

# ViewPoint *Live!*

April 26, 2018

**Presented by:**

Michael Johnson, Executive Vice President

Maria Smith, Assistant Vice-President

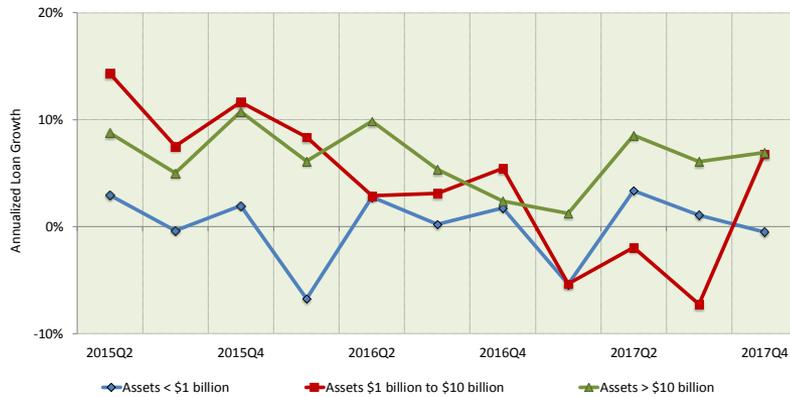
Lauren Foley, Financial Specialist



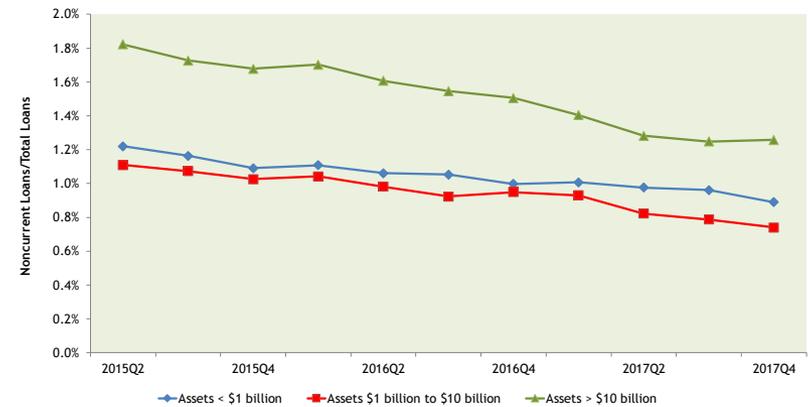
*The views expressed here are from the presenters and may not reflect the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.*

# Current U.S. Banking Conditions

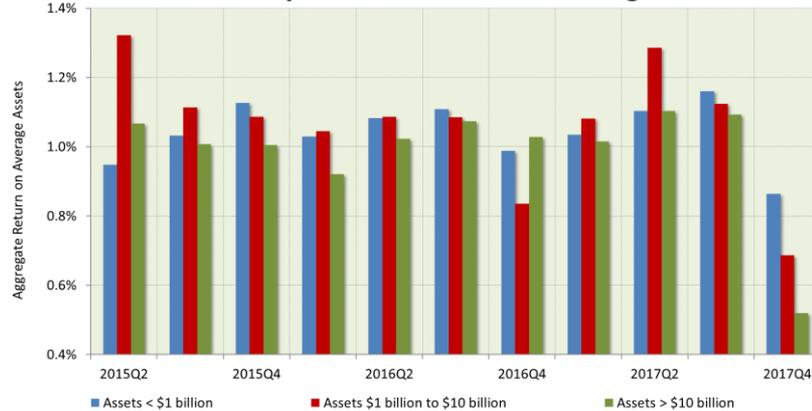
## Loan Growth Rebounds for Larger Banks



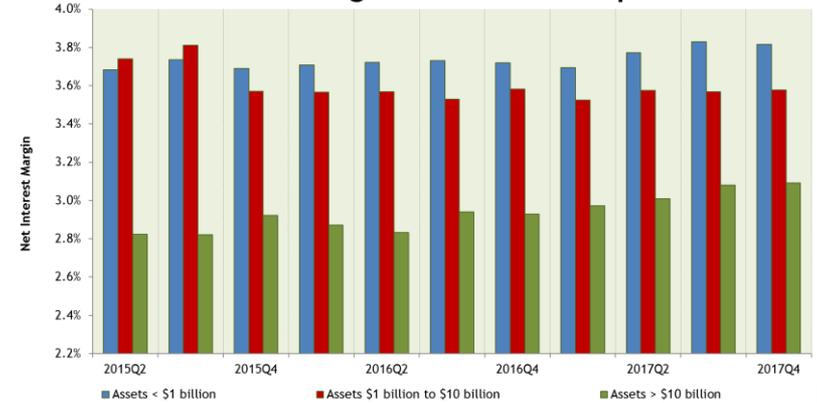
## Noncurrent Loans Remain Low



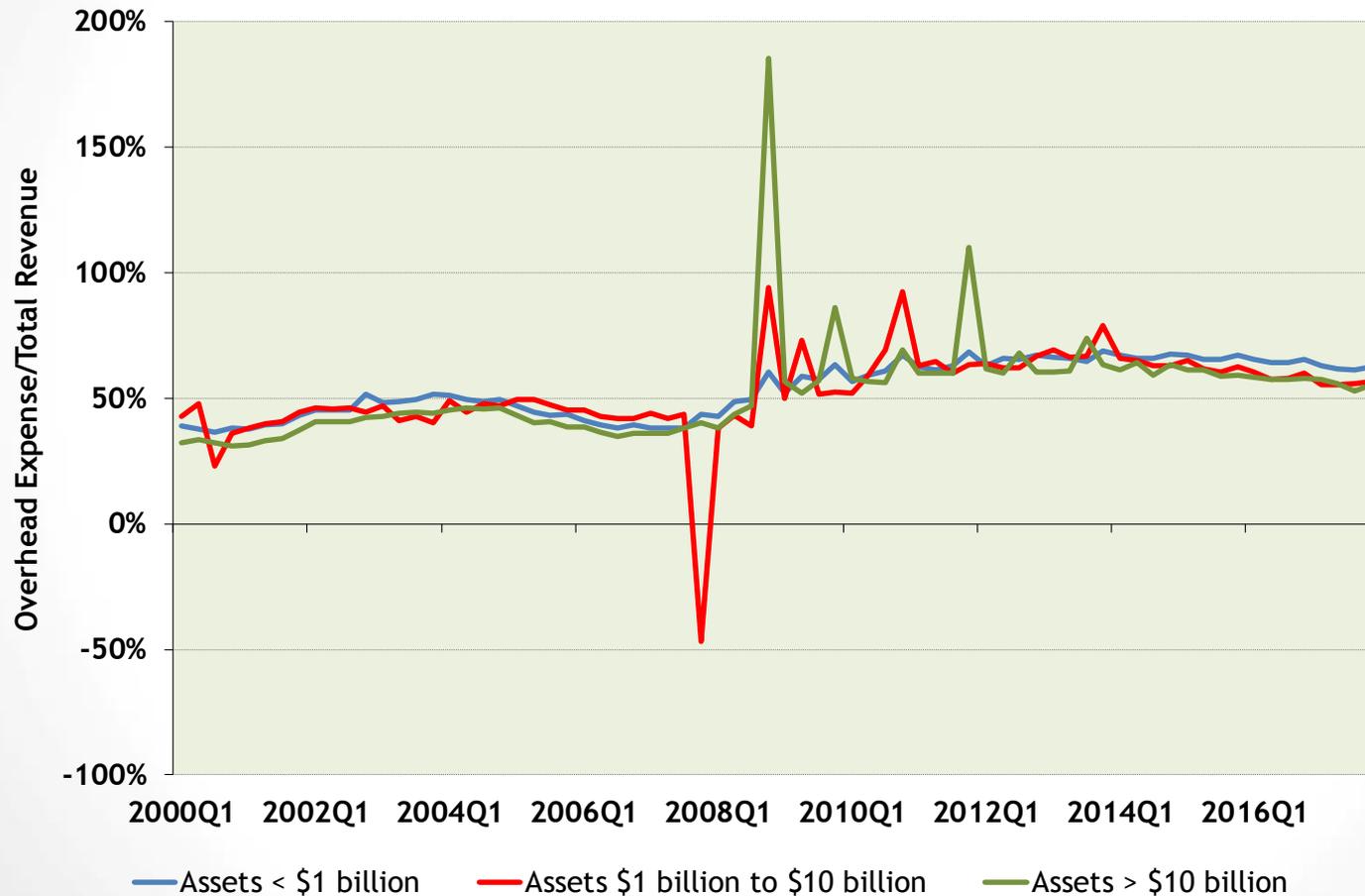
## ROAA Dips Due to Tax Law Change



## Net Interest Margin Continues to Improve



## Efficiency Ratio Steady Since Crisis



# Thoughts on the BHC Framework



## ***Using a BHC structure (or not) is solely a business decision.***

- Benefits of the BHC framework include:
  - Source of strength for depository institutions;
  - Tax advantages; and
  - Expanded permissible activities.
- Costs associated with BHC framework:
  - Supervisory duplication
- Fed actions to minimize regulatory burden:
  - Small BHC policy
  - Reliance on institution's primary regulator & coordination of supervisory activities
  - Tailored supervision requirements
- Misconceptions regarding BHC dissolutions
  - No requirement for bank and BHC to have separate boards
  - SEC-type requirements would shift to Bank's primary regulator
  - Ability to form a new BHC in the future may be limited depending on condition

**No "One Size Fits All" answer**

## Why do Outreach?

- To increase industry awareness of our supervisory approach and expectations, and to provide information on emerging risks and trends in the industry.
  - Communicate our supervisory expectations => to limit current surprises
  - Discuss key risks and issues => to avoid future surprises
  - Reduce regulatory burden by reducing uncertainty
- To maintain an open dialogue with constituents to learn more about their views on the industry.
  - Gather intelligence and ensure open dialogue => to deepen relationships

Events	Publications		General Links
<ul style="list-style-type: none"> <li>- <a href="#">FRBA's Annual Banking Outlook Conference</a></li> <li>- <a href="#">Southeastern Community Banking Forum</a></li> <li>- ViewPoint Live!</li> <li>- <a href="#">FedPerspectives</a></li> <li>- <a href="#">Ask the Fed</a></li> </ul>	<p><b><u>Federal Bank of Atlanta</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">State of the District</a></li> <li>• <a href="#">ViewPoint</a></li> <li>• <a href="#">The Costs and Benefits of the Bank Holding Company Structure</a></li> <li>• <a href="#">Banking and Finance</a></li> <li>• <a href="#">Sixth District Regional Economic Data</a></li> </ul>	<p><b><u>Federal Reserve System</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">Economic Growth and Regulatory Paperwork Reduction Act</a></li> <li>• <a href="#">Community Banking Connections</a></li> <li>• <a href="#">Board of Governors Publications</a></li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">FRB Atlanta</a></li> <li>- <a href="#">Sixth District S&amp;R Information &amp; Links</a></li> <li>- <a href="#">Stress Tests and Capital Planning</a></li> <li>- <a href="#">Speakers Bureau</a></li> <li>- <a href="#">Money Museum</a></li> <li>- <a href="#">Federal Reserve Economic Data (FRED)</a></li> </ul>

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