This Bank of Anytown provides sample comments for an institution that has adopted the Current Expected Credit Losses (CECL) methodology.

The Bank of Anytown illustrates the application of ROE instructions when presenting examination findings. The Bank of Anytown does not cover all possible examination circumstances and should not be used as boilerplate language. The Bank of Anytown is not intended to inhibit examiner judgment ihn situations that require other presentation methods due to unique situations.

BANK OF ANYTOWN

ANYTOWN **ANYCOUNTY** **ANYSTATE**

Region:	Any Region	Certificate Number: 99999
Examiner-In-Charge:	Sandra E. Smart	
Examination Start Date:	August 01, 20x6	
Examination As Of Date:	June 30, 20x6	

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All dollar amounts are reported in thousands, unless otherwise indicated.

Abbreviations within the report are included inside the back cover and can also be found at https://www.fdic.gov/regulations/safety/manual/section16-1.pdf

LIQUIDITY - 2

The bank's liquidity position is satisfactory. Asset growth has been minimal since the prior examination and the loan portfolio is shrinking. Management has increased the volume of investments in mortgage-backed securities, with the portfolio maintaining slight appreciation. Non-core funding has increased slightly but management is using these funds appropriately. Management could further strengthen funds management practices by developing a written funds management policy and a contingency funding plan (CFP) commensurate with the bank's risk profile. Clearly articulated policies reflective of the bank's characteristics help ensure that the institution is operating within Board-approved risk tolerances, which can mitigate the negative impact of overreliance on volatile funding sources in an adverse economic environment. Off-balance sheet commitments are minimal.

President Lincoln stated a written funds management policy and a CFP would be developed by year-end 20x6.

SENSITIVITY TO MARKET RISK - 2

Sensitivity to market risk is moderate and risk management practices are satisfactory. Funding sources reasonably match the bank's asset repricing structure, and the loan portfolio includes a high volume of adjustable-rate commercial loans. Over the past two years, depositors have moved funds out of maturing time deposits and into money market demand accounts. Management actively manages rates on these deposits, as the local market is very competitive. The bank does not engage in off-balance sheet derivative activity.

Management regularly monitors the bank's rate sensitivity position using income simulations and an economic value of equity model, and presents detailed quarterly reports to the Board. However, the Board and management should establish interest rate risk (IRR) policy limits. If not properly controlled, IRR can impact an institution's earnings, capital, and its underlying economic value. Setting policy limits helps control this risk by establishing a baseline for the institution's tolerance for interest risk. Monitoring compliance with these limits ensures that the level of IRR is maintained at prudent levels and in accordance with the Board's expectations. Refer to the Risk Management Assessment page for additional details.

For additional information on prudent IRR management principles, refer to the Joint Agency Policy Statement on Interest Rate Risk.

Chairman of the Board White stated that management and the Board would establish IRR policy limits by year-end 20x6.

TRUST - 2

The Board and management's performance and risk management practices are satisfactory relative to the size of the department and the complexity of trust activities. Account administration is generally in compliance with governing documents. Oversight of the asset management function is satisfactory. Operations, internal controls, and audit are generally satisfactory in relation to the trust business model. The earnings component was not rated due to the department's size. Only moderate weaknesses are present and within management's ability to correct. Recommendations and management responses are noted below and further detailed on the Fiduciary Activities Assessment pages.

A Memorandum of Understanding (MOU) between the FDIC and the bank became effective on January 21, 20x5. Provisions of the MOU that require further efforts or are of a continuing nature are detailed below.

2(b). The bank shall maintain Allowances for Credit Losses at an appropriate level.

Based on this examination's findings, the ACL related to loans and leases is at an insufficient level requiring an estimated allocation of at least $325M.

3(a). The bank shall maintain a Leverage Capital ratio equal to or greater than 7 percent.

As of June 30, 20x5, the Leverage Capital ratio, adjusted for the additional $325M provision for credit loss expense, approximates 7.44 percent.

3(d). The bank shall maintain a Total Capital ratio equal to or greater than 10 percent.

As of June 30, 20x6, the Total Capital ratio, adjusted for the additional $325M provision for loan and lease loss expense is 11.75 percent.

4. The bank shall file accurate Call Reports.

Examiners noted significant errors in the December 31, 20x5, March 31, and June 30, 20x6, Call Reports which require amendments.

5. The bank shall not extend or renew, directly or indirectly, credit to, or for the benefit of, any borrower who has a loan or other extension of credit with the bank that has been charged off or classified, in whole or in part, Loss, Doubtful, or Substandard, unless rationale for the extension is noted in the official Board minutes and the appropriate credit file.

On January 30, 20x6, the bank extended a $50M loan to U. R. Worth. The borrower was adversely classified Loss at the previous examination. The Board did not specifically document the reason(s) for the extension in the official Board minutes or in the appropriate credit file.

6. The bank shall not declare or pay any dividends without the written consent of the FDIC.

No dividends have been declared or paid since the previous examination.

monitored and to improve the effectiveness of management's monitoring activities, management should formally document all required reviews.

President Lincoln indicated the missing reviews were an oversight and stated that a tickler system would be developed to remind the vendor -review officer of upcoming vendor reviews.

<u>Conformance with Information Security Standards</u>

Management is in general conformance with Appendix B to Part 364 - Interagency Guidelines Establishing Information Security Standards of the FDIC Rules and Regulations. Management identified the location of all non-public personal information, both electronic and hard copy. Threats to each type of information were identified, adequate controls are in place, and an annual report of the program is presented to the Board. While the overall program is adequate, management did not conduct control assessments on all third-party providers that obtain, use, or process non-public personal information. Management should expand the scope of the control assessments to include all applicable third-party providers. Including all applicable third parties in the assessments will help ensure the providers are appropriately identified and risk rated, and will help confirm third parties have adequate internal controls to protect non-public information.

President Lincoln stated that the vendor management program would be updated to identify all vendors with access to non-public personal information and that control assessments would be conducted on all identified vendors before March 31, 20x7.

<u>Cybersecurity Preparedness</u>

Management's assessment of the bank's cybersecurity risk exposure appropriately identifies inherent risks; however, cybersecurity preparedness could be strengthened by determining whether cyber-related controls are sufficient. By identifying cyber-related controls and determining whether they mitigate the identified inherent risks to an acceptable level, management will be better able to identify cybersecurity weaknesses and implement appropriate controls.

President Lincoln indicated that the assessment process would be expanded to include targeted maturity levels by June 30, 20x7.

Development and Acquisition - 2

Development and acquisition practices, which include hardware and software implementation and change-management practices, are appropriate for the institution's size and complexity. Overall, project management processes are adequate and provide sufficient guidance to manage projects. Currently, any project exceeding $20M is rated as a major project and requires specific project documentation. However, not all project documentation complies with the internal bank guidelines. For example, the documentation of three recent projects did not include reviews of alternative project solutions or explanations of why the solutions recommended in the project proposals were the most appropriate solutions. Management should comply with internal bank guidelines to ensure project requirements are met and consistent project documentation is in place.

President Lincoln indicated the project management program was relatively new and that project requirements were being introduced in a phased approach to not overwhelm employees. However, she agreed to follow internal project guidelines on future projects.

Trust Officer Hancock committed to documenting annual needs assessments for each trust account, as well as annual mutual fund reviews going forward.

Management – 2

The Board's and management's performance and risk management practices are satisfactory relative to the size of the department and the complexity of trust activities. Only moderate weaknesses are present and are within management's capabilities and willingness to correct. The full Board acts as the Trust Committee and reviews department activity reports monthly. Trust Officer Hancock is the primary administrator and record keeper for personal trust accounts, while President Lincoln administers the farm management agency account.

The Board has adopted a general Trust Policy. The Directorate should consider adding policy criteria regarding environmental reviews of real estate that may be held in current or future trust accounts. Such policy guidance would help ensure that department management can identify and take mitigating action on potential environmental concerns on real estate held in managed accounts.

Trust Officer Hancock agreed to develop such guidance for the Board's consideration at its next meeting.

Operations, Internal Controls and Auditing – 2

Operations, internal controls, and audit are satisfactory in relation to the volume and character of trust business. Moderate weaknesses exist, but in general are effectively identified and monitored. The bank's audit program includes an annual review of trust department activity, including the verification of trust assets.

Trust department records are maintained manually, which limits internal control capability. Trust Officer Hancock is implementing a computerized trust record keeping system as time permits. The computerized system has the capacity to allow for the separation of record keeping and data entry functions from the account administration function. Limited staff restricts full segregation of duties. Despite this, check writing and account reconciliation procedures should be separated to reduce the risk of error or inappropriate activity going undetected.

Trust Officer Hancock stated she would enhance the deposit account reconcilement procedures by the end of the third quarter.

Earnings – 0

This small department is operating primarily as a service to current customers rather than as a profit center. Due to this aspect of the trust department's operations, and the limited volume of $3.3 million assets under management, the earnings component is not rated.

Meeting With Management

A meeting was held on September 8, 20x6, with President Lincoln and Trust Officer Hancock to discuss examination findings in detail. An overview of these findings was also presented to the bank's Board of Directors at its meeting on September 18, 20x6.

Comparative Statements of Financial Condition | 99999

ASSETS	6/30/20x6	12/31/20x5
Total Loans and Leases	53,931	55,545
Less: Allowance for Credit Losses on Loans and Leases	1,979	1,748
Loans and Leases (net)	51,952	53,797
Interest-Bearing Balances	20	
Federal Funds Sold and Securities Purchased Under Agreements to Resell	4,000	9,100
Trading Account Assets		
Securities: Held-to-Maturity (at Amortized Cost)	2,787	5,993
Available-for-Sale (at Fair Value)	10,888	
Equity Securities with readily determinable fair values not held for trading		
Total Earning Assets	**69,647**	**68,890**
Cash and Noninterest-Bearing Balances	5,895	4,754
Premises and Fixed Assets	2,530	2,709
Other Real Estate Owned	1,225	690
Intangible Assets		
Other Assets	1,307	1,175
TOTAL ASSETS	**80,604**	**78,207**

LIABILITIES		
Deposits	67,815	66,221
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	441	516
Other Borrowed Money	5,857	5,136
Other Liabilities	301	307
Subordinated Notes and Debentures		
Total Liabilities	**74,414**	**72,180**
EQUITY CAPITAL		
Perpetual Preferred Stock		
Common Equity Capital	6,190	6,027
Includes net unrealized holding gains (losses) on available-for-sale securities.		
Other Equity Capital		
Total Bank Equity Capital	**6,190**	**6,027**
Minority Interest in Consolidated Subsidiaries		
Total Equity Capital	**6,190**	**6,027**
TOTAL LIABILITIES AND EQUITY CAPITAL	**80,604**	**78,207**

DERIVATIVES AND OFF-BALANCE SHEET ITEMS		
Unused Commitments	4,333	5,893
Letters of Credit	209	824
Other Off-Balance Sheet Items		
Notional Amount of Derivative Contracts		

Footnotes:

Loans and Lease Financing Receivables	99999

Date: 06/30/20x6

Category:	Amount	Percent
Real Estate Loans	21,938	40.53
Installment Loans	7,058	13.04
Credit Card and Related Plans	90	0.17
Commercial Loans	22,292	41.18
All Other Loans and Leases	2,753	5.09
Gross Loans and Leases	54,121	100.00

PAST DUE AND NONACCRUAL LOANS AND LEASES

Date: 06/30/20x6

Category	Past Due 30 through 89 Days and Accruing	Past Due 90 Days or More and Accruing	Total Past Due and Accruing	Percent of Category	Nonaccrual	Nonaccrual Percent of Category
Real Estate Loans	800	44	844	3.85	1,402	6.39
Installment Loans	125		125	1.77	107	1.52
Credit Card and Related Plans	3		3	3.33		
Commercial and All Other Loans and Leases	626		626	2.50	554	2.21
Totals	1,554	44	1,598	2.95	2,063	3.81
Memorandum Restructured Loans and Leases Included in the Above Totals						

Footnotes:

Recapitulation of Securities	99999

Description	HELD-TO-MATURITY		AVAILABLE-FOR-SALE	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Treasury securities	1,537	1,593		
U.S. Government agency obligations				
Issued by U.S. Gov't agencies			2,550	2,554
Issued by U.S. Gov't-sponsored agencies				
Securities issued by U.S. states & political subdivisions	250	250		
Mortgage-backed securities (MBS)				
Residential pass-through securities:				
Guaranteed by GNMA			7,322	7,415
Issued by FNMA and FHLMC				
Other pass-through securities				
Other residential MBS (inc. CMOs, REMICs, & stripped MBS):				
Issued or guaranteed by U.S. Government agencies or sponsored agencies				
Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies				
All other residential MBS				
Commercial MBS				
Commercial mortgage pass-through securities:				
Issued or guaranteed by FNMA, FHLMC, or GNMA				
Other pass-through securities				
Other Commercial MBS:				
Issued or guaranteed by U.S. Government agencies or sponsored agencies				
All other commercial MBS				
Asset-backed Securities (ABS) and structured financial products				
Asset-backed securities				
Structured financial products:				
Cash				
Synthetic				
Hybrid				
Other Debt Securities				
Other Domestic Debt Securities				
Foreign Debt Securities	1,000	1,000		
Equity Securities				
Investments in mutual funds & other equity securities with readily determinable fair values not held for trading[1]			919	919
Totals:	2,787	2,843	10,791	10,888

SECURITIES APPRECIATION (DEPRECIATION)

Description	Held-to-Maturity	Available-for-Sale	Total
Securities Appreciation (Depreciation)	56	97	153
As a Percent of Amortized Cost	2.01	0.90	1.13
Allowances for Credit Losses (ACLs) on HTM and AFS Debt Securities			
As a Percent of Amortized Cost			

Footnotes:

(1) Not applicable for institutions that have adopted ASU 2016-01, which governs the accounting for equity securities.

Includes assets and off-balance sheet items which are detailed in the following categories:
Substandard Assets - A Substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.
Doubtful Assets - An asset classified Doubtful has all the weaknesses inherent in one classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.
Loss Assets - An asset classified Loss is considered uncollectible and of such little value that continuance as a bankable asset is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be effected in the future.

		CATEGORY	
AMOUNT, DESCRIPTION AND COMMENTS	Substandard	Doubtful	Loss

These sample write-ups do not reflect required or preferred formats, but simply illustrate various ways to present the required analytical elements.

LOANS

500	(1)	Nonaccrual	96 Days Past Due	
250	(2)	Nonaccrual	96 Days Past Due	
750				750

AMHILL TOOL & DIE, INC.
By: Robert E. Hill, President
Gty: Roger S. Barrett

Amhill Tool & Die, Inc. manufactures custom plastic-forming dies and provides injection-molding services.

(1) Note originated 1/7/20x2 at $500M to refinance a $450M mortgage on the obligor's manufacturing plant and provide $50M working capital. The note matures 1/7/20x9 and requires interest-only payments, with principal due on demand. (2) Term note originated 6/10/20x3 at $280M, matures 6/11/20x0, and was extended to refinance a working capital note at another financial institution. The primary source of repayment for both notes is operating CF.

The loans are cross-collateralized by a first mortgage on the manufacturing plant, located in Anytown, Anystate, and a first security interest in all business assets. A 12/7/20x1 appraisal reflects a property value of $625M; however, the valuation appears stale given downward trends in local RE values. As of 12/31/20x5, management estimated the value of account receivables and inventory at $100M and assigned an estimated liquidation value of $125M to machinery and equipment. Reliance on the machinery and equipment as a secondary repayment source is restricted by their highly specialized nature and limited marketability.

Amhill Tool & Die, Inc. has been negatively impacted by cancelled contracts and high employee turnover. Weak CFs have caused on-going delinquency problems and management placed the notes on nonaccrual on 3/31/20x6. The obligor's 12/31/20x5 income statement reported gross income of $800M and a NOI of $100M. Gross sale revenues declined steadily since year-end 2012 and operating losses of $123M and $234M were reported as of 12/31/20x3 and 12/31/20x4, respectively. NW declined to $125M at year-end 20x5, and DSC was calculated at 0.91 as of 12/31/20x5. The guarantor's 12/31/20x4 personal FS reflects liquid assets of $30M, a NW of $375M, and TA of $890M centered in his ownership interest in Amhill Tool & Die, Inc.

EVP/SLO Leslie S. Cook indicated managerial conflicts contributed to the loss of several lucrative contracts and numerous highly trained employees; however, he stated production output is increasing due to the addition of two knowledgeable managers and improved employee training. He also stated management intends to obtain a new

AMOUNT, DESCRIPTION AND COMMENTS		CATEGORY	
	Substandard	Doubtful	Loss

property appraisal, restructure the notes to better match the corporation's cash flows, and to require principal and interest payments on the modified mortgage note.

Debts classified Substandard based on inadequate cash flows, continuing delinquencies, and marginal collateral protection.

Internal Rating: 6 (Watch)
Originating/Servicing Officer: Cook
Examiner: T. Hinojosa

Amount, Description and Comments	Substandard	Doubtful	Loss
340 BROOKS, JAMES	200	140	
1,250 IRMA DEAT, LTD.	750		500
290 KING, CHRISTOPHER Gty: Sam King, Inc.	290		
865 LAST CHANCE MOTEL, INC.	500		365
275 RAMIREZ, PETER	250		25
1,550 EIGHT LOANS LESS THAN $250,000 List left with management.	1,550		
TOTAL ADVERSELY CLASSIFIED LOANS	4,290	140	890
SECURITIES			
45 ANYCOUNTY MUNICIPAL GENERAL OBLIGATION	45		
TOTAL ADVERSELY CLASSIFIED SECURITIES	45		

AMOUNT, DESCRIPTION AND COMMENTS	CATEGORY		
	Substandard	Doubtful	Loss
OTHER REAL ESTATE OWNED			
550 ONE WAY HOME, INC. PROPERTY	550		
675 ROLLY PROPERTY	575		100
TOTAL ADVERSELY CLASSIFIED ORE	1,125		100
OTHER ASSETS			
25 SUN, RAYMOND Repossessed Heavy Equipment			25
TOTAL ADVERSELY CLASSIFIED OTHER ASSETS			25
CONTINGENT LIABILITIES			
230 KING, CHRISTOPHER Amount represents unfunded portion of loan commitment for construction of a single-family residence.	230		
TOTAL ADVERSELY CLASSIFIED CONTINGENT LIABILITIES	230		
TOTAL ADVERSELY CLASSIFIED ITEMS	5,690	140	1,015

Items Listed for Special Mention	**99999**

Includes assets and off-balance sheet items which are detailed as follows:
Special Mention Assets – A Special Mention asset has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in the deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special Mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification.

DESCRIPTION	AMOUNT

LOANS

854 RAIN, ROBERT, L.L.C. GTY: Robert Rain	854

Debt represents the balance outstanding on a $1,600M construction/permanent facility, dated 3/7/20x6, to refinance an existing $1,200M loan at subject bank granted 1/5/20x5. The original loan was granted to develop a 3-story mixed-use commercial and apartment building in Neighboring Town. The new loan provided the borrower with an additional $400M in funds to accommodate a revised construction budget stemming from plan modifications. Loan terms require interest-only payments at 4.375% for a 10-month period. Principal and interest payments of $8,231 based on a 25-year amortization are to commence on 1/7/20x7, with the loan to mature in 20x1. Collateral consists of a first mortgage on the property under construction appraised at $1,000M "as is" and $2,000M "as complete."

The following credit concerns are associated with the indebtedness:

- The project encountered numerous delays due to difficulty in obtaining permits resulting from the changes in construction plans and due to the need for additional financing.
- Guarantor analysis is inadequate, as liquid assets were not verified and a global CF analysis was not prepared.
- Monitoring of the project has been weak. As a result, the loan has been 53 percent funded, but the project is only 40 percent completed, with the difference representing construction funds used for soft costs.
- No feasibility analysis was performed to support the 20x5 origination.
- The guarantor's experience as a construction manager is questionable considering the delays, revisions, and cost overruns.
- The appraised value may need to be updated, as it is based on the project being completed within the revised budget and assumes that projected operating results will materialize.

Given the concerns noted above and weaknesses associated with this indebtedness, a Special Mention designation is warranted. To strengthen the credit, close management oversight and monitoring is required, along with the following actions:

- Monitor construction progress and compare to budget to ensure percentage completion is brought in line with funding.
- Verify the guarantor's liquid assets and obtain financial information to perform a global CF analysis.
- Obtain an updated appraisal if actual rental rates significantly diverge from the appraisal's projections, if project costs outstrip the revised budget, or if further delays ensue.

Internal Rating: 3
Originating/Servicing Officer: Cook
Examiner: V. Stewart

TOTAL LOANS LISTED FOR SPECIAL MENTION	854

Analysis of Loans Subject to Adverse Classification	99999

DESCRIPTION	SUBSTANDARD	DOUBTFUL	LOSS	TOTAL
Book Value at Last Examination: 09/30/20x5	6,641	220	176	7,037
Reductions:				
Payments	1,030	58		1,088
Not Now Adversely Classified	955	162		1,117
Now Classified Substandard				
Now Classified Doubtful	140			140
Now Classified Loss	890			890
To Other Real Estate or Other Assets				
Charged-Off	209		176	385
TOTAL REDUCTIONS	3,224	220	176	3,620
Additions:				
Not Adversely Classified Previously	873			873
Further Advances – Loans				
Not Adversely Classified Previously				
Further Advances – Loans				
Adversely Classified Previously				
Credits Newly Extended				
Previously Classified Substandard		140	890	1,030
Previously Classified Doubtful				
Previously Classified Loss				
TOTAL ADDITIONS	873	140	890	1,903
Book Value at This Examination: 06/30/20x6	4,290	140	890	5,320

Analysis of Other Real Estate Owned Subject to Adverse Classification | 99999

DESCRIPTION	SUBSTANDARD	DOUBTFUL	LOSS	TOTAL
Book Value at Last Examination: 09/30/20x5	672		18	690
Reductions:				
Not Now Adversely Classified				
Sales With Outside Financing				
Sales With Financing				
Provided By Subject Institution				
Now Classified Substandard				
Now Classified Doubtful				
Now Classified Loss	100			100
Charged-Off			18	18
TOTAL REDUCTIONS	100		18	118
Additions:				
Not Adversely Classified Previously	550			550
Further Advances - ORE or Loans Not Adversely Classified Previously				
Transferred from Previously Adversely Classified Loans				
Further Advances - ORE or Loans Adversely Classified Previously	3			3
ORE From Credits Newly Extended				
Previously Classified Substandard ORE			100	100
Previously Classified Doubtful ORE				
Previously Classified Loss ORE				
TOTAL ADDITIONS	553		100	653
Book Value at This Examination: 06/30/20x6	1,125		100	1,225

Assets with Credit Data or Collateral Documentation Exceptions	99999

This Page includes assets with technical defects not corrected during the examination. The appropriate number or description is noted in the "Deficiency Description" column.

1 - Appraisal
2 - Title Search or Legal Opinion
3 - Borrowing Authorization
4 - Recordation
5 - Insurance
6 - Collateral Assignment
7 - Financial Statement
8 - Inadequate Income/Cash Flow Information
9 - Livestock Inspection
10 - Crop Inspection

Name or Description	Amount	Date of Most Recent Financial Statement	Deficiency Description
LOANS			
AMHERST, MARY	400	None	7
BODY, CHARLES	1,932	12/31/2014	7
C&C MARINA	1,973	6/30/2014	7
GOETZ, MICHAEL	1,538	None	1
IRMA DEAT, LTD.	750		4, 6
JENNINGS, JENNIFER	1,906		5, 6
KING, CHRISTOPHER	290		4, 5, 6
Gty: Sam King		None	7
LAST CHANCE MOTEL, INC.	500		3, 4, 6
TOTAL	9,289		

Total represents 33 percent of the dollar volume of loans reviewed.

Name or Description	Amount	Date of Most Recent Financial Statement	Deficiency Description
OTHER REAL ESTATE OWNED			
ONE WAY HOME, INC. PROPERTY	550		5
TOTAL	550		

Total represents 45 percent of the dollar volume of ORE reviewed.

DESCRIPTION	DETAIL	AMOUNT EXTENDED

CORRESPONDENT BANK CONCENTRATIONS

FIRST NATIONAL BANK
Anothercity, Anotherstate

Due From Account	4,025	
Federal Funds Sold	5,000	
		9,025

- Concentration to First National Bank (FNB) represents 111 percent of Tier 1 Capital plus the allowance for credit losses for loans and leases.
- Aggregate monthly balances have averaged over $9 million for the past six quarters.
- Management does not formally measure or track the level of this concentration.
- Management does not perform formal financial analysis of FNB.
- Management stays abreast of the FNB's financial condition through routine business contacts and review of publicly available financial data.
- The overall health of regional banks is satisfactory.
- Credit risk is relatively low due to FNB’s current financial strength.
- Concentration risk is moderate due to a lack of formal monitoring procedures.
- Deterioration in FNB’s financial position could negatively affect daily operations as the Bank of Anytown uses the Due From FNB account to clear transactions and the federal funds sold account is a primary liquidity source.
- Policies and procedures for ensuring compliance with the Federal Reserve’s Regulation F are satisfactory; however, management has not established formal guidelines for identifying or limiting overall correspondent concentrations.

Summary

This correspondent bank concentration presents moderate risk to the institution and is generally adequately managed, though President Lincoln indicated that more formal correspondent bank risk management guidelines would be developed. See Question 1 on the Risk Management Assessment Page.

INDIVIDUAL BORROWER CONCENTRATION

John and Mary Smith Relationship

John and Mary Smith		
RE mortgage	500	
JMS Corporation		
JM: John and Mary Smith		
Secured commercial loans (3)	785	
Commercial letters of credit (2)	315	
J&M Realty Trust		
Gty: John and Mary Smith		
Commercial RE mortgage	750	
		2,350

The Smiths own JMS Corporation (JMS), which repairs and resells used wood pallets, and J&M Realty Trust, which holds their commercial property. This credit concentration represents 29 percent of Tier 1 Capital plus the allowance for credit losses for loans and leases.

The wood pallet industry is facing increased competition from the plastic pallet industry. However, JMS's recycling of scrap wood has allowed it to maintain solid sales and profitability levels to offset the effect of the increased competition. The borrowers have had a very positive, long-term credit relationship with the bank, the notes are well collateralized by diverse and marketable collateral, and the concentration poses limited risk to the bank.

The Loan Policy includes appropriate credit limits to one borrower, and management reports large credit relationships to the Board each month. However, the Smith's residential mortgage was not identified in the bank's relationship analysis and the Smith relationship has not been reported to the Board as a concentration. The most recent annual loan review for this credit relationship included adequate analysis of the economic and competitive factors that may affect this concentration's risk profile, and the internal risk rating is appropriate. However, the origination of the J&M Realty Trust mortgage on 1/2/20x6, caused the outstanding balances for this relationship to exceed the Anystate legal lending limit statute, as discussed previously on the Violations of Laws and Regulations page for further discussion.

Summary

The concentration poses limited risk to the institution. However, concentration identification and reporting practices need improvement. See Question 1 on the Risk Management Assessment Page.

INDUSTRY CONCENTRATION

Shellfish Fishing Industry (NAICS Code 114112)	8,694

Identification - This credit concentration consists of loans to borrowers who specialize in shell fishing or the sale of customized fishing vessels and equipment. Although loans to the shell fishing industry represent 107 percent of Tier 1 Capital plus the allowance for credit losses for loans and leases, management does not measure or track the credits as a concentration of risk.

Economic and Competitive Factors - Management stays abreast of general factors and economic trends relating to the industry through local news reports and discussions with borrowers. However, management does not maintain a formal process for obtaining and disseminating economic, competitive, or regulatory information to the Board or loan staff. Given the informality of the process, management was unaware of some key factors adversely affecting the industry, such as federal efforts to reduce overfishing through lower fuel subsidies and State proposals to reduce daily catch limits and shorten permissible fishing hours.

Risk Stratification and Vulnerability Assessment - Most of the borrowers are fishermen that share the same fishing grounds, as there are no alternative grounds readily available. The collateral consists of specialized fishing vessels and equipment that are not easily converted to other purposes, thereby limiting their marketability.

Borrower CF is heavily influenced by catch volumes, market price, and operating costs. Although sustained demand has contributed to higher per-pound prices, lower catch volumes and higher fuel costs have reduced profitability levels and increased repayment risk associated with this industry.

Underwriting standards are heavily reliant on collateral values, with limited analysis of projected CFs. Delinquencies remain relatively low, but have been increasing. Internal risk ratings, which appear to accurately reflect the characteristics of individual loans, have not been aggregated for analysis of the fishing portfolio. Additionally, as management does not formally monitor industry risks, there has been no analysis of the potential impact to the institution's asset quality, earnings, or capital if adverse trends continue.

Risk Management and Control Processes - Management relies on general loan delinquency reports and periodic discussions with borrowers to monitor loans to the fishing industry. Although the strategic plan identifies fishing as an important factor in the local economy, it does not address any of the unique risks or mitigating risk management practices associated with lending to this industry. Also, as noted above, management has not established formal procedures to identify, aggregate, or track loans to the fishing industry, and the loan policy does not address portfolio concentration limits.

<u>Summary</u>

Monitoring of this concentration has been relatively informal, given management’s long term experience in lending to this industry, but given the size of the concentration and vulnerabilities in the industry, risk management should be more robust. President Lincoln stated that plans are to continue to lend in this industry at the current levels; however, she stated that oversight and administration of the concentration would be strengthened. See Question 1 on the Risk Management Assessment Page.

Capital Calculations		99999
COMMON EQUITY TIER 1 CAPITAL (CET1)		
Common Stock and Surplus net of Treasury Stock and unearned ESOP shares	6,027	
Retained Earnings	103	
Accumulated Other Comprehensive Income	60	
Common Equity Tier 1 Minority Interest includable in Common Equity Tier 1		
Subtotal: Common Equity Tier 1 Capital Before Adjustments and Deductions		6190
Adjustments and Deductions to CET1		
Less: Goodwill net of Associated Deferred Tax Liabilities		
- Intangible Assets (other than Goodwill and Mortgage Servicing Assets), net of associated deferred tax liabilities		
- Deferred Tax Assets that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of deferred tax liabilities		
- AOCI-related Adjustments[1]	60	
- Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk		
- All other deductions from (additions to) CET1 capital before threshold-based deductions		
- Investments in the capital of unconsolidated financial institutions in the form of common stock that exceeds the 25 percent CET1 Capital deduction threshold		
- MSAs, net of associated DTLs that exceed the 25 percent CET1 capital deduction threshold		
- DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs that exceed the 25 percent CET1 deduction threshold[3]		
- Deductions for insufficient amounts of Additional Tier 1 and Tier 2 capital to cover deductions		
Subtotal: Adjustments and Deductions to CET1		60
Less: Assets Other than Held-for-Investment Loans and Leases Classified Loss	125	
- Additional Provision (to be Transferred to Tier 2 Capital, if applicable)[2]	325	
- Other Adjustments to and Deductions from Common Equity Tier 1 Capital[3]		
Subtotal: Other Adjustments and Deductions to CET1		450
Common Equity Tier 1 Capital		5,680
ADDITIONAL TIER 1 CAPITAL		
Noncumulative Perpetual Preferred Stock and related Surplus		
Non-qualifying capital instruments subject to phase-out from Additional Tier 1 capital		
Tier 1 Minority Interest not included in CET1 Capital		
Subtotal: Additional Tier 1 Capital before Deductions		
Less: Additional Tier 1 Capital Deductions		
Additional Tier 1 Capital		
Tier 1 Capital		5,680

TIER 2 CAPITAL (2)

Tier 2 Capital instruments and related surplus		
Non-qualifying capital instruments subject to phase-out from Tier 2 Capital		
Total capital minority interest that is not included in Tier 1 capital		
Adjusted Allowance for Credit Losses (AACL)	1,979	
Less: Held-for-Investment Loans and Leases Classified Loss	890	
Add: Additional Provision Transferred from Common Equity Tier 1 Capital	325	
Examination Adjusted AACL	1,414	
Less: Excess AACL (If Applicable)	728	
AACL Includable in Tier 2 Capital	686	
Unrealized Gains on Available-For-Sale Equity Securities Includable in Tier 2 Capital		
Subtotal: Tier 2 Capital Before Deductions	686	
Less: Tier 2 Capital Deductions		
Tier 2 Capital		686
TOTAL CAPITAL(2)		6,366

RISK-WEIGHTED ASSETS AND AVERAGE TOTAL ASSETS CALCULATIONS(2)

Risk-Weighted Assets Before Deductions for Excess AACL and Allocated Transfer Risk Reserve	55,920	
Less: Excess AACL	728	
Less: Allocated Transfer Risk Reserve		
Less: Risk-Weighted Asset Amounts Deducted from Capital	1,015	
Total Risk-Weighted Assets		54,177
Average Total Assets	76,803	
Less: Deductions from Common Equity Tier 1 Capital and Additional Tier 1 Capital(3)	450	
Average Total Assets for the Leverage Ratio		76,353

MEMORANDA

Capital Conservation Buffer(2)		N/A
Securities Appreciation (Depreciation)		1,126
Contingent Liabilities/Potential Loss	130,787 / 0	

Footnotes:

(1) Includes AOCI adjustments by banks making the AOCI opt-out election and the adjustment for certain accumulated gains (losses) on cash flow hedges by banks not making the AOCI opt-out election as outlined in Part 324.

(2) Institutions under the CBLR framework do not calculate Tier 2 Capital. For such institutions, Tier 1 Capital equals Total Capital under Part 324. In addition, these institutions do not calculate Risk-Weighted Assets or the Capital Conservation Buffer.

(3) Includes adjustment for financial subsidiaries as defined by the Gramm-Leach-Bliley Act of 1999, if applicable.

Comparative Statement of Income

	Period Ended 06/30/20x6	Period Ended 12/31/20x5	Period Ended 12/31/20x4
Interest Income	2,519	5,582	7,329
Interest Expense	894	2,452	3,850
Net Interest Income	1,625	3,130	3,479
Noninterest Income	304	589	643
Noninterest Expense	1,467	2,902	2,904
Provision for Credit Losses	300	1,025	1,580
Securities Gains (Losses)	15	48	
Net Operating Income (Pre-Tax)	177	(160)	(362)
Applicable Income Taxes	74	(36)	(117)
Net Operating Income (After-Tax)	103	(124)	(245)
Discontinued Operations Net of Applicable Income Taxes			
Net Income (Loss) Attributable to Noncontrolling (Minority) Interests			
Net Income	103	(124)	(245)
Other Increases/Decreases	60		
Includes changes in the net unrealized holding gains (losses) on Available-For-Sale Securities			
Cash Dividends			
Net Change in Equity Accounts	163	(124)	(245)

Reconcilement of Allowance for Credit Losses on Loans and Leases

	Period Ended 06/30/20x6	Period Ended 12/31/20x5	Period Ended 12/31/20x4
Beginning Balance	1,748	1,407	950
Gross Loan and Lease Losses	181	884	1274
Recoveries	112	200	151
Provision for Credit Losses on Loans and Leases	300	1025	1580
Other Increases (Decreases)			
Ending Balance	1,979	1,748	1,407

Other Component Ratios and Trends

Ratio	Period Ended 06/30/20x6	Period Ended 12/31/20x5	Period Ended 12/31/20x4
Net Interest Income (TE)/Average Earning Assets	4.74	4.37	4.64
Total Noninterest Expense/Average Assets	3.82	3.62	3.54
Net Income/Average Total Equity	3.39	-2.05	-3.87
Net Losses on Loans and Leases/Average Total Loans and Leases	0.025	1.24	1.88
Earnings Coverage of Net Losses (X)	6.7	-1.19	-1.08
ACL on Loans and Leases/Total Loans and Leases	3.67	3.15	2.5
Noncurrent Loans and Leases/ACL on Loans and Leases	106.47	143.88	100.64

Footnotes:

Comparative Statements of Income and Changes in Equity Capital Accounts	99999

ITEMS	06/30/20x6	12/31/20x5	12/31/20x4
INTEREST INCOME:			
Interest and fee income on loans	2,185	4,826	6,305
Income from lease financing			
Interest on balances with depository institutions			
Income on Federal funds sold and repos	66	350	512
Interest from assets held in trading accounts			
Interest and dividends on securities	268	406	512
Other Interest Income			
TOTAL INTEREST INCOME	2519	5582	7,329
INTEREST EXPENSE:			
Interest on deposits	858	2,434	3,832
Expense on Federal funds purchased and repos	5	18	18
Other interest expense	31		
TOTAL INTEREST EXPENSE	894	2,452	3,850
NET INTEREST INCOME	1,625	3,130	3,479
NONINTEREST INCOME:			
Services charges on deposit accounts	234	461	415
All other noninterest income	70	128	228
TOTAL NONINTEREST INCOME	304	589	643
NONINTEREST EXPENSE:			
Salaries and employee benefits	750	1,422	1,342
Premises and fixed assets expense (net of rental income)	271	549	584
Amortization expense of intangible assets (including goodwill)			
Other noninterest expense	446	931	978
TOTAL NONINTEREST EXPENSE	1,467	2,902	2,904
Provision for credit losses	300	1,025	1,580
Securities gains (losses)	15	48	
NET OPERATING INCOME (PRETAX)	177	(160)	(362)
Applicable income taxes	74	(36)	(117)
NET OPERATING INCOME (AFTERTAX)	103	(124)	(245)
Discontinued operations net of applicable income taxes			
Net income (loss) attributable to noncontrolling (minority) interests			
NET INCOME	103	(124)	(245)
Other increases in equity capital accounts	60		
Other decreases in equity capital accounts			
Cash dividends declared on common stock			
Net change in equity capital accounts for the period	163	(124)	(245)
Equity capital accounts at beginning of the period	6,027	6,151	6,396
Equity capital accounts at end of the period	6,190	6,027	6,151

Footnotes:

HOLDING COMPANY RATIOS AND TRENDS

CONSOLIDATED HOLDING COMPANY	HOLDING COMPANY (Date)	HOLDING COMPANY (Date)	HOLDING COMPANY (Date)
Net Operating Income to Average Assets			
Total Risk-Based Capital Ratio			
Leverage Capital Ratio			
This Institution's Assets to Consolidated Holding Company Assets			
PARENT ONLY			
Pre-Tax Operating Income and Interest Expense to Interest Expense (X) (Fixed Charge Coverage)			
Operating Income - Tax + Non-Cash Items to Total Operating Expense and Dividends Paid (Cash Flow Match)			
Total Liabilities to Equity			
Equity Investments in Subsidiaries to Equity (Double Leverage)			
Equity Investment in Subsidiaries - Equity Capital/Net Income - Dividends (Double Leverage Payback in Years)			

EXTENSIONS OF CREDIT TO AFFILIATED ORGANIZATIONS

DESCRIPTION	DIRECT	INDIRECT	TOTAL
A. Affiliated organizations including securities issued by affiliated organizations.	250		250
B. Indebtedness of others, or portions of such indebtedness, collateralized by securities issued by affiliated organizations.			0
Total	250	0	250
Less duplications within and between groups			0
Net Total	250	0	250

Comments:

HOLDING COMPANY

Any Company, Inc.
Anytown, Anystate

SUBSIDIARY

Any Time, Inc.
Anytown, Anystate

OTHER AFFILIATES

Any Body, Inc.
Anytown, Anystate

Extensions of Credit to Directors/Trustees, Officers, Principal Shareholders, and Their Related Interests	**99999**

Description		**Total**
A. Executive Officers and their related interests		1,200
B. Directors/Trustees and Principal Shareholders and their related interests		250
TOTAL		1,450
Less duplications within and between groups		250
NET TOTAL		1,200
Capital and unimpaired surplus as of last Call Report date (Per Regulation "O")		7,094
Net total insider borrowing as a percentage of unimpaired capital and surplus		16.92%
NAME AND COMMENTS (Designate all duplications with a "D")	Detail	% of Unimpaired Capital & Surplus
Group A		
LINCOLN, ALLIE C. Director and President	500	7.05%
GUTIERREZ, JOHN M. Executive Vice President and Cashier	450	6.34%
ANY BODY, INC. Duplication debt guaranteed by President Lincoln and Director Green.	250 D	3.52%
TOTAL	1,200	
Group B		
ANY BODY, INC. A related interest of President Lincoln and Director Green. Both individuals guarantee the debt.	250 D	3.52%

Safety and Soundness

Composite 3. Financial institutions in this group exhibit some degree of supervisory concern in one or more of the component areas. These financial institutions exhibit a combination of weaknesses that may range from moderate to severe; however, the magnitude of the deficiencies generally will not cause a component to be rated more severely than 4. Management may lack the ability or willingness to effectively address weaknesses within appropriate time frames. Financial institutions in this group generally are less capable of withstanding business fluctuations and are more vulnerable to outside influences than those institutions rated a composite 1 or 2. Additionally, these financial institutions may be in significant noncompliance with laws and regulations. Risk management practices may be less than satisfactory relative to the institution's size, complexity, and risk profile. These financial institutions require more than normal supervision, which may include formal or informal enforcement actions. Failure appears unlikely, however, given the overall strength and financial capacity of these institutions.

Information Technology

Composite 2. Financial institutions and service providers rated composite "2" exhibit safe and sound performance but may demonstrate modest weaknesses in operating performance, monitoring, management processes, or system development. Generally, senior management corrects weaknesses in the normal course of business. Risk management processes adequately identify and monitor risk relative to the size, complexity, and risk profile of the entity. Strategic plans are defined but may require clarification, better coordination, or improved communication throughout the organization. As a result, management anticipates, but responds less quickly to changes in market, business, and technological needs of the entity. Management normally identifies weaknesses and takes appropriate corrective action. However, greater reliance is placed on audit and regulatory intervention to identify and resolve concerns. The financial condition of the service provider is acceptable and while internal control weaknesses may exist, there are no significant supervisory concerns. As a result, supervisory action is informal and limited.

Trust

Composite 2. Administration of fiduciary activities is fundamentally sound. Generally, no component rating should be more severe than 3. Only moderate weaknesses are present and are well within management's capabilities and willingness to correct. Fiduciary activities are conducted in substantial compliance with laws and regulations. Overall risk management practices are satisfactory relative to the institution's size, complexity, and risk profile. There are no material supervisory concerns and, as a result, the supervisory response is informal and limited.

Compliance

Composite 2. An institution in this category is in a generally strong compliance position. Management is capable of administering an effective compliance program. Although a system of internal operating procedures and controls has been established to ensure compliance, violations have nonetheless occurred. These violations, however, involve technical aspects of the law or result from oversight on the part of operating personnel. Modification in the bank's compliance program and/or the establishment of additional review/audit procedures may eliminate many of the violations. Compliance training is satisfactory. There is no evidence of discriminatory acts or practices, reimbursable violations, or practices resulting in repeat violations.

Community Reinvestment Act (CRA)

A CRA rating of "Satisfactory" is assigned. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate income neighborhoods, in a manner consistent with its resources and capabilities.

Refer to http://www.fdic.gov/regulations/examinations/ratings/index.html for definitions of all composite ratings.

Signatures of Directors/Trustees	99999

We the undersigned directors/trustees of Bank of Anytown, Anytown, Anystate, have personally reviewed the contents of the Report of Examination dated June 30, 20x6

Signatures of Directors/Trustees	**Date**
Henry P. Black	
Michael D. Brown	
Larry G. Green	
Kerry A. Jones	
Allie C. Lincoln	
Jaime S. Martin	
John D. Scott	
Roger White	

NOTE: This form should remain attached to the Report of Examination and be retained in the institution's file for review during subsequent examinations. The signatures of committee members will suffice only if the committee includes outside directors and a resolution has been passed by the full board delegating the review to such committee.

CONTROL AND RELATIONSHIPS

Any Company, Inc., a one-bank holding company, continues to own 100 percent of the bank's common stock. Bank directors own or control a combined 908,584 shares or 56 percent of holding company stock. President Lincoln is the largest individual stockholder, controlling 500,326 shares or 31 percent of the outstanding stock. Any Time, Inc. is a subsidiary of the bank and holds title to ORE. Any Body, Inc., is an on-premise insurance agency owned by President Lincoln and Director Green that sells credit life, auto, fire, and disability insurance but does not utilize bank employees or equipment. President Lincoln stated that no ownership or management changes are planned. President Lincoln notified the bonding company of the nonbank activity being conducted on the premises and received an acknowledgement letter from the bonding company dated November 9, 20x5. On January 20, 20x6, the board of directors of Any Company reviewed the operations of Any Body, Inc., and approved its continued operations and lease of bank space for another year.

DIRECTOR INVOLVEMENT

One of the bank’s directors contacted the EIC during the examination to discuss his concerns with the current committee structure of the bank. Director John Scott indicated that he felt the Loan Committee membership should be expanded and that the committees were dominated by Chairman White and President Lincoln.

DOMINANT MANAGEMENT

Chairman of the Board Roger White and President Allie Lincoln exhibit a dominant influence over the bank's affairs. Their dominance over policy discussion and decisions has negatively impacted the condition of the institution as noted throughout the report of examination. Both Chairman White and President Lincoln were responsive to regulatory concerns and promised prompt corrective actions to implement the current exam recommendations and outstanding MOU.

EXAMINATION SCOPE

Examination Number 12345

The examination scope was expanded from the pre-exam planning (EP) memo in the following areas:

- Construction Lending – Expanded due to administrative problems identified in the original loan sample. Ten additional construction loans serviced by the two construction lenders and originated in 20x6 were reviewed.
- BSA Review – Expanded to include a review of all Currency Transaction Reports filed in 20x6 due to indications that they were being filed late.
- Call Report Review – Expanded to include year-end 20x5 in response to the volume of errors noted with the original review.

As a result, examination hours, totaling 760, are 150 over budget (25 percent). Other examination procedures were not modified from those identified in the EP memo and no significant variances between projected and actual examination hours, scope, or procedures were noted in the BSA/AML (Exam #12346), Trust (Exam #12347), or IT (Exam #12348) reviews.

SUGGESTIONS FOR FUTURE EXAMINATIONS

There is sufficient working space for seven examiners.
Management accommodated working hours of 7:30am to 5:30pm.
The examination crew should contain at least one examiner with experience in construction loan analysis.

List alphabetically all directors/trustees, senior officers, and principal stockholders. Also indicate their titles. Number of shares owned is not rounded. (J – indicates stock jointly owned; P – indicates preferred stock owned; H – indicates holding company stock owned; C – indicates stock controlled but not owned)

Biographical and background information on directors, officers, and other key management officials listed on this page should be prepared in accordance with the Report of Examination Instructions.

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					
<u>DIRECTORS/TRUSTEES</u>							
BLACK, HENRY P. Attorney *Address*	501	3/1/20x5	1980	1961	12	50,992 (H)	
BROWN, MICHAEL D. Commercial RE Consultant (1) *Address*	7,890	6/1/20x5	1983	1959	5	5,005 (H)	
GREEN, LARRY G. Automobile Dealership Owner (1) *Address* *Estimated by President Lincoln.	10,000	8/1/20x6*	1981	1955	12	200,150 (H)	
JONES, KERRY A. Retired Doctor *Address*	2,500	6/1/20x5	1979	1933	12	1,010 (H)	
LINCOLN, ALLIE C. President (1)(2) *Address*	1,357	2/1/20x5	1982	1951	12	500,326 (H)	100 25(B)
MARTIN, JAIME S. Economist *Address*	3,565	3/1/20x5	1981	1950	11	150,500 (H)	
SCOTT, JOHN D. Certified Public Accountant (2) *Address*	7,234	8/7/20x5	1982	1954	11	101 (H)	
WHITE, ROGER Chairman of the Board (1)(2) *Address* *Estimated by Money Magazine.	5,000	6/24/20x6*	1980	1960	12	500 (H)	24(B)
<u>OFFICERS, NOT DIRECTORS/TRUSTEES</u>							
COOK, LESLIE S. Executive Vice President - Commercial Lending (1)			1983	1960			85

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					
GUTIERREZ, JOHN M. Executive Vice President / Cashier (2)			1983	1958			70
PRINCIPAL SHAREHOLDERS, NOT DIRECTORS/TRUSTEES OR OFFICERS							
ANY COMPANY, INC. Anytown, Anystate						162,247	

(1) Loan Committee
(2) Investment Committee

Total Holding Company shares owned by the Directorate: 908,584
Percentage Holding Company ownership by the Directorate: 56 percent

There have been 12 regular Board meetings since the last regulatory examination.
Director fees are $250 per Board meeting attended.
Committee fees are $100 per committee attended.