

# Application to Establish an Initial/Additional Federal Branch or Agency

## For OCC Use Only

Control No. \_\_\_\_\_  
License No. \_\_\_\_\_  
Date Received \_\_\_\_\_  
Filing Fee Amount \_\_\_\_\_  
Date Receipt  
Acknowledged \_\_\_\_\_

### Type of Proposal (Check the appropriate box)

- |                                   |                                |                                   |                                   |
|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> <b>G</b> | Initial Federal Branch         | <input type="checkbox"/> <b>G</b> | Additional Federal Branch         |
| <input type="checkbox"/> <b>G</b> | Initial Limited Federal Branch | <input type="checkbox"/> <b>G</b> | Additional Limited Federal Branch |
| <input type="checkbox"/> <b>G</b> | Initial Federal Agency         | <input type="checkbox"/> <b>G</b> | Additional Federal Agency         |

### Foreign Bank Identifying Information

Foreign Bank Name \_\_\_\_\_  
(*exact corporate title of bank*)

Address \_\_\_\_\_  
(*headquarters office address of foreign bank, city, state, country*)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Country in which foreign bank is organized \_\_\_\_\_

Date of incorporation of foreign bank \_\_\_\_\_

Is the application being filed by or on behalf of a foreign bank currently operating banking related institutions in the U.S.?                      Yes **G**                      No **G**

If "yes," please provide the most recent U.S. supervisory rating(s) for each of the applicant bank's U.S. entities.

**Federal Branch or Agency Identifying Information**

A fee of \$\_\_\_\_\_ is enclosed.

Name of Proposed Federal Branch or Agency \_\_\_\_\_  
*(exact corporate title for the proposed U.S. office)*

Proposed Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

**Representative Information**

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
*(include country code and area code as applicable)*

**Proposed Officers**

The proposed general manager is \_\_\_\_\_.

Other proposed officers and their titles are \_\_\_\_\_

\_\_\_\_\_ , \_\_\_\_\_.

Biographical and experience information for each is enclosed.

**Streamlined Submission**

Does this application qualify for or has it been approved for streamlined submission?

Yes **G**      No **G**

If "yes," include supporting information, and the following application questions need not be answered nor requested information provided: 3, 4, 5 (unless the information requested has changed in the last three years), 9, 10, 12, and 16.

## Publication Information

Public notice is being published in \_\_\_\_\_  
(name and address of newspaper)

on \_\_\_\_\_, \_\_\_\_\_.

A copy and certification of publication  is enclosed  will be forwarded.

## General Information

Note: Questions with an asterisk (\*) may be omitted in streamlined submissions.

1. State how the proposed federal branch or agency will further the development of the applicant's international business and any other reasons for applying.
2. Describe the type(s) of services and financing that will be offered at the proposed federal branch or agency, including whether any existing or planned future business will be transferred from another office. If applicable, describe how other offices of the foreign bank, including those in offshore banking centers, will be managed or controlled through the proposed federal branch or agency.
- 3.\* Provide a brief history of the foreign bank applicant, including ranking by asset size in the home country, number of offices operated domestically and internationally, and a brief description of any nonfinancial enterprises related to or affiliated with the operations of the applicant. Describe the extent to which the applicant engages directly in the business of banking outside of the U.S.
- 4.\* Describe the type(s) of business conducted primarily by the foreign bank applicant and its subsidiaries. Comment on any areas of specialization and nonbanking and fiduciary business. If applicable, comment on the nature and volume of fiduciary activities.
5. *[This question may be omitted by applicants filing under streamlined submission, provided that no changes were made to the information requested below during the previous three years.]* Describe the existing operations of the foreign bank applicant and its ultimate parent, if any, in the U.S. Provide a list of all business, commercial, or financial enterprises that the applicant bank controls through ownership of more than 25 percent of the stock, or otherwise, and that the bank presently operates or intends to operate within the U.S. (In addition to branches, agencies, and direct or indirect subsidiaries, the listing should include representative offices, loan production offices, commercial lending offices, etc., and the dates the entity either commenced operating or filed with any U.S. regulatory authority for permission to operate. The type of entity, address, and place of incorporation of all U.S. companies also must be furnished.)

When the applicant foreign bank is owned or controlled by another foreign bank, provide similar information for the parent foreign bank.

If the appropriate U.S. regulator has informed the foreign bank applicant that its existing U.S. operations are considered to be in less than satisfactory condition, the applicant should discuss why it should be permitted to expand in the U.S., notwithstanding that condition.

6. The applicant and its ultimate parent (bank or holding company), if any, should provide adequate assurances that information on the operations or activities of the foreign bank and any of its affiliates will be provided to the OCC as deemed necessary to determine and enforce compliance with the IBA, and other applicable federal laws.

Secrecy laws or other impediments that exist that could hinder the foreign bank applicant (and its ultimate parent, if any) from providing information to the OCC as needed to determine and enforce compliance with U.S. law should be discussed fully. If impediments exist, explain how the foreign bank applicant plans to provide the OCC with adequate assurances of access to such information.

Describe the policies, procedures, and internal and external audit measures planned to ensure compliance with U.S. law. For an additional branch application, describe only those that will deviate from existing U.S. operations.

7. List those U.S. banks and branches or agencies of other foreign banks with which the proposed office expects to compete directly and comment on the degree of expected competition with those banking facilities.
8. State how and to what extent the proposed office will contribute to the promotion of U.S. domestic and foreign commerce.

## **Ownership/Management**

- 9.\* Describe briefly the ownership of the applicant bank. Include a list of any legal entities, persons, or group(s) of persons that own or influence a controlling interest in the foreign bank applicant. The term "controlling interest" means the power directly or indirectly to direct or cause the direction of the management or policies of the bank. For those persons, groups of persons, or legal entities listed, provide the following information:

C For persons—countries of citizenship, other enterprises owned or controlled, biographical information, present addresses, and references. Include the number and percentage of shares owned, controlled, or held with power to vote, including those held by the person's spouse and dependents.

- C For corporations—countries of incorporation, ownership, other enterprises owned or controlled, and a brief description of the type(s) of business in which each corporation is engaged. Include the number and percentage of each class of the foreign bank applicant's shares owned, controlled, or held with power to vote by the corporation.
  - C For sovereign governments or entities of sovereign governments— information on how and to what extent the government controls the normal business functions of the foreign bank applicant; the services the applicant bank provides to the general public on behalf of the government; and the duties and functions the applicant bank provides for, or on behalf of, the sovereign government. Include the number and percentage of each class of the applicant's shares owned, controlled, or held with power to vote by the government.
- 10.\* Provide a listing of all directors and principal officers of the applicant bank. A "principal officer" is any officer, who participates or has authority to participate, other than in the capacity of director, in major policymaking functions within the bank. The listing should include the name, address, position, number of years with the bank, citizenship, and other occupation, for each person listed. (Limit the listing of principal officers to no more than the top 10.)
  11. Provide biographical reports (see "Background Investigations" booklet), or in streamlined submissions a resume, detailing the relevant experience of each of the three proposed senior officers and the principal foreign exchange trader, if any, of the proposed federal branch or agency.
  - 12.\* Provide the names, addresses, and occupations of any advisory members of the proposed federal branch or agency.
  13. Provide details of criminal offenses involving any member of the board of directors of the applicant bank, or any officer, employee, or advisory member of the proposed federal branch or agency, who has been convicted of a criminal offense involving dishonesty or breach of trust in any court of any sovereign nation or instrumentality thereof.
  14. Describe the manner in which, and the extent to which, the foreign bank applicant and the ultimate parent entity, if any, proposes to direct and supervise the activities of the proposed federal branch or agency.
  15. Discuss how the foreign bank applicant serves as a source of financial and managerial strength for the proposed federal branch or agency. If the applicant bank's home country maintains foreign exchange restrictions or other capital export

controls, detail the limitations that such restrictions or controls would place on the applicant bank's ability to serve as a source of strength for its U.S. banking interests.

## Financial Resources and Future Prospects

- 16.\* List the major U.S. correspondent bank relationships of the foreign bank applicant. Indicate those relationships that provide the bank with lines of credit of any type and the amounts of those lines of credit. For each account, include the name and telephone number of the bank, address, type of account, and the name of the responsible correspondent bank officer.
17. Provide the date the applicant bank's fiscal year ends, and two copies of each of the following financial reports in English and denominated in U.S. dollars:
  - \* C The latest annual report of the foreign bank applicant.
  - C Parent only and consolidated balance sheets, showing, separately each principal group of assets, liabilities, and capital accounts as of the end of the most recent fiscal quarter and for the comparable quarter of the preceding year. Include information on all contingent liabilities (e.g., standby and commercial letters of credit, guarantees, commitments to grant or purchase loans and securities, and contracts to purchase/sell foreign exchange).
  - C Parent only and consolidated profit and loss statements, showing separately each principal source of revenue and expense, year-to-date through the end of the most recent fiscal quarter, the comparable quarter of the preceding year, and for the most recent three fiscal years.
  - C On a consolidated basis, a breakdown of risk-based assets as of the end of the most recent fiscal quarter, showing each principal group of on- and off-balance sheet assets and the relevant risk weights. Also, identify the components of tier 1 and tier 2 capital under the risk-based capital guidelines and provide calculations of the applicant's tier 1 and total capital to risk-based assets.

Since a federal branch or agency can use the total capital accounts of its parent foreign bank in determining limitations and restrictions, the applicant bank must describe its capital structure in terms that equate to U.S. banking standards. Such information facilitates an assessment of capital adequacy.

Twelve CFR 3 outlines the accounts the OCC considers as capital. Describe those items on the applicant bank's balance sheet that correspond to the indicated capital accounts in 12 CFR 3 and indicate where they are presently carried on the applicant's annual statement of condition.

C Current information that will enable the OCC to judge the quality of the applicant bank's assets. The information should be presented for the applicant's consolidated organization and, if available, include, but not be limited to:

- Delinquencies.
- Nonaccrual assets.
- Assets acquired in satisfaction of debts previously contracted.
- Loans with reduced interest charges.

Applicant's definitions of those terms should be provided.

Financial statements may be prepared according to local accounting practices. However, an explanation of the accounting terminology and the major features of the accounting standards used to prepare the financial statements must be provided and explained further when they differ from International Accounting Standards. Fiscal financial statements must be certified by an independent and reputable auditing firm.

18. Provide the following financial data (year one should be considered as the first full calendar year of operation):

C Balance sheet projections for the proposed federal branch or agency for the first three years of operation. Describe the assumptions made in formulating the projections. Include an estimate of the total net direct and indirect country exposure of the proposed federal branch or agency to the applicant's home country for the first three years of operation. (See Balance Sheet Projection — Document.)

C Summary projections of contingent liabilities for the proposed federal branch or agency for the first three years of operation. Describe the assumptions made in formulating the projections. (See Summary of Projected Contingent Liabilities — Document.)

C Income and expense projections for the proposed federal branch or agency for the first three years of operation. Describe the assumptions made in formulating the projections. If the projections do not show profitable operations by the third year of operation, state when profitable operations are anticipated. (See Income and Expense Projections Document.)

C If the proposal includes fiduciary activities, provide the volume of business, number of accounts, and fiduciary income and expense projections. (See Fiduciary Income and Expense Projections — Document.)

19. Comment on how and from what sources the proposed federal branch or agency will be funded, and provide the name and address of the state member bank or national

bank that will serve as the depository bank for the required capital equivalency deposit (CED) for the proposed federal branch or agency (see 12 CFR 28).

20. Comment on how the proposed federal branch or agency will attract sufficient business to ensure financial and economic success.

### **Home Country Supervision**

21. Provide the name(s) of the person(s) to contact in the office of the home country bank supervisory authority or similar government agency, who can respond to questions about the applicant bank. If the foreign bank or its subsidiaries offer services, such as insurance or securities, which are regulated by a supervisor other than the bank supervisor, also provide an appropriate contact person. Include names, titles, addresses, and telephone and facsimile numbers (including country and city code).

### **Corporate Papers and Legal Opinions**

22. Attach and make a part of this application copies, in English, of the resolution(s) adopted by the applicant bank's governing board for:
  - C Authorization for bank officer(s) or agent/representative to file an application for a federal branch, agency, or limited federal branch license.
  - C A designation of a representative(s) or bank officer(s), who will be permitted to sign the application and a designation to them of authority to represent the board fully in all matters regarding this application.
  - C The applicant bank's agreement to conduct its operation in the U.S. in full compliance with any provisions of any U.S. laws that apply to national banks and that prohibit discrimination against any person on the basis of race, color, religion, sex, marital status, age, or national origin.
23. Attach and make a part of this application an opinion of U.S. counsel that the proposal complies with relevant state laws and a letter from the applicant bank's foreign legal counsel certifying that:
  - C The applicant bank's charter authorizes the applicant to conduct the business contemplated by the application.
  - C The applicant has conducted, and is now conducting, its business as authorized by its charter and bylaws.
  - C The filing of this application complies with the local laws of the country in which the applicant is organized and/or operates/conducts its principal business.



24. **[For Limited Federal Branches Only]** Please attach a notarized copy of the executed agreement between the applicant and the FRB as required by 12 USC 3103 section 5 of the IBA.

**Convenience and Needs of the Community**

25. State to what extent the proposed office will provide convenience to the public and fill needs not presently served by other existing banking facilities.

**Other Information**

26. If automated recordation of any kind is planned for the proposed federal branch or agency, describe the scope and nature of the records that will be automated, the planned location of the data processing facility and equipment, and the name and location of the planned data processing service company.

I hereby certify that the bank's board of directors, or a designated official, has authorized the filing of this application and that to the best of my knowledge, the information contained herein is true and complete. A copy of the authorization is enclosed. In addition, I agree to notify the OCC if the facts described in the filing change materially prior to receiving a decision.

I further certify that any misrepresentations or omissions of material facts about this application, any attachments to it, and any other documents or information provided in connection with the application for the establishment of this federal branch or agency may be grounds for denial or revocation of the license, or grounds for an objection to the proposed officer(s) of the proposed federal branch or agency, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 USC 1001 and 1014.

Executed the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ .

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Typed name of foreign bank representative)*

\_\_\_\_\_  
*(Typed title of foreign bank representative)*

**Attachments** (as applicable)\*:

- G Board of directors' authorization to bank representative
- G Streamlined submission supporting information
- G Newspaper publication copy and certification
- G General information about the applicant bank, such as its ownership, corporate structure, and home country supervision
- G Biographical information on general manager and other proposed officers
- G Consolidated financial reports for foreign bank applicant, in English and U.S. dollars
- G Operating plan and assumptions used
- G A strategic plan, describing how the federal branch or agency will fit into the foreign bank's global and U.S. strategy
- G A legal opinion, certifying that the proposed U.S. operation is in compliance with U.S. and home country laws
- G Fiduciary powers request
- G Filing fee

\* No enclosures are required for information that relates to questions in the application that may be omitted in a streamlined submission.