

286.3-920 Interstate merger transactions -- Restrictions -- Combinations of commonly controlled banks -- Scope of activities of branch outside home state. (Effective until July 15, 2024)

- (1) As used in this section, unless the context requires otherwise:
 - (a) "Interstate merger transaction" means the merger or consolidation of banks with different home states, and the conversion of branches of any bank involved in the merger or consolidation into branches of the resulting bank; and
 - (b) "Resulting bank" means a bank that has resulted from an interstate merger transaction under this section.
- (2) A Kentucky state bank may 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 if the other state permits, by acquisition of a branch or branches in the other state. Not later than the date on which the required application for the interstate merger transaction or branch acquisition is filed with the responsible federal bank supervisory agency, the applicant shall file an application on a form prescribed by the commissioner and pay the fee prescribed by KRS 286.3-480. The applicant shall also comply with the applicable provisions of KRS 286.3-180(2) and the commissioner shall base his or her approval or disapproval in the same manner as prescribed in KRS 286.3-180(2).
- (3) An out- of- state 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 state bank is the resulting bank in accordance with the requirements of Kentucky laws and administrative regulations. 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 acquire and merge with a bank in that state, the interstate merger of the out- of- state bank may be allowed only under substantially the same terms and conditions as applicable to Kentucky state banks in that state. 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 file an application on a form prescribed by the commissioner, pay the fee prescribed by KRS 286.3-480, and agree in writing to comply with the laws of this state applicable to its operation of branches in Kentucky. The applicant shall also comply with the applicable provisions of KRS 286.3-180(2) and the commissioner shall base his or her approval or disapproval in the same manner as prescribed in KRS 286.3-180(2).
- (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 which are available at the time of the transaction.
- (5) An individual or bank holding company that controls two (2) or more banks may, from time to time, combine any or all of the commonly controlled banks in this

Commonwealth into and with any one (1) of the banks, and thereafter the surviving bank shall continue to operate its principal office and may operate the other authorized offices of the banks so combined as branches of the surviving bank.

- (6) (a) A branch of an out-of-state state bank may conduct any activities that are authorized under the laws of this state for state banks. Additionally, the branch of an out-of-state state bank is authorized to conduct any activities relating to the administration of trusts that are authorized under the laws of its home state, if the activities are conducted in conformity with the laws of its home state.
 - (b) A branch office of an out-of-state bank may conduct any fiduciary activities that are authorized under the laws of this state for banks, provided that a branch office of a Kentucky bank is permitted, pursuant to the laws of the state under which the out-of-state bank is organized to engage in substantially similar activities.
- (7) 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: June 8, 2011

History: 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.