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Summer 2018 Issue Now Available

Summary: The Summer 2018 issue of *Supervisory Insights* features two articles of interest to examiners, bankers and supervisors. The first article addresses the business of bank lending to the oil and gas sector, and the second provides an overview of bank credit risk grading systems.

Supervisory Insights – Summer 2018 issue is available at www.fdic.gov/supervisoryinsights.

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:
Oil and Gas lending
Credit Risk Grading Systems

Attachment:
None

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Note:
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Highlights:

- “Oil Price Volatility and Bank Performance: A View from the Supervisory Process” provides an overview of the specialized business of oil and gas (O&G) lending. The steep drop in oil prices beginning in 2014 tested the risk-management practices of insured banks active in O&G lending and other banks operating in geographic areas that depend on the O&G industry. This article shares FDIC observations from its surveillance efforts and supervisory activities relative to these institutions.
- The information and analysis presented in the article “Credit Risk Grading Systems: Observations from a Horizontal Assessment” are drawn from examiner observations about the loan risk-rating systems at selected large state nonmember banks. This article illustrates how strong credit grading systems incorporate clearly identifiable processes and establish a sound governance framework.
- The “Regulatory and Supervisory Roundup” provides an overview of recently released regulations and other items of interest.
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