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OCC Releases International Peer Review of OCC Supervision of Large and Midsize Institutions

WASHINGTON – The Office of the Comptroller of the Currency today released a report prepared by a team of international regulators that the Comptroller had convened to provide an independent perspective on the OCC's approach to the supervision of large and midsize banks and thrifts.

The report was delivered to the OCC yesterday, and Comptroller of the Currency Thomas J. Curry said that, based on briefings and his initial review, he is pleased at the range and depth of the recommendations.

"We have not had time to conduct a thorough analysis of the report, but I can tell you from my initial review that it is a thoughtful document with a number of important recommendations that we can use to position the OCC to meet the challenges of the future," Mr. Curry said.

The report includes recommendations that cover six broad areas, including mission, vision, and strategic goals; risk identification; ratings systems; staffing; the scope and consistency of supervisory strategies; and enterprise governance.

The report highlighted a number of areas in which the agency has been very successful, Mr. Curry said. For example, the team praised the lead expert program in the OCC's Midsize Bank Supervision group, and it described the output of the agency's National Risk Committee as "first rate."

"I was particularly pleased by their comment that the supervisory staff they interviewed had 'demonstrated a strong commitment to rigorous supervision of institutions and a pride in the OCC as a supervisory agency'," Mr. Curry added. "As Comptroller, I take great pride in leading an agency staffed by such capable professionals, and I was especially proud of the way so many of our men and women provided their full support to this project."

The Comptroller noted that some of the recommendations validate initiatives the OCC has underway, including a series of eight strategic initiatives aimed at addressing challenges and opportunities facing the agency.

"The report also highlights a number of areas in which the committee believes we can improve, and it is my expectation that we will take advantage of these recommendations to make a very strong agency stronger still," Mr. Curry said.

Mr. Curry said it appears that some of the recommendations can be evaluated and implemented fairly quickly, while others will require more study and more planning and preparation.

"I believe it is vital that the people who will be most affected by the report's recommendations be fully involved in their implementation, and I will appoint a number of cross-functional teams to evaluate the recommendations and make some decisions about how they should be implemented," he said. "It may be that the teams will conclude that some recommendations are not workable, while others might require some modifications. I will expect to see initial conclusions within 60 days and an implementation plan 60 days after that."

The international peer group was led by Jonathan Fiechter, a former OCC senior deputy Comptroller and onetime acting director of the Office of Thrift Supervision. More recently, he worked for the International Monetary Fund, where he headed the Monetary and Capital Markets Department's financial supervision and crisis management group.

The committee's members included Keith Chapman, Executive General Manager of the Australian Prudential Regulatory Authority; Brigitte Phaneuf, Managing Director of Canada's Office of Superintendent of Financial Institutions (OSFI); Ted Price, former Deputy Superintendent of the OSFI; and Teo Swee Lian, Special Advisor, and former Deputy Managing Director for Financial Supervision at the Monetary Authority of Singapore.

"These are all very senior and experienced regulatory officials, and I very much appreciate the time and work they put into this project," Mr. Curry said.

Mr. Curry said the initiative demonstrates the importance of collaboration among regulatory agencies, here in the United States and abroad, and noted that the OCC participated this year in an effort convened by the British government to evaluate corporate governance, culture, professional standards and accountability in the United Kingdom's banking sector. In January, the Comptroller provided testimony in London before the Parliamentary Commission on Banking Standards, focusing on the OCC's program of heightened expectations for large banks and the agency's enforcement policy.

Mr. Curry also praised the OCC staff who participated in the project and said he was particularly grateful for the way the agency's senior leadership

has embraced the project and committed to implementing changes.

"Some of the recommendations could have a significant impact on how we do our business," Mr. Curry said. "But that's in keeping with the spirit and culture of a 150-year old agency that has demanded much of itself to meet the challenges of supervising a complex and changing industry. I hope the report will generate much discussion within the OCC, and serve as one more catalyst for the kind of continual change that is a hallmark of a healthy organization."

Related Links

- [An International Review of OCC's Supervision of Large and Midsize Institutions](#) (PDF)
- [Cover Letter From Jonathan Fiechter](#) (PDF)
- [Response Letter from Comptroller Curry to Jonathan Fiechter](#) (PDF)

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