

**DATE:** December 7, 2004

**SUBJECT:** Board issues revised bank holding company rating system.

**HIGHLIGHTS:** The Federal Reserve on Wednesday issued a revised bank holding company (BHC) rating system. The revised system more closely aligns the Federal Reserve's rating process with the focus of its current supervisory practices by placing an increased emphasis on risk management, providing a more flexible and comprehensive framework for evaluating financial condition, and requiring an explicit determination of the likelihood that the nondepository entities of a BHC will have a significant negative impact on the depository subsidiaries. The revised rating system becomes effective January 1, 2005.

**DOCUMENT**

**LOCATION:** <http://www.federalreserve.gov/boarddocs/press/bcreg/2004/20041201/default.htm>

**FURTHER  
INFORMATION:**

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