Federal Deposit Insurance Corporation
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**Financial Institution Letter**
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# SUPERVISORY INSIGHTS JOURNAL
# Winter 2013 Issue Now Available

**Summary:** The Winter 2013 issue of ***Supervisory Insights*** features articles of interest to examiners, bankers, and supervisors. These articles address the importance of effective interest-rate risk management, results of the FDIC's Credit and Consumer Products/Services Survey, and the new Basel III definition of capital. The publication is available at http://www.fdic.gov/regulations/examinations/supervisory/insights/index.html.

**Statement of Applicability to Institutions Under $1 Billion in Total Assets:** The information contained in this issue of ***Supervisory Insights*** may be of general interest to FDIC-supervised financial institutions, but it is not supervisory guidance.

**Distribution:**
FDIC-Supervised Institutions

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**Related Topics:**
Interest-Rate Risk Management
Credit and Consumer Products/Services Survey
Basel III

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**Note:**
FDIC Financial Institution Letters (FILs) are available on the FDIC's Web site at http://www.fdic.gov/news/news/financial/2013/index.html.

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**Highlights:**

- "Industry Trends Highlight Importance of Effective Interest-Rate Risk Management" looks at how changes in the banking industry's asset mix and funding profile have led to increased interest-rate risk (IRR) exposure. The article highlights supervisory expectations for IRR management and suggests strategies banks can use to assess and mitigate this exposure.

- "Lending Trends: Results from the FDIC's Credit and Consumer Products/Services Survey" shares recent survey results relating to loan growth, credit underwriting, factors influencing banks' ability and willingness to lend, and use of loan workouts.

- "The New Basel III Definition of Capital: Understanding the Deductions for Investments in Unconsolidated Financial Institutions" discusses how the new regulatory capital rules require a deduction from capital, under certain circumstances, for a portion of a bank's investments in the capital of unconsolidated financial institutions. This article provides examples of how to calculate the deduction.

- Suggestions for article topics and requests for permission to reprint articles should be e-mailed to supervisoryjournal@fdic.gov. Requests for print copies should be e-mailed to publicinfo@fdic.gov.