**Section 1075.2440 Proxy Statement – Financial Statements**

This Section specifies the consolidated balance sheets, the consolidated statements of income, the consolidated statements of cash flows, and stockholders' equity required to be included in the proxy statement. If the applicant has previously used an audit period in connection with its certified financial statements that does not coincide with its fiscal year, that audit period may be used in place of any fiscal year requirements provided it covers a full 12 months' operations and is used consistently.

a) Consolidated balance sheets.

1) There shall be furnished for the applicant and its subsidiaries consolidated, audited balance sheets as of the end of each of the 2 most recent fiscal years.

2) If the latest balance sheets furnished under subsection (a)(1) are in excess of 135 days before the date of the Director's approval of the conversion, there shall be furnished an interim balance sheet as of a date within 135 days after this approval. This interim balance sheet need not be audited.

b) Consolidated statements of income and cash flows.

1) There shall be furnished for the applicant and its subsidiaries and predecessors consolidated, audited statements of income and cash flows for each of the 3 fiscal years preceding the date of the most recent balance sheet furnished. Nothwithstanding the requirement of submitting consolidated statements for the preceding 3 fiscal years, if the applicant would qualify as a "Small Business Issuer" under U.S. Securities and Exchange Commission Regulation S-B, 17 CFR 226, the applicant may furnish consolidated statements for the periods that would be required of a small business issuer if the applicant complies with all other provisions of Sections 1075.2370 and 1075.2440 and includes a 2-year balance sheet in its proxy statement and offering circular.

2) In addition, for any interim period between the latest audited balance sheet and the date of the most recent interim balance sheet being filed, and for the corresponding period of the preceding fiscal year, statements of income and cash flows shall be furnished. The interim financial statements may be unaudited.

c) Changes in stockholders' equity. An analysis of the changes in each caption of stockholders' equity presented in the balance sheets shall be given in a note or separate statement. This analysis shall be presented in the form of a reconciliation of the beginning balance to the ending balance for each period for which an income statement is required to be furnished, with all significant reconciling items described by appropriate captions.

d) Financial statements of business acquired or to be acquired. There shall be furnished the information required by 17 CFR 210.3-05 and 17 CFR 210.11-01 to 210.11-03, 1992, no subsequent dates or editions, regarding business acquired or to be acquired.

e) Separate financial statements of subsidiaries not consolidated and 50% or less owned persons. There shall be furnished the information required by 17 CFR 210.3-09 regarding separate financial statements of subsidiaries not consolidated and 50% or less owned persons.

f) Filing of other statements in certain cases. The Director may, upon the request of the applicant, and where consistent with the protection of account holders and others, permit the omission of one or more of the statements required or the filing of substitute appropriate statements of comparable character. The Director may also require the inclusion of other statements in addition to, or in substitution for, the statements required in any case in which the statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of account holders and others.

(Source: Amended at 30 Ill. Reg. 19068, effective December 1, 2006)