

**FACTORS TO CONSIDER WHEN REVIEWING
BRANCH/RELOCATION APPLICATIONS**

1. STATUTORY

1. Compliance with IC 28-1-11-5 Limitation (Land/Building limited to 50% of sound capital)
2. Compliance with IC 28-2-13, IC 28-6.1-12 or 28-2-18 (Branching Statutes)

2. SAFETY AND SOUNDNESS CONSIDERATIONS

1. Total investment of premise and equipment in comparison to total capital (Equity plus ALLL). Banks with investment of premise and equipment greater than 30% of total capital will receive additional scrutiny due to the large amount of fixed asset investment.
2. Review of most recent safety and soundness, compliance, trust, EDP Reports of Examination (State and Federal) for any unresolved or outstanding issues
3. Review of overall financial performance and condition of institution regarding capital adequacy, asset quality, management and staffing, earnings, liquidity and interest rate risk.

If there are no significant safety and soundness or compliance issues the application would be approved pursuant to delegated authority granted to the Director of the Department.

If there are certain outstanding or unresolved supervisory issues the approval of an application pursuant to delegated authority may be conditioned upon a commitment to address issues of concern.

If there are significant unresolved safety and soundness compliance or CRA issues or the application, if approved, would result in significant deterioration of the financial condition or performance of the institution, the Director may elect to submit the application to the Members for approval on denial.

3. OTHER CONSIDERATIONS

1. All transactions with individuals who are directly or indirectly related with the applicant must be on comparable terms and conditions with transactions dealing with individuals or entities not directly associated with applicant.
2. Applicant must justify the booking of an operating lease vs. a capitalized lease if deemed necessary.

3. Approval from appropriate Federal Authority.
4. The Department reserves the right to request additional information to adequately analyze the effects of the proposed new branch or branch relocation