



# Office of the State Bank Commissioner

## Regulatory Mailing

### RM2008-01

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TO: All State Chartered Banks  
FROM: Tom Thull, State Bank Commissioner  
DATE: October 20, 2008  
SUBJECT: Disclosure of Confidential Examination Report Information

There has been a recent increase in requests to disclose confidential regulatory information to companies underwriting excess deposit insurance, or guaranty bonds. Many banks need to replace the guaranty bonds currently offered by Kansas Bankers Surety Company with another carrier. As banks file bond applications with different companies, these underwriters are requesting specific confidential information from the Office of the State Bank Commissioner's (OSBC) Reports of Examination. Pursuant to K.S.A. 9-1712, "All information the state bank commissioner generates in making an investigation or examination of a state bank or trust company shall be confidential information.", and "All confidential information shall be the property of the state of Kansas and shall not be subject to disclosure except upon the written approval of the state bank commissioner.". As used in K.S.A. 9-1712, "information" means but is not limited to, all documents, oral and written communication, and all electronic data.

The OSBC has reviewed the banks' needs to not only purchase guaranty bonds, but also comply with K.S.A. 9-1115 and the requirement to provide good and sufficient corporate surety bond. K.S.A. 9-1115 states "The board of directors shall require all officers and employees having the care or handling of the funds of the bank or trust company to give a good and sufficient bond to be executed by an approved corporate surety authorized to do business in this state."

Therefore, in an effort to expedite the process of purchasing guaranty and/or surety bond coverage and alleviate the burden of seeking written approval from the OSBC, the State Bank Commissioner is granting approval for all banks to disclose, to corporate sureties only, the following specific confidential information from State examinations:

- Adversely Classified Items Coverage ratio (Tier 1 plus ALLL)
- Total Adversely Classified Assets to Total Assets ratio
- Adversely Classified Loans and Leases to Total Loans ratio
- Aggregate dollar amounts for Substandard, Doubtful and Loss classifications

Such disclosures should only be made if required by the surety in order for the bank to obtain coverage. All other disclosures, besides those mentioned above, still require written approval from our office. Written commentary, the Composite rating, individual CAMELS component ratings, apparent violations, and customer/borrower information should remain confidential. Additionally, permission to disclose confidential information from federal (FDIC and Federal Reserve) examinations should be obtained from the respective agency.