TABLE 1 TO APPENDIX A—DESIGNATED FEDERAL LAWS AND REGULATIONS APPLICABLE TO:

<table>
<thead>
<tr>
<th>Law Section</th>
<th>Description</th>
<th>National banks</th>
<th>State member banks</th>
<th>State non-member banks</th>
<th>Savings associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>375a</td>
<td>Loans to Executive Officers of Banks</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>(A)</td>
</tr>
<tr>
<td>375b</td>
<td>Extensions of Credit to Executive Officers, Directors, and Principal Shareholders of Banks</td>
<td>✓</td>
<td>✓</td>
<td>(A)</td>
<td>(A)</td>
</tr>
<tr>
<td>1468(b)</td>
<td>Extensions of Credit to Executive Officers, Directors, and Principal Shareholders</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1828(j)(2)</td>
<td>Extensions of Credit to Officers, Directors, and Principal Shareholders</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1828(j)(3)(B)</td>
<td>Extensions of Credit to Officers, Directors, and Principal Shareholders</td>
<td>(B)</td>
<td>(C)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Parts and/or Sections of Title 12 of the Code of Federal Regulations

<table>
<thead>
<tr>
<th>Law Section</th>
<th>Description</th>
<th>National banks</th>
<th>State member banks</th>
<th>State non-member banks</th>
<th>Savings associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>Extensions of Credit to Insiders</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Lending Limits</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>215</td>
<td>Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks</td>
<td>✓</td>
<td>✓</td>
<td>(D)</td>
<td>(E)</td>
</tr>
<tr>
<td>337.3</td>
<td>Limits on Extensions of Credit to Executive Officers, Directors, and Principal Shareholders of Insured Nonmember Banks</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>563.43</td>
<td>Loans by Savings Associations to Their Executive Officers, Directors, and Principal Shareholders</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dividend Restrictions—Parts and/or Sections of Title 12 of the United States Code

<table>
<thead>
<tr>
<th>Law Section</th>
<th>Description</th>
<th>National banks</th>
<th>State member banks</th>
<th>State non-member banks</th>
<th>Savings associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>56</td>
<td>Prohibition on Withdrawal of Capital and Unearned Dividends</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>Dividends and Surplus Fund</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1467a(f)</td>
<td>Declaration of Dividends</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1831o(d)(1)</td>
<td>Prompt Corrective Action—Capital Distributions Restricted</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Parts and/or Sections of Title 12 of the Code of Federal Regulations

<table>
<thead>
<tr>
<th>Subpart</th>
<th>Description</th>
<th>National banks</th>
<th>State member banks</th>
<th>State non-member banks</th>
<th>Savings associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Subpart E</td>
<td>Payment of Dividends</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.6</td>
<td>Prompt Corrective Action—Restrictions on Undercapitalized Institutions</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>208.5</td>
<td>Dividends and Other Distributions</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>208.45</td>
<td>Prompt Corrective Action—Restrictions on Undercapitalized Institutions</td>
<td>✓</td>
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<td></td>
</tr>
<tr>
<td>325.105</td>
<td>Prompt Corrective Action—Restrictions on Undercapitalized Institutions</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>563 Subpart E</td>
<td>Capital Distributions</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>565.6</td>
<td>Prompt Corrective Action—Restrictions on Undercapitalized Institutions</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Subsections (g) and (h) of section 22 of the Federal Reserve Act [12 U.S.C. 375a, 375b]
B. Applies only to insured Federal branches of foreign banks.
C. Applies only to insured State branches of foreign banks.
D. See 12 CFR 337.3.
E. See 12 CFR 563.43.

APPENDIX B TO PART 363—ILLUSTRATIVE MANAGEMENT REPORTS

TABLE OF CONTENTS

1. General
2. Reporting Scenarios for Institutions that are Holding Company Subsidiaries
3. Illustrative Statements of Management’s Responsibilities
Federal Deposit Insurance Corporation
Pt. 363, App. B

4. Illustrative Reports on Management’s Assessment of Compliance with Designated Laws and Regulations

5. Illustrative Reports on Management’s Assessment of Internal Control Over Financial Reporting


7. Illustrative Cover Letter—Compliance by Holding Company Subsidiaries

1. General. The reporting scenarios, illustrative management reports, and the cover letter (when complying at the holding company level) in Appendix B to part 363 are intended to assist managements of insured depository institutions in complying with the annual reporting requirements of §363.2 and guideline 3, Compliance by Holding Company Subsidiaries, of Appendix A to part 363. However, use of the illustrative management reports and cover letter is not required. The managements of insured depository institutions are encouraged to tailor the wording of their management reports and cover letters to fit their particular circumstances, especially when reporting on material weaknesses in internal control over financial reporting or noncompliance with designated laws and regulations. Terms that are not explained in Appendix B have the meanings given them in part 363, the PDI Act, or professional accounting and auditing literature. Instructions to the preparer of the management reports are shown in brackets within the illustrative reports.

2. Reporting Scenarios for Institutions that are Holding Company Subsidiaries. (a) Subject to the criteria specified in §363.1(b), an insured depository institution that is a subsidiary of a holding company has flexibility in satisfying the reporting requirements of part 363. When reporting at the holding company level, the management report, or the individual components thereof, should identify those subsidiary institutions that are subject to part 363 and the extent to which they are included in the scope of the management report or a component of the report. The following reporting scenarios reflect how an insured depository institution that meets the criteria set forth in §363.1(b) could satisfy the annual reporting requirements of §363.2. Other reporting scenarios are possible.

(i) An institution that is a subsidiary of a holding company may satisfy the requirements for audited financial statements at the holding company level and may satisfy the requirements for management’s statement of responsibilities; management’s assessment of the institution’s compliance with the Federal laws and regulations pertaining to dividend restrictions; management’s assessment of the effectiveness of internal control over financial reporting, if applicable; and the independent public accountant’s attestation on management’s assertion as to the effectiveness of internal control over financial reporting, if applicable, at the holding company level.

(ii) An institution that is a subsidiary of a holding company may satisfy the requirements for audited financial statements at the holding company level and may satisfy the requirements for management’s statement of responsibilities; management’s assessment of the institution’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions; management’s assessment of the effectiveness of internal control over financial reporting, if applicable; and the independent public accountant’s attestation on management’s assertion as to the effectiveness of internal control over financial reporting, if applicable, at the insured depository institution level.

(iii) An institution that is a subsidiary of a holding company may satisfy the requirements for audited financial statements at the holding company level and may satisfy the requirements for management’s statement of responsibilities; management’s assessment of the institution’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions; management’s assessment of the effectiveness of internal control over financial reporting, if applicable; and the independent public accountant’s attestation on management’s assertion as to the effectiveness of internal control over financial reporting, if applicable, at the insured depository institution level.

(iv) An institution that is a subsidiary of a holding company may satisfy the requirements for audited financial statements; management’s statement of responsibilities; and management’s assessment of the institution’s compliance with the Federal laws and regulations pertaining to dividend restrictions at the insured depository institution level and may satisfy the requirements for the assessment by management of the effectiveness of internal control over financial reporting, if applicable; and the independent public accountant’s attestation on management’s assertion as to the effectiveness of internal control over financial reporting, if applicable, at the holding company level.

(b) For an institution with total assets of $1 billion or more as of the beginning of its fiscal year, the assessment by management of the effectiveness of internal control over
Pt. 363, App. B

The management of ABC Depository Institution (the “Institution”) is responsible for preparing the Institution’s annual financial statements in accordance with generally accepted accounting principles; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report]; and for complying with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions.

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES

The management of ABC Depository Institution (the “Institution”) is responsible for preparing the Institution’s annual financial statements in accordance with generally accepted accounting principles; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report]; and for complying with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions.

(b) Statement Made at Holding Company Level

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES

The management of BCD Holding Company (the “Company”) is responsible for preparing the Company’s annual financial statements in accordance with generally accepted accounting principles; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report]; and for complying with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions. The following subsidiary institutions of the Company that are subject to Part 363 are included in this statement of management’s responsibilities: [Identify the subsidiary institutions.]
assessments, management has concluded that the Institution complied with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

ABC Depository Institution

John Doe, Chief Executive Officer
Date: ____________________________

Jane Doe, Chief Financial Officer
Date: ____________________________

(b) Statement Made at Insured Depository Institution Level—Noncompliance With Designated Laws and Regulations Pertaining to Both Insider Loans and Dividend Restrictions

MANAGEMENT’S ASSESSMENT OF COMPLIANCE WITH DESIGNATED LAWS AND REGULATIONS

The management of ABC Depository Institution (the “Institution”) has assessed the Institution’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. Based upon its assessment, management has concluded that the Institution violated the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. Also, based upon its assessment, management has determined that, because of the instance(s) of noncompliance noted below, the Institution did not comply with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

[Identify and describe the instance or instances of noncompliance with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions, including appropriate qualitative and quantitative information to describe the nature, type, and severity of the noncompliance and the dollar amount(s) of the dividend(s) involved.]

ABC Depository Institution

John Doe, Chief Executive Officer
Date: ____________________________

Jane Doe, Chief Financial Officer
Date: ____________________________

(c) Statement Made at Insured Depository Institution Level—Compliance With Designated Laws and Regulations Pertaining to Insider Loans and Noncompliance With Designated Laws and Regulations Pertaining to Dividend Restrictions

MANAGEMENT’S ASSESSMENT OF COMPLIANCE WITH DESIGNATED LAWS AND REGULATIONS

The management of ABC Depository Institution (the “Institution”) has assessed the Institution’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. Based upon its assessment, management has determined that, because of the instance(s) of noncompliance noted below, the Institution did not comply with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

[Identify and describe the instance or instances of noncompliance with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions, including appropriate qualitative and quantitative information to describe the nature, type, and severity of the noncompliance and the dollar amount(s) of the dividend(s) involved.]

ABC Depository Institution

John Doe, Chief Executive Officer
Date: ____________________________

Jane Doe, Chief Financial Officer
Date: ____________________________

(d) Statement Made at Insured Depository Institution Level—Noncompliance With Designated Laws and Regulations Pertaining to Insider Loans and Compliance With Designated Laws and Regulations Pertaining to Dividend Restrictions

MANAGEMENT’S ASSESSMENT OF COMPLIANCE WITH DESIGNATED LAWS AND REGULATIONS

The management of ABC Depository Institution (the “Institution”) has assessed the Institution’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. Based upon its assessment, management has determined that, because of the instance(s) of noncompliance noted below, the Institution did
(e) Statement Made at Holding Company Level—Compliance With Designated Laws and Regulations Pertaining to Insider Loans and Dividend Restrictions

MANAGEMENT’S ASSESSMENT OF COMPLIANCE WITH DESIGNATED LAWS AND REGULATIONS

The management of BCD Holding Company (the “Company”) has assessed the Company’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. Based upon its assessment, management has determined that the Company complied with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of compliance with these designated laws and regulations: [Identify the subsidiary institutions.]

Based upon its assessment, management has determined that, because of the instance(s) of noncompliance noted below, the Company did not comply with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

[Identify and describe the instance or instances of noncompliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions, including appropriate qualitative and quantitative information to identify the subsidiary institutions of the Company that are subject to Part 363 that had instances of noncompliance and describe the nature, type, and severity of the noncompliance and the dollar amount(s) of the insider loan(s) and dividend(s) involved.]

(f) Statement Made at Holding Company Level—Noncompliance With Designated Laws and Regulations Pertaining to Both Insider Loans and Dividend Restrictions

MANAGEMENT’S ASSESSMENT OF COMPLIANCE WITH DESIGNATED LAWS AND REGULATIONS

The management of BCD Holding Company (the “Company”) has assessed the Company’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of compliance with these designated laws and regulations: [Identify the subsidiary institutions.]

Based upon its assessment, management has concluded that the Institution complied with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

Also, based upon its assessment, management has concluded that the Institution complied with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

[Identify and describe the instance or instances of noncompliance with the Federal laws and regulations pertaining to insider loans, including appropriate qualitative and quantitative information to describe the nature, type, and severity of the noncompliance and the dollar amount(s) of the insider loan(s) involved.]

John Doe, Chief Executive Officer
Date:

Jane Doe, Chief Financial Officer
Date:

(g) Statement Made at Holding Company Level—Compliance With Designated Laws and Regulations Pertaining to Insider Loans and Noncompliance With Designated Laws and Regulations Pertaining to Dividend Restrictions

MANAGEMENT’S ASSESSMENT OF COMPLIANCE WITH DESIGNATED LAWS AND REGULATIONS

The management of BCD Holding Company (the “Company”) has assessed the Company’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of compliance with these designated laws and regulations: [Identify the subsidiary institutions.]

Based upon its assessment, management has concluded that, because of the instance(s) of noncompliance noted below, the Company did not comply with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

[Identify and describe the instance or instances of noncompliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions, including appropriate qualitative and quantitative information to identify the subsidiary institutions of the Company that are subject to Part 363 that had instances of noncompliance and describe the nature, type, and severity of the noncompliance and the dollar amount(s) of the insider loan(s) and dividend(s) involved.]

John Doe, Chief Executive Officer
Date:

Jane Doe, Chief Financial Officer
Date:
regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of compliance with these designated laws and regulations: [Identify the subsidiary institutions.]

Based upon its assessment, management has concluded that the Company complied with the Federal laws and regulations pertaining to insider loans during the fiscal year that ended on December 31, 20XX. Also, based upon its assessment, management has determined that, because of the instance(s) of noncompliance noted below, the Company did not comply with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

[Identify and describe the instance or instances of noncompliance with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions, including appropriate qualitative and quantitative information to identify the subsidiary institutions of the Company that are subject to Part 363 that had instances of noncompliance and describe the nature, type, and severity of the noncompliance and the dollar amount(s) of the dividend(s) involved.]

BCD Holding Company

John Doe, Chief Executive Officer
Date:________________________

Jane Doe, Chief Financial Officer
Date:________________________

(h) Statement Made at Holding Company Level—Noncompliance With设计ated Laws and Regulations Pertaining to Insider Loans and Compliance With Designated Laws and Regulations Pertaining to Dividend Restrictions

MANAGEMENT’S ASSESSMENT OF COMPLIANCE WITH DESIGNATED LAWS AND REGULATIONS

The management of BCD Holding Company (the “Company”) has assessed the Company’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of compliance with these designated laws and regulations: [Identify the subsidiary institutions.]

Based upon its assessment, management has determined that, because of the instance(s) of noncompliance noted below, the Company did not comply with the Federal laws and regulations pertaining to insider loans during the fiscal year that ended on December 31, 20XX. Also, based upon its assessment, management has concluded that the Company complied with the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

[Identify and describe the instance or instances of noncompliance with the Federal laws and regulations pertaining to insider loans, including appropriate qualitative and quantitative information to identify the subsidiary institutions of the Company that are subject to Part 363 that had instances of noncompliance and describe the nature, type, and severity of the noncompliance and the dollar amount(s) of the insider loan(s) involved.]

BCD Holding Company

John Doe, Chief Executive Officer
Date:________________________

Jane Doe, Chief Financial Officer
Date:________________________

5. Illustrative Reports on Management’s Assessment of Internal Control Over Financial Reporting. The following illustrative reports on management’s assessment of internal control over financial reporting satisfy the requirements of §363.2(b)(3).

(a) Statement Made at Insured Depository Institution Level—No Material Weaknesses

MANAGEMENT’S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

ABC Depository Institution’s (the “Institution”) internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, i.e., [specify the regulatory reports]. The Institution’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Institution; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Institution are being
Internal Control—Integrated Framework.

Because of its inherent limitations, internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Institution are being made only in accordance with authorizations, and that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Institution are being made only in accordance with authorizations of management and directors of the Institution; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the Institution’s assets that could have a material effect on the financial statements.

Management’s assessment of the effectiveness of internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Institution; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Institution are being made only in accordance with authorizations of management and directors of the Institution; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the Institution’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management is responsible for establishing and maintaining effective internal control over financial reporting including controls over the preparation of regulatory financial statements. Management assessed the effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], as of December 31, 20XX, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. Based upon its assessment, management has concluded that, as of December 31, 20XX, the Institution’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], is effective based on the criteria established in Internal Control—Integrated Framework.

Management’s assessment of the effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], as of December 31, 20XX, has been audited by [name of auditing firm], an independent public accounting firm, as stated in their report dated March XX, 20XY.

ABC Depository Institution

John Doe, Chief Executive Officer
Date: ____________________________

Jane Doe, Chief Financial Officer
Date: ____________________________
Jane Doe, Chief Financial Officer  
John Doe, Chief Executive Officer

Management’s assessment of the effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements, is effective based on the criteria established in Internal Control—Integrated Framework. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of the effectiveness of internal control over financial reporting:

Identify the subsidiary institutions.

Management is responsible for establishing and maintaining effective internal control over financial reporting including controls over the preparation of regulatory financial statements in accordance with the instructions for the regulatory report, as of December 31, 20XX, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. Based on that assessment, management concluded that, as of December 31, 20XX, the Company’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the regulatory report, is effective based on the criteria established in Internal Control—Integrated Framework. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management’s assessment of the effectiveness of the Company’s internal control over financial reporting, including controls over the preparation of regulatory financial statements, is effective based on the criteria established in Internal Control—Integrated Framework. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of the effectiveness of internal control over financial reporting:

Identify the subsidiary institutions.

Management is responsible for establishing and maintaining effective internal control over financial reporting including controls over the preparation of regulatory financial statements in accordance with the instructions for the regulatory report, as of December 31, 20XX, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. Based on that assessment, management concluded that, as of December 31, 20XX, the Company’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the regulatory report, is effective based on the criteria established in Internal Control—Integrated Framework. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.
MANAGEMENT’S ASSESSMENT OF INTERNAL
CONTROL OVER FINANCIAL REPORTING

BCD Holding Company’s (the “Company”) internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, i.e., [specify the regulatory reports]. The Company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management is responsible for establishing and maintaining effective internal control over financial reporting including controls over the preparation of regulatory financial statements. Management assessed the effectiveness of the Company’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], as of December 31, 20XX, based on the framework set forth by the Committee on Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. Because of the material weakness (or weaknesses) noted below, management determined that the Company’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], was not effective as of December 31, 20XX. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of the effectiveness of internal control over financial reporting: [Identify the subsidiary institutions.]

[Identify and describe the material weakness or weaknesses.]

Management’s assessment of the effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], as of December 31, 20XX, has been audited by [name of auditing firm], an independent public accounting firm, as stated in their report dated [name of auditing firm], an independent public accounting firm, as stated in their report dated March XX, 20XY.

BCD Holding Company

John Doe, Chief Executive Officer

Date: ________________________

Jane Doe, Chief Financial Officer

Date: ________________________


(a) Management Report Made at Insured Depository Institution Level—Compliance With Designated Laws and Regulations Pertaining to Insider Loans and Dividend Restrictions and No Material Weaknesses in Internal Control Over Financial Reporting

MANAGEMENT REPORT

Statement of Management’s Responsibilities

The management of ABC Depository Institution (the “Institution”) is responsible for preparing the Institution’s annual financial statements in accordance with generally accepted accounting principles, for establishing and maintaining adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report]; and for complying with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations.
Management’s Assessment of Compliance With Designated Laws and Regulations

The management of the Institution has assessed the Institution’s compliance with the Federal laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. Based upon its assessment, management has concluded that the Institution complied with the Federal laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

Management’s Assessment of Internal Control Over Financial Reporting

The Institution’s internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, i.e., [specify the regulatory reports]. The Institution’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Institution; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Institution are being made only in accordance with authorizations of management and directors of the Institution; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the Institution’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of the Institution’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], as of December 31, 20XX, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework.

Based upon its assessment, management has concluded that, as of December 31, 20XX, the Institution’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], is effective based on the criteria established in Internal Control—Integrated Framework.

Management’s assessment of the effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], as of December 31, 20XX, has been audited by [name of auditing firm], an independent public accounting firm, as stated in their report dated March XX, 20XX.

ABC Depository Institution

John Doe, Chief Executive Officer
Date: __________________________

Jane Doe, Chief Financial Officer
Date: __________________________

(b) Management Report Made at Holding Company Level—Compliance With Designated Laws and Regulations Pertaining to Insider Loans and Dividend Restrictions and No Material Weaknesses in Internal Control Over Financial Reporting

MANAGEMENT REPORT

[Instruction—The following illustrative introductory paragraph for the management report is applicable only if the same group of subsidiary institutions of the holding company that are subject to Part 363 are included in all three components of the management report required by Part 363; the statement of management’s responsibilities, the report on management’s assessment of compliance with the Designated Laws and Regulations pertaining to insider loans and dividend restrictions, and the report on management’s assessment of internal control over financial reporting.]

In this management report, the following subsidiary institutions of the BCD Holding Company (the “Company”) that are subject to Part 363 are included in the statement of management’s responsibilities; the report on management’s assessment of compliance
with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions; and the report on management’s assessment of internal control over financial reporting: [Identify the subsidiary institutions.]

Instruction—The following illustrative introductory paragraph for the management report is applicable if the same group of subsidiary institutions of the holding company that are subject to Part 363 are included in the statement of management’s responsibilities and management’s assessment of compliance with the Designated Laws and Regulations pertaining to insider loans and dividend restrictions, but only some of the subsidiary institutions in the group are included in management’s assessment of internal control over financial reporting:]

In this management report, the following subsidiary institutions of BCD Holding Company (the “Company”) that are subject to Part 363 are included in the statement of management’s responsibilities and the report on management’s assessment of compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions: [Identify the subsidiary institutions.] In addition, the following subsidiary institutions of the Company that are subject to Part 363 are included in the report on management’s assessment of internal control over financial reporting: [Identify the subsidiary institutions.]

Statement of Management’s Responsibilities

The management of the Company is responsible for preparing the Company’s annual financial statements in accordance with generally accepted accounting principles; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report]; and for complying with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions.

Management’s Assessment of Compliance With Designated Laws and Regulations

The management of the Company has assessed the Company’s compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX. Based upon its assessment, management has concluded that the Company complied with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 20XX.

Management’s Assessment of Internal Control Over Financial Reporting

The Company’s internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, i.e., [specify the regulatory reports]. The Company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. Management assessed the effectiveness of the Company’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the [specify the regulatory report], as of December 31, 20XX, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. Based upon its assessment, management has concluded that, as of December 31, 20XX, the Company’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the
Federal Deposit Insurance Corporation

§ 364.100 Purpose.

Section 39 of the Federal Deposit Insurance Act requires the Federal Deposit Insurance Corporation to establish safety and soundness standards.

APPENDIX A TO PART 364—INTERAGENCY GUIDELINES ESTABLISHING STANDARDS FOR SAFETY AND SOUNDBNESS

APPENDIX B TO PART 364—INTERAGENCY GUIDELINES ESTABLISHING INFORMATION SECURITY STANDARDS

AUTHORITY: 12 U.S.C. 1818 and 1819 (Tenth), 1831p–1; 15 U.S.C. 1681b, 1681s, 1681w, 6801(b), 6805(b)(1).

SOURCE: 60 FR 35685, July 10, 1995, unless otherwise noted.

§ 364.100 Purpose.

Section 39 of the Federal Deposit Insurance Corporation to establish safety and soundness standards.

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If you have any questions regarding the annual report (or reports) of the Company’s insured depository institution subsidiaries subject to Part 363 or if you need any further information, you may contact me at 987-654-3210.

BCD Holding Company

Date: ____________________________

[Insert officer’s name and title.]

PART 364—STANDARDS FOR SAFETY AND SOUNDBNESS

Sec.
364.100 Purpose.
364.101 Standards for safety and soundness.

<table>
<thead>
<tr>
<th>Institutions subject to Part 363</th>
<th>Audited financial statements</th>
<th>Management’s statement of responsibilities</th>
<th>Management’s assessment of compliance with designated laws and regulations</th>
<th>Management’s internal control assessment</th>
<th>Independent auditor’s internal control attestation report</th>
</tr>
</thead>
</table>