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#### Comptroller Ludwig Announces New Risk Deputy Position at OCC

WASHINGTON, D.C. -- Spotlighting the importance of risk management in the national banking system, Comptroller Eugene A. Ludwig today announced the creation of a new position in the Office of the Comptroller of the Currency -- deputy comptroller for risk evaluation. The position reports directly to the Comptroller.

"It is crucial for both financial institutions and their regulators to stay abreast of emerging risks that could pose a threat to the safety and soundness of our ever more complex and intertwined financial system," said Mr. Ludwig. "My new risk deputy will help keep OCC in the forefront of this national and global effort by identifying emerging risks, assisting in the development of timely supervisory actions to address those risks and, most important, monitoring to ensure that those actions are effective."

The deputy comptroller for risk evaluation will be Mr. Ludwig's principal advisor on risks facing the national banking system. The position is expected to be filled this Spring.

The deputy comptroller will also chair the OCC's National Risk Committee, which is charged with identifying potential serious risks to the banking system. The OCC will alert national banks to new potential risks as they are identified.

The creation of this chief advisory position is the latest in a series of steps taken in the last two years by the OCC on banking risks. The OCC has also:

- launched its Supervision by Risk program which focuses the agency's supervision and examination efforts on nine fundamental banking risks;
- created a capital markets group to focus on risks arising from bank trading activities, including derivatives risks;
- enhanced its economics department to identify risks both to the banking system and to individual banks, and includes economists being assigned to selected bank examination teams to monitor sophisticated risk management models;
- established the National Credit Committee to monitor potential risks in the nation's credit system; and
- refocused its extensive examiner training program on a variety of risk areas.

The deputy comptroller for risk evaluation position was recommended by the OCC's Organization Review Team, which is conducting a top-to-bottom review of OCC functions and

activities.

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The OCC charters, regulates and examines approximately 3,000 national banks and 70 federal branches and agencies of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure the safety and soundness of the national banking system.