills” discounted, as well as bonds or other securities issued by them. Securities included in both Asset items 4 and 5 should be reported at net book values, less the allocated “reserves” or “provisions”. The current market value (at the statement date) must also be reported in the footnote to the statement.
5. Include in Liability item 17 all “reserves” or “surplus” paid in or accumulated from prior periods, and all profits carried forward at previous closings of the books, less amounts actually appropriated for dividends already declared. Current earnings and profits, less expenses and losses incurred since the latest closing of the books, should also be included in this item.
6. Unpaid dividends, including amounts declared by the directors out of current or prior profits should be included in Liability item 14.
7. All “per contra” accounts such as “collections for account of customers,” “securities held for account of customers,” “customers’ liability on letters of credit,” “guarantees,” et cetera, should be omitted from the statement of assets, liabilities and capital accounts, but should be reported separately as “contingent assets and liabilities.”
8. This statement should be verified by the oath of a principal executive officer of the bank. If that officer is unable to verify, the reasons for his failure to execute the affidavit should be

recited in and made a part of the verification. The required oath may be administered without the United States by an ambassador, a minister plenipotentiary, a minister extraordinary, a minister resident, a charge d'affaires, a consul-general, a vice-consul-general, a deputy-consul-general, a consul, a vice-consul, a deputy consul, a consular agent, a vice-consular agent, a commercial agent, or a vice-commercial agent of the United States within his jurisdiction. The seal of his office or the seal of the consulate or legation to which he is attached should be affixed.

BEFORE PREPARING THIS STATEMENT
PLEASE READ THE INSTRUCTIONS ON THE PREVIOUS PAGE

STATEMENT TO THE BANK COMMISSIONER OF THE STATE OF DELAWARE

ASSETS

ASSETS	FOREIGN AMOUNT	CONVERSION RATE*	U.S. DOLLARS
1. Cash on hand (currency, coin, and bullion)	_____	_____	_____
2. Exchanges and checks for next day's clearings	_____	_____	_____
3. Deposits in other banking institutions (See Instruction No. 3)	_____	_____	_____
4. Securities of National Governments** (See Instruction No. 4)	_____	_____	_____
5. Other readily marketable securities** (See Instruction No. 4)	_____	_____	_____
6. Loans and discounts, including overdrafts and mortgages	_____	_____	_____
7. Bills rediscounted or sold with endorsement	_____	_____	_____
8. Customers' liability on acceptances	_____	_____	_____
9. Investments in banking premises, furniture and fixtures	_____	_____	_____
10. Investments in affiliated and subsidiary companies	_____	_____	_____
11. Loans and advances to affiliated and subsidiary companies	_____	_____	_____
12. Accrued interest and commissions receivable	_____	_____	_____
13. Inter-branch accounts	_____	_____	_____
14. Other cash items	_____	_____	_____

15. Other assets _____

16. Total assets _____

*Conversion rate should be as of the date of the statement

**Current market value of:

(Item 4) Securities of National Governments _____

(Item 5) Other readily marketable securities _____

STATEMENT TO THE BANK COMMISSIONER
OF THE STATE OF DELAWARE
LIABILITIES AND CAPITAL ACCOUNTS

LIABILITIES AND CAPITAL ACCOUNTS	FOREIGN AMOUNT	CONVERSION RATE	U.S. DOLLARS
1. Deposits secured by pledge of assets	_____	_____	_____
2. Deposits of National Governments and political subdivisions	_____	_____	_____
3. Deposits of banking institutions	_____	_____	_____
4. Other demand deposits, including certified and officers' checks	_____	_____	_____
5. Other time deposits, including certificates of deposits and savings accounts	_____	_____	_____
6. Total deposits (total of items 1 to 5, inclusive)	_____	_____	_____
7. Currency in circulation	_____	_____	_____
8. Bills rediscounted or sold with endorsement	_____	_____	_____
9. Other liabilities for borrowed money, however represented	_____	_____	_____
10. Acceptances outstanding	_____	_____	_____
11. Accrued interest, taxes and expenses payable	_____	_____	_____
12. Unearned interest and commissions	_____	_____	_____
13. Inter-branch accounts	_____	_____	_____
14. Other liabilities	_____	_____	_____
15. Total liabilities (total of items 6 to 14 inclusive)	_____	_____	_____
16. Capital stock	_____	_____	_____
17. Surplus and undivided profits (See Instruction No. 5)	_____	_____	_____
18. Reserves for contingencies (See Instruction No. 2)	_____	_____	_____
19. Total capital accounts (items 16 to 18 inclusive)	_____	_____	_____
20. Total liabilities and capital (item 15 plus item 19)	_____	_____	_____

3. PRO FORMA STATEMENT OF CONDITION - BEGINNING OF BUSINESS

Assets		Liabilities and Capital	
<u>Description</u>	<u>Amount</u>	<u>Description</u>	<u>Amount</u>
Cash and due from banks	_____	Liabilities	_____
Securities	_____		
Loans	_____		
Bank premises	_____	Total Liabilities	_____
Furniture, fixtures and equipment	_____		
Other Assets	_____		
Net organization expense			
Total Assets	_____		

4. OFFICE(S)

Instructions: Complete all appropriate sections below. Where not applicable, insert "none." When the disclosure of any information may adversely affect ongoing negotiations, include such information in the Confidential Section of this application. Copies of any completed contracts should be submitted for the confidential use of the State Bank Commissioner.

- a. Type of Occupancy (Check all which apply to indicate both type of quarters at opening and contemplated permanent quarters.)

_____ Permanent quarters leased (Complete b and c below)
 _____ Temporary quarters (Complete e below)
 _____ Permanent quarters owned (Complete b and d below)

- b. Description of Premises

Dimensions of Lot	Dimensions of Building	Number of Stories	Number of Parking Spaces
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Type of construction of building:

Details of building interior (mention all employee facilities and size of lobby area):

c. PREMISES LEASED

Name of Owner: _____

Cost or appraised value of premises: _____

Cost and description of leasehold improvements: _____

Terms of Lease (Include renewal options):

Insurance to be carried: _____

Annual Rental: _____

Annual Amortization: _____

Copies of any lease should be submitted for the confidential use of the State Bank Commissioner. Except where State law obviates the need, a clause similar to the following should be incorporated in all leases drawn for the term exceeding one year in connection with this application:

“Notwithstanding any other provisions contained in this lease, in the event the lessee is closed or taken over by the banking authority in the State of Delaware, or other bank supervisory authority, the lessor may terminate the lease only with the concurrence of such banking authority or other bank supervisory authority, and any such authority shall in any event have the election either to continue or to terminate the lease: Provided, that in the event this lease is terminated, the maximum claim of Lessor for damages or indemnity for injury resulting from the rejection or abandonment of the unexpired term of the lease shall in no event be in any amount exceeding the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises to the Lessor, or the date of re-entry of the Lessor, whichever first occurs, whether before or after the closing of the lessee, plus an amount equal to the unpaid rent accrued, without acceleration up to such date.”

d. PREMISES OWNED

Existing Structure

Name of Seller: _____

Date Constructed: _____

Cost to Bank: _____

Cost and description of necessary repairs and alterations _____

Assessed Valuation:

Insurance to be Carried:

Estimated Annual Depreciation:

Depreciation Method:

Proposed Structure

Important: In estimating cost of construction, include architect's fee, site preparation, paving and landscaping.

Name of Seller of lot: _____

Cost of lot to bank: _____

Construction Cost: _____

Estimated Assessed Valuation: _____

Insurance to be carried: _____

Estimated Annual Depreciation: _____

Depreciation Method: _____

Is the bank structure to be designed to permit additions to the building at a later date? _____ yes _____ no

e. Temporary Quarters

Name of Owner: _____

Cost or monthly rental: _____

Location (Include distance and direction from permanent quarters): _____

Insurance to be carried: _____

Description of facilities and services offered (submit copies of lease or other contracts):

Comments: _____

6. ORGANIZATION EXPENSES

INSTRUCTIONS: List all expenses related to the organization of the foreign bank limited purpose branch or foreign bank agency. Include all expenses paid, additional costs anticipated prior to the opening date, and include any expenses for work performed during the organization phases for which disbursement has been deferred beyond the opening date.

IMPORTANT: If legal or other fees appear to be excessive in volume or amount, supportive documentation will be required.

NAME OF RECIPIENT	ASSOCIATION WITH BANK			TYPE OF RELATIONSHIP (Specify Director, Officer, 5% Stockholder, or their relatives. Designate any business interests of the aforementioned.)	AMOUNT
	Direct	Indirect	None		

Attorney Fees:

1. TOTAL ATTORNEY FEES

Consultant Fees:

2. TOTAL CONSULTANT FEES

3. TOTAL PRE-OPENING SALARIES

4. TOTAL PRE-OPENING TRAVEL AND ENTERTAINMENT

5. TOTAL APPLICATION AND INVESTIGATION FEES

Other Expenses: (Describe in detail any item in excess of \$1,000)

6. TOTAL OTHER EXPENSES

Total Organization Expenses (Sum of lines 1-6 above.)

Pre-opening income

NET TOTAL

DESCRIBE SOURCE OF PRE-OPENING INCOME

DESCRIBE HOW ORGANIZATION EXPENSES WILL BE PAID

PROPOSED FOREIGN BANK LIMITED

PURPOSE BRANCH OR

FOREIGN BANK AGENCY

PROJECTED AVERAGE ASSETS AND LIABILITIES

	<u>ASSETS</u>	YEAR 1	YEAR 2	YEAR 3
1.	Cash & Cash Items in Process of Collection	_____	_____	_____
2.	Due from U.S. Office of Banks (including placements of \$) (1)	_____	_____	_____
3.	Due from Foreign Offices of Banks (1)	_____	_____	_____
4.	Investment Securities	_____	_____	_____
5.	Securities Purchased under Resale Agreements	_____	_____	_____
6.	Loans, Advances, Overdrafts (1)	_____	_____	_____
7.	Federal Funds Sold (1)	_____	_____	_____
8.	Customers' Liability on Acceptances and Deferred Payment Credits (1)	_____	_____	_____
9.	Bank Premises, Leasehold Improvements	_____	_____	_____
10.	Furniture, Fixtures and Equipment	_____	_____	_____
11.	Other Assets (1)	_____	_____	_____
12.	TOTAL ASSETS (Excluding Head Office, Branches & Wholly Owned Subsidiaries)	_____	_____	_____
13.	Due from Head Office, Branches, Wholly Owned Subsidiaries (Including loans, overdrafts, def. pay't credits, accept., FF sold, etc.)	_____	_____	_____
14.	TOTAL ASSETS	_____	_____	_____

(1)Excluding Due from Head Office, Branches and Wholly Owned Subsidiaries

PROPOSED FOREIGN BANK LIMITED PURPOSE BRANCH OR
FOREIGN BANK AGENCY
PROJECTED AVERAGE ASSETS AND LIABILITIES

	<u>LIABILITIES</u>	YEAR 1	YEAR 2	YEAR 3
	CREDIT BALANCES (1)			
15.	Domestic IPCs	_____	_____	_____
16.	U.S. Offices of Banks	_____	_____	_____
17.	U. S. Government	_____	_____	_____
18.	Foreign IPCs	_____	_____	_____
19.	Foreign Offices of Banks	_____	_____	_____
20.	Foreign Governments, Official Institutions _____	_____	_____	_____
21.	Other Credit Balances	_____	_____	_____
22.	TOTAL CREDIT BALANCES			
23.	Borrowings from Banks (Outside U.S. \$) (1)	_____	_____	_____
24.	Securities Sold Under Repurchase Agreements (1)	_____	_____	_____
25.	Federal Funds Purchases (1)	_____	_____	_____
26.	Acceptances & Deferred Payments Credits _____	_____	_____	_____
27.	Other Liabilities (1)	_____	_____	_____
28.	SUBTOTAL LIABILITIES	_____	_____	_____
29.	Accrued Expenses Payable	_____	_____	_____
30.	Due to Head Office, Branches, Wholly Owned Subsidiaries (including borrowings of \$)	_____	_____	_____
31.	Reserves for Loan Losses	_____	_____	_____
32.	Other Reserves (Specify)	_____	_____	_____
33.	TOTAL LIABILITIES	_____	_____	_____

(1)Excluding Due to Head Office, Branches and Wholly Owned Subsidiaries

PROJECTION OF INCOME AND EXPENSE TO BE FILED IN CONNECTION
WITH APPLICATION BY FOREIGN BANKING CORPORATION TO OPEN AND
MAINTAIN A FOREIGN BANK LIMITED PURPOSE BRANCH OR FOREIGN BANK AGENCY

<u>OPERATING INCOME</u>	YEAR 1	YEAR 2	YEAR 3
1. Interest & Fees on Loans	_____	_____	_____
Income On:			
2. Federal Funds Sold	_____	_____	_____
3. Time Placements and C/Ds Purchased	_____	_____	_____
4. Securities Purchased Under Agreements to Resell	_____	_____	_____
5. Interest & Dividends on Investment Securities	_____	_____	_____
6. Service Charges, Commissions and Fees Foreign Exchange	_____	_____	_____
7. Service Charges, Commissions and Fees All Other	_____	_____	_____
8. Net Profit on Foreign Exchange Trading	_____	_____	_____
9. Other Operating Income (Itemized categories aggregating \$5,000 and over)	_____	_____	_____
10. TOTAL OPERATING INCOME	_____	_____	_____

PROJECTION OF INCOME AND EXPENSE (continued)

<u>OPERATING EXPENSE</u>	YEAR 1	YEAR 2	YEAR 3
11. Salaries and other employee benefits	_____	_____	_____
12. Interest on time certificates of deposit of \$100,000 and over	_____	_____	_____
13. Interest on all other deposits or credit balances	_____	_____	_____
EXPENSE INCURRED ON:			
14. Federal funds purchased	_____	_____	_____
15. Securities Sold Under Agreements to Repurchase	_____	_____	_____
16. Interest on borrowings (Other than Head Office Branches and Wholly Owned Subsidiaries)	_____	_____	_____
17. Interest on borrowings from Head Office, Branches and Wholly Owned Subsidiaries	_____	_____	_____
18. Occupancy Expense - Banking Premises	_____	_____	_____
19. Furniture & Equipment Expense - Include Deprec.	_____	_____	_____
20. Amortization of start-up costs	_____	_____	_____
21. Travel Expense	_____	_____	_____
22. Insurance Expense	_____	_____	_____
23. Legal Expense	_____	_____	_____
24. Audit Expense	_____	_____	_____
25. Communication Expense (Tel., Telex, Postage)	_____	_____	_____
26. Promotional Expense	_____	_____	_____
27. Other Operating Expense (Itemize categories aggregating \$5,000 and Over)	_____	_____	_____
28. Provision for Loan Losses	_____	_____	_____
29. TOTAL OPERATING EXPENSE	_____	_____	_____
30. INCOME BEFORE INCOME TAXES AND SECURITIES GAINS OR LOSSES	_____	_____	_____
31. Applicable Income Taxes	_____	_____	_____
32. INCOME BEFORE SECURITIES GAINS OR LOSSES	_____	_____	_____
33. Net Securities Gains or Losses (Net of Related Tax Effects)	_____	_____	_____
34. NET INCOME	_____	_____	_____

* If projection does not show profitable operation (including provision for interest on borrowings from Head Office, branches and wholly owned subsidiaries) by year 3, please indicate when profits are expected.

9. FIDELITY COVERAGE

The applicant bank will at all times maintain sufficient surety bond coverage on its active officers and employees to conform with generally accepted banking practices and will at all times maintain an excess employee dishonesty bond in the amount of \$1,000,000 or more.

10. PUBLIC CONVENIENCE AND ADVANTAGE

INSTRUCTIONS: The proponents are responsible for developing the Legal factor Public Convenience and Advantage in a way which clearly shows the economic support and justification for the Proposed Foreign Bank Limited Purpose Branch or Foreign Bank Agency. Submit such data relating to the trade area which you feel is relevant to the proposal. If an economic survey or feasibility study has been prepared it may provide most of the information requested. Such information submitted in support of your application will be included in the public file.

- A. Briefly describe the geographical and product markets which the proposed Agency will principally serve.
 - B. Briefly indicate the reasons for submitting this Application and how the proposed Agency will become an economically viable institution.
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PART III

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY - CONFIDENTIAL SECTION

In preparing your application, keep in mind that the State Bank Commissioner deems that public policy warrants making all information submitted to him in connection with this application available for public review, unless it qualifies for confidential treatment under 29 **Del. C.** §§10002(d), 10112(b)(4), and Superior Court Rule of Civil Procedure 26(c). The Commissioner has determined that trade secrets, proprietary information and confidential financial information useful to the applicant in its business will ordinarily qualify for such protection.

However, specific determinations of the question of confidentiality and non-disclosure rests in the first instance in the discretion of the Commissioner and the specific information you include in the following section may be available for public review in the discretion of the Commissioner.

I. FINANCIAL HISTORY AND CONDITION

Outline below information with regard to fixed assets which you believe, if disclosed to the public, would adversely affect ongoing negotiations.

Outline below, in detail, the basis for cost estimates for premises shown in the public section.

I. FINANCIAL HISTORY AND CONDITION (continued)

If fixed assets are to be purchased from a related party, evidence of the reasonableness of the cost(s) must be provided. Attach copies of bids, independent appraisals and/or other supporting evidence.

If an insider is a party to any lease contract in connection with the application, explain the manner in which lease payments were determined.

Specify the time required to prepare the foreign bank limited purpose branch or foreign bank agency premises for occupancy. If temporary quarters are anticipated, estimate the probable term of occupancy and describe the disposition of such quarters.

II. FUTURE EARNINGS PROSPECTS

ESTIMATE OF SALARIES AND WAGES

POSITION	FIRST YEAR	SECOND YEAR	THIRD YEAR
Officers	_____	_____	_____
Other Employees	_____	_____	_____
Total	_____	_____	_____

ESTIMATED LOAN DIVERSIFICATION

TYPE OF LOAN	<u>FIRST YEAR</u>		<u>SECOND YEAR</u>		<u>THIRD YEAR</u>	
	Estimated Average Volume	Average Percent Return	Estimated Average Volume	Average Percent Return	Estimated Average Volume	Average Percent Return
Commercial	_____	_____ %	_____	_____ %	_____	_____ %
Installment	_____	_____ %	_____	_____ %	_____	_____ %
Real Estate	_____	_____ %	_____	_____ %	_____	_____ %
Term	_____	_____ %	_____	_____ %	_____	_____ %
Purchased Participations	_____	_____ %	_____	_____ %	_____	_____ %

Exchange and Service charge policies to be followed.

COMMENTS (Include other information supporting income and expense estimates reported in the Public Section of this application).

IV. PUBLIC CONVENIENCE AND ADVANTAGE

List the proposed hours of operation for the proposed Foreign Bank Limited Purpose Branch or Foreign Bank Agency.