PRESS RELEASE

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FDIC Releases Community Banking Study, Supervisory Initiatives

The Federal Deposit Insurance Corporation (FDIC) today released the results of a study of community banking in the United States, as well as a series of supervisory and rulemaking measures relating to community banks, as the outcome of its yearlong Community Banking Initiative (CBI).

The FDIC announced the CBI in the fall of 2011 to further the understanding of the evolution of community banks during the past 25 years, devoting comprehensive research and analysis to the current challenges and opportunities for community banks, and implications for the future of community banking. This effort was complemented by outreach and engagement with community bankers across the country.

The FDIC launched the CBI in February 2012 with a national conference on community banking. Following the conference, the FDIC hosted roundtable meetings between community bankers and senior FDIC officials in each of the FDIC's six regions. In addition, the FDIC's Divisions of Risk Management Supervision (RMS) and Depositor and Consumer Protection (DCP) undertook comprehensive reviews of their examination and rulemaking processes to identify opportunities to make these processes more efficient and effective, while maintaining supervisory standards.

The Community Banking Study was a data-driven effort to identify and explore issues and questions about community banks. The study is designed to be foundational, providing a platform for future research and analysis by the FDIC and other interested parties. Key areas that the study explores include the definition of a community bank, structural changes among community and non-community banks, the geography of community banking, the performance of community banks compared to non-community banks, the performance of community bank lending specialty groups, and capital formation at community banks.

The study, national conference, and regional roundtables helped to inform and guide the FDIC's comprehensive reviews of the examination and rulemaking process. As first outlined at the FDIC's Advisory Committee on Community Banking on November 8, 2012, the FDIC has taken actions to address the examination and rulemaking review findings in the following areas: general examination issues, communications, regulations, and technical assistance.

FDIC Chairman Martin Gruenberg said, "Today's release is an important step to better understand and respond to the challenges community banks face in the financial marketplace. This will be an ongoing effort. We will continue to look for other opportunities to enhance our research and analysis as well as identify other steps to improve the examination and rulemaking process for community banks, while maintaining our supervisory standards."

The initial findings can be found at www.fdic.gov/cbi/