

One Banker's Perspective



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Topics to be Covered

- **Recent industry events and potential regulatory impacts**
- **The role of the FHLB System during the recent liquidity crisis**
- **Interest Rates and the Economy**
- **What on Earth is Going on in California**
- **Thoughts about Leadership**

Recent Industry Events and Potential Regulatory Impacts

What happened?

- ▶ Failures of the 16th and 29th largest banks in the country on March 10th and March 12th representing the 2nd and 3rd largest failures in U.S. history
- ▶ March 10th through 12th was a critical weekend
- ▶ Regulators ultimately decided to insure all deposits in both banks, (announced on Sunday) but did not agree to insure all deposits at all banks, “only for those banks deemed systemically important”
- ▶ This created a lack of confidence in the banking system
- ▶ Large amounts of deposits were moved either to “big banks that were deemed too big to fail,” or to money market funds
- ▶ Many banks and credit unions tapped the FRB Discount Window, the new FRB program, and the FHLB for liquidity

Recent Industry Events and Potential Regulatory Impacts

- **Causes of the Failures**
- **Outcomes**
- **Unintended Consequences**
- **Needed Next Steps**
- **Potential Regulatory Changes**

The Role of the FHLB System during the Recent Liquidity Crisis

- **Two Key Areas of Focus**
 - **Liquidity**
 - **Affordable Housing**
- **Required collateral for FHLB Advances**
- **Work with prudential regulators**

Interest Rates and the Economy



What on Earth is Going on in California

- **Population**
- **Economy**
- **Key drivers**
- **Housing**
- **Real Estate**
- **Taxes**

Leadership

- **Crisis Leadership**
- **Risk Management**
- **M&A and Consolidation**
- **The future for our Industry**

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THANK YOU!!