

OPERATIONAL INSTRUCTION ISSUED BY THE STATE BOARD OF FINANCIAL
INSTITUTIONS FEBRUARY 1, 2006

Unless otherwise instructed by the State Board of Financial Institutions (Board) or the Commissioner of Banking, State chartered banks may, without the specific approval of the Board, invest in operating subsidiaries engaged in activities the bank could perform directly as national banks are permitted to do provided that the bank received a composite rating of one or two at the last examination conducted by the State or Federal regulatory authority. The Commissioner of Banking must be notified of investment in any new subsidiary and the specific activities performed. Any offices used by the subsidiary for sale of products or services must be distinct from those of the financial institution and so noted by appropriate signs.