

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	_____		_____
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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)		_____	_____