

Federal Reserve Bank of Kansas City

MEMBERSHIP



IN THE FEDERAL RESERVE

Regional Expertise • PROFESSIONAL CONTACTS
OUTREACH • *Participation in Reserve Bank*
Activities • COMMON GOALS • *Education &*
Advisory Visits • HIGH-QUALITY EXAMINATIONS





PRESIDENT'S MESSAGE

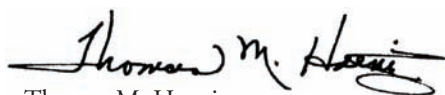
While the conduct of monetary policy may be the most publicly visible role, our responsibilities for supervising banks and providing financial services also are crucial to the Federal Reserve's mission of providing a firm foundation for the nation's financial system.

Our broad responsibilities for financial stability, coupled with a decentralized structure that provides a crucial local connection to national policy, offer the Federal Reserve a unique viewpoint on the banking industry.

Staff at our Kansas City Bank, as well as those at our Branches in Denver, Oklahoma City and Omaha, are able to draw on the resources of an organization with broad ties to local, regional and national banking and business communities. Our supervision program encompasses not only on-site examinations of the state member banks in our District, but also supervisory oversight of every bank holding company. In addition, many of our staff are involved in examining a wide range of banking organizations across the country. As a result, our banking supervision is built on a foundation of broad perspective about our nation's financial system.

*As the nation's central bank,
the Federal Reserve has broad
responsibilities for the stability
of the financial system.*

The information in this brochure describes the nature of membership in the Federal Reserve and what you can expect from the Federal Reserve Bank of Kansas City's supervision of your banking organization.



Thomas M. Hoenig
President and Chief Executive Officer

Tom Hoenig began his Bank career reviewing bank mergers and acquisitions. Today, he regularly meets with state member bank representatives regarding current issues facing the banking industry.

FEDERAL RESERVE MEMBERSHIP

The Federal Reserve has been in the business of ensuring the safety and soundness of banks since 1914. Twelve regional Reserve Banks oversee state-chartered member banks as part of the Federal Reserve System's mandate to assure strength and stability in the nation's domestic markets and banking system. Any state-chartered bank may become a member of the Federal Reserve System. The Federal Reserve is also the federal regulator for all bank and financial holding companies.

Your membership with the Federal Reserve conveys an association with the reputation and public trust the Federal Reserve enjoys as the United States' central bank. The Federal Reserve Bank of Kansas City provides a regional connection for your institution to national policy and information.

STATE MEMBER BANK SUPERVISION

Member banks are supervised by the Federal Reserve in partnership with state regulators to provide a consistent, unified regulatory approach. You will participate in a high-quality and efficient supervisory process led by professional staff with regional expertise.





THE EXAM PROCESS

Quality supervision helps ensure sound, profitable banking organizations. Knowledgeable and experienced Federal Reserve examiners concentrate on the key risks affecting your bank, leveraging technology to streamline the examination process. The Federal Reserve is committed to achieving the highest level of confidence in our supervisory results at the lowest possible cost. Examination schedules can be coordinated for commercial and specialty reviews to lessen the burden bankers face in dealing with multiple examinations. Banks owned by holding companies can achieve additional efficiencies, since the Federal Reserve is the federal regulator of bank and financial holding companies.

The Federal Reserve is committed to the ongoing development of its examiners and other professional staff to ensure sound supervisory judgments and analysis and effective communication. Continuity in communication is a high priority; therefore, the Federal Reserve assigns a central point of contact to each member bank. Our goal is to respond to routine regulatory questions on the same day and follow up on any correspondence within 30 days.

The Federal Reserve does not charge for applications or periodic examinations.

Regional Expertise

PROFESSIONAL CONTACTS



BEYOND THE EXAM

Member banks have access to a variety of Federal Reserve educational resources, including annual Regulatory Updates presented in multiple locations across the District, and specialized training sessions for directors, loan officers and audit committees. You can request examiners to conduct advisory visits to your institution on topics such as consumer compliance regulations, Bank Secrecy Act and real estate appraisals.

Member banks also have the opportunity to vote on the election of Reserve Bank board members and to serve on Federal Reserve System advisory councils. The Reserve Bank provides broad access to industry and regional information through our public website, annual Economic Forums, periodic banker roundtables and TEN magazine.

TO LEARN MORE about the Reserve Bank and our membership process, please visit, www.KansasCityFed.org.

*Participation in
Reserve Bank Activities*

ADVISORY VISITS



Regional Expertise

COMMON GOALS

“
Because sound financial institutions are the cornerstone
of a sound economy, our goal is to ensure that our banks
are well-run. Experience has taught us that our approach
to supervision, from risk-focused examinations to advisory
visits that address specific concerns, is effective in meeting
the common goals of both the financial institutions and the
Federal Reserve.”

Esther George *(pictured above, center)*
Senior Vice President
Supervision and Risk Management Division

CONTACTS FOR ADDITIONAL INFORMATION:

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