ANNUAL REPORT OF EXAMINING COMMITTEE

NORTH DAKOTA DEPARTMENT OF FINANCIAL INSTITUTIONS
BANKING AND TRUST COMPANIES DIVISION
SFN 2150 (Rev. 8-2009)

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Name of Bank	City

At close of business June 30, _____ , we the undersigned members of the Examining Committee of the above-named bank, do hereby certify that we have made a thorough examination of the condition of the above-named, and are of the opinion that the assets of the bank are not carried on the books thereof in excess of the actual value.

For all questions requesting yes/no, please mark the appropriate response with an "X". If additional space is needed for your responses, you may attach additional sheets as needed.

I. BANK OPERATIONS

1. Please indicate the frequency of reconciliations (e.g. daily, weekly, monthly, quarterly, or other):

	Internal Audit Requirements	Date of Last Reconciliation	Performed By	Frequency
Cash				
Due from Correspondent Accounts				
Investments				
Loans and Leases				
Deposit Liabilities				
Accrual, Income and Expense Accounts				

2. Does the bank reconcile and review nonledger assets?
☐ Yes ☐ No

3. If no, has the Examining Committee reconciled and reviewed nonledger assets? ☐ Yes ☐ No

4. Does the bank periodically review other real estate owned to ensure that the amount carried is not in excess of the current value?
☐ Yes ☐ No

5. Please indicate which major operational policies have been adopted and the date of last review by the Board of Directors. For example, asset/liability, funds management, internal audit, and internal control.

POLICY	DATE OF BOARD REVIEW

II. LOANS, LEASES, AND DISCOUNTS

1. Does the bank have a written loan policy?
☐ Yes ☐ No

2. Date of last review and approval by the Board of Directors

3. Does the bank have procedures in place to determine if the loan policy is being adhered to? (If yes, please describe)
☐ Yes ☐ No

4. Does the bank have an internal "watch list" which identifies problem loans and leases?
☐ Yes ☐ No

5. Since the last Report of Examining Committee, were there any instances in which a loan determined to be "nonbankable" was not immediately removed from the banks's books? (If yes, please describe).
☐ Yes ☐ No

III. INVESTMENTS

1. Does the bank have a written investment policy? ☐ Yes ☐ No	2. Date of last review and approval by the Board of Directors
3. Does the bank have procedures in place to determine if the investment is being adhered to? (If yes, please describe) ☐ Yes ☐ No	
4. Does the investment policy address all investment types held by the bank in its portfolio? ☐ Yes ☐ No	

IV. EQUITY CAPITAL

1. Has the bank established sufficient procedures to review entries made to capital accounts and income and expense categories for appropriateness?	☐ Yes ☐ No
2. If no, has the Examining Committee reviewed those entries? ☐ Yes ☐ No	

V. TRUST DEPARTMENT (if applicable)

1. Does the bank have an appropriate system of internal controls and procedures to verify trust and agency accounts?
☐ Yes ☐ No

VI. BANK SUBSIDIARIES (if applicable)

1. Is the value the bank carries for each subsidiary supported by the value of the subsidiary?
☐ Yes ☐ No

VII. AUDIT

1. Please indicate what best describes the bank's audit function:

	Autonomous audit department or auditor employed by the bank
	Full-time employee who performs other bank tasks
	Staff perform various balance duties
	Reliance on external audit performed by an independent accountant
	Other (please describe):

2. Does the designated audit include a review of employee deposit accounts for unusual transactions? ☐ Yes ☐ No	Date
3. Does the Board of Directors review the internal/external audit report? ☐ Yes ☐ No	Date

4. Who is responsible for ensuring the loan function is in compliance with the following laws and regulations?

FRB Regulation 0, 23A & 23B (if applicable)	Legal Lending Limit
Appraisal Requirements	Consumer, etc.

Dated this _____ day of _____, _____.

Examining Committee