

Services for
Financial Institutions

*Experienced, Responsive and Cost-Effective Service
Tailored to Your Business*



DIXON HUGHES PLLC

Certified Public Accountants and Advisors



Addressing today's business challenges takes the right team and a proven approach.



Financial institutions face distinct challenges in continuing to build shareholder value: Grow market share through better relationships with more customers. Balance the development and profitable delivery of innovative financial products with a sound credit culture and strong internal controls. Compete in an uncertain interest rate environment in a consolidating industry that faces an onslaught of new, more aggressive players – all while complying with the highest standards of corporate governance and financial reporting.

The Financial Institution Services Group of Dixon Hughes can help you meet those challenges. Our approach to audit, tax and advisory services parallels the banking industry's best-in-class customer service: We draw on an extensive base of banking knowledge, experience and subject-matter talent in providing responsive service and meaningful advice at reasonable fees.

Our risk-based, tailored audit process is designed for the early identification and resolution of potential problems or accounting issues. In addition, our multi-disciplinary service teams can assist you with tax planning and compliance, corporate governance, asset quality review, internal control evaluation and testing, technology solutions and due diligence assistance relative to proposed significant transactions.

Ultimately, we support your business with a portfolio of professional services customized for your specific requirements. Our approach, deep talent pool and adherence to the highest professional standards have made Dixon Hughes the preferred service provider for over 100 financial institutions throughout the Southeast. We believe we can serve you well, too.

THE ADVANTAGES OF SIZE AND INDUSTRY- EXPERIENCED RESOURCES

As the largest provider headquartered in the Southeast for accounting, tax and advisory services for banking organizations, our firm brings an immense array of resources to bear on your needs. The key, however, is the way the Financial Institution Services Group delivers these resources— with an experienced, multi-disciplinary team customized for your specific requirements.

An experienced, multi-disciplinary team customized to your business

With more CPA firms drawing on networked resources, the real added value comes from focused and cost-effective delivery of service. Dixon Hughes' Financial Institution Services Group uses value-added, multi-disciplinary service teams for optimal accessibility and responsiveness, aligning industry and subject-matter experience with your immediate and future requirements. Our team approach combines the accessibility and responsiveness of a local firm with national-caliber talent and a deep pool of scalable resources.

Our financial institution services leadership team is recognized for its industry knowledge, with more than 200 years of collective experience advising and assisting financial institutions. Your business will benefit from the personal attention of this seasoned leadership, as a member actively leads each service team to help ensure focus and continuity. He or she can draw on experienced professionals to address and resolve highly technical audit, tax or advisory issues.

The core of your service team might include professionals who focus on banking, insurance, brokerage, trust, technology, mortgage, income tax, SEC reporting and FDICIA/Sarbanes-Oxley issues (the composition of your team will change as your needs do). Collectively, your customized service team will have the experience needed to provide efficient quality service, sound advice and focused attention to the needs of your organization.

Audit and related services

Our risk-based approach to audits considers your key business and operational risks, as well as how you manage those risks, including their impact on your control environment and financial statements. We emphasize clear and timely communication throughout the year. We can help assess operational and financial risks for the institution as well as new or proposed accounting pronouncements and disclosures. We submit written recommendations to your management and your audit committee to help you safeguard assets, improve accounting procedures and strengthen internal controls. We can also offer advice regarding profit enhancement, operations improvement and practical solutions to regulatory concerns – all in a manner and to the extent allowed by the standards of our profession.

We provide the following audit services, performed in accordance with increased corporate responsibility regulations:

- Financial statement audits
- Quarterly reviews
- Internal control reports
- Employee benefit plan audits
- Attestation and agreed-upon procedure reports
- Comfort letters

Internal audit services

The internal audit function, which banking regulations require as part of an effective control structure, can help your management and your audit committee better understand your true financial condition, its risks, how those risks are controlled or mitigated, the effectiveness of those controls, and challenges and opportunities for improvement. We provide various internal audit services, including:

- Comprehensive outsourced internal audits
- Co-sourcing and discrete project assistance
- Regulatory compliance assistance and review
- Skill-specific assistance with internal functions (e.g., credit administration, information technology, internal control evaluation, asset/liability management and treasury) and service lines (e.g., mortgage banking, trust, wealth management, insurance and leasing)
- Enterprise-wide risk assessments
- Sarbanes-Oxley advisory services, controls assessments and testing



Tax services

We can handle the complete spectrum of federal, state and local tax matters. The complexity of income tax laws offers many opportunities for tax savings and deferrals, particularly for growing institutions. With tax services focused on planning, consultation and compliance, combined with an in-depth analysis of your operations and objectives, we can help clients achieve optimal tax results. The Firm's tax professionals all receive sound training in tax law and accounting theory and are experienced in tax preparation, resulting in significant efficiencies.



Our tax professionals are key members of the client service team. In addition to driving the tax compliance process, they also can assist in planning and executing audit engagements. This focus on tax issues throughout the year enables us to assist in the development and implementation of strategies that reduce taxes and improve cash flows. In addition to tax compliance, we can work with you on tax issues associated with mergers and acquisitions, executive compensation, representation in front of federal and state taxing authorities, state and local tax, depreciation (including cost segregation studies) and any other tax issues arising from normal operations. Our proactive stance and industry-specific experience help ensure that the tax solutions we offer are practical from both an economic and business perspective.

Technology services

Dixon Hughes has invested substantially in IT advisory capabilities. As a result, we can draw on a team of IT professionals with industry-specific experience and an understanding of the impact of changing compliance requirements and new technologies on financial institutions. In addition to providing core audit team support, our IT professionals can assist you with:

- Information systems controls reviews in accordance with FFIEC guidelines
- IT-related documentation and testing associated with Sarbanes-Oxley compliance
- Assessment of compliance with privacy requirements of Gramm-Leach-Bliley
- SAS 70 and agreed upon procedures reports
- IT risk assessments to support internal audit plans
- Network security assessments and penetration testing
- Technology assessments, planning and system selection
- IT due diligence



Advisory services

The firm provides extensive general and risk advisory services to financial institutions, ranging from de novo to U.S. Top Ten. These include the following:

- Merger and acquisition analysis and advice
- SOX 404 documentation, assistance and testing
- Strategic planning facilitation
- Performance improvement
- Benchmarking
- Management compensation and benchmarking
- Risk management
- Process improvement and market/product assessment
- Discrete regulatory advisory services

Moving forward with Dixon Hughes

Engaging a CPA firm represents a substantial commitment on your part. Accordingly, the decision to engage must be an informed one. We'd be pleased to meet with you, other members of your management team and your audit committee to discuss this in greater detail. We have extensive experience in planning and executing seamless transitions, working closely with our clients and other audit firms to minimize disruption.

To learn more about the value Dixon Hughes' Financial Institution Services Group can provide your business, call us toll-free at **877.999.9343** or visit **www.dixon-hughes.com**.

**THE FIRM'S
DEFINING SERVICE
CHARACTERISTIC
IS A HANDS-ON,
ROLL-UP-THE-
SLEEVES APPROACH.
IT'S HELPED US
BUILD STRONG
RELATIONSHIPS
WITH BANKING
ORGANIZATIONS
THROUGHOUT THE
SOUTHEAST—
AND WE BELIEVE IT
WILL SERVE YOU
WELL, TOO.**

An independent point of view for meeting Sarbanes-Oxley Section 404 requirements

The current environment, with its focus on corporate governance, scrutiny of financial reporting and emphasis on the responsibilities of the Audit Committee, make your CPA firm's experience and technical qualifications more important than ever. We believe that cost-effective compliance with corporate governance and other banking and oversight regulations can be a strong competitive advantage – it allows you to execute your business plan with a reduced risk of financial penalties and costly, time-consuming litigation.

We can help you satisfy Section 404 requirements of Sarbanes-Oxley, serving as an independent point of view for management, your audit committee and other shareholders. To do this, we offer the following Sarbanes-Oxley services:

Section 404 requirements

- Assessment of internal controls framework
- Documentation of internal controls
- Gap analysis
- Design and monitoring of key controls
- Internal controls testing
- Certification process

Corporate governance

- Reporting requirements
- Audit committee oversight
- Board communications
- Whistleblower protection
- Internal audit activities

Fraud and misconduct services

- Fraud risk management
- Corporate ethics
- Forensics investigations

We also help develop the annual report on internal control from management, stating management responsibility and containing an assertion report that assesses the effectiveness of internal controls related to financial reporting. As external auditor, we can attest to management's assertions concerning its assessments of internal controls.

Having handled many of these engagements for financial institutions throughout the Southeast, we've accumulated not only a substantial body of experience, but an impressive array of case histories as well. We would be pleased to share our experiences with similar entities, while remaining fully committed to professional standards of confidentiality.



L O C A T I O N S

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Georgia

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North Carolina

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Boone 828.262.0997

Burnsville 828.682.2876

Charlotte/SouthPark 704.367.7020

Charlotte/Uptown 704.334.3600

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Greensboro 336.383.5800

Greenville 252.321.0505

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Financial Institution Services Group – Executive Summary

- Customized, multidisciplinary service teams made up of experienced professionals who focus on the specific issues that affect your organization
- Thorough, risk-based audit services
- Comprehensive federal, state and local tax planning and preparation – designed to maximize available depreciation, reduce taxes and accelerate cash flow
- Comprehensive technology services with a focus on helping keep your IT systems current with changing compliance requirements and new technologies
- Comprehensive, industry-specific advisory services to assist with growth strategies, regulatory compliance and operational improvement
- An immense array of resources to serve the diverse and complex needs of banking organizations
- Hands-on, roll-up-the-sleeves approach and responsive service

The service you need – The way you need it.

As the largest accounting firm headquartered in the Southeast, we combine deep industry experience, complete accounting and advisory services and a strong commitment to responsive service. The Financial Institution Services Group is one of the firm's largest industry-focused practices. We work closely with institutions of all types and sizes – from U.S. Top Ten to small community banks.

We have over 850 people in 26 offices throughout the region. We're a member of Moores Rowland International, a global network of independent accounting firms. And our local members have the clout to direct all of these resources to your best advantage. In short, we can give you the service you need, the way you need it – whether you're looking for broader, deeper capabilities or simply a sense that you and your business matter.

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