

Chapter 208-548 WAC

ACQUISITION OF BANKS, TRUST COMPANIES, NATIONAL BANKING ASSOCIATIONS OF BANK HOLDING COMPANIES BY OUT-OF-STATE BANK HOLDING COMPANIES

(Formerly chapter 50-48 WAC)

WAC

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WAC 208-548-010 Authority and purpose. These regulations are promulgated pursuant to section 9, chapter 157, Laws of 1983, to establish a procedure under which an out-of-state bank holding company which desires to acquire more than five percent of the shares of the voting stock, or all or substantially all of the assets, of a bank, trust company, national banking association or bank holding company, the principal operations of which are conducted within this state, may apply to the director for approval of such acquisition.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, amended and recodified as § 208-548-010, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-010, filed 10/3/83.]

WAC 208-548-020 Joint application. An application for approval of such acquisition shall be submitted jointly by the acquiring bank holding company and the domestic institution or bank holding company to be acquired. The application need not be in any particular format, but must set forth all the information required under these regulations. The application shall include a copy of the agreement setting forth the plan of merger or acquisition, including certified copies of the resolutions of the respective boards of directors of parties to the agreement approving same. The application shall also include a statement authorizing any federal or state regulatory agency to make available to the director any and all information which such agency may have relating to the applicants or any of their subsidiaries.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, amended and recodified as § 208-548-020, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-48-020, filed 9/13/85. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-020, filed 10/3/83.]

(8/22/00)

WAC 208-548-030 Information required—Identity of applicant parties and operating subsidiaries—Designation of representative of each applicant. Unless included in other information required by this chapter, the application shall set forth the name and main office address of all operating subsidiaries of both the acquiring bank holding company and the bank, trust company, national banking association or domestic bank holding company to be acquired. In addition, the application shall set forth the name, office address, and telephone of one or more persons designated by each applicant to be its official representative in connection with the application. All contact between the director's office and the applicant should, except in extraordinary circumstances, be through such representatives.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, amended and recodified as § 208-548-030, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-030, filed 10/3/83.]

WAC 208-548-040 Information required from applicant to be acquired. The bank, trust company, national banking association, or domestic bank holding company to be acquired shall include with the application each of the following items of information:

(a) A statement verifying that the bank, trust company, national banking association or domestic bank holding company to be acquired is in such a liquidity or financial condition as to be in danger of closing, failing or insolvency, setting forth with specificity the circumstances upon which such conclusion is based.

(b) A statement of all courses of action actively considered as an alternative to the proposed merger or acquisition; a statement of why each such course of action or combination of more than one of them was not taken; a statement as to why assistance available from the Federal Reserve Board, the Federal Deposit Insurance Corporation, or other governmental agency either alone or in combination with other actions is not sufficient to alleviate the liquidity or financial situation so as to avoid the danger of closing, failing or insolvency; and if known, the course or courses of action which will be taken in the event the merger or acquisition is not consummated.

(c) Financial records including: (1) Copies of reports of condition required to be filed with the appropriate regulatory authorities and financial statements showing its assets and liabilities as of the end of each of the six most recent quarterly periods of operation; (2) copies of income and expense statements for each of the six most recent quarterly periods of

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operation; and (3) a copy of the most recent independent audit report.

Information submitted in response to this subsection shall be consolidated figures for the entire organization. If individual figures for operating subsidiaries are available, they shall also be submitted.

(d) A statement setting forth which, if any, state banks, trust companies, or national banking associations doing business in this state, or domestic bank holding companies have been solicited to make an offer for acquisition or merger. If no such solicitations have been made, the application shall include an explanation of the decision not to make such solicitations. The application shall include a summary of the terms of any bona fide offer for merger or acquisition received from any domestic bank, trust company, national banking association or bank holding company, and shall further state whether any domestic offerors have been given the opportunity to match the terms of the proposed acquisition by or merger with the out-of-state bank holding company.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, recodified as § 208-548-040, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-040, filed 10/3/83.]

WAC 208-548-050 Information required from acquiring applicant. The applicant out-of-state bank holding company shall submit with the application each of the following items of information:

(a) A copy of its most recent audited financial statement, its most recently prepared statement of assets and liabilities, including footnotes and explanations, and its most recent income and expense report.

(b) A statement of its then existing business plan, both short-range and long-range, for operation of the bank, trust company, national banking association or domestic bank holding company to be acquired. Such statement shall include comments by the acquirer as to how the proposed acquisition will meet the needs and convenience of the people of the state of Washington.

(c) A list of any other notices pursuant to the change in Bank Control Act (12 U.S.C. §1817(j)) filed on its behalf involving any other bank, trust company, national banking association or bank holding company which is presently pending. Such list shall include the date and place of filing each notice and the name and address of the institution to which each notice pertains.

(d) A statement as to what part, if any, of the funds to be used in making the acquisition or merger are borrowed from sources other than its own subsidiaries. With respect to any such funds, the applicant shall state: (1) The amount and source of borrowed funds; (2) collateral pledged, if any; (3) terms of the loan, including interest rates, amortization requirements, guarantors, endorsers, and any other arrangements or agreements among the parties to such loan transaction; (4) proposed source of funds for debt service; (5) whether and to what extent the acquiring party intends to rely on dividends, fees, etc. from the institution being acquired for debt servicing requirements.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, recodified as § 208-548-050, filed 8/22/00, effective 9/22/00. Statutory Authority:

RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-050, filed 10/3/83.]

WAC 208-548-060 Information to be made available by acquiring applicant. The applicant out-of-state bank holding company shall make available for review by the division of banks the following:

(a) Any current file which it or its principal banking subsidiary or subordinate is required to maintain by regulations promulgated by the appropriate federal financial supervisory authority (as defined in 12 U.S.C. §2902(1)) for purposes of the Community Reinvestment Act (12 U.S.C. §2902 et seq.).

(b) Copies of all internal documents having to do with the proposed merger or acquisition, including, without limitation, memoranda or analyses together with conclusions and recommendations to management and all financial or other information from which such memoranda, analyses, conclusions, recommendations or other documents were prepared.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, amended and recodified as § 208-548-060, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-060, filed 10/3/83.]

WAC 208-548-070 Information to be made available by applicant to be acquired. The bank, trust company, national banking association or domestic bank holding company to be acquired shall make available to the director all internally generated reports relating to the operation of any or all operating subsidiaries during the immediately preceding two-year period.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, amended and recodified as § 208-548-070, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-070, filed 10/3/83.]

WAC 208-548-080 Application to include statement of interlocking management or ownership. The application must state whether any management official (as defined in 12 U.S.C. §3201(4)) of the acquiring out-of-state bank holding company or any of its affiliated corporations (as the term "affiliated" is defined by 12 U.S.C. §3201(3)) is also a management official of any other depository institution or holding company other than the bank, trust company, or national banking association being acquired, or whether any person, partnership or corporation who owns or controls, directly or indirectly, ten percent or more of the outstanding voting shares of the acquiring applicant also owns, directly or indirectly, ten percent or more of the outstanding voting shares of any other depository institution or holding company. If such circumstances do exist, the application shall include: (1) The name of such person or persons, partnerships or corporations; (2) name and address of the depository institution or holding company; (3) relationship triggering this reporting requirement; and (4) nature and extent of ownership interest held by such person, partnership or corporation in the applicant and other depository institution or holding company.

[Statutory Authority: RCW 30.04.030 and 43.320.040. 00-17-141, recodified as § 208-548-080, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-080, filed 10/3/83.]

WAC 208-548-090 Director may consult with and obtain information from appropriate federal regulatory authority. The director may consult with appropriate federal regulatory agencies in connection with any application filed hereunder and shall consider any information received from such agency or agencies in ruling upon the application.

[Statutory Authority: RCW 30.04.030 and 43.320.040, 00-17-141, amended and recodified as § 208-548-090, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-090, filed 10/3/83.]

WAC 208-548-100 Interstate acquisition reciprocity—States possessing. The director of the department of financial institutions, having reviewed the laws of the following states as they relate to a domestic (Washington) bank holding company acquiring more than five percent of the shares of the voting stock or all or substantially all of the assets of a bank, trust company, or national banking association the principal operations of which are conducted within such states, has determined, pursuant to RCW 30.04.232, that the laws of such states allow a domestic bank holding company to acquire a bank, trust company, or national banking association, the principal operations of which are conducted within such states, and permit the operation of the acquired bank, trust company, or national banking association within such states on terms and conditions no less favorable than other banks, trust companies, or national banking associations doing a banking business within such states: (1) Alaska, (2) Arizona, (3) California, (4) Colorado, (5) Connecticut, (6) Idaho, (7) Illinois, (8) Kentucky, (9) Louisiana, (10) Maine, (11) Massachusetts, (12) Michigan, (13) Nebraska, (14) Nevada, (15) New Hampshire, (16) New Jersey, (17) New Mexico, (18) New York, (19) North Dakota, (20) Ohio, (21) Oklahoma, (22) Oregon, (23) Pennsylvania, (24) Rhode Island, (25) South Dakota, (26) Tennessee, (27) Texas, (28) Utah, (29) Vermont, (30) West Virginia, and (31) Wyoming.

Other states not listed shall be reviewed on a case-by-case basis.

[Statutory Authority: RCW 30.04.030 and 43.320.040, 00-17-141, amended and recodified as § 208-548-100, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.232 (1)(c), 93-07-113, § 50-48-100, filed 3/23/93, effective 4/23/93. Statutory Authority: RCW 30.04.232, 87-13-015 (Order 68), § 50-48-100, filed 6/9/87; 87-10-047 (Order 67), § 50-48-100, filed 5/5/87.]