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**PROCEDURES TO BE FOLLOWED FOR APPROVAL TO**

# ESTABLISH A BANK HOLDING COMPANY

Formation of a bank holding company consists of a two-step process. Step 1 involves the chartering of an interim or phantom bank. Step 2 is the merger of the interim/phantom bank with the existing bank, resulting in the survivor becoming a subsidiary of the parent bank holding company.

## Interim Bank Charter

Chapter 10 of the Banking Code of 1965 is the governing authority.

Complete “Application to Establish State-Chartered Institution” and submit to Department along with appropriate attachments. **(Note:**  Attachments regarding List of Stock Subscribers, Economic Data and Background Information, Biographical Report (of each incorporator, director & officer), and Financial Report (of each incorporator, director & officer) are generally not required for purposes of establishing an “Interim Bank.”**)** A sample copy of an “Interim Bank” charter application is available by contacting Dept. of Banking and Securities – Corporate Applications Division or accessing the Department’s website at [www.dobs.state.pa.us](http://www.dobs.state.pa.us).

Refer to Section 1102 of the Banking Code of 1965 for minimum capitalization of an interim bank.

Complete and submit the “Form Affidavit of Incorporators” pursuant to Section 1003(b) of the Banking Code.

In the alternative, an Interim Bank can be established pursuant to applicable Federal law through the use of parity authority (Section 201(c) of the Banking Code of 1965) with the appropriate filing of a Bank Parity and Subsidiary Notice with this Department. The procedure detailed above is not necessary if parity authority is used to establish an interim bank. The Bank Parity and Subsidiary Notice form is available on the Department’s Web site.

The Department’s filing fee for an interim bank charter is **$2,000**.

The filing fee for the Articles of Incorporation is $125, payable to the Department of State.

Notice of Application is to be published in accordance with Section 109 of the Banking Code. The content of the notice is governed by Section 1006 of the Banking Code of 1965. **Original** Proofs of Publication of the advertisement should be submitted to the Department as soon as they are available.

Please submit to this Department a copy of any applications filed with the federal regulatory authorities in conjunction with this transaction.

Upon completion of the Department’s review and analysis, and receipt of any necessary approval by federal regulatory authorities, the Articles of Incorporation will be filed with the Department of State, unless there are unfavorable conditions found during the review process, in which case the client will be notified.

**--SEE NEXT PAGE FOR MERGER APPLICATION INSTRUCTIONS--**

## BANK HOLDING COMPANY REORGANIZATION PROCEDURES (Continued)

## Application to Merge Interim Bank and Existing Bank

Chapter 16 of the Banking Code is the governing authority.

After the interim bank is incorporated the “Application for Approval to Merge” should be filed with the Department, with any necessary attachments. **(Note: Some applicants prefer to file both the charter and merger applications simultaneously; please be aware that the merger application WILL NOT be accepted for filing until such time as the interim bank is incorporated.)**

The filing fee for the Department of Banking and Securities is **$4,000**.

The fee for filing the Articles of Merger is $150.00, payable to the Department of State.

Notice of Application should be published in a newspaper of general circulation in the county of the headquarters of the bank (see attached sample). Please submit Proofs of Publication of the advertisement as soon as they are available.

Please submit to this Department a copy of any applications filed with the federal regulatory authorities in conjunction with this transaction.

Upon completion of the Department’s review and analysis, and receipt of any necessary approval by federal regulatory authorities, the Articles of Merger will be filed with the Department of State at a time agreed upon by the applicant and this office, unless there are unfavorable conditions found during the review process, in which case the client will be notified.

SHOULD YOU HAVE ANY QUESTIONS REGARDING EITHER OF THESE APPLICATIONS, PLEASE CONTACT THE CORPORATE APPLICATIONS DIVISION AT (717) 783-2253.

**APPLICATION FOR APPROVAL**

**TO ESTABLISH A BANK HOLDING COMPANY**

**Notice to be Published in a Newspaper of General Circulation**

**NOTICE OF FILING AN APPLICATION**

**Notice is hereby given that on [Date], [Name of Applicant Institution], with its principal place of business located at [Address, County], filed with the Pennsylvania Department of Banking and Securities, pursuant to the provisions of Chapter 16 of the Banking Code of 1965, as amended, an application for approval to [designate the nature of the proposed transaction].**

**All interested persons may file comments regarding this application, in writing, with the Pennsylvania Department of Banking and Securities, Corporate Applications Division, 17 North Second Street, Suite 1300, Harrisburg, PA 17101-2290.**

**In order to be considered, comments regarding this application must be received by the Department of Banking and Securities no later than thirty (30) days after the date that notice of the filing of this application is published in the *Pennsylvania Bulletin*.  Publication in the *Pennsylvania Bulletin* may or may not appear contemporaneously with this notice. Please check the *Pennsylvania Bulletin* Web site at** [**www.pabulletin.com**](http://www.pabulletin.com/) **to determine the due date for filing comments.**