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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 with Total Assets under \$1 Billion: 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

Suggested Routing:
Chief Executive Officer
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Related Topics:
Interest-Rate Risk Management
Credit and Consumer Products/Services Survey
Basel III

Attachment:
None

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Note:
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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.
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