

Fiduciary Business Plan—Instructions

Submit a copy of the projected business plan or feasibility study prepared to support the establishment of the proposed fiduciary operation. The plan, at a minimum, should address sufficiently the following considerations:

1. Identify the proposed primary market area:
 - Demonstrate the need for fiduciary services in the proposed market area and the degree to which business may be drawn from outside this area.
 - Specify the types of fiduciary services to be offered and the fees to be charged for each service.
 - Demonstrate realistic assessments of risk in light of economic and competitive conditions in the market area.
2. Identify the institutions offering fiduciary services in the same market area and the competitive role those institutions play, including their relative size and market share of trust business. The applicant should describe in what way it intends to draw from those institutions or otherwise establish its fiduciary customer base.
3. Estimate the period of time that will be required to place the operation of the proposed trust department on a profitable basis. Discuss any additional facts that might influence profitability.
4. Discuss any plans to acquire existing business.
5. Additional information may be submitted as appropriate.
6. Earnings prospects. Provide an estimate of income and expenses for each of the first two years of operation, including an estimate of the number of fiduciary accounts and the volume of business for each year. The following format may be used:

Fiduciary Business Plan

| | <u>First Year</u> | <u>Second Year</u> |
|--|-----------------------|------------------------|
| Number of Accounts | _____ | _____ |
| Value of Trust Assets | _____ | _____ |
| Number of Officers | _____ | _____ |
| Number of Other Employees | _____ | _____ |
| <hr/> <hr/> | | |
| Gross Fees, Commissions, and Other Fiduciary Income | _____ | _____ |
| Trust and Agency Accounts | _____ | _____ |
| All Other Fiduciary Income | _____ | _____ |
| Total Fiduciary Income | _____ | _____ |
| Operating Expenses | | |
| Salaries and Employee Benefits | _____ | _____ |
| Legal Fees | _____ | _____ |
| Consulting Fees | _____ | _____ |
| New Business | _____ | _____ |
| Settlements, Surcharges, and Other Losses (Less Recoveries) | _____ | _____ |
| Overhead and Other Direct Expense | _____ | _____ |
| Total Expense | _____ | _____ |
| Net Trust Income (Loss) | _____ | _____ |