

# Regulatory Feedback Initiative Summary Report

Thursday, November 03, 2011



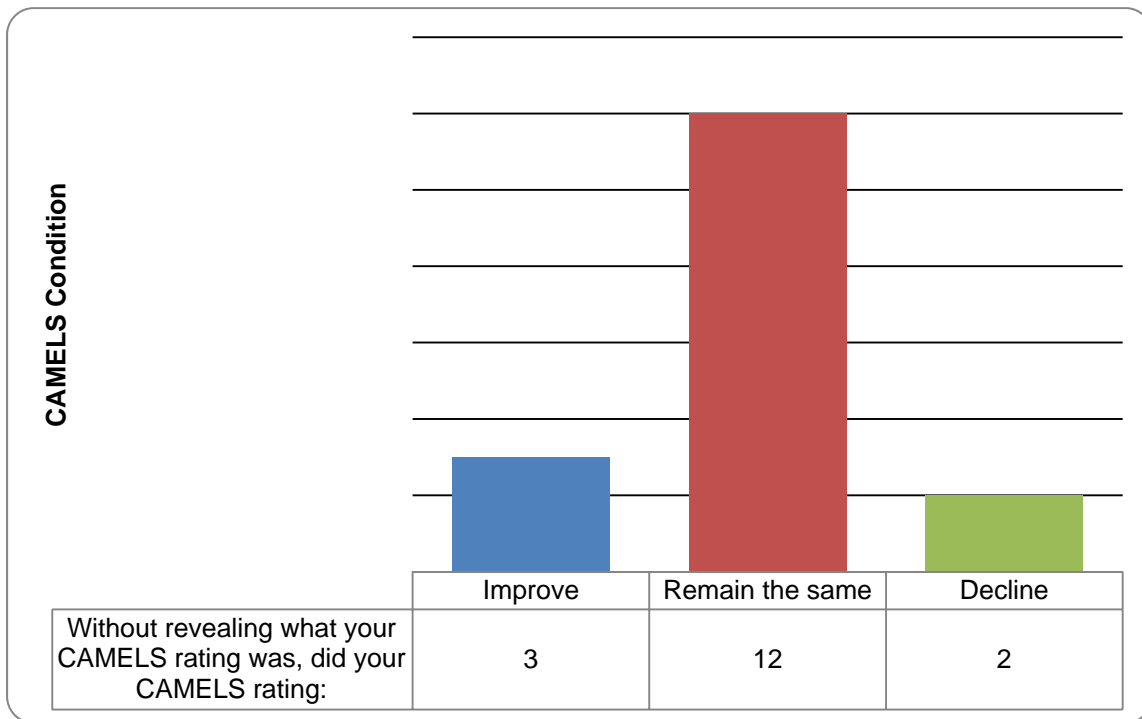
## Filter applied:

- ***State (Location of Bank Headquarters): Equals Utah***
- ***Regulatory agency conducting the examination: State Department of Banking & FDIC***
- ***Asset Size: Under \$50 million, \$50 to \$99 million, \$100 to \$249 million***
- ***What type of examination was this? Safety & Soundness***

## Without revealing what your CAMELS rating was, did your CAMELS rating:

Response Rate: 100% (N=17) Question Type: Choose one

Improve	3
Remain the same	12
Decline	2
<b>Total Responses</b>	<b>17</b>



## Is your bank under any written agreement?

Response Rate: 100% (N=17) Question Type: Choose one

Yes	11
No	6
<b>Total Responses</b>	<b>17</b>

## How long did your "on-site" examination last? (Please state the number of business days):

Total Responses	17
Mean	24.12
Median	14.00
Standard Deviation	30.07
Min	8.00
Max	120.00
Sum	410.00



## Safety & Soundness Examination Questions

	(A) no problems noted	(B) received criticism	(C) require evaluation by a third party	(D) require action by your bank	(E) not applicable to my bank	Total Responses	Total Respondents
Adversely classified asset levels	35%	53%	6%	24%	0%	20	17
Allowance of loan & lease loss calculation/level	59%	18%	12%	24%	0%	19	17
Bank's strategic plan or planning processes	53%	29%	0%	18%	0%	17	17
Capital levels	53%	35%	6%	24%	0%	20	17
Comm. RE risk management	35%	47%	6%	12%	12%	19	17
Credit administration practices	53%	41%	12%	6%	0%	19	17
Credit underwriting practices	65%	29%	12%	6%	0%	19	17
Dividend distribution levels	53%	6%	0%	6%	35%	17	17
External loan review firm or process	59%	12%	12%	0%	24%	18	17
Interest rate risk management approaches	41%	41%	12%	12%	6%	19	17
Investment portfolio	71%	6%	6%	6%	12%	17	17
Liquidity concerns	63%	31%	19%	13%	0%	20	16
Loan concentrations	53%	41%	6%	18%	0%	20	17
Loan policies	47%	35%	6%	24%	0%	19	17
Non-core funding dependence (volatile) levels	82%	6%	6%	6%	0%	17	17
Other real estate owned management processes	53%	24%	6%	6%	12%	17	17



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Problem loan management	76%	18%	6%	12%	0%	19	17
Qualifications of board, lenders or management	59%	35%	6%	12%	0%	19	17
Real estate appraisal and evaluation processes	59%	29%	6%	12%	6%	19	17
Risk rating processes	76%	18%	12%	6%	0%	19	17
BSA - Bank's Risk Assessment	76%	12%	12%	6%	6%	19	17
BSA - Suspicious Activity Report Filings	76%	12%	6%	12%	6%	19	17
BSA - Currency Transaction Report Filings	75%	6%	0%	13%	13%	17	16
BSA - Level of board involvement	76%	12%	6%	12%	6%	19	17
BSA - Providing services to Money Service Businesses	59%	6%	0%	6%	29%	17	17
Other areas not mentioned above	64%	0%	9%	0%	27%	11	11
<b>Table Summary</b>	<b>262</b>	<b>102</b>	<b>31</b>	<b>49</b>	<b>31</b>	<b>475</b>	

**If selected Other areas not mentioned above, please describe:**

Response Rate: **0% (N=0)** Question Type: Text

*The response count for this question is below the minimum threshold (5)*



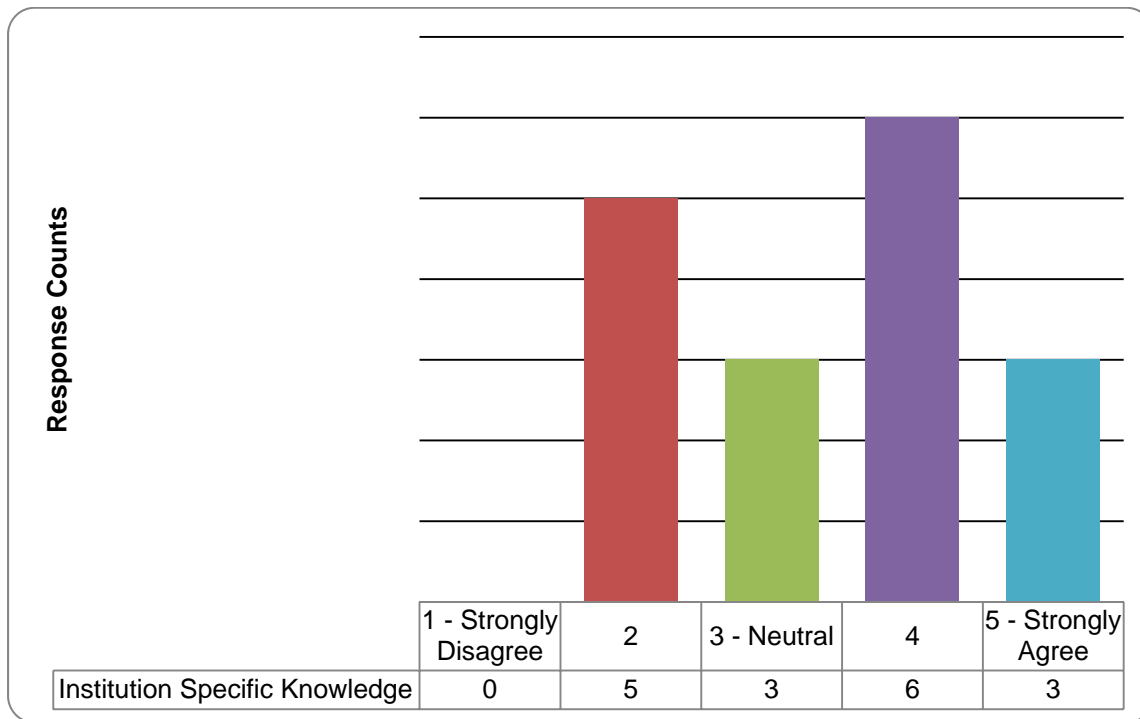
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## The examination staff was knowledgeable about your institution.

Response Rate: 100% (N=17) Question Type: Choose one

1 - Strongly Disagree	0
2	5
3 - Neutral	3
4	6
5 - Strongly Agree	3
<b>Total Responses</b>	<b>17</b>
<b>Mean</b>	<b>3.41</b>



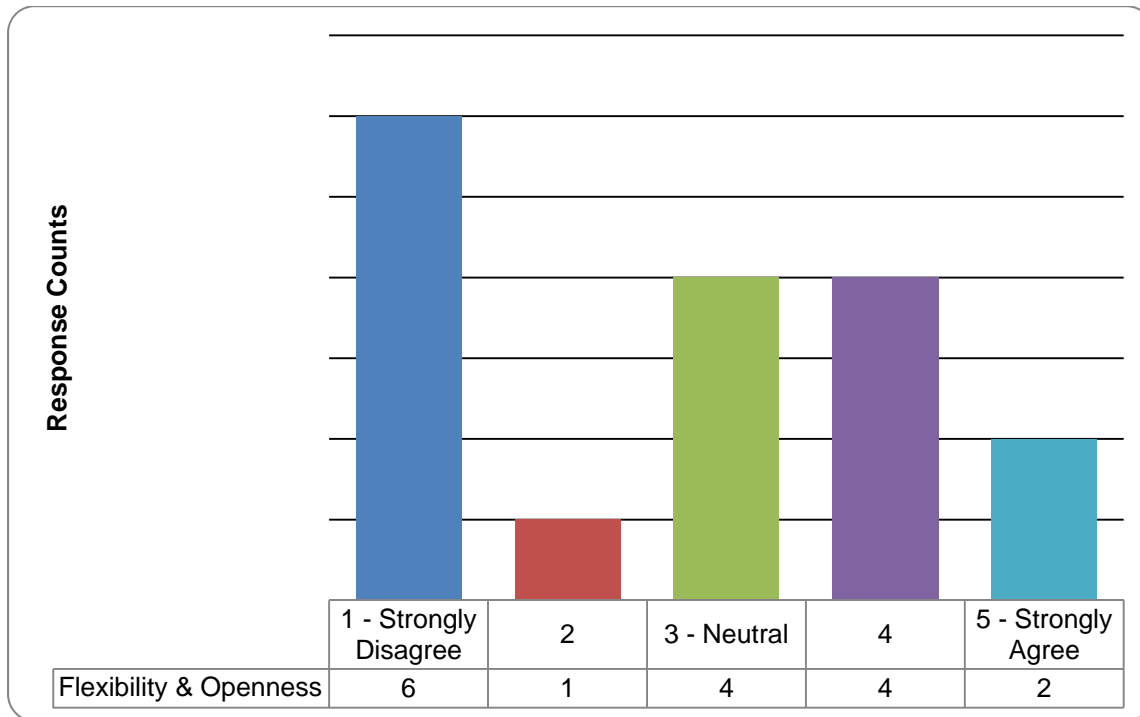
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## The examiners were flexible and open to the exchange of views with my staff.

Response Rate: 100% (N=17) Question Type: Choose one

1 - Strongly Disagree	6
2	1
3 - Neutral	4
4	4
5 - Strongly Agree	2
<b>Total Responses</b>	<b>17</b>
<b>Mean</b>	<b>2.71</b>



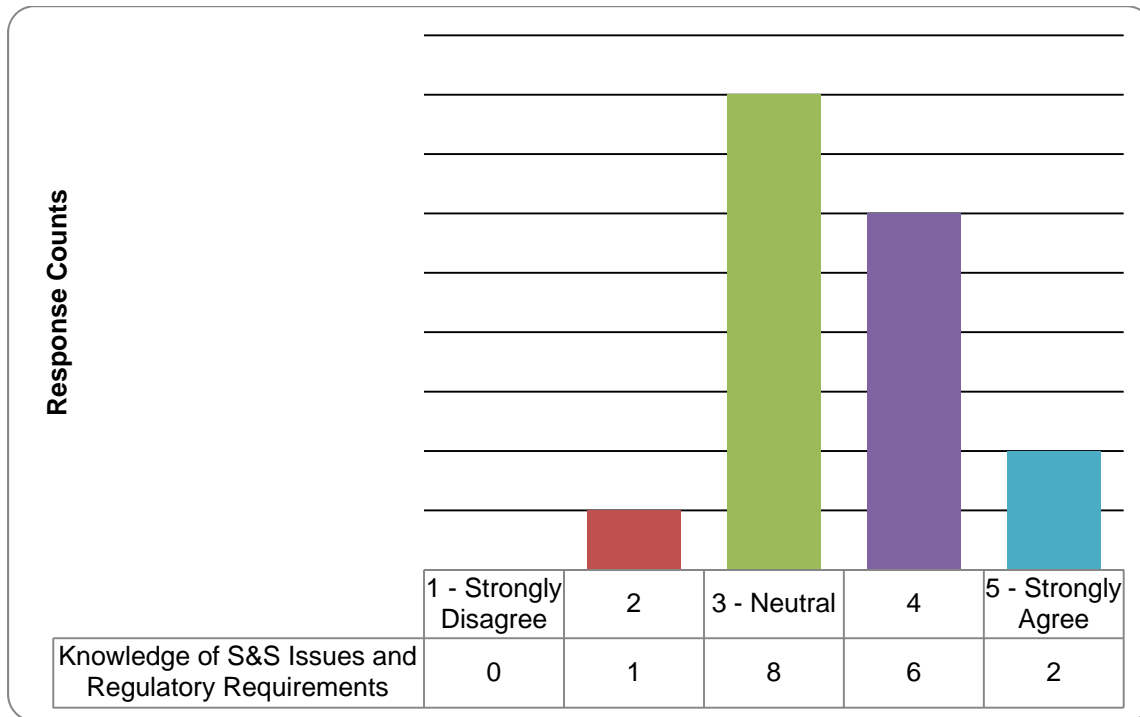
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## The examination staff was knowledgeable about important safety & soundness issues and regulatory requirements.

Response Rate: 100% (N=17) Question Type: Choose one

1 - Strongly Disagree	0
2	1
3 - Neutral	8
4	6
5 - Strongly Agree	2
<b>Total Responses</b>	<b>17</b>
<b>Mean</b>	<b>3.53</b>

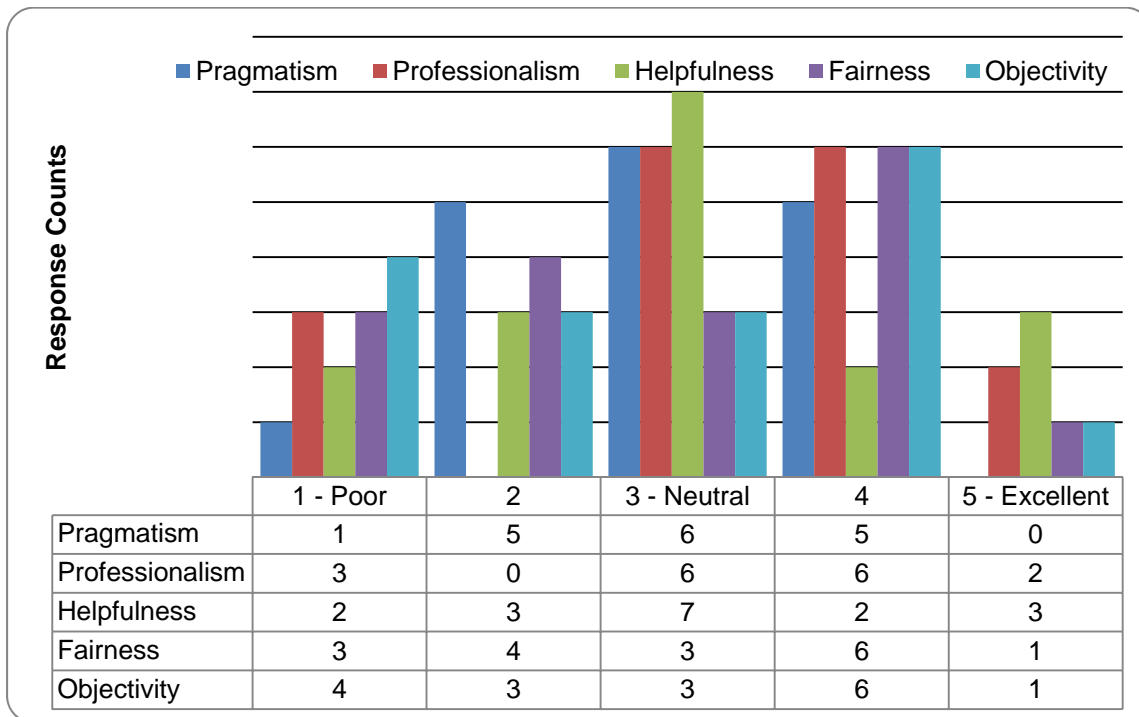




## Rank Lead Representative

Question Type: Choose one

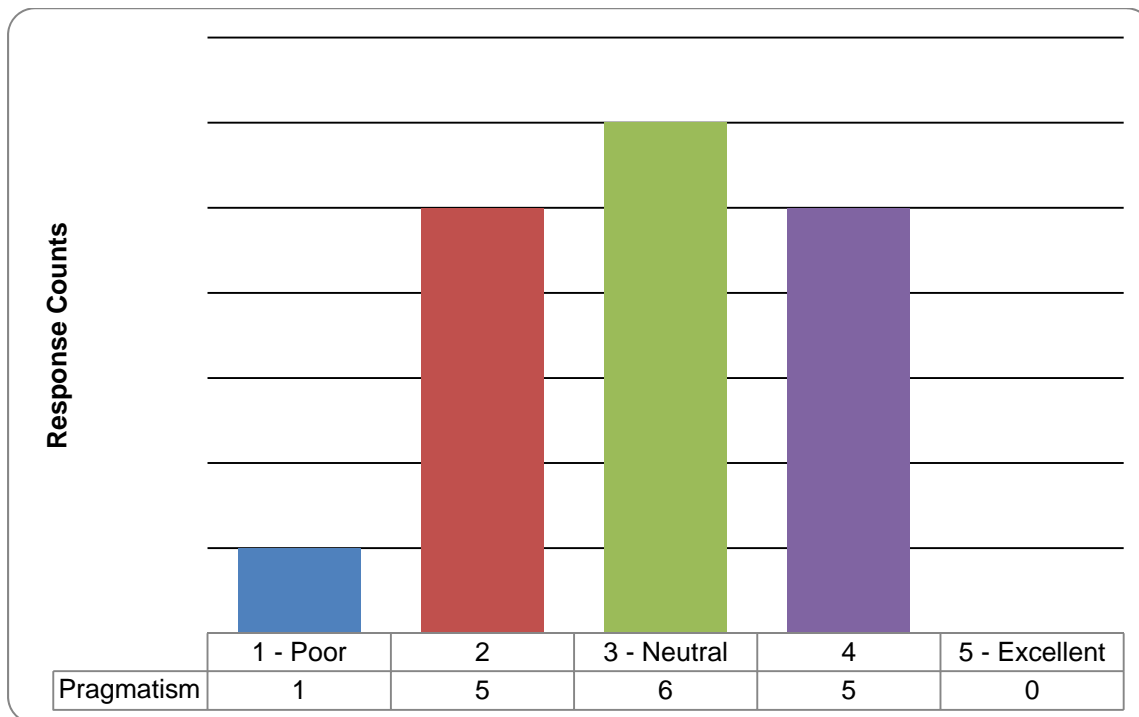
	1 - Poor	2	3 - Neutral	4	5 - Excellent	Total Responses
Pragmatism	1 6%	5 29%	6 35%	5 29%	0 0%	17
Professionalism	3 18%	0 0%	6 35%	6 35%	2 12%	17
Helpfulness	2 12%	3 18%	7 41%	2 12%	3 18%	17
Fairness	3 18%	4 24%	3 18%	6 35%	1 6%	17
Objectivity	4 24%	3 18%	3 18%	6 35%	1 6%	17
<b>Total Responses</b>	<b>13</b>	<b>15</b>	<b>25</b>	<b>25</b>	<b>7</b>	<b>85</b>



## Pragmatism

Response Rate: 100% (N=17) Question Type: Choose one

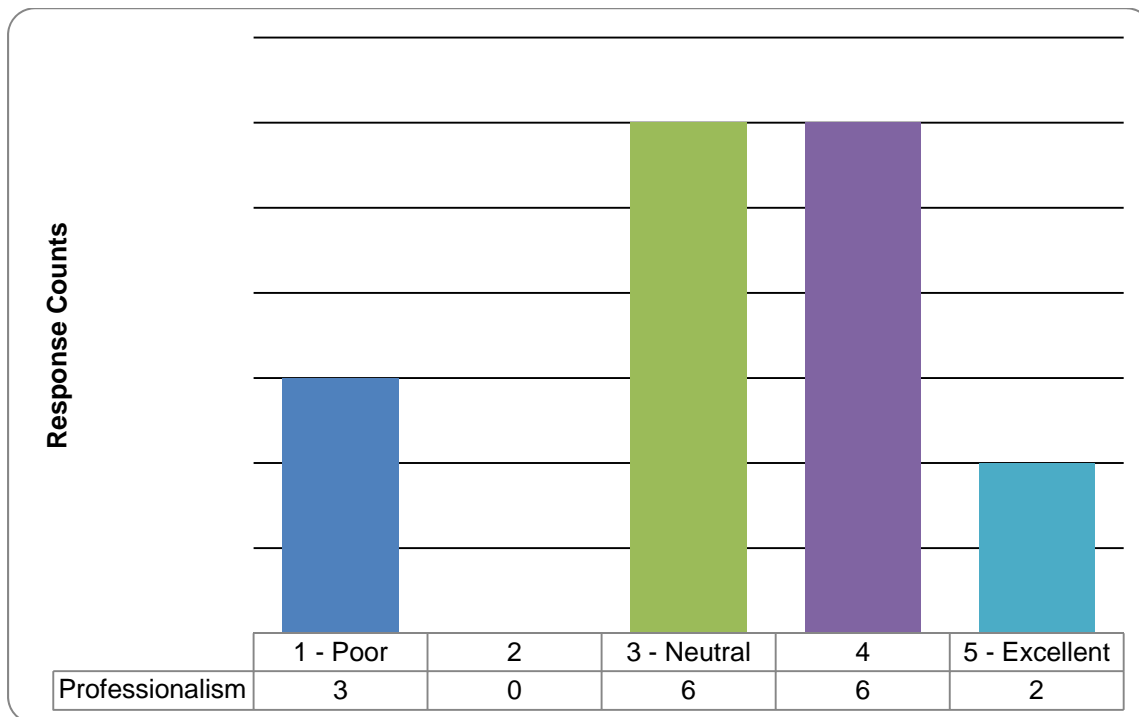
1 - Poor	1
2	5
3 - Neutral	6
4	5
5 - Excellent	0
<b>Total Responses</b>	<b>17</b>



## Professionalism

Response Rate: 100% (N=17) Question Type: Choose one

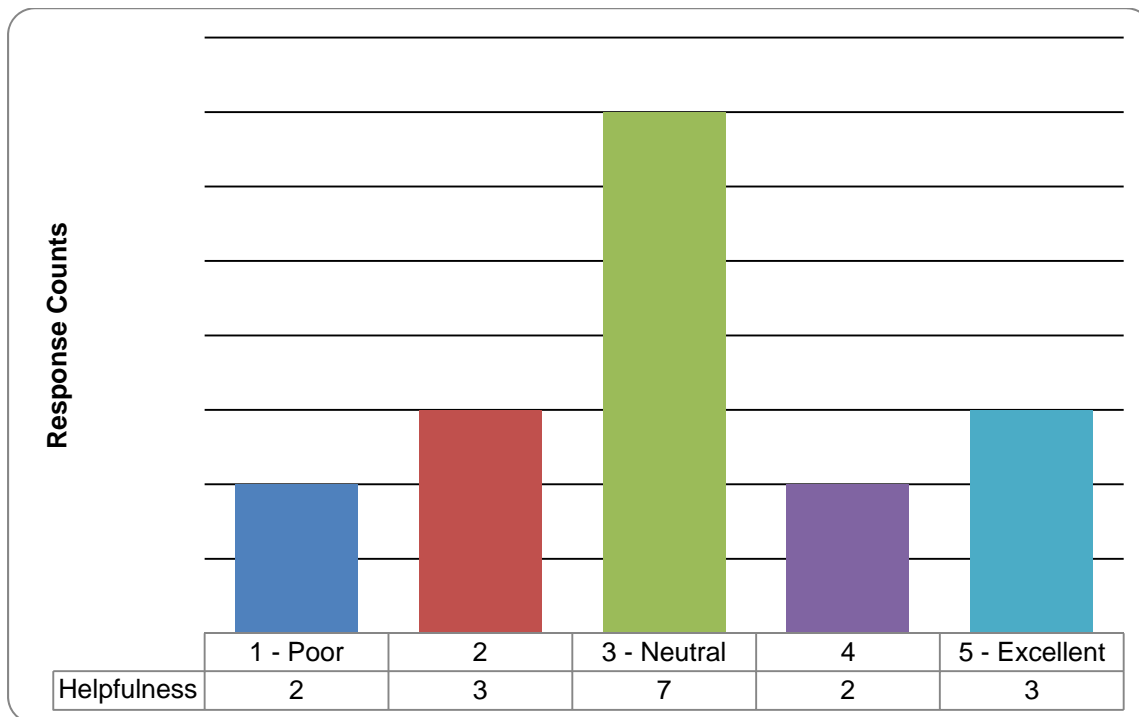
1 - Poor	3
2	0
3 - Neutral	6
4	6
5 - Excellent	2
<b>Total Responses</b>	<b>17</b>



## Helpfulness

Response Rate: 100% (N=17) Question Type: Choose one

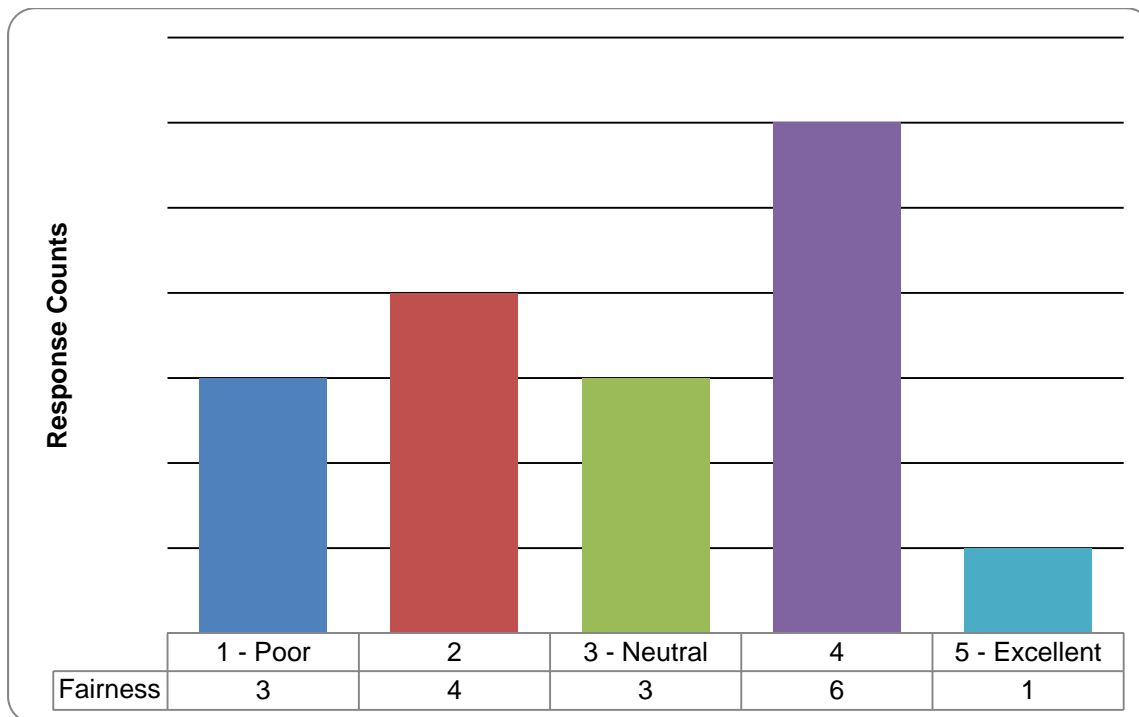
1 - Poor	2
2	3
3 - Neutral	7
4	2
5 - Excellent	3
<b>Total Responses</b>	<b>17</b>



## Fairness

Response Rate: 100% (N=17) Question Type: Choose one

1 - Poor	3
2	4
3 - Neutral	3
4	6
5 - Excellent	1
<b>Total Responses</b>	<b>17</b>



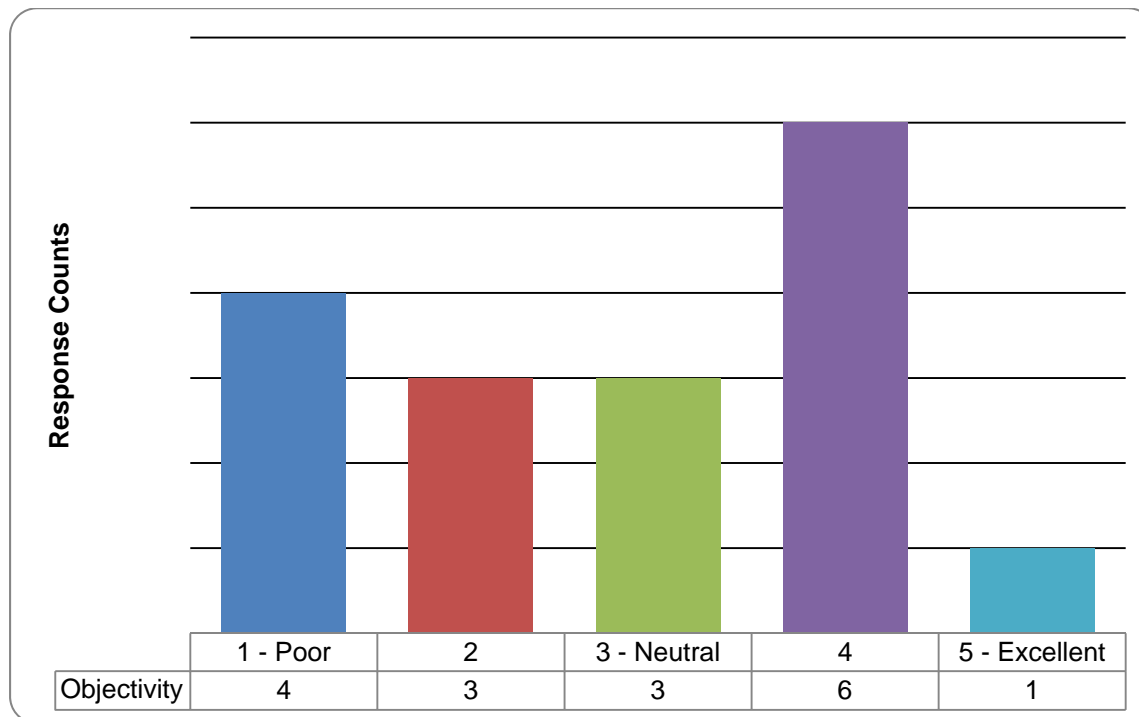
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## Objectivity

Response Rate: 100% (N=17) Question Type: Choose one

1 - Poor	4
2	3
3 - Neutral	3
4	6
5 - Excellent	1
<b>Total Responses</b>	<b>17</b>



**If you answered yes (4 or 5) please state which guidance was treated as a regulation**

Response Rate: 6% (N=1) Question Type: Paragraph

*The response count for this question is below the minimum threshold (5)*

**If you answered yes (4 or 5) please state which standards or assumptions were applied that were not shared with the bank prior to the examination**

Response Rate: 18% (N=3) Question Type: Paragraph

*The response count for this question is below the minimum threshold (5)*

**If you answered no (1 or 2) please state in what way was the resolution or recommended action unfair or unreasonable**

Response Rate: 18% (N=3) Question Type: Paragraph

*The response count for this question is below the minimum threshold (5)*



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## What do you wish you knew before your bank was examined?

Response Rate: 41% (N=7) Question Type: Paragraph

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THEY SEEM TO HAVE PREDETERMINED THINGS THEY ARE GOING TO HIT YOU ON BEFORE THEY COME--SPECIFIC LOANS--

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Why I did not become a marine biologist.

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na

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The team would be so inexperienced.

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1) The extent to which regulators were concerned and were interpreting third party payment processing at commercial banks 2) The new and unexpected Loan impairment ratio that was used to evaluate overall loan portfolio

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The effects of tax deferred assets on out coverage ratios.

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Issues that they are going to focus on with my bank.

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**Total Responses: 7**



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## What hot topics, concerns, or trends did your regulator flag for your attention during the next 12-18 months?

Response Rate: 76% (N=13) Question Type: Paragraph

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Further deterioration of commercial portfolio and acting timely.

Interest rate risk. CRE values. Asset concentrations.

Substandard asset levels BOLI IRR model CRE

na

N/A

Asset quality and appraisals

Strategic planning and capitalization.

None.

1) Adjustment to ALLL policy and methodology 2) Various and sundry IT elements

Management, Capital, Problem assets.

Vendor management - the vetting and supervision of vendors handling business critical or other sensitive operations.

Coverage ratios Earnings

Loan Concentration

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**Total Responses: 13**



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