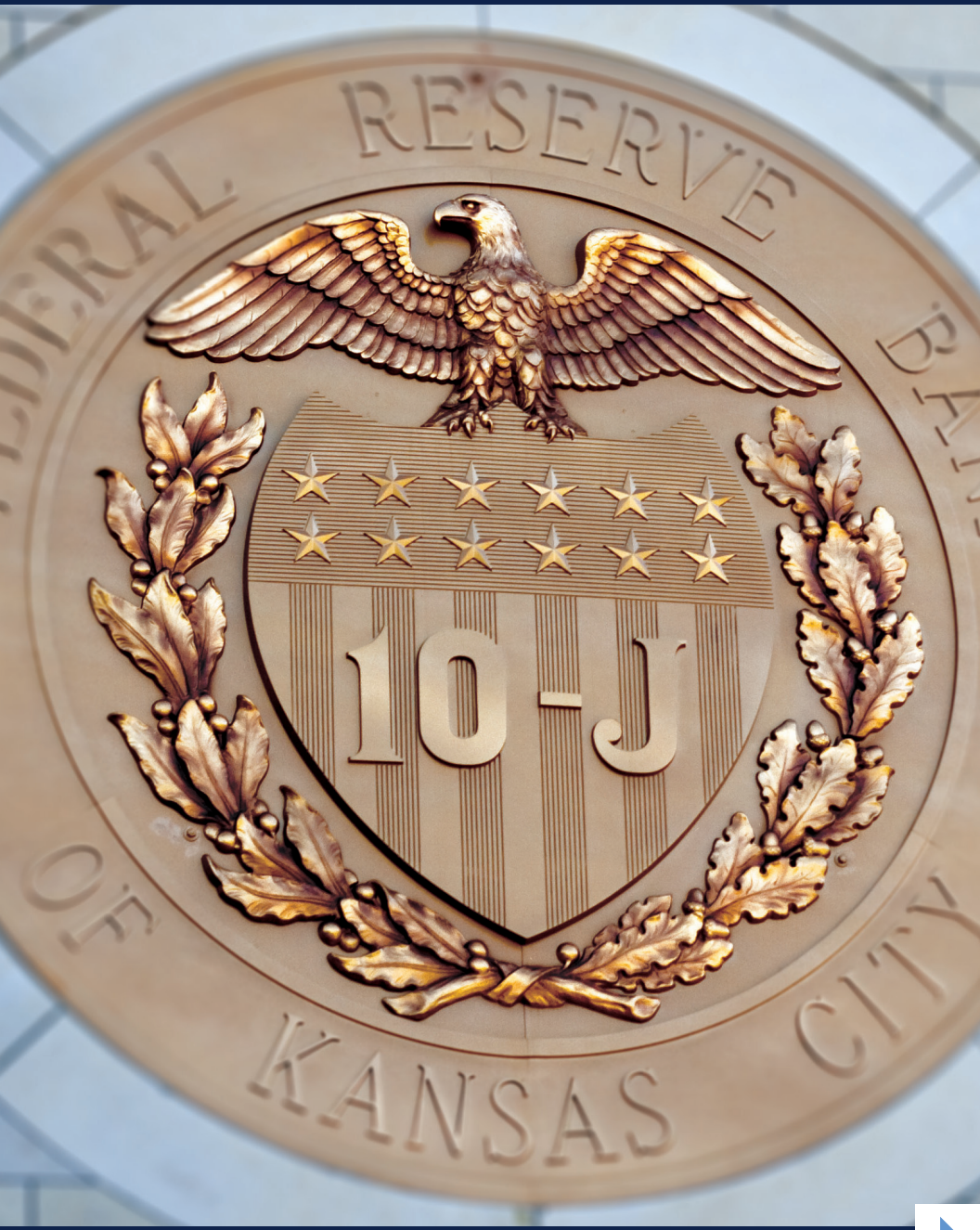
Membership

IN THE FEDERAL RESERVE



President's Message

While the conduct of monetary policy may be the Federal Reserve's most publicly visible role, our responsibilities for supervising banks and providing financial services also are crucial to our mission of providing a firm foundation for the nation's financial system. Our broad responsibilities for financial stability, coupled with a decentralized structure that provides a crucial local connection to national policy, offer the Federal Reserve a unique viewpoint on the banking industry. Staff in our District offices in Kansas City, Denver, Oklahoma City and Omaha are able to draw on the resources of an organization with broad ties to local, regional and national banking and business communities. Our supervision program encompasses not only on-site examinations of the state member banks in our District, but also supervisory oversight of every bank, financial, and savings and loan holding company. In addition, many of our staff are asked to assist in examining a wide range of banking organizations across the country. As a result, our banking supervision is built on a foundation of broad perspective about our nation's financial system. The information in this brochure describes the nature of membership in the Federal Reserve and what you can expect from the Federal Reserve Bank of Kansas City's supervision of your banking organization.

ESTHER L. GEORGE
PRESIDENT AND CHIEF EXECUTIVE OFFICER

"As the nation's central bank, the Federal Reserve has broad responsibilities for the stability of the financial system."

Federal Reserve Membership

The Federal Reserve has been in the business of ensuring the safety and soundness of banks since 1914. Twelve regional Reserve Banks oversee state-chartered member banks as part of the Federal Reserve System's mandate to assure strength and stability in the nation's domestic markets and banking system. Any state-chartered bank may become a member of the Federal Reserve System. The Federal Reserve is also the federal regulator for all bank, financial, and savings and loan holding companies. Your membership with the Federal Reserve conveys an association with the reputation and public trust the Federal Reserve enjoys as the United States' central bank. The Federal Reserve Bank of Kansas City provides a regional connection for your institution to national policy and information.

State Member Bank Supervision

Member banks are supervised by the Federal Reserve in partnership with state regulators to provide a consistent, unified regulatory approach. You will participate in a high-quality and efficient supervisory process led by professional staff with regional expertise.

The Exam Process

Quality supervision helps ensure safe and sound banking organizations that effectively serve the needs of their communities. The Federal Reserve is committed to achieving the highest level of banker and public confidence in the execution of our supervisory responsibilities. Knowledgeable and experienced Federal Reserve examiners concentrate on the key risks affecting your bank, leveraging technology to streamline the examination process. Examination schedules can be coordinated for commercial and specialty reviews to lessen the burden bankers face in dealing with multiple examinations. Banks owned by holding companies can achieve additional efficiencies, because the Federal Reserve is the federal regulator of bank and financial holding companies. The Federal Reserve is committed to the ongoing development of its examiners and other professional staff to ensure sound supervisory analysis and judgments, and effective communication. Continuity in communication is a high priority; therefore, the Federal Reserve assigns a central point of contact to each member bank. Our goal is to respond to routine regulatory questions on the same day and follow up on any written correspondence within 30 days. The Federal Reserve does not charge for applications or periodic examinations.

Beyond the Exam

As a member bank, you have access to a variety of Federal Reserve educational resources, including annual Regulatory Update Seminars presented in multiple locations across the District, and specialized in-person training sessions for loan officers and directors. You can also request examiners to conduct advisory visits on topics such as consumer compliance regulations, Bank Secrecy Act compliance, and information technology. Member banks are eligible to elect Reserve Bank board members and to serve on Federal Reserve System advisory councils. The Reserve Bank provides broad access to industry and regional information through our public website, annual economic and community banking forums, Community Banking Connections publications, periodic banker roundtables, and TEN Magazine.

TO LEARN MORE about the Reserve Bank and our membership process, please visit, ***http://www.KansasCityFed.org***

Common Goals

"Because sound financial institutions are the cornerstone of a sound economy, our goal is to ensure that our banks are well-run. Experience has taught us that our approach to supervision, from risk-focused examinations to advisory visits that address specific concerns, is effective in meeting the common goals of both the financial institutions and the Federal Reserve."

TARA L. HUMSTON
SENIOR VICE PRESIDENT
SUPERVISION AND RISK MANAGEMENT

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FEDERAL RESERVE BANK OF KANSAS CITY