

286.3-920 Definitions for section -- Interstate merger transactions -- Restrictions -- Combinations of commonly controlled banks -- Scope of activities of branch outside home state.

- (1) As used in this section:
 - (a) "Bank" includes:
 1. An out-of-state bank; and
 2. A national bank;
 - (b) "Interstate merger transaction" means:
 1. The merger or consolidation of banks with different home states, including the conversion of branches of any bank involved in the merger or consolidation into branches of the resulting bank; or
 2. The acquisition of a bank's branch or branches by a bank with a different home state without acquisition of the bank; and
 - (c) "Resulting bank" means the bank that has resulted from a merger or consolidation.
 - (2) (a) A Kentucky state bank may:
 1. Establish, maintain, and operate one (1) or more branches in a state other than Kentucky in accordance with an interstate merger transaction in which the Kentucky state bank is the resulting bank; or
 2. If the other state permits, acquire a bank's branch or branches in a state other than Kentucky in accordance with an interstate merger transaction in which the Kentucky state bank does not acquire the bank.
 - (b) Not later than the date on which the required application for the interstate merger transaction is filed with the responsible federal bank supervisory agency, the applicant shall:
 1. File an application on a form prescribed by the commissioner;
 2. Pay any fee prescribed by KRS 286.3-480; and
 3. Comply with the applicable provisions of KRS 286.3-180(3) for the establishment or acquisition of branches by Kentucky state banks.
 - (c) The commissioner shall base his or her approval or disapproval of the interstate merger transaction on the requirements of this subtitle and the factors prescribed in KRS 286.3-180(3)(b).
- (3) (a) An out-of-state bank may establish, maintain, and operate one (1) or more branches in Kentucky in accordance with an interstate merger transaction in which the out-of-state bank is the resulting bank.
 - (b) If the laws of the home state of the out-of-state bank place more restrictive terms or requirements on Kentucky state banks seeking to merge or consolidate with a bank in that state, the interstate merger transaction of the out-of-state bank may be allowed only under substantially the same terms and conditions as applicable to Kentucky state banks seeking to merge or consolidate with a bank in the home state of the out-of-state bank.
 - (c) Not later than the date on which the required application for the interstate

merger transaction is filed with the responsible federal bank supervisory agency, the applicant shall:

1. File an application on a form prescribed by the commissioner;
 2. Pay any fee prescribed by KRS 286.3-480;
 3. Agree in writing to comply with the laws of this state applicable to its operation of branches in Kentucky; and
 4. Comply with the applicable provisions of KRS 286.3-180(3) for the establishment or acquisition of branches by Kentucky state banks.
- (d) The commissioner shall base his or her approval or disapproval of the interstate merger transaction on the requirements of this subtitle and the factors prescribed in KRS 286.3-180(3)(b).
- (4) No interstate merger transaction under subsection (2) or (3) of this section shall be approved if the transaction would result in a bank holding company having control of banks or branches in this state holding more than fifteen percent (15%) of the total deposits and member accounts in the offices of all federally insured depository institutions in this state as reported in the most recent June 30 quarterly report made by the institutions to their respective supervisory authorities that are available at the time of the transaction.
- (5) A branch of an out-of-state bank located in Kentucky may conduct:
- (a) Any activities in this state, other than fiduciary activities, that are authorized under the laws of this state for Kentucky state banks;
 - (b) Fiduciary activities in this state that are authorized under the laws of this state for Kentucky state banks if a branch of a Kentucky state bank located in the out-of-state bank's home state is permitted to engage in substantially similar activities under the laws of the out-of-state bank's home state; and
 - (c) Any activities in this state relating to the administration of trusts that are authorized under, and conducted in conformity with, the laws of the out-of-state bank's home state for the bank.
- (6) A branch of a Kentucky state bank located in a host state may conduct any activities that are:
- (a) Authorized under the laws of the host state for banks chartered by the host state; or
 - (b) Authorized for branches of national banks located in the host state, but whose principal location is in a state other than the host state.

Effective: July 15, 2024

History: Amended 2024 Ky. Acts ch. 152, sec. 33, effective July 15, 2024. -- Amended 2011 Ky. Acts ch. 67, sec. 6, effective June 8, 2011. -- Amended 2010 Ky. Acts ch. 24, sec. 654, effective July 15, 2010. -- Amended 2004 Ky. Acts ch. 13, sec. 1, effective July 13, 2004. -- Amended 2000 Ky. Acts ch. 135, sec. 5, effective July 14, 2000; and ch. 279, sec. 7, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 196, sec. 22, effective July 15, 1998. -- Created 1996 Ky. Acts ch. 338, sec. 2, effective June 1, 1997.

Formerly codified as KRS 287.920.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts

ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.