



STATE OF KANSAS OFFICE OF THE STATE BANK COMMISSIONER

CONVERSION OF A NATIONAL BANK TO A STATE BANK PURSUANT TO K.S.A. 9-808

The following is necessary for making application to convert to a state chartered bank.

1. A transcript of the minutes of the stockholders meeting which shows that at least two-thirds of the stockholders voted to approve the conversion;
2. A certified copy of the national association's Articles of Association;
3. A draft copy of the Articles of Incorporation of the state bank that will be executed with the Secretary of State;
4. The name of the bank after conversion;
5. A copy of the national association's most recent daily statement showing the breakdown of the bank's capital accounts;
6. A five year projection of deposits after the conversion. (Pursuant to K.S.A. 9-808(b) capital requirements established under K.S.A. 9-901 shall apply to all conversions. Pursuant to 9-901 the minimum capital of a bank or trust company is to be at least \$250,000 or an amount equal to 8% of estimated deposits five years after the bank converts to a state charter.)
7. A list of the current officers and directors of the national association, along with their credentials, and any changes expected due to the charter conversion;
8. A current list of stockholders. If the bank is owned by a holding company, please include a holding company stockholder's list. Please include the amount and terms of any stock debt currently held by individuals or the bank's holding company and any dividends paid by the bank to service such debt. Also, if applicable, please include a copy of the last quarterly balance sheet of the bank's holding company;
9. A copy of the national association's most recent quarterly report of condition and income and a complete copy of the most recent Uniform Bank Performance Report;
10. If applicable, a list of trust powers;
11. Identification of any bank owned companies, including insurance agencies;
12. Comments addressing why the charter conversion is requested; and
13. Additional information, as deemed necessary.

In compliance with disclosure and confidentiality statutes, this department has a policy that all applications will be disclosed to the public upon demand. Confidentiality may be requested for specific documents if it is apparent that disclosure of the information will result in undue injury to a person or company. Documents on which confidentiality is requested should be clearly labeled "confidential," be separately bound, and contain an explanation as to why confidential treatment should be used.

Conversion Examination - A conversion examination by this department may be scheduled. We will contact you concerning this matter.

Annual Assessments - Annual assessments are based on March 31 total assets. If additional information is desired, please contact our office.

Questions concerning this application may be addressed to:

Dana S. Hampton, Director of Corporate Activities
Office of the State Bank Commissioner
700 SW Jackson Street, Suite 300
Topeka, Kansas 66603-3796
(785)296-2266 FAX(785)296-0168

9-808. Stockholder vote for conversion to state bank; approval by commissioner; investigation; capital and name; stock for stock or property; powers continued; assets transferred; dissenting stockholder; same entity. (a) After first applying for and receiving approval from the commissioner, any national bank, federal savings association or federal savings bank organized under the laws of the United States may become a state bank upon the affirmative vote of not less than 2/3 of its outstanding voting stock. Any national bank, federal savings association or federal savings bank desiring to become a state bank shall apply to the commissioner for permission to convert to a state bank, and shall submit a certified copy of its articles of association, a transcript of the minutes of the meeting of its stockholders showing approval of the proposed conversation and any other information required in the application form prescribed by the commissioner. A federal savings association or federal savings bank operating in a mutual form must also convert to a stock form prior to converting to a state bank and shall submit appropriate documentation to the commissioner to show that the appropriate federal regulator has approved such mutual to stock conversion. Upon receipt of each of the items required by this section the commissioner shall make or cause to be made such investigation as the commissioner deems necessary to determine whether:

- (1) All state and federal requirements for a conversion have been satisfied;
- (2) the conversion will not adversely affect the interests of the depositors; and
- (3) the resulting state bank will have an adequate capital structure.

If the commissioner determines each of these matters favorably the conversion shall be approved and the commissioner shall issue a certificate of authority. Upon issuance of a certificate of authority, the articles of incorporation, duly executed as required by state law, shall be filed with the secretary of state.

(b) In any conversion authorized by this section the capital requirements of this act shall apply, and the new name for such resulting bank shall be approved by the commissioner. In any conversion authorized by this section the resulting state bank shall have authority to issue its shares of stock for shares of stock in the national bank, federal savings association or federal savings bank or property of the national bank, federal savings association or federal savings bank for and upon such valuation as shall be agreed upon, and approved by the commissioner. In any conversion authorized by this section the resulting state bank by operation of law shall continue all trust functions being exercised by the national bank, federal savings association or federal savings bank and shall be substituted for the national bank, federal savings association or federal savings bank and shall have the right to exercise trust or fiduciary powers created by any instrument designating the national bank, federal savings association or federal savings bank even though such instruments are not yet effective.

(c) In any conversion authorized by this section the resulting state bank shall succeed by operation of law without any conveyance or transfer by the act of the national bank, federal savings association or federal savings bank to all the actual or potential assets, real property, tangible personal property, intangible personal property, rights, franchises and interests, including those in a fiduciary capacity of the national bank, federal savings association or federal savings bank and shall be subject to all of the liabilities of the national bank, federal savings association or federal savings bank.

(d) In any conversion authorized by this section the rights and responsibilities of any shareholder of the national bank, federal savings association or federal savings bank who objects or dissents to the proposed conversion shall be governed by the provisions of K.S.A. 17-6712 and amendments thereto as though the national bank, federal savings association or federal savings bank was a Kansas corporation and the objecting or dissenting shareholder was objecting or dissenting to a proposed merger transaction. In any conversion authorized by this section the corporate existence of the national bank, federal savings association or federal savings bank shall be merged into and shall be continued in the resulting state bank, and the resulting state bank shall be deemed to be the identical corporate entity as the national bank, federal savings association or federal savings bank.

(e) Within a reasonable time after the effective date of the conversion, the resulting bank shall divest itself of all assets and liabilities that do not conform to state banking laws and rules and regulations. The length of this transition period shall be determined by the commissioner and shall be specified when the application for conversion is approved. (L. 2000, ch.106, § 2; April 27.)