

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

June 27, 2006

**BANKING SUPERVISION AND REGULATION:
LESSONS LEARNED FROM HURRICANE
KATRINA**

To State Member Banks, Bank
Holding Companies, U.S. Branches
and Agencies of Foreign Banks,
and Others Concerned,
in the Twelfth Federal Reserve District

Lessons Learned from Hurricane Katrina: Preparing Your Institution for a Catastrophic Event

Member agencies of the Federal Financial Institutions Examination Council (FFIEC) and the Conference of State Bank Supervisors announced the release of *Lessons Learned from Hurricane Katrina: Preparing Your Institution for a Catastrophic Event*. The booklet relays financial institutions' experiences and lessons learned in the aftermath of Hurricane Katrina, which other institutions may find useful in helping to consider their own readiness for a catastrophic event.

Financial institutions face a wide variety of disasters across the United States that could have potentially devastating consequences. Following Hurricane Katrina, institutions' existing disaster recovery and business continuity plans generally worked well in enabling institutions to restore operations swiftly. However, the unprecedented destruction and aftermath of the hurricane caused major disruptions that exceeded the scope of some institutions' disaster recovery and business continuity plans. Some of the major hardships faced by these institutions included the following:

- Communications outages made it difficult to locate missing personnel
- Access to reliable transportation into restricted areas were not always available
- Lack of electrical power or fuel for generators rendered computer systems inoperable
- Multiple facilities were either destroyed, or sustained significant damage
- Some branches and ATMs were under water for weeks
- Mail service was interrupted for months in some areas

This booklet is available on the FFIEC's web site at www.ffiec.gov, as well as on each agency's web site. Insured depository institutions will soon receive a hard copy or an electronic copy of the booklet.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's Internet site, at <http://www.frbsf.org/banking/letters>.

For additional information about booklet on Lessons Learned from Hurricane Katrina, please contact our Banking Supervision and Regulation Department at (415) 974-3028.