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CHAIRMAN

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Dear Reader:

In the spring of 2016 the Federal Deposit Insurance Corporation hosted a Community Banking Conference that explored key strategies for long-term success in the community banking sector. Given the vital role that community banks play in the U.S. financial system and economy, this conference marked an important step in understanding the challenges and opportunities community banks face. The day-long conference drew more than 250 community bankers and other industry participants. Four separate panels at the Conference addressed the following critical challenges for community banks:

- Viability of the community banking model.
- Regulatory developments as they pertain to community banks.
- Ways that technology affects community banks.
- How community banks are managing ownership structure and succession planning.

We recently released a summary of the most important issues discussed at the Conference. Also, complete panel transcripts and other information on our Community Banking Initiative can be found on our website. I hope that you find this information helpful and look forward to your feedback. In addition, the FDIC has taken several steps to respond to issues raised at the Conference and by community bankers in other forums. The FDIC:

- Hosted a panel discussion at a recent meeting of the FDIC Advisory Committee on Community Banking about the millennial generation and their banking preferences.
- Conducted three outreach meetings with more than 100 industry participants to provide guidance about the formation of de novo institutions.
- Issued for public comment a handbook for organizers of de novo institutions, describing the process of applying for federal deposit insurance and providing instruction about the application content, including processing timeframes.
- Hosted a meeting with representatives of the industry and educational institutions to explore opportunities to partner in developing the next generation of community bankers.

The FDIC recognizes that community banks play a critical role in the U.S. financial system and broader economy, providing essential banking services in small towns, rural communities, and metropolitan areas across the nation. The FDIC remains committed to helping community banks address existing and emerging challenges. Given the importance of community banks to ensuring a robust and stable economy, the FDIC will continue to explore strategies for the industry's long-term success. Community banking will continue to be a top priority for the FDIC.

Sincerely,

Martin J. Gruenberg