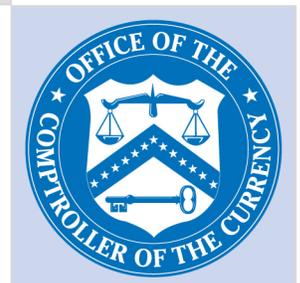
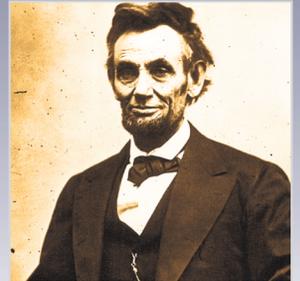


The OCC's Strategic Plan

Fiscal Years 2015–2019

September 2014



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Message From the Comptroller



I am proud to present our Strategic Plan for Fiscal Years 2015-2019.

As the Office of the Comptroller of the Currency (OCC) begins its second 150 years of administering the federal banking system, we remain committed to our historic mission of ensuring that the institutions we supervise operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations. That mission is as critical today as it was when President Lincoln oversaw the founding of the agency in 1863.

Six years after the financial crisis began, the federal banking system is stronger and more resilient than ever, and better able to serve the nation's financial needs. The banks and federal savings associations we supervise service more than half of all mortgages in the country and issue almost two thirds of all credit cards. They provide the financing that keeps America working, from Wall Street to Main Street. As the federal banking system continues to adapt to a changing economic and business environment, and it will always play a crucial role in maintaining our nation's economic security.

However, the ability of the federal banking system to fulfill that important role depends upon the dedication and professionalism of every person at the OCC. As we finalize rules developed in response to the crisis, we must ensure we have the foresight, resolve, and capability to identify, understand, and manage the emerging challenges facing the industry and our agency.

Our strategic plan speaks to core values that harken back to the earliest days of the agency's existence, among them, integrity, expertise and independence. One additional core value that has become increasingly important as the banking industry has grown in size and complexity is collaboration. We are more effective working as part of a team than we can be working alone.

The plan sets three broad goals, all of them important, and provides objectives and strategies to implement them. For example, one highlights our determination to foster a vibrant and diverse system of national banks and federal savings associations that supports a robust U.S. economy. Another speaks to our determination to continue to operate independently and effectively into the future.

The one I would like to highlight in this brief message, though, springs from the collaboration core value – the importance of “One OCC” focused on collaboration, innovation, coordination and process efficiency.

As important as the individual goals in our plan are, we will not be successful in implementing them unless we work together in a collegial way. Talent certainly is not the issue at the OCC – we have an abundance of extraordinarily talented men and women. But the challenges facing us are immense and meeting them requires not just all of our efforts individually, but our efforts as a team. Likewise, the complexity of the modern banking system requires that all of the agencies work together in a collegial way.

The federal banking system is evolving; so must we. We have accomplished much already through our strategic initiatives, the international peer review, and our follow-up to the employee engagement survey. Our strategic plan sets a direction that will strengthen the supervision of national banks and federal savings associations and ensure our agency operates as effectively and efficiently as possible so that we can anticipate and manage the challenges of the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas J. Curry', with a stylized flourish at the end.

Thomas J. Curry
September 24, 2014

The OCC Yesterday and Today

Since its founding more than 150 years ago, the Office of the Comptroller of the Currency (OCC) has played a vital role in assuring the health and well-being of the nation's financial system. Over that long period, the OCC has set and achieved the highest standards of professionalism and public service.

The OCC was born at a time of stress and struggle. The Civil War was a test of the country's will to protect its unique form of representative government. The war tested the U.S. Department of the Treasury's ability to mobilize the country's wealth. Congress enacted several measures to help raise cash—among them, the National Currency Act, which created a new system of national currency, national banks to issue it, and an agency to oversee it. That agency was the OCC.

However, the OCC's roots ran deeper in American history. Americans had long viewed banks with suspicion. Some states banned them entirely, while others limited their powers. This arrangement prevented banks from accumulating excessive power, but it impeded the country's transition to an integrated market economy and encouraged feelings of localism rather than nationalism.

The Civil War highlighted the dangers of excessive decentralization of political and economic power. A true national currency, a system of banks in which people could trust, and an arm of the federal government committed to keeping those banks safe and sound laid the foundation for a more unified, developed, and prosperous United States.

For the first 50 years of its existence, the OCC was the sole federal bank regulator. The agency pioneered many of the practices that are in use today by bank regulators in the United States and around the world. These practices include the use of resident examiners, a multifaceted approach to assessing a bank's solvency and its prospects, and a risk-centered, continuous approach to supervision. The OCC was responsible for developing the very concept of bank supervision as a process embracing licensing, regulation, and examination as the three aspects of an integrated whole.

The OCC was the prototype for a particular kind of government agency meant to operate free of political constraint and interference. Congress gave the OCC authority to operate independently in important respects. Today, dozens of federal agencies conform to a model that the OCC, with its long record of integrity and professionalism, has been instrumental in validating.

The OCC is an independent, non-appropriated bureau of the U.S. Treasury Department. The President, with the advice and consent of the U.S. Senate, appoints the Comptroller to head the agency for a five-year term. The Comptroller also is a board member of the Federal Deposit Insurance Corporation and NeighborWorks America and a voting member of the Financial Stability Oversight Council and the Federal Financial Institutions Examination Council.

The OCC is charged with ensuring the safety and soundness of the institutions and protection of consumers, and ensuring those institutions' compliance with laws and regulations, fair access to financial services, and fair treatment of customers. Any national bank, federal savings association (FSA), and federal branch or agency of a foreign bank (collectively, banks), is subject to the OCC's jurisdiction.

The OCC has the power to

- examine banks.
- approve or deny applications for new charters, branches, capital, or other changes in corporate or banking structure.
- take supervisory actions against banks that do not comply with laws and regulations or that otherwise engage in unsound practices. These actions include removing officers and directors, negotiating agreements to change banking practices, and issuing cease and desist orders as well as civil money penalties.
- issue rules and regulations, legal interpretations, and decisions governing investments, lending, and other practices.

Headquartered in Washington, D.C., the OCC has four district offices and an office in London to supervise the international activities of national banks. The OCC's nationwide staff of examiners conducts on-site reviews of banks and provides sustained supervision of these institutions' operations. They evaluate management's ability to identify and control risk. Examiners analyze loan and investment portfolios, funds management, capital, earnings, liquidity, sensitivity to market risk for all banks, and compliance with consumer financial laws for banks with less than \$10 billion in assets. They review internal controls, internal and external audit, and compliance with law.

The OCC Executive Committee is responsible for the development and implementation of this strategic plan. The Committee is comprised of the Comptroller and the Senior Deputy Comptrollers for each business line. The structure of the Executive Committee is as follows:

- Comptroller
- Senior Deputy Comptroller and Chief of Staff
- Senior Deputy Comptroller and Chief National Bank Examiner
- Senior Deputy Comptroller and Chief Counsel
- Senior Deputy Comptroller for Economics
- Senior Deputy Comptroller for Enterprise Governance and Ombudsman
- Senior Deputy Comptroller for Large Bank Supervision
- Senior Deputy Comptroller for Management and Chief Financial Officer
- Senior Deputy Comptroller for Midsize and Community Bank Supervision

Mission, Vision, and Core Values

Mission

To ensure that national banks and federal savings associations operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

Vision

The OCC is a preeminent prudential supervisor that

- adds value through proactive and risk-based supervision;
- is sought after as a source of knowledge and expertise; and
- promotes a vibrant and diverse banking system that benefits consumers, communities, businesses, and the U.S. economy.

Core Values

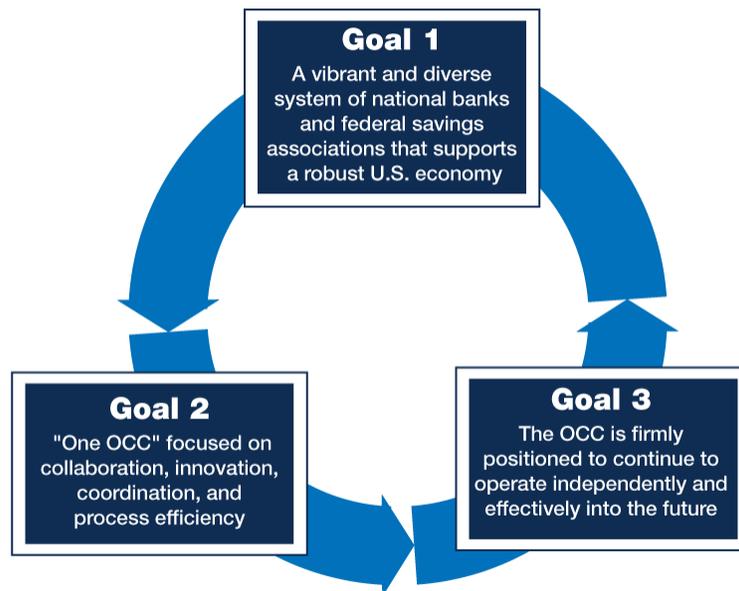
- **Integrity**—Firm adherence to a code or standard.
We do the right thing by acting in accordance with law and applicable policies and applying the highest ethical standards in our conduct.
- **Expertise**—Mastery in one’s field; unique or specialized knowledge or skill.
We continuously enhance our skills and experience, act on careful analysis, and apply our knowledge and capabilities to achieve the agency’s mission.
- **Collaboration**—Working together in a joint effort, sharing a common goal.
We include diverse stakeholders in our decision-making process, seek alternative perspectives, and excel in a team environment.
- **Independence**—Freedom from undue influence or control of others.
We act without undue external influences and exercise our own judgment in a manner consistent with the agency’s mission and vision.

FY 2015–2019 Strategic Goals Overview

The OCC fosters a strong federal banking system by providing independent and expert bank supervision that ensures safety and soundness of its institutions and promotes a system that serves the nation’s financial needs. The OCC provides guidance and data analytics to banks to enhance their decision making. The OCC’s work benefits consumers, communities, businesses, and the U.S. economy.

Fulfillment of the OCC’s mission and accomplishment of its goals, objectives, and strategies require strong and diverse leadership and collaborative management. Supervisory, industry, regulatory, and legal expertise and in-depth knowledge have been the hallmarks of the OCC’s more than 150-year history and a source of pride for agency staff. We draw upon those core strengths as we build toward our future. Achieving success is not without challenges. The OCC will strive to address the challenges and take advantage of opportunities as we implement the goals, objectives, and strategies in this plan.

Through FY 2019, the OCC will concentrate its efforts on achieving three strategic goals to fulfill its vision. These goals focus on supporting a vibrant and diverse banking system and economy, enhancing innovation and efficiency at the OCC, and operating independently and effectively in the future. We have identified key objectives and strategies that further define our approach. Finally, we will use a suite of performance measures to evaluate progress for critical objectives in support of the goals.



Setting the Stage: External Factors Affecting the OCC's Strategic Outlook

In 2008, the U.S. and the world economy faced a crisis in the housing market, the most serious disruption to financial markets since the 1930s, and the onset of a deep and painful recession. Even with a return to stability and growth, the banking sector must continue to adapt to extensive changes in the business environment, challenges to growth, and threats to the safety of banks and their customers.

Time of transition: The Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 fundamentally changed the regulatory environment, imposing tighter restrictions on certain banking activities, creating a new consumer protection agency, and strengthening the hand of existing regulators. The new rules and regulations fall more heavily on banks than other parts of the financial sector. This fact increases competitive pressures on banks, as nonbank firms are seeking to expand into areas traditionally served by banks. Bank customers are changing as well. For example, many younger customers have different attitudes toward the use of credit than did previous generations.

Financial environment: Banks are preparing for a return to more normal interest rates, after operating in conditions of historically low rates for six years. The increase in long-term rates in 2013 focused attention on vulnerabilities to rising rates. Financial asset prices have experienced low volatility for three years and a return to larger price swings in the future could unsettle markets and challenge business assumptions in unexpected ways.

Evolving technology: Mobile platforms for online banking are one of many innovations that are shaking up the financial system, allowing nonbanks to challenge banks' long-time dominance in processing payments. Banks that move aggressively to offer innovative products and electronic tools to their customers must be prepared to handle new operational and compliance risks.

External cyber threats: The increase in cyber threats and vulnerabilities continue to test banks' operational resilience. Attackers are demonstrating increasing proficiency in compromising bank employee and system credentials and leveraging them to gain further access to infrastructure and sensitive data.

Geopolitical Environment: Increasingly, banks are affected by U.S. foreign policy, through trade sanctions and financial restrictions on specific countries or officials of those countries. This fact increases the chances that the federal banking system could become a more frequent target of theft of information, electronic attacks, and other intrusions that seek to disrupt normal business operations.

Goal 1: A vibrant and diverse system of national banks and federal savings associations that supports a robust U.S. economy

The U.S. financial crisis demonstrated how important the work of the OCC and other federal and state regulators is to ensuring the financial stability of the U.S. economy.

As we work through the issues raised by the recent financial crisis, the OCC must continue to provide efficient and effective bank supervision. We want to provide a supervisory, regulatory, and legal framework that encourages financial institutions to innovate and adapt to an ever-changing financial environment ensuring consumers fair access to financial products and services and fair treatment. In addition, we are focused on efforts to enhance our supervision processes.

Collaboration with domestic and international regulators is a key feature of our strategy. This collaboration helps us to identify systemic risk and support efficient financial systems.

The four objectives described below demonstrate our commitment to supporting this strategic goal.

Goal 1: Strategic Objectives

Objective 1.1: Provide high-quality, effective, and efficient supervision that is both proactive and risk-based to promote a safe and sound system for the delivery of banking services.

Objective 1.2: Ensure that regulated entities provide consumers fair access to financial services and treat them fairly.

Objective 1.3: Provide a coordinated supervisory, regulatory, and legal framework that encourages regulated entities to innovate and adapt in response to a changing environment.

Objective 1.4: Collaborate with other regulators both domestically and internationally to better identify systemic risk and support efficient financial systems.

Strategic Objective 1.1: Provide high-quality, effective, and efficient supervision that is both proactive and risk-based to promote a safe and sound system for the delivery of banking services.

Strategies

- Enhance capabilities, methods, and practices to effectively oversee and supervise regulated entities and their affiliates and service providers.
- Strengthen the agency's systemic and individual risk identification.
- Support efforts by community banks to address their strategic challenges.

- Supervise and regulate commensurate with the size and complexity of the institution.

Strategic Objective 1.2: Ensure that regulated entities provide consumers fair access to financial services and treat them fairly.

Strategies

- Provide a regulatory framework that encourages regulated entities to deliver responsible products and services that meet the needs of their communities including underserved populations and low- and moderate-income individuals.
- Foster Community Reinvestment Act activities that reflect changes in technology and the financial services marketplace.
- Ensure consistency with other regulators on community development and consumer issues.

Strategic Objective 1.3: Provide a coordinated supervisory, regulatory, and legal framework that encourages regulated entities to innovate and adapt in response to a changing environment.

Strategies

- Support innovation in national bank and federal savings association business models that meet the changing needs of consumers, communities, and businesses.
- Enhance flexibility of the federal savings association charter to promote its long-term value.
- Ensure regulated entities understand and are properly prepared to identify and mitigate operational risks including cyber threats and Bank Secrecy Act compliance challenges.

Strategic Objective 1.4: Collaborate with other regulators both domestically and internationally to better identify systemic risk and support efficient financial systems.

Strategies

- Collaborate with other U.S. financial regulatory agencies to develop consistent supervisory strategies for larger, more complex institutions and encourage knowledge sharing.
- Improve coordination and cooperation with non-U.S. financial supervisors.
- Actively participate in the assessment of resolution and recovery strategies for domestic and global systemically important banks and require appropriate legal entity simplification.

Goal 2: ‘One OCC’ focused on collaboration, innovation, coordination, and process efficiency

No single factor is more critical to the OCC’s ability to accomplish its mission and to its success than the OCC’s employees. We believe that our culture of expertise and professionalism is the reason for our continued success as an agency for over 150 years. The OCC is regularly identified in employee surveys as one of the best places to work in government. There are many reasons we rank so highly, including our willingness to identify areas in need of improvement and address them. Recently we implemented an enterprise-wide employee engagement survey process. This multi-year effort measures employees’ attachment to their jobs, colleagues, and organizations. The survey process provides a framework for identifying issues important to employees and managers and for taking action to address those issues. These actions range from initiatives that cut across the agency to those that can be addressed at the working group level.

We are committed to collaborate, innovate, coordinate, and improve processes to create a sustainable, mission-focused, and flexible workforce for today and for the future. The financial services industry is evolving and we must continue to do the same as well. In areas where we have identified challenges, we have taken steps to address them. For example, at the request of the Comptroller, a group of current and former senior bank supervisors from Australia, Canada, and Singapore, along with a former senior staff member of the International Monetary Fund, conducted an independent review of the OCC’s supervision of large and midsize institutions. The group prepared a report that included recommendations covering six broad areas: mission, vision, and strategic goals; risk identification; ratings systems; staffing; the scope and consistency of supervisory strategies; and enterprise governance. The OCC working groups were formed to analyze the recommendations and develop implementation plans. The OCC has begun executing these plans, which will transform the way the agency operates. Additionally, our Enterprise Governance unit runs a quality-assurance program. The program conducts independent reviews of each line of business at the OCC. These reviews are in addition to existing processes, including the quality-assurance programs within individual lines of business.

The three objectives described below demonstrate our commitment to supporting this strategic goal.

Goal 2: Strategic Objectives

Objective 2.1: Cultivate a cohesive, highly engaged, and diverse workforce committed to a shared mission and purpose.

Objective 2.2: Embrace diversity of thought, experience, and knowledge in making important decisions.

Objective 2.3: Operate under sound corporate governance, internal control, and stewardship principles.

Strategic Objective 2.1: Cultivate a cohesive, highly engaged, and diverse workforce committed to a shared mission and purpose.

Strategies

- Ensure skilled resources are available across the agency through targeted hiring and staff development initiatives.
- Deploy integrated onboarding, development, retention, and succession planning processes.
- Implement a systematic and sustainable process for evaluating and developing the OCC's leadership pipeline to ensure continuity and diversity of leadership.
- Foster an agile, resilient, and innovative workforce that embraces and adapts to workplace change.
- Develop a sustainable and robust employee feedback program that measures engagement and supports work groups in continuously improving the workplace.

Strategic Objective 2.2: Embrace diversity of thought, experience, and knowledge in making important decisions.

Strategy

- Use timely decision-making processes that emphasize enterprise objectives, draw views from across lines of business, and direct available resources to critical agency needs.

Strategic Objective 2.3: Operate under sound corporate governance, internal control, and stewardship principles.

Strategies

- Develop and implement an enterprise risk management framework that defines, measures, and controls the risks the OCC is prepared to accept in pursuit of its mission, vision, and strategic goals.
- Implement an enterprise-wide self-assessment process focused on continuous improvement that supports the highest and best use of resources.
- Ensure the information technology program is appropriately aligned to the agency's business vision and goals and drives operational efficiencies.
- Ensure that continuity of operations plans keep pace with changing risks, including cyber threats.

Goal 3: The OCC is firmly positioned to continue to operate independently and effectively into the future

The OCC realizes that continued success as a financial regulator requires both an internal and external focus. Our objective is to be a thought leader in the financial services sector. Capitalizing on the OCC's expertise and finding innovative ways to use our wealth of resources will position us to be a thought leader. We believe this will enable us to maintain our independence as a federal financial regulator.

We work with our domestic and international regulators, stakeholders, and partners to realize this goal. We provide our supervised entities with timely and useful tools, guidance, and information. We work to ensure that our growth and diversification support the safety and soundness of the banking system. Transparency is enhanced as we communicate the OCC's role in the regulatory structure, our supervisory and policy priorities, and outcomes.

The objective described below demonstrates our commitment to supporting this strategic goal.

Goal 3: Strategic Objective

Objective 3.1: Leverage the OCC's expertise and resources in innovative ways that establish the OCC as a thought leader relative to the financial services sector.

Strategic Objective 3.1: Leverage the OCC's expertise and resources in innovative ways that establish the OCC as a thought leader relative to the financial services sector.

Strategies

- Provide value-added supervision to regulated entities that includes timely and useful tools, guidance, and information on the identification of emerging risks and supervisory priorities.
- Design a growth and diversification strategy consistent with ensuring the safety and soundness of the banking system.
- Enhance transparency regarding the OCC's role in the regulatory structure, its supervisory and policy priorities, and the outcomes and results thereof.

Evaluating Progress

The OCC's Executive Committee members have a process for measuring their individual organization's performance by using the balanced scorecard strategic planning tool. Building on our current balanced scorecards, the OCC will use an enterprise-level balanced scorecard to measure progress on strategic objectives established in this plan. The scorecard:

- Helps the management team focus on the execution of its business strategies.
- Aligns the OCC toward common goals and objectives.
- Enhances communication and understanding of priorities across the organization.
- Strengthens and formalizes project selection to focus on key capabilities and enabling factors that align with strategy and priorities.
- Links the strategies, objectives, and measures under four business perspectives to ensure balance at all levels of the organization.

To deliver success, the strategies, objectives and measures must be balanced across the four perspectives of an organization.

