



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC SIMPLIFIES EXAMINATION REPORT FOR WELL-MANAGED SMALL BANKS

The FDIC today began using a streamlined format for reporting examination findings at well-managed small banks supervised by the agency. The new system will reduce paperwork and help the FDIC allocate more resources toward institutions that pose the highest risks. The simplified format also will make it easier and faster for bank management to review examination results. The FDIC estimates that about 2,000 banks out of the approximately 5,700 institutions it directly supervises will qualify for the simplified report.

“We’re pleased to have the opportunity to streamline the regulatory process,” said Donna Tanoue, FDIC Chairman. “Many small banks will benefit.”

The agency noted that onsite examination procedures will not change, and that examiners will continue to conduct a full-scope examination using the FDIC’s risk-focused examination program. However, the report summarizing examiner findings at these well-managed institutions has been condensed. This change will reduce the time it takes for the FDIC to prepare and process examination reports and to return completed reports to the banks.

To qualify for the new Abbreviated Small Bank Report of Examination, an institution must meet the following criteria:

- Total book assets of less than \$250 million;
- A composite rating of “1” (the top rating) on the interagency CAMELS rating system;
- Individual component ratings of “1” or “2” for each of the six factors used in the CAMELS rating system;
- Operating with federal deposit insurance for at least three years; and



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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- Not be a niche/specialty bank.

These institutions typically have knowledgeable and established management, sound lending and investment programs, and strong operations and risk-management strategies that effectively identify, measure, monitor and control risk. The FDIC believes that the combination of high-quality management and limited risk warrants a condensed examination report format.

Recent discussions with other federal and state regulators and industry trade associations indicated overall support for the streamlined report concept.
