



MEDIA RELEASE / AUGUST 12, 2004

Conference of State Bank Supervisors

1155 Connecticut Avenue, NW, 5th Floor, Washington, DC 20036

PUERTO RICO OFFICE OF FINANCIAL INSTITUTIONS RECEIVES RE-ACCREDITATION FROM CSBS

Washington, D.C. – The Conference of State Bank Supervisors (CSBS) today announced that the Puerto Rico Office of the Commissioner of Financial Institutions received its third certificate of accreditation from CSBS on July 26, certifying that the department maintains the highest standards and practices in state banking supervision. The CSBS Accreditation Program identifies banking departments that serve the citizens of their state or territory by operating a capable and professional regulatory program.

The Office was first accredited in 1994, and as of December 31, 2003, supervised 13 commercial banks and one non-deposit trust company and two government banks with total commercial bank assets of \$75.8 billion.

“Commissioner Alfredo Padilla and his staff are to be congratulated on establishing and maintaining the high standards set by the program. Accreditation is an ongoing process that requires constant review of all department functions,” said Neil Milner, CSBS president and CEO.

“As the banking industry evolves, so must bank regulation. To maintain their accreditation, state banking departments must work to keep up with the changing industry that they regulate. The Puerto Rico department has demonstrated that it has met this challenge.”

The accreditation process begins with completion of an extensive self-evaluation questionnaire on all department operations: administration and finance, personnel, training, examination, supervision, and legislative powers. Next, an external review team comprised of veteran state and federal regulators performs an on-site review and presents its findings to an audit team and to the Performance Standards Committee, which votes on the reports of the review team and the audit team.

The CSBS Performance Standards Committee voted for re-accreditation based on the reports of a re-accreditation review team (comprised of veteran state and federal regulators) and an audit team. In addition to an on-site review, the accreditation process includes an extensive self-evaluation questionnaire on all department operations: administration and finance, personnel, training, examination, supervision, and legislative powers.

The Conference of State Bank Supervisors is the only national organization dedicated to enhancing the value of the state charter and strengthening the dual banking system. Founded in 1902, CSBS is the premier resource for state banking and the major champion of the American dual banking system. A fundamental goal of CSBS is enhancing the professionalism of state banking departments and their personnel. Well-educated examiners bring more efficiency, experience, and accuracy to the examination process.

#

Information Contact: Georgia High, CSBS Director of Accreditation and Certification,
(202) 728-5706

The Conference of State Bank Supervisors is the professional association of state officials responsible for chartering, supervising, and regulating the nation's 6,300-plus state-chartered commercial and savings banks, and more than 400 state-licensed foreign banking offices nationwide.