ViewPoint Live!
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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**
  - Graph showing annualized loan growth for different asset size categories from 2015Q2 to 2017Q4.
  - Assets < $1 billion
  - Assets $1 billion to $10 billion
  - Assets > $10 billion

- **Noncurrent Loans Remain Low**
  - Graph showing noncurrent loans as a percentage of total loans for different asset size categories from 2015Q2 to 2017Q4.

- **ROAA Dips Due to Tax Law Change**
  - Bar chart showing aggregate return on average assets for different asset size categories from 2015Q2 to 2017Q4.

- **Net Interest Margin Continues to Improve**
  - Bar chart showing net interest margins for different asset size categories from 2015Q2 to 2017Q4.
Banks Maintain Overhead Costs

Efficiency Ratio Steady Since Crisis

- Overhead Expense/Total Revenue
- Assets < $1 billion
- Assets $1 billion to $10 billion
- Assets > $10 billion

Graph shows the efficiency ratio over time, with a steady trend post-crisis.
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
<table>
<thead>
<tr>
<th>Events</th>
<th>Federal Bank of Atlanta</th>
<th>Federal Reserve System</th>
<th>General Links</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRBA’s Annual Banking Outlook Conference</td>
<td>State of the District</td>
<td>Economic Growth and Regulatory Paperwork Reduction Act</td>
<td>FRB Atlanta</td>
</tr>
<tr>
<td>Southeastern Community Banking Forum</td>
<td>ViewPoint</td>
<td>Community Banking Connections</td>
<td>Sixth District S&amp;R Information &amp; Links</td>
</tr>
<tr>
<td>FedPerspectives</td>
<td>Banking and Finance</td>
<td>Community Banking Connections</td>
<td>Speakers Bureau</td>
</tr>
<tr>
<td>Ask the Fed</td>
<td>Sixth District Regional Economic Data</td>
<td>Board of Governors Publications</td>
<td>Money Museum</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Federal Reserve Economic Data (FRED)</td>
</tr>
</tbody>
</table>