

## ATTACHMENT C

### CHAIN GROUP SUMMARY ANALYSIS

#### PURPOSE

The primary purpose of this analysis is to provide meaningful information about the chain banking group to the OCC that is not detailed or summarized in the commercial examination reports of the group's banks. The analysis should emphasize the adequacy and effectiveness of the chain group's plans, policies and internal monitoring mechanisms. The analysis will give the overall financial condition of the consolidated group. Examiners are urged to be creative, analytical and forward looking in the presentation of the consolidated examination results. The areas that should be addressed are described below.

#### SCOPE OF EXAMINATION

- ④ Consolidated chain group and individual entities or subsidiaries - Summarize the overall scope of the examination of the significant member entities, non-significant and nonbank entities. Summarize the scope and the degree of coordination between the OCC and the regulatory agencies in conducting the coordinated examination.

#### OVERALL CONCLUSIONS

- ④ Financial condition - Summarize the condition of the consolidated chain group.
- ④ Significant problems - Identify areas of concern which are significant and affect several or all of the chain system's organizations. Indicate management's commitments for corrective action. Problems which concern only one or a few banks or entities should be discussed in the reports of examination for the affected banks.

#### MANAGEMENT AND SUPERVISION

- ④ Evaluate any controlling ownership influence over the chain group.
- ④ Evaluate the style of controlling management and supervision of the system.
- ④ Evaluate the competence, effectiveness and continuity of management personnel.
- ④ Evaluate the reporting systems and internal monitoring mechanisms.

## LIQUIDITY AND FUNDS MANAGEMENT

- ④ Analysis of policies, procedures and objectives.
- ④ Evaluate liability composition.
- ④ Evaluate the group's capacity to acquire funds including contingency plans, e.g., downstream/upstream correspondents, commercial paper, etc.
- ④ Evaluate rate sensitivity of assets and liabilities.

### ASSETS (if centralized)

- ④ Analysis of policies, procedures and objectives.
- ④ Evaluate loan portfolio management.
- ④ Evaluate the internal loan review system.
- ④ Evaluate investment portfolio management.

## EARNINGS AND CAPITAL

- ④ Analysis of policies, procedures and objectives.
- ④ Summarize past earnings.
- ④ Evaluate current earnings.
- ④ Evaluate ability to maintain capital adequacy.
- ④ Evaluate management/service fees.
- ④ Evaluate debt service capabilities.
- ④ Evaluate budget process.

### AUDIT PROGRAM (if centralized)

- ④ Evaluate the adequacy, scope and frequency of the audit program.
- ④ Evaluate the independence of the auditor.
- ④ Laws and Regulations - Comment on the extent to which the audit function checks for compliance with laws and regulations.
- ④ Comment on the extent of audit of internal management reports.

## FUTURE PLANS AND STRATEGIES

- ④ Image - Summarize the image and posture the control group wants to project to the public and industry and describe any expected changes.
- ④ Plans and objectives - Summarize goals and objectives for capital planning, loan and investment decisions, marketing, auditing, etc. State the plans for the future as expressed by management and controlling owner, operating plans, capital plans and other projections. Evaluate ability to meet future projections.
- ④ Strategy formulation - Describe the techniques used to develop strategies and evaluate achievement in attaining goals.
- ④ Acquisition plans - Describe plans to acquire banks or other affiliated entities.

## LITIGATION (Optional)

- ④ Lawsuits - List any significant lawsuits in which the controlling parties or organizations are defendants.

## INTERCOMPANY TRANSACTIONS

- ④ Significant transactions - Discuss any significant transactions, such as, loan participations or sales; insider and related interest loans or transactions; BHC or bank stock loans, correspondent or interbank transfers; contractual obligations; purchases or sales of securities or other assets.

## CHAIN BANKS AND RATINGS

- ④ List the individual chain banks in the group, total assets and CAMEL/ composite ratings from the most recent examination.