Southeast Community
Banking Update

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The views and opinions expressed are those of the presenter and are not necessarily those of the Federal Reserve Bank of Atlanta or the Board of Governors of the Federal Reserve System.
Measures of Financial Stress

Source: Federal Reserve Surveys/Federal Reserve Bank of Atlanta (S&R Horizontal Risk Group)
Aggregate Positive Earnings Trends Continue in the Southeast

Source: Bank Call Reports
Reaching for Yield?

Maturity Breakout of Loans and Securities
Medians, Percent of Total Assets

Source: Bank Call Reports
Data through 2013Q2
Bank Liquidity Remains High

Net Loans and Leases/ Core Deposits

Source: Bank Call Reports

Data through 2013Q2
Velocity of Money  \[V=(Q*P)/M2\]

Source: Federal Reserve Bank of St. Louis/FRED

Data through 2013Q2
Lending Growth Remains Modest

Source: Bank Call Reports
Lending Gains Vary Across Banks Portfolios

- Total: $4.9 billion
- Capt: $4.1 billion
- Nonresidential: $0.7 billion
- Residential: $0.5 billion
- Consumer: $0.4 billion
- Multifamily: $0.3 billion
- HELOCs: -$0.3 billion
- C&D: -$1.3 billion

Source: Bank Call Reports, 2013Q2
District Loan Growth Led by C&I

Net Percentage of U.S. Banks:

- Tightening Credit
- Increasing Spreads
- Reporting Stronger Demand

Source: Bank Call Reports, Haver Analytics, Senior Loan Officer Opinion Survey
CRE Underwriting and Loan Growth

Source: Senior Loan Officer Survey, H.8 Report/Haver Analytics (break-adjusted)
Data through 2013Q3
C&D Lending

Bank Distribution by C&D Loan Growth

- < 0%: 53%
- 0% - 10%: 17%
- 10% to 50%: 21%
- 50% to 100%: 6%
- > 100%: 3%

C&D Lending (2013Q2, YoY % Change)

- 50% to 100%
- > 100%

Source: Bank Call Reports
Consumer Debt Growth by Type

2013Q2 (Year-Ago % Change)

- Total 6th District: 9.2%
- Auto Loans: -3.1%
- Bankcard: -1.2%
- First Mortgage: -5.8%
- Home Equity: -10.6%
- Student Loans: 11.4%

Source: FRBNY Consumer Credit Panel
Southeast Asset Quality Improvement Continues

Sixth District Noncurrent Loans

<table>
<thead>
<tr>
<th>District Noncurrent Loans by Portfolio</th>
<th>Sixth District</th>
<th>Out-of-District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013Q2</td>
<td>2013Q1</td>
</tr>
<tr>
<td>Total</td>
<td>3.2</td>
<td>3.7</td>
</tr>
<tr>
<td>Construction &amp; Development</td>
<td>9.9</td>
<td>11.4</td>
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<tr>
<td>Commercial Real Estate</td>
<td>3.0</td>
<td>3.4</td>
</tr>
<tr>
<td>1-4 Family Residential</td>
<td>3.3</td>
<td>3.6</td>
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<tr>
<td>Home Equity</td>
<td>1.6</td>
<td>1.8</td>
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<tr>
<td>Commercial &amp; Industrial</td>
<td>2.5</td>
<td>3.3</td>
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<tr>
<td>Credit Card</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Other Consumer</td>
<td>1.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Sources: Bank Call Reports
The Health of the U.S. Consumer

Financial Obligations Ratio

Per Capita Debt

Source: Board of Governors, FRBNY Consumer Credit Panel
The Health of the U.S. Consumer

Source: FRBNY Consumer Credit Panel
Total Consumer Delinquencies

2013Q2

Level
(90+ Days Past Due)

Year-Ago Percentage
Point Change

Source: FRBNY Consumer Credit Panel
Seriously Delinquent Mortgages

August 2013

Level (% Seriously Delinquent)

Year-Ago Percentage Point Change

Source: LPS (Lender Processing Services Inc.) Applied Analytics
U.S. HELOC Performance by Vintage

Note: Data for 2nd liens
Capital Continues to Recover

Source: Bank Call Reports
Bank Failures are Slowing

Texas Ratio Distributions

(Restructured + Nonaccrual + OREO)/ (Equity Capital + ALLL)

Top 10%
Top 25%
District Median
Out-of-District Median
Bottom 25%
Bottom 10%

Source: Bank Call Reports
Data through 2013Q2
Banks with Texas Ratios > 100%

Source: Bank Call Reports (2013Q2 data)
Takeaways