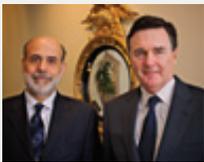


2008 Milestones

Research hones its economic focus

- A team of research economists and analysts created the Regional Economic Information Network (REIN), and the roles of Atlanta Fed branch managers—retitled as regional executives—were expanded to include helping collect economic information used to formulate monetary policy.

- The bank’s annual Financial Markets Conference focused on taking stock of financial market reform, such as the Sarbanes-Oxley Act of 2002 and the internationalization of exchanges. Fed Chairman Ben Bernanke gave the keynote address on liquidity provisions by the Federal Reserve.



- The bank’s Americas Center hosted three conferences in 2008: “Remittances and the Macroeconomy,” “New Horizons: Wealth Management and the Changing Global Landscape,” and the Second Georgia International Development workshop.



- The bank introduced “macroblog” on the Atlanta Fed’s Web site (frbatlanta.org) to explore monetary policy topics, macroeconomic developments, financial issues, and southeastern trends.

Supervision and Regulation resources focus on real estate and credit issues

- The Supervision and Regulation Department’s Real Estate Analytic Strategy was formally adopted as a bankwide initiative to centrally coordinate real estate analysis, conduct research and projects, and host forums and events that address issues pertinent in the Sixth Federal Reserve District and serve as a resource to the Federal Reserve System.

- More than 100 representatives of financial institutions, government, and nonprofit agencies gathered at Atlanta Fed headquarters for the “Re-engineering the Real Estate Market” conference to examine what the industry might look like after the foreclosure crisis.



- The bank’s Community Affairs Department began a series of online discussion papers focused on issues related to residential foreclosures and the Federal Neighborhood Stabilization

Program. The department also introduced an online Foreclosure Resource Center for consumers.

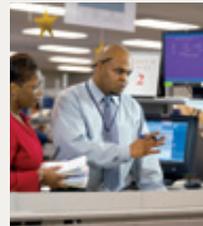
- The bank hosted its third annual housing summit, attended by builders, bankers, suppliers, and brokers, to gain insight into regional housing activity.
- The Credit and Risk Management Department dealt with sharply higher demand from Sixth Federal Reserve District financial institutions for overnight and term Federal Reserve liquidity through the Fed’s discount window. The number of loans made by the Atlanta Fed discount window increased 1,484 percent in 2008 compared to 2007.

Despite checks' decline, payments remain a Fed priority

- In the payments arena, the bank launched the Retail Payments Risk Forum, which works with industry leaders, financial institutions, regulators, and law enforcement officials to understand, identify, and promote the mitigation of risks.
- The Atlanta Fed hosted the Retail Payments Legal Forum, which focused on the current state of check processing; transactional structures, risks, and liability; and new technical and operational realities and legal risks.
- Atlanta was selected to eventually become the Federal Reserve System's only electronic check processing site. After 2009 the Atlanta Fed will no longer process traditional paper

checks as all Federal Reserve paper check processing is moved to the Cleveland Fed.

- According to the Fed's Retail Payment Office (RPO) based in Atlanta, the volume of paper checks processed by the Federal Reserve declined through the year. The check service customer



volume of paper deposits dropped from 40.7 percent of total volume in January to 8.9 percent by December. As part of the Fed's efforts to reduce its paper check infrastructure, the RPO successfully transitioned the Memphis and Jacksonville check operations into Atlanta.

Bank programs educate and serve the public

- The Atlanta office held a two-day personal financial education event for 265 students from our partner school, Inman Middle School. The seventh and eighth graders attended a series of courses on banking and personal financial issues. Fed President Dennis Lockhart visited with the students and made a special presentation to them on the final day.



- The Atlanta Fed's economic and financial education programs successfully reached over 12,600 educators through teacher workshops, presentations, and education association conferences. Another 18,500 people—primarily middle and high school students—participated in guided tours or took advantage of self-guided tours in the monetary museums and visitors centers in Atlanta and at the branch offices.
- President Dennis Lockhart and other Atlanta Fed officials increased the frequency of their public speaking engagements to help explain the Fed's role in trying to stabilize the economy and financial system.
- To promote public awareness and debate, the bank's quarterly Public Affairs Forums invite distinguished scholars

to address business, civic, and community leaders about important national issues. In 2008, the forums featured Joseph Newhouse of Harvard University, who discussed health care policy; Gordon Hanson of the University of California, San Diego (UCSD), who spoke on immigration; James Hamilton, also from UCSD, who examined the economics of oil prices; and Lawrence Kotlikoff of Boston University, who focused on entitlement spending.

- In 2008 Atlanta Fed employees continued to log many hours in service to the community. Employees participated in



thirty-five projects, including Hands On Atlanta day, supporting U.S. troops with USO duty at the Atlanta airport, and facilitating a boys book club for a local middle school. One in three employees participated in a community service project in 2008, volunteering a total of 3,500 hours. The five Atlanta Fed branches also participate in a wide range of volunteer activities, such as the New Orleans Foundation for Hospital Art and the Jacksonville Urban League.