

2008 REPORT

Regulatory Examination Climate and Trends in the Western U.S.



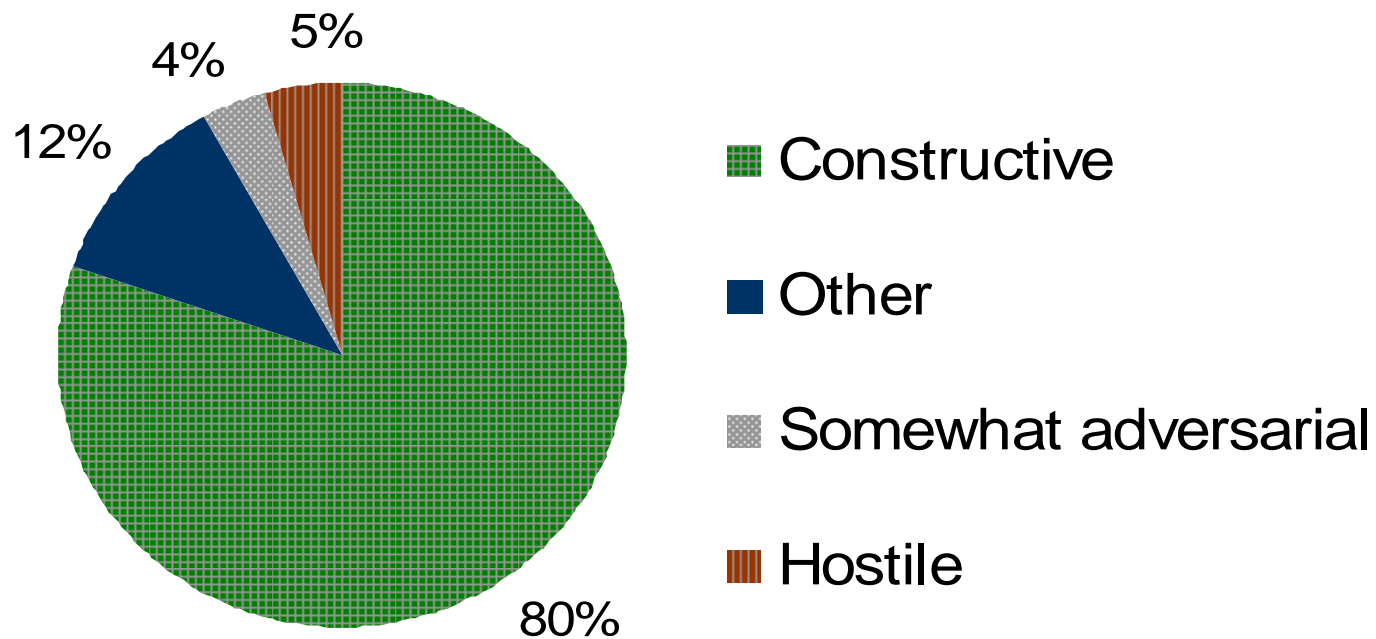
Demographics

112 banks participated

20% of the banks eligible

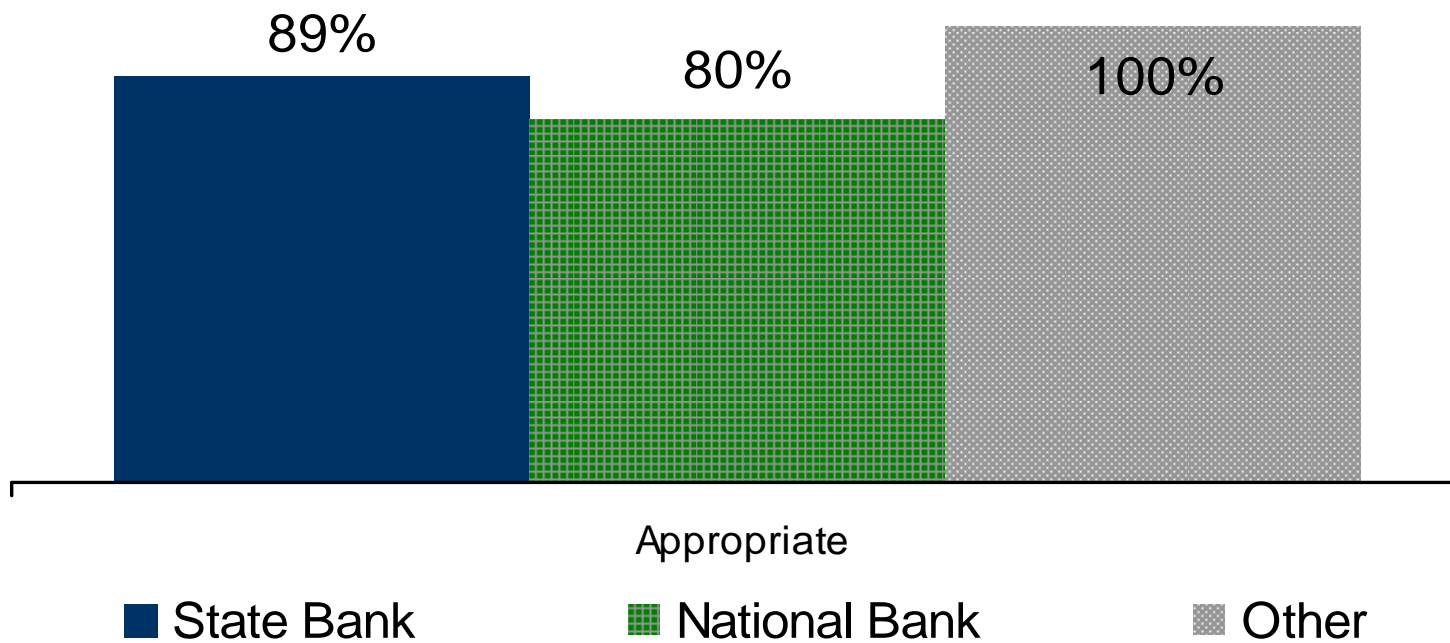
Overall Tone of Most Recent Examination

Total Responders



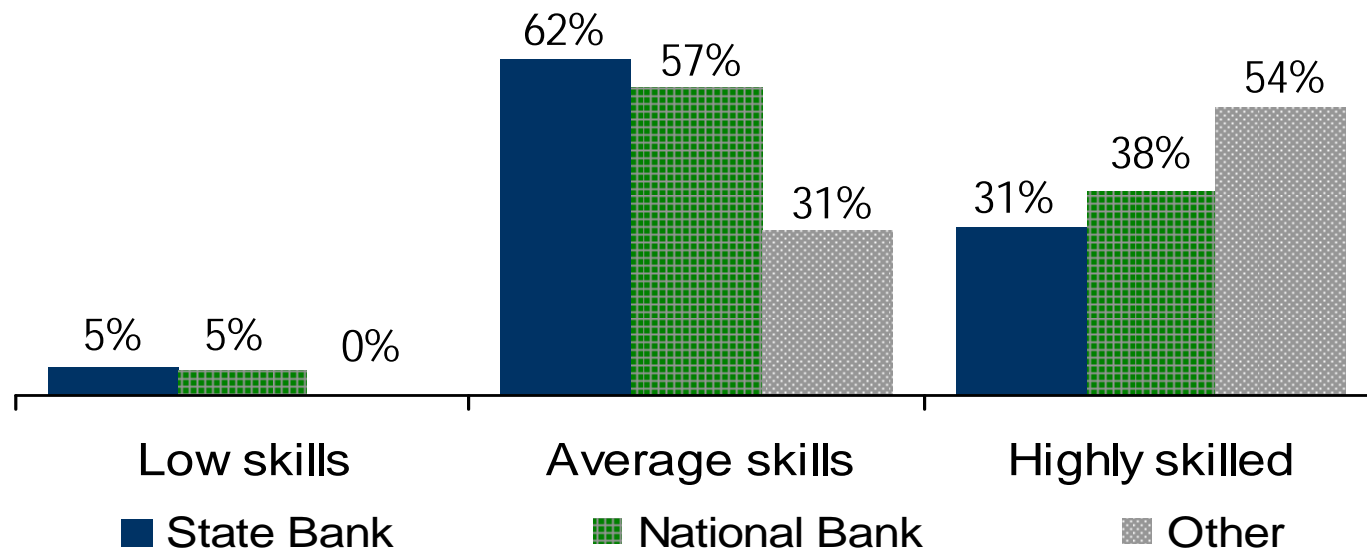
Overall Assessment of S/S Exam

Appropriate for Current Conditions?



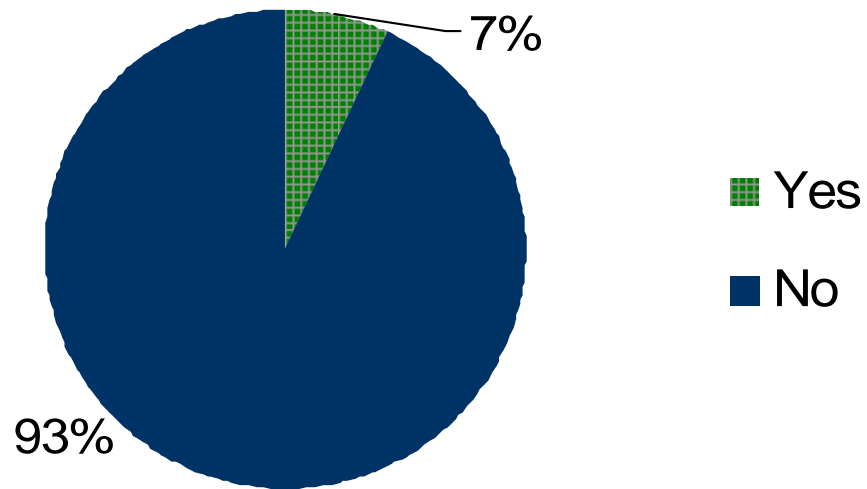
Competency of the Examination Staff

By Charter



Enforcement Actions

Enforcement Action Proposed



Of the 26 banks who answered this question, 5 received enforcement actions:

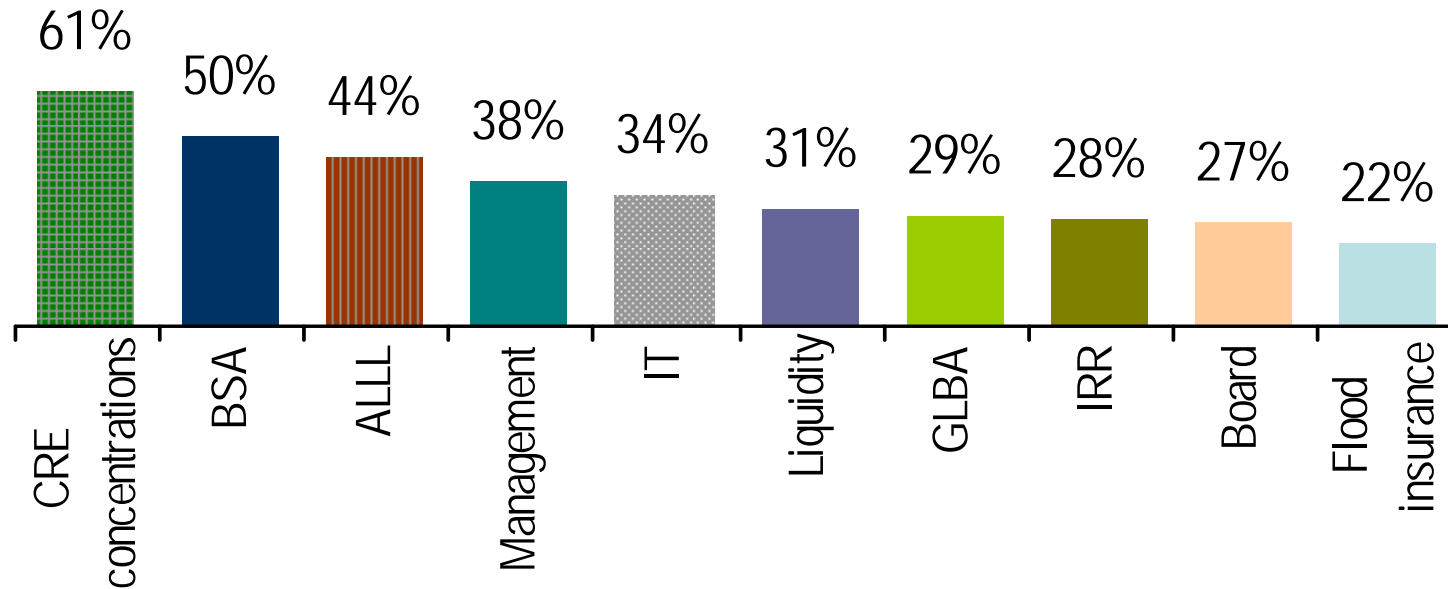
- 2 Letters of Understanding
- 2 MOUs
- C&D

S/S Examination Scrutiny and Trends

	SCRUTINY			TREND		
	-	Moderate	+	-	Stable	+
Commercial real estate concentrations	5%	33%	61%	0%	25%	75%
BSA	7%	43%	50%	5%	63%	32%
Loan grades (ALLL)	7%	49%	44%	3%	54%	43%
Management assessment	7%	55%	38%	2%	64%	34%
Information technology (IT)	5%	61%	34%	3%	56%	40%
Liquidity	7%	63%	31%	2%	56%	42%
Information security compliance (GLBA)	12%	59%	29%	3%	62%	35%
Interest rate risk	9%	63%	28%	5%	56%	39%
Business continuity / Disaster recovery plan	24%	55%	20%	3%	59%	38%

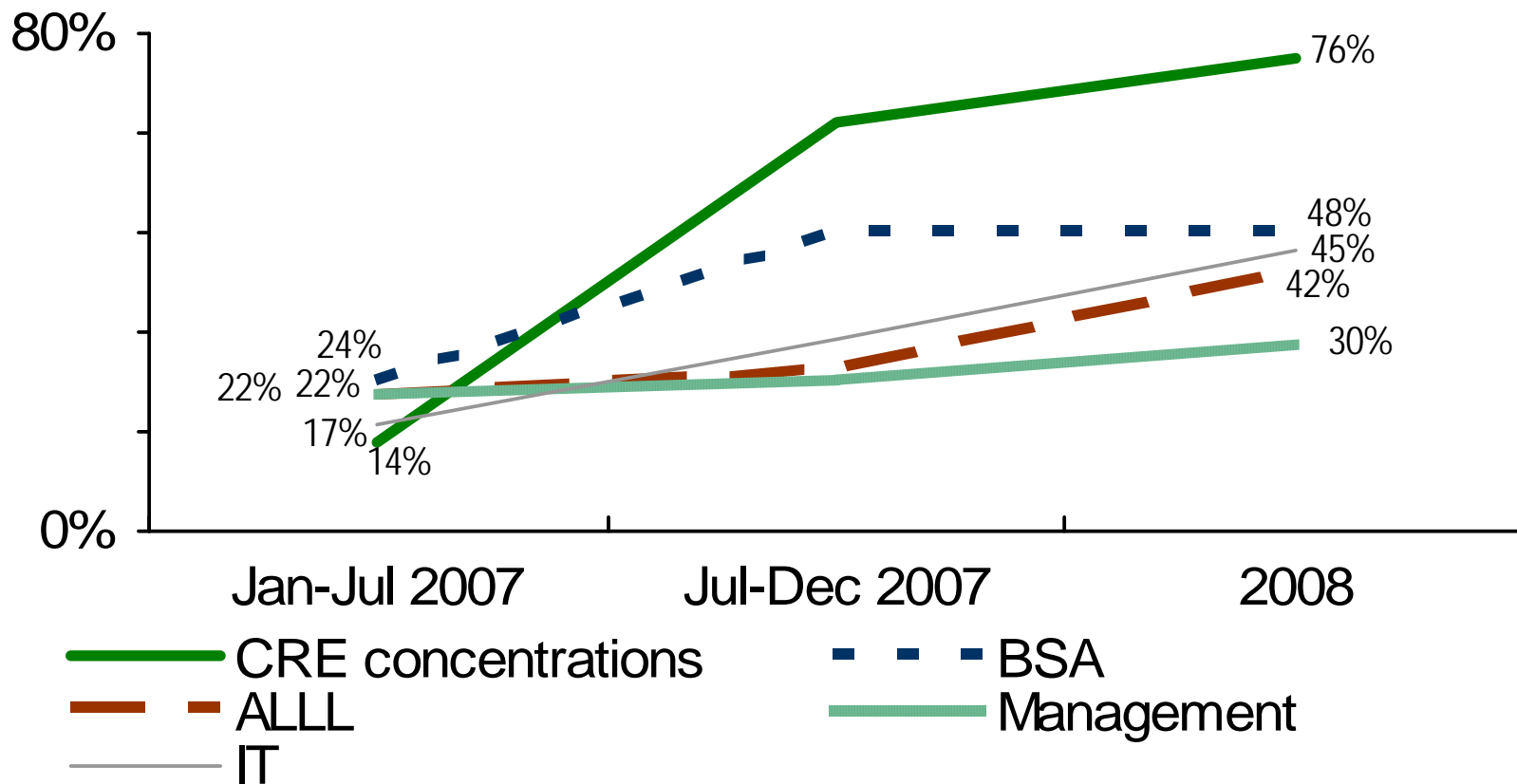
S/S Examination Scrutiny and Trends

Intense Scrutiny - All



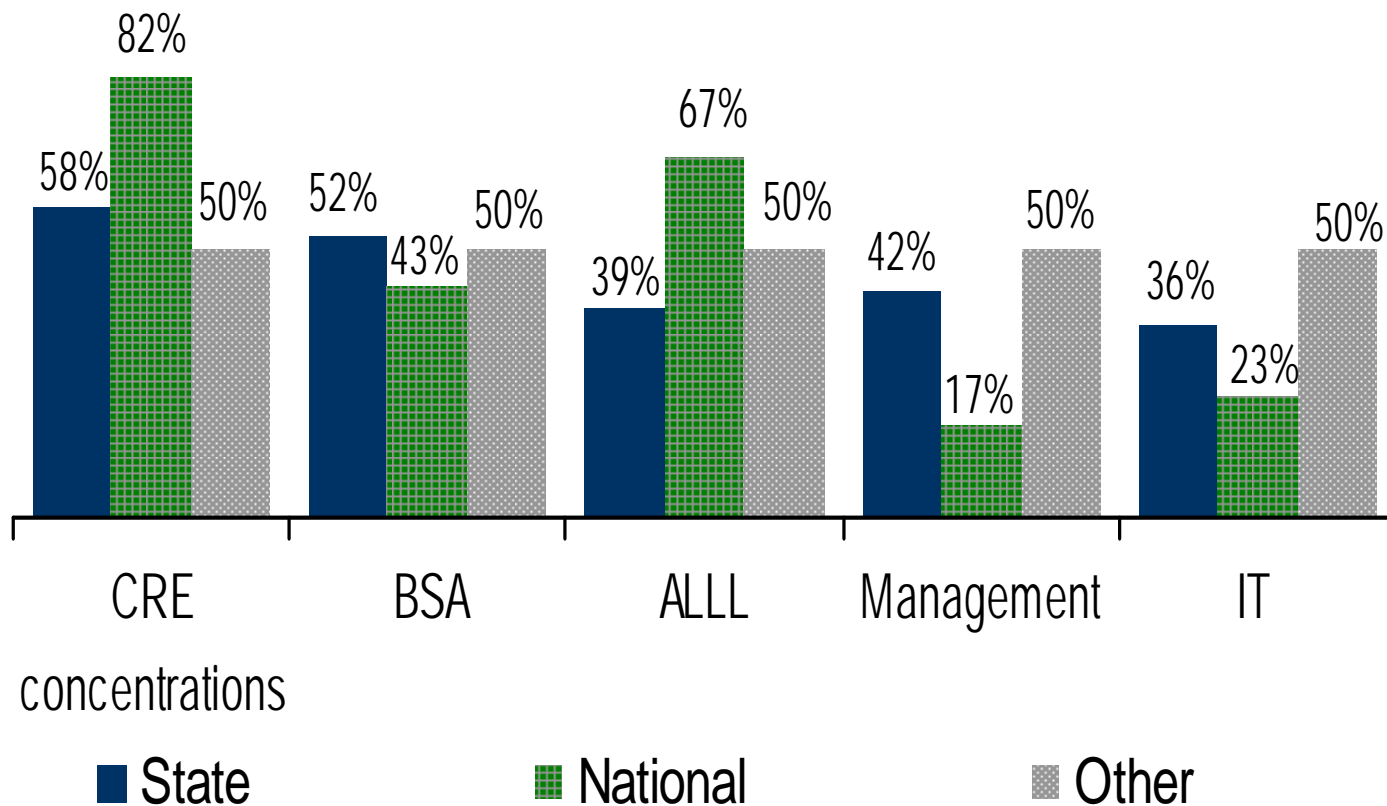
S/S Examination Scrutiny and Trends

Increasing Scrutiny Trend



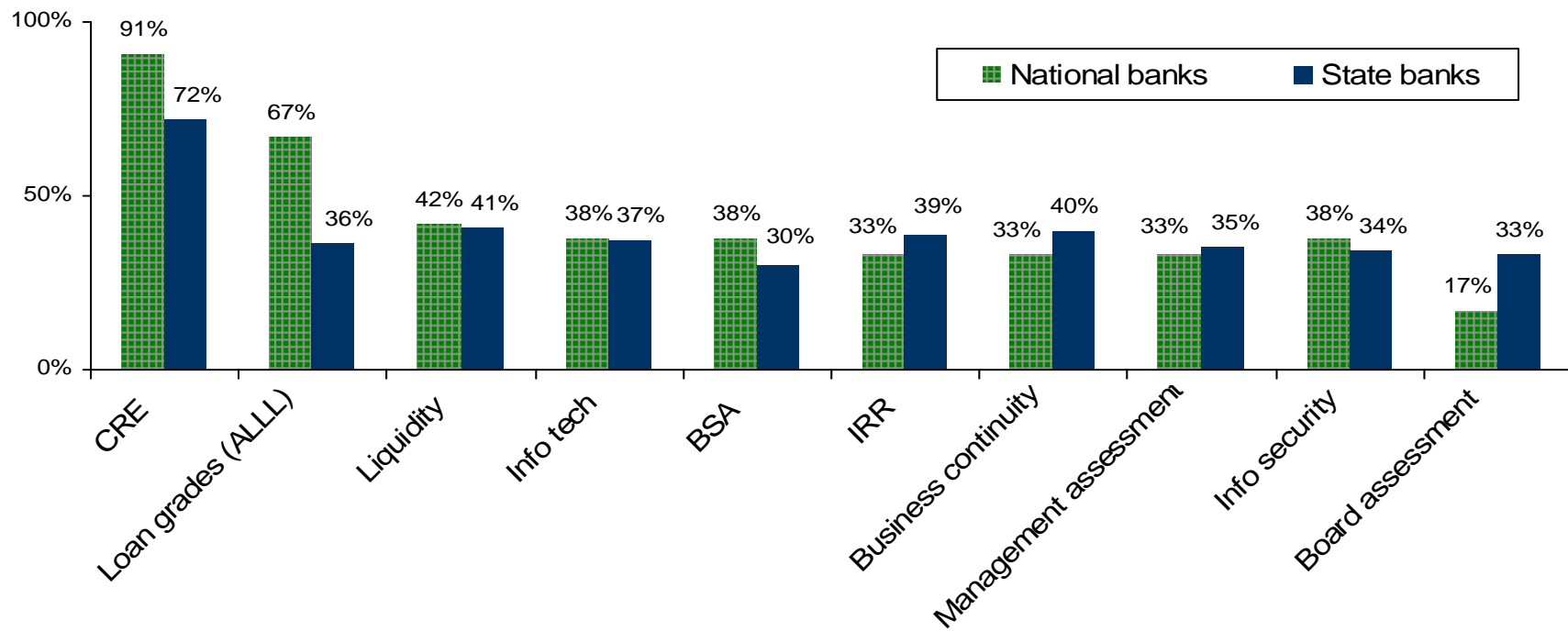
S/S Examination Scrutiny and Trends

Intense Scrutiny by Charter (Top 5)



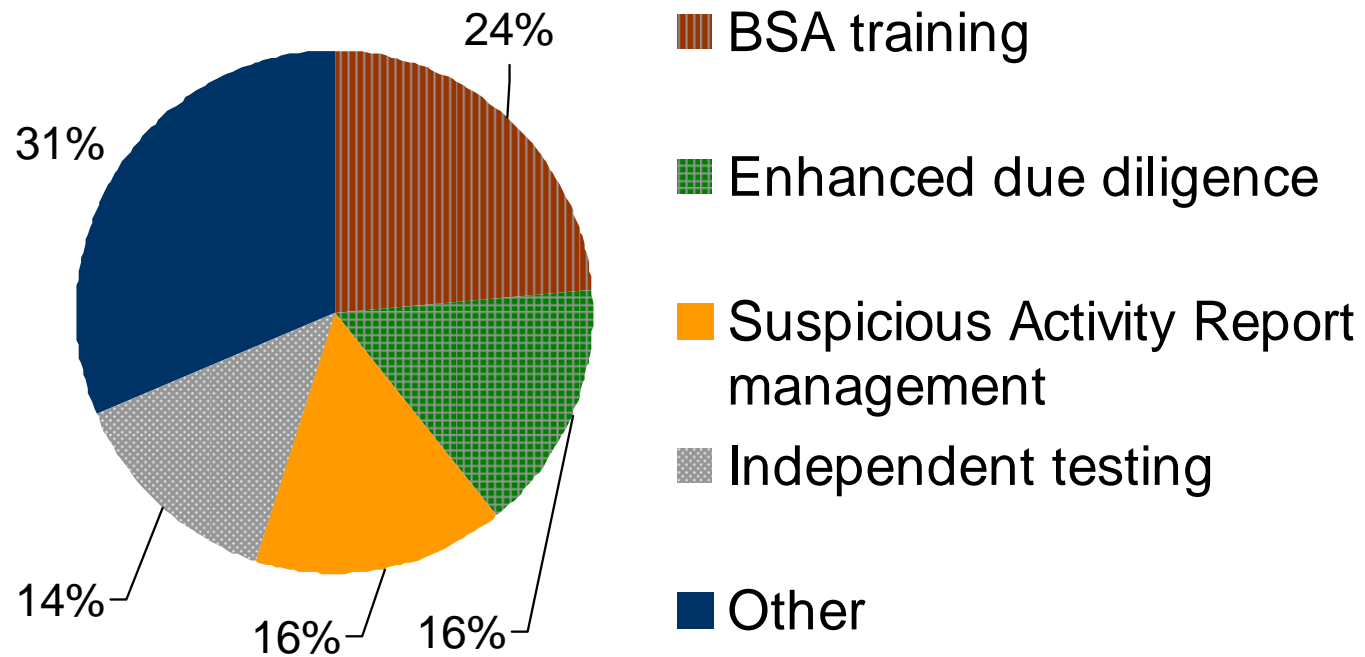
S/S Examination Trends

Percentage of Bankers – Increasing Scrutiny Trend



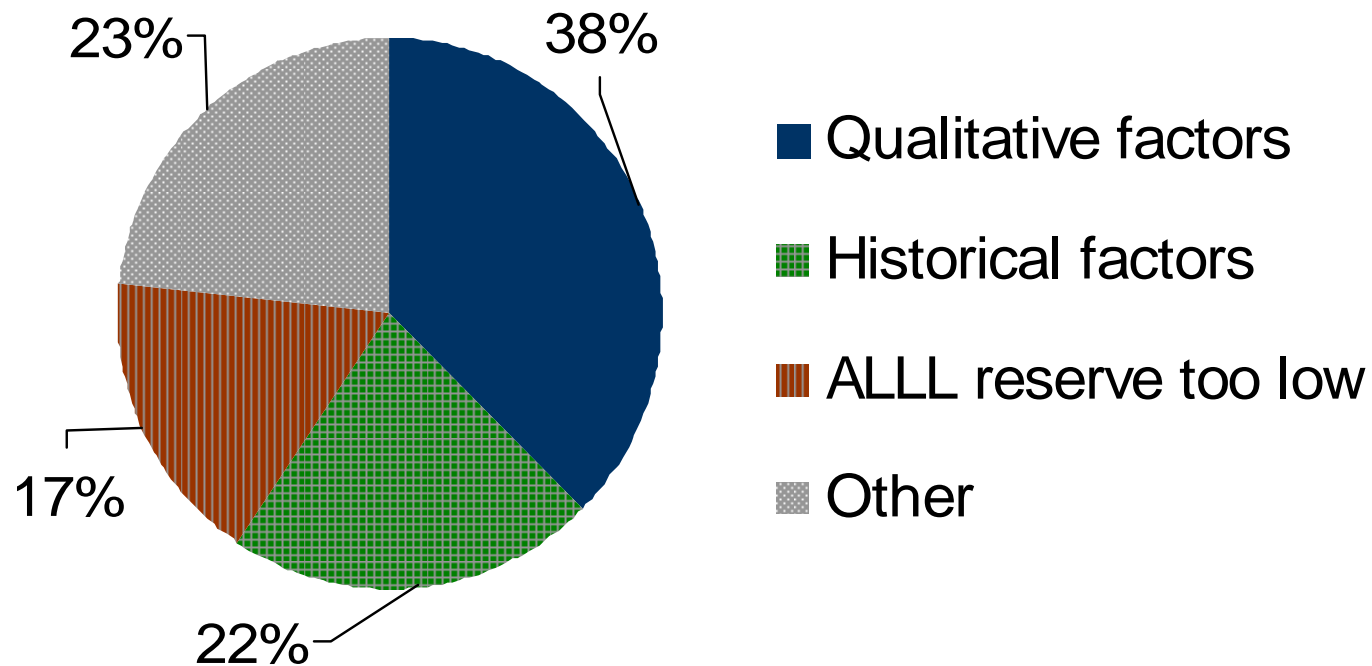
BSA

Most Frequent BSA Criticisms



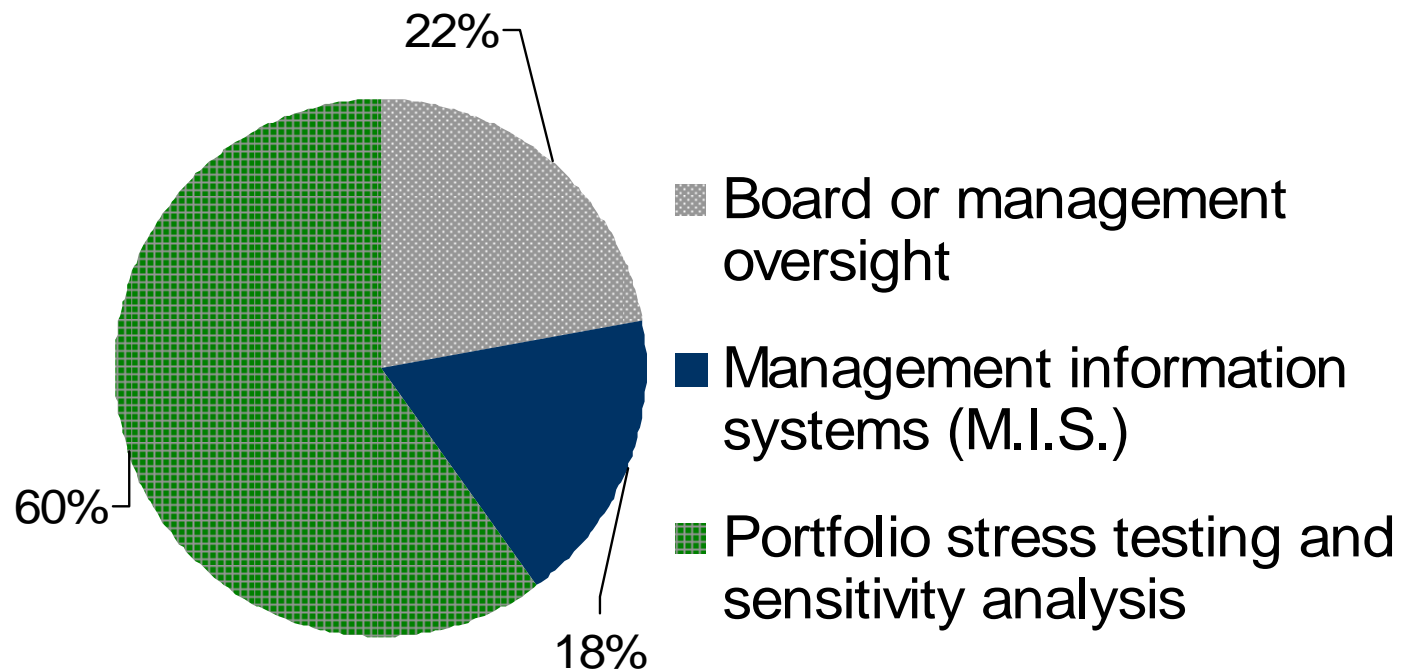
Allowance for Loan and Lease Losses

Most Frequent ALLL Criticisms



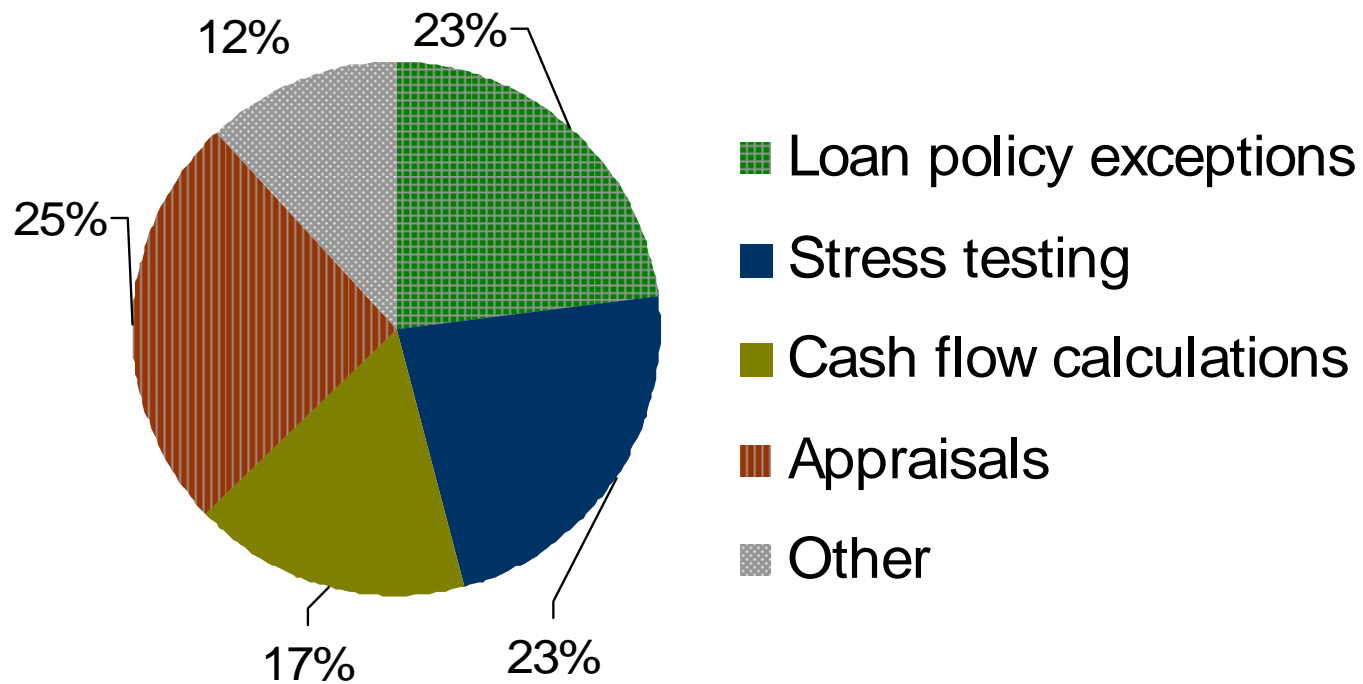
CRE Concentrations

Most Frequent CRE Criticisms



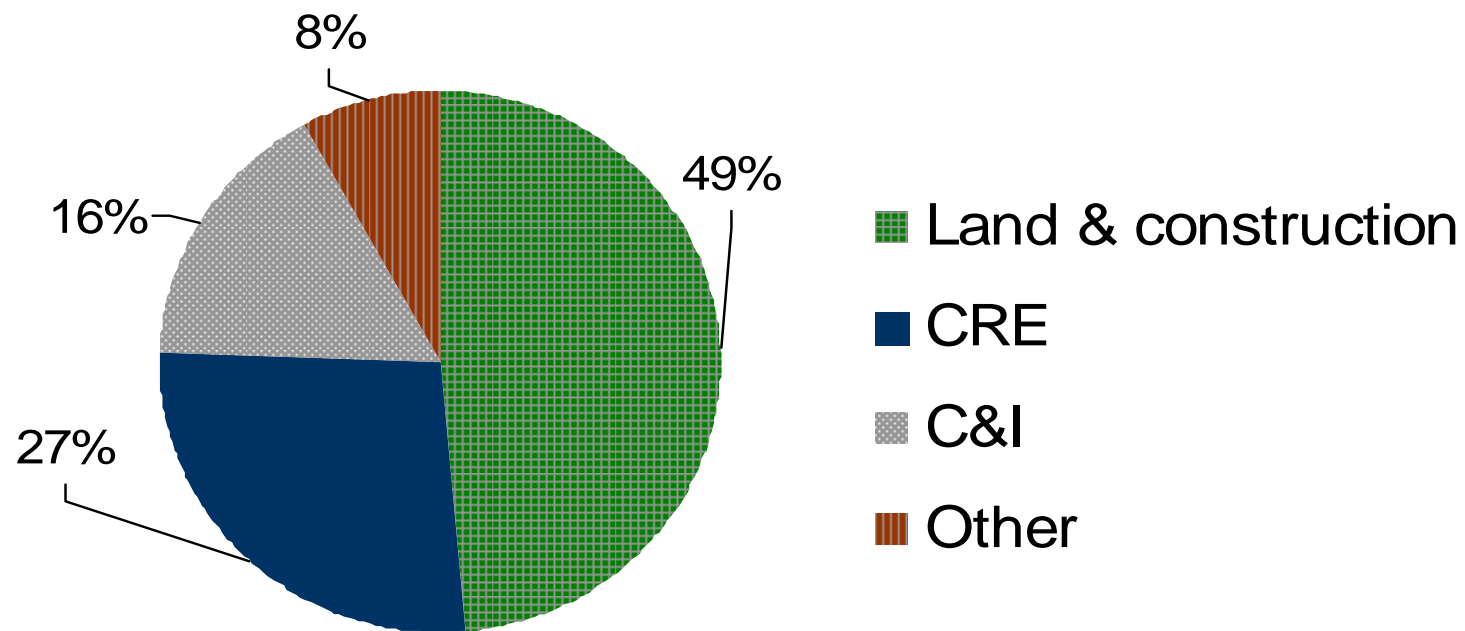
Loan Underwriting

Most Frequent Underwriting Criticisms



Problem Loans

Most Frequent Loan Downgrades



Compliance Examination Scrutiny and Trend

	SCRUTINY			TREND		
	-	Moderate	+	-	Stable	+
Flood insurance	14%	37	49%	3%	50%	47%
CRA	19%	50%	31%	7%	67%	26%
Other	14%	57%	29%	0%	50%	50%
Insider transactions (Regulation O)	31%	41%	28%	0%	85%	15%
Compliance management	8%	65%	27%	0%	65%	35%
Consumer lending (Regulation Z)	20%	54%	26%	7%	73%	20%

Report & Webinar

A copy of this Report will be sent to all WIB Members

A Webinar to discuss this survey will be held on
June 10 at 10 am PDT

Complimentary for WIB members

Nonmembers can purchase survey and attend
webinar.

Please visit the WIB website www.wib.org to register