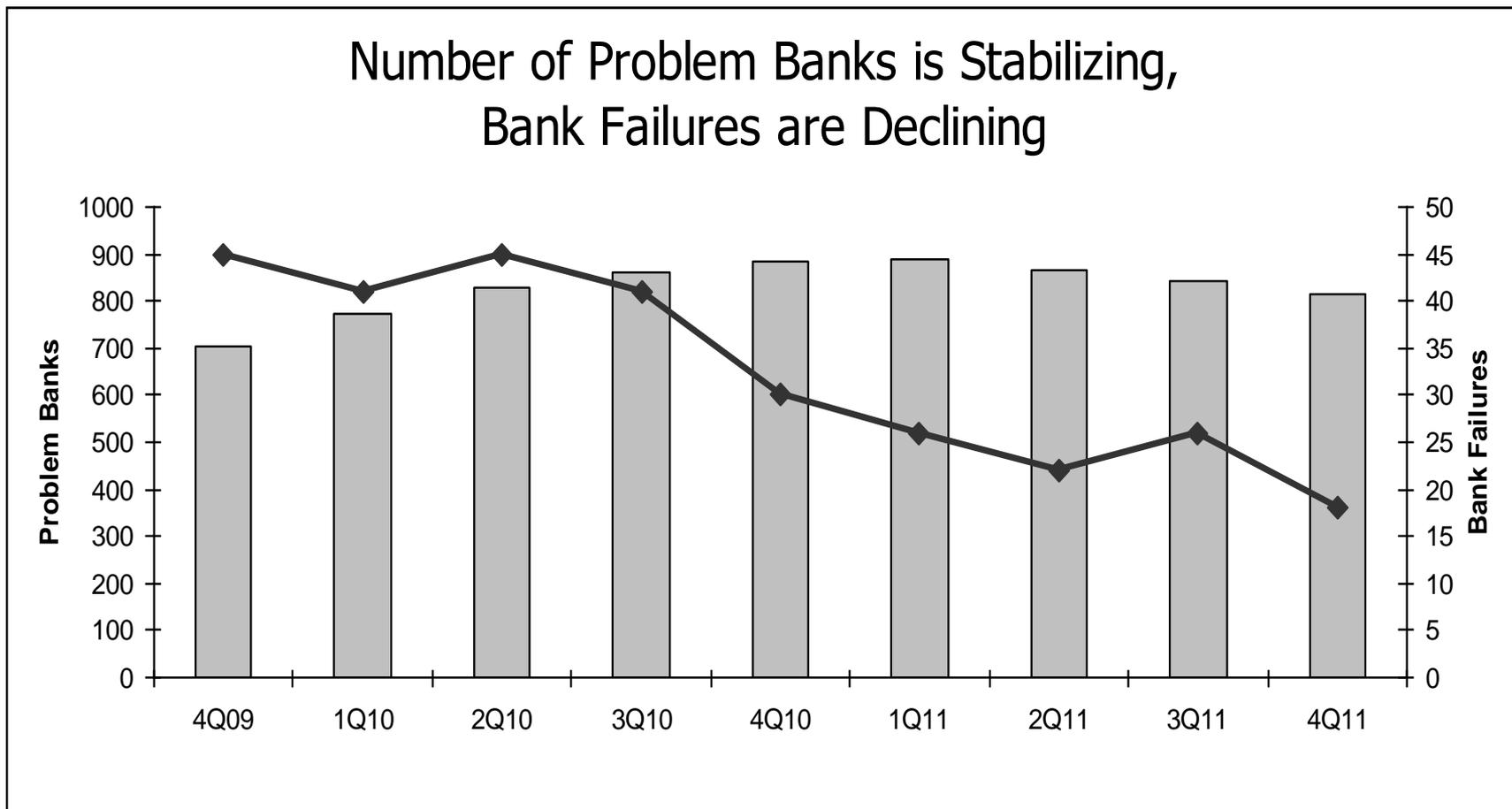




Division of Risk Management Supervision
James C. Watkins, Deputy Director

2012 Banking Outlook Conference
Federal Reserve Bank of Atlanta
March 1, 2012

Problem Bank Trends



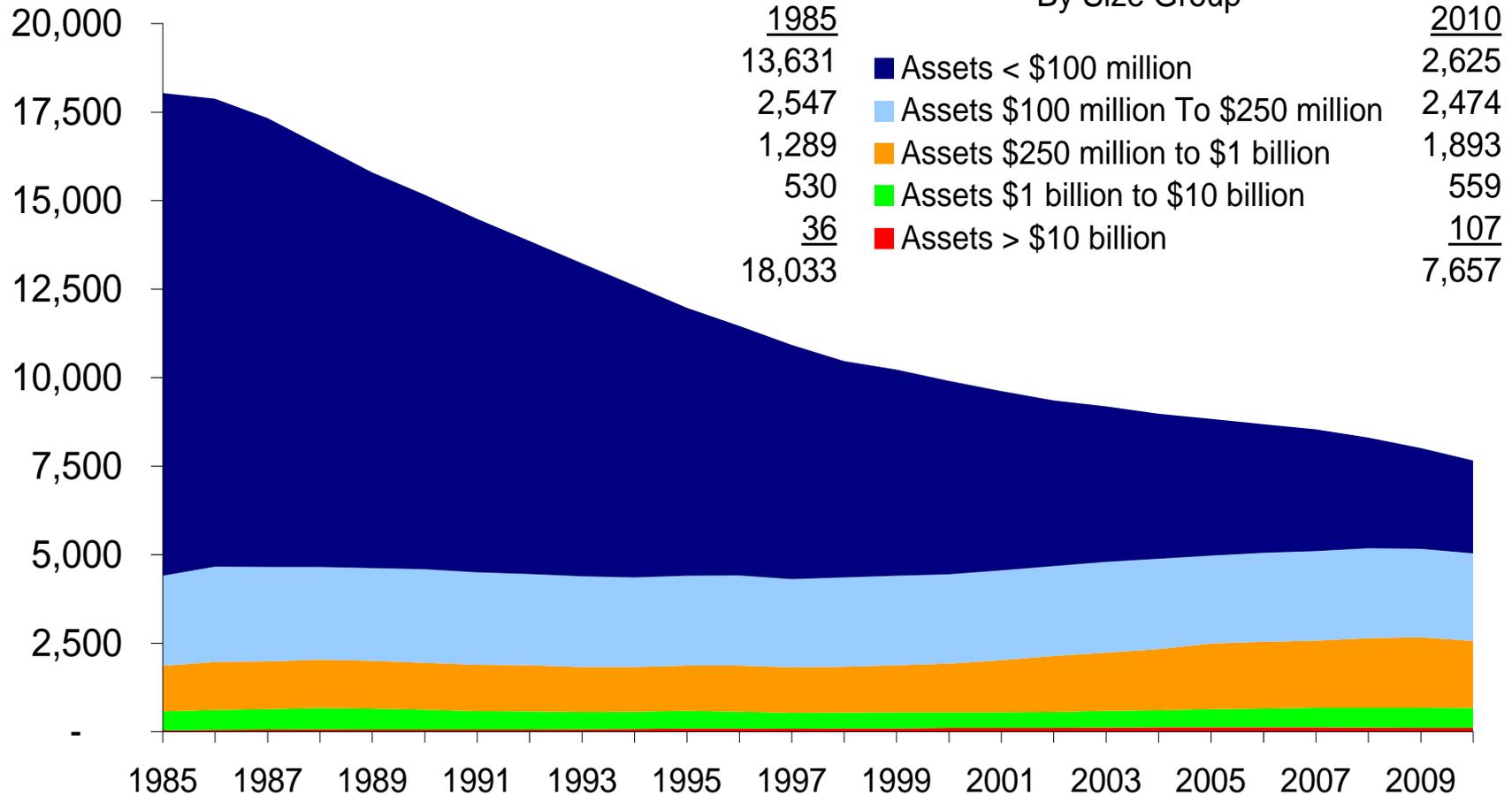
Source: FDIC Quarterly Banking Profile

Community Banking Initiatives

- ◆ FDIC Future of Community Banking Conference
- ◆ Community Banking Regional Roundtables
- ◆ Review of Examination and Rulemaking Processes
- ◆ FDIC Future of Community Banking Study

Virtually all of the net decline in FDIC-insured institutions since 1985 has come from banks under \$100 million.

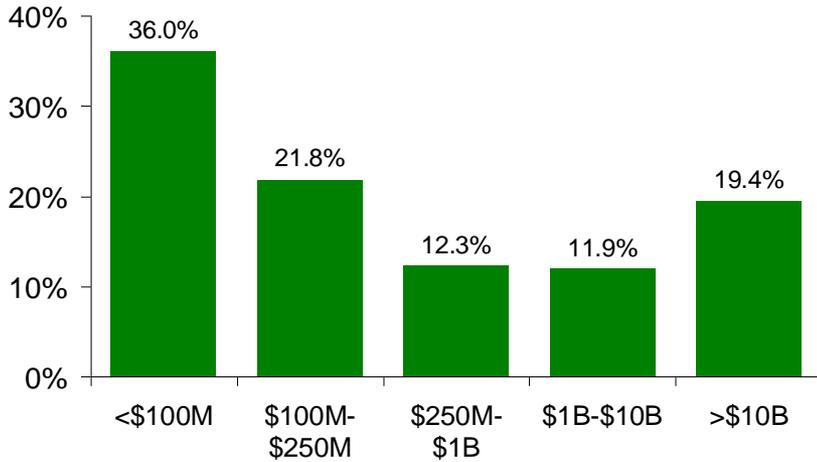
Number of Institutions



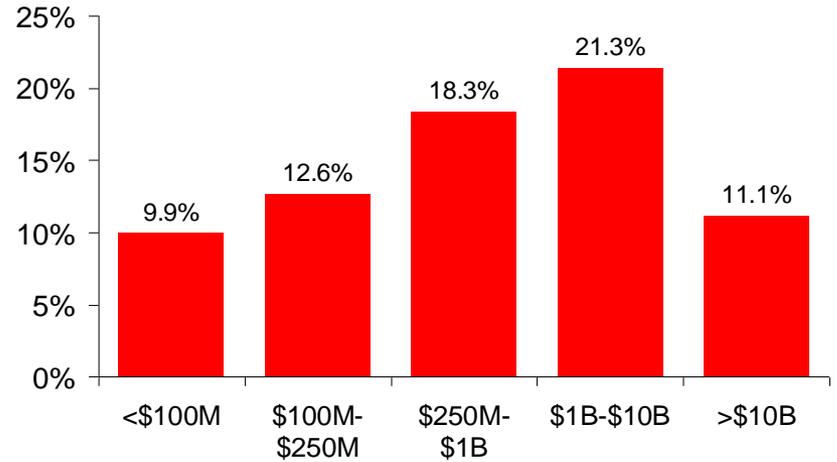
Source: FDIC

What happened to the 18,033 Federally-insured banks and thrifts that operated at year-end 1985? (By 1985 asset size group)

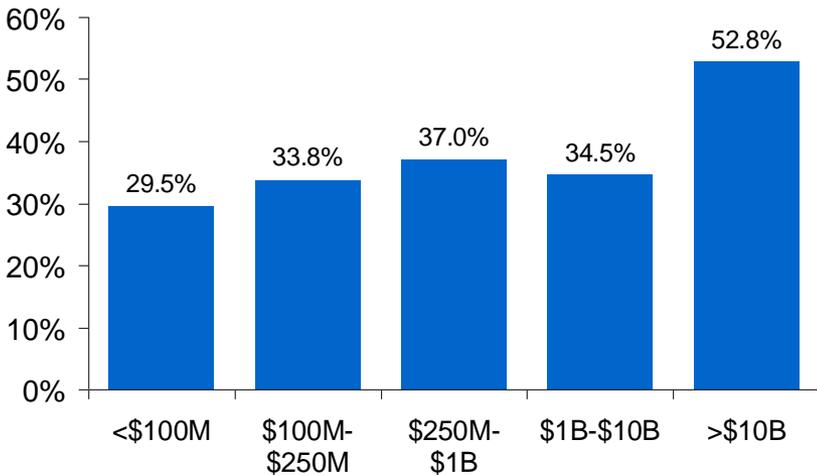
Still Operating



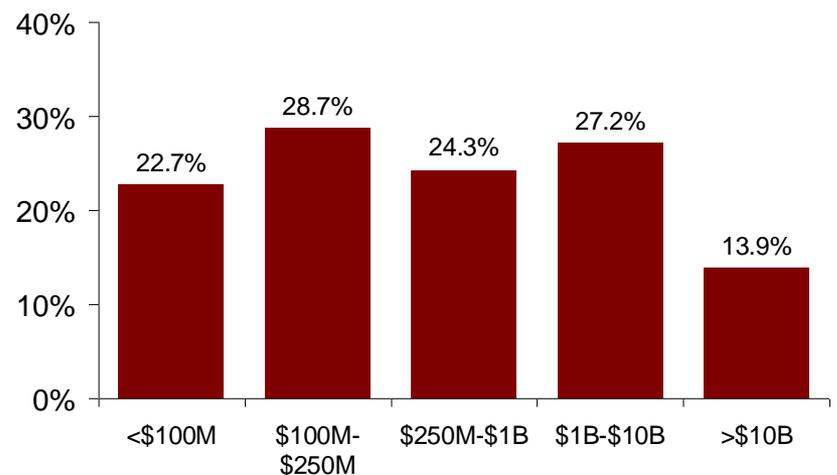
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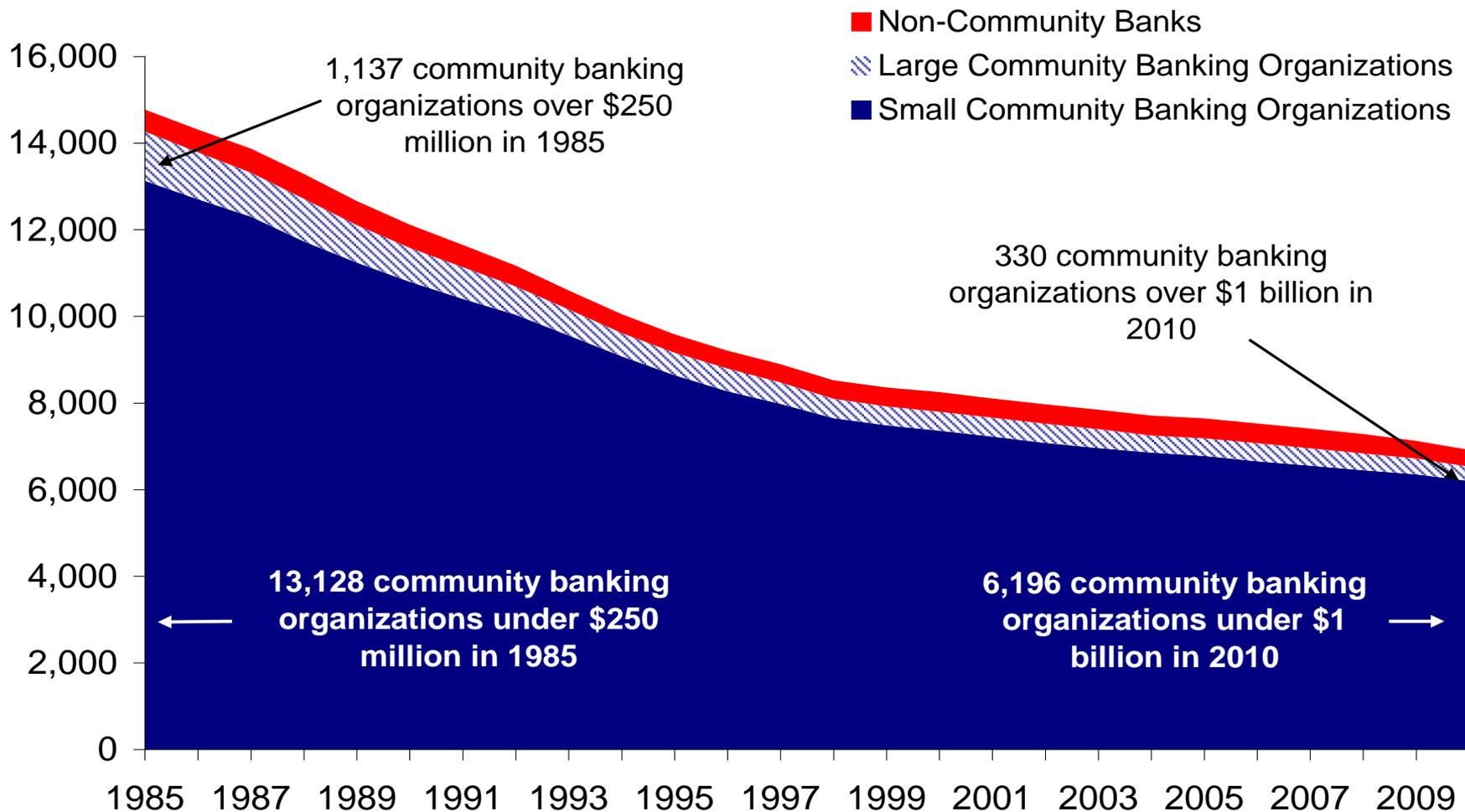
Merged



Consolidated Within Company



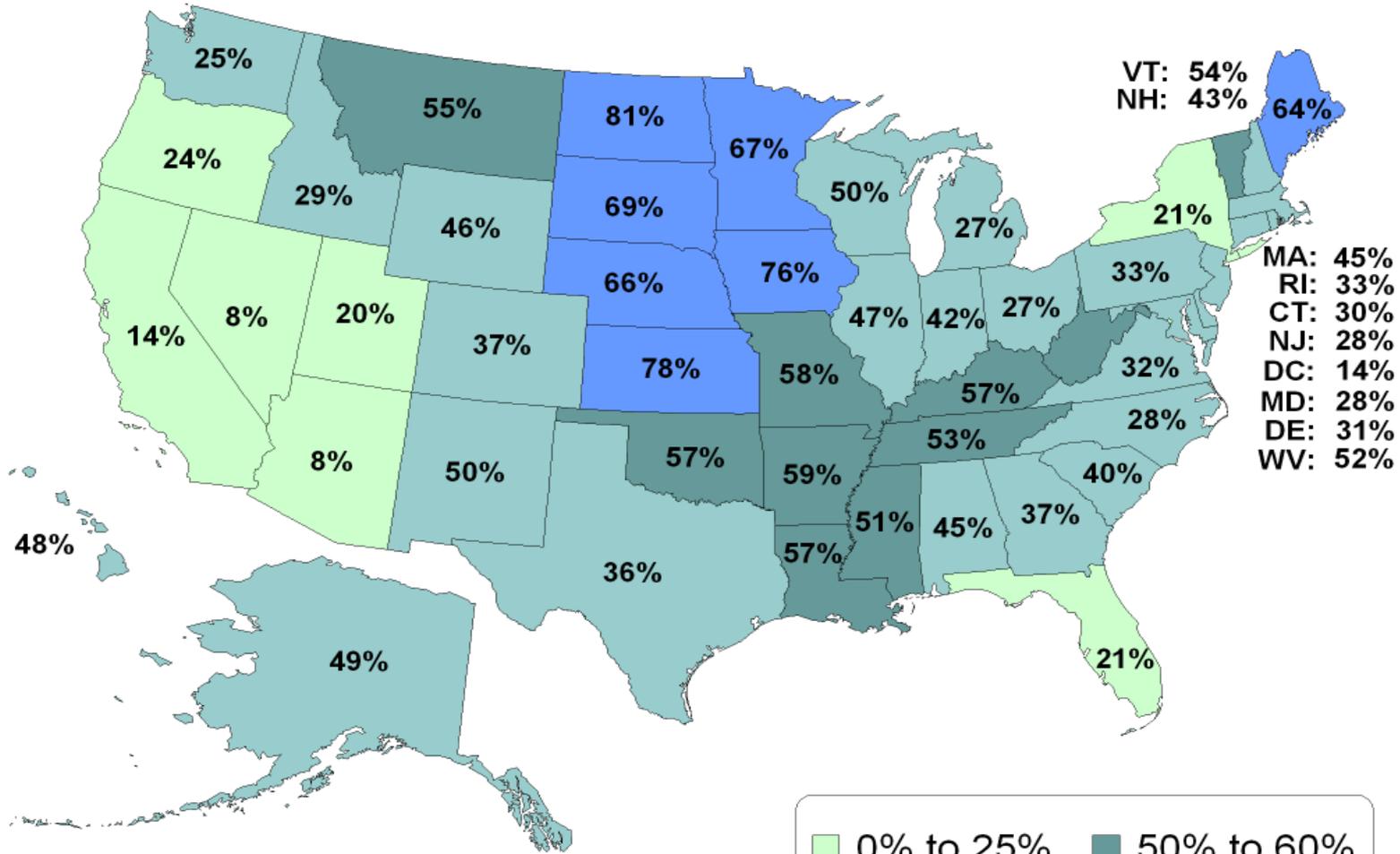
Community banks have declined just slightly since 1985 as a percent of all banking organizations, from 97 to 94 percent.



Source: FDIC Community Banking Research Project

Where Do Community Banks Operate?

Community Bank Share of All Branches Operating Within State as of 2Q 2010.

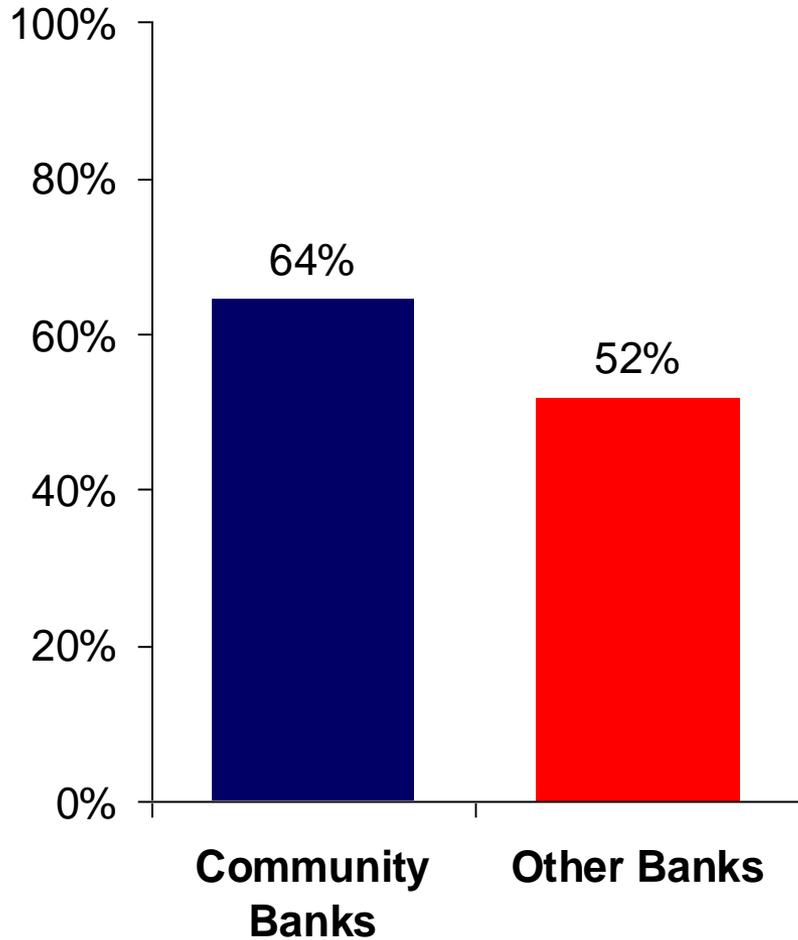


Source: FDIC Summary of Deposits.

Comparing Balance Sheet Structure

Weighted Averages, Year-End 2010

Average Loans to Assets



Average Core Deposits to Assets

