

# Southeast Community Banking Update

October 23, 2013

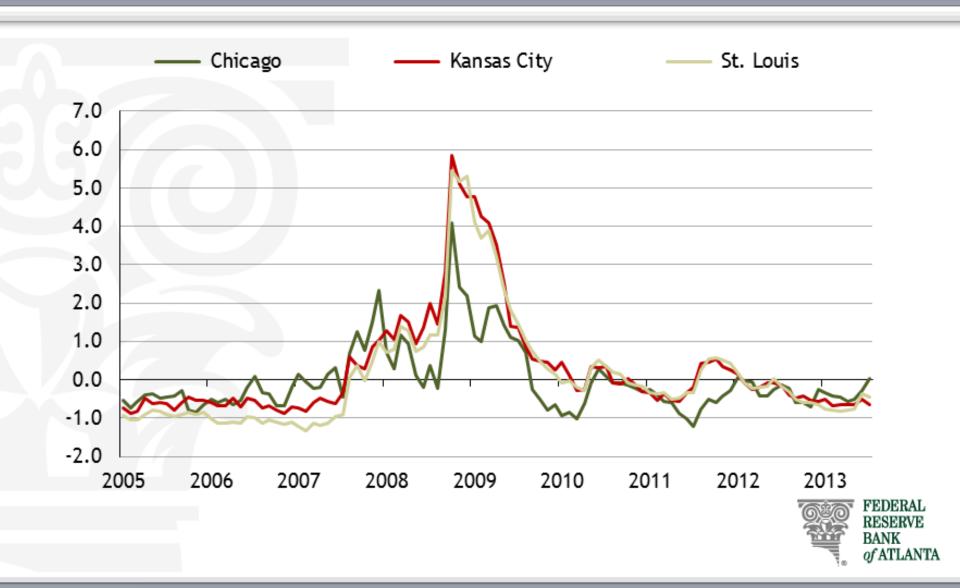
Scott Hughes, Director
Risk Analysis Unit
Bank Supervision & Regulation



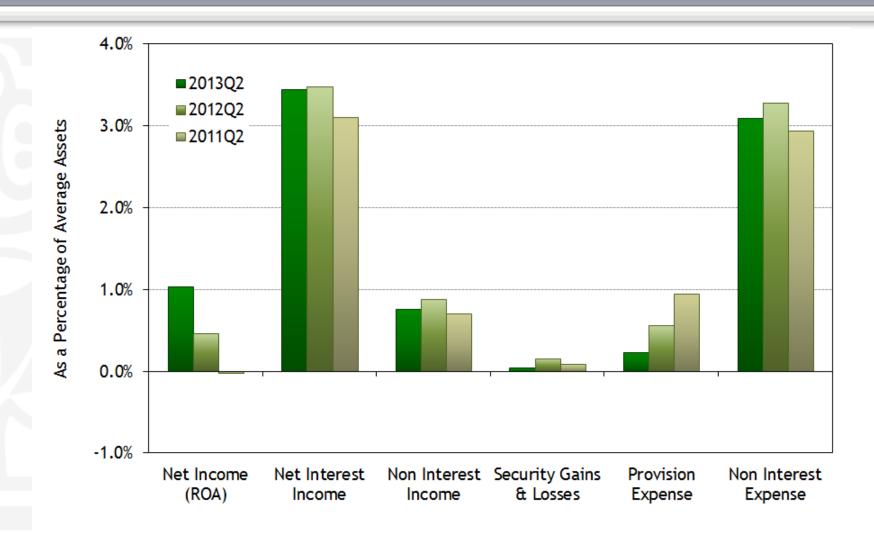
The views and opinions expressed are those of the presenter and are not necessarily those of the Federal Reserve Bank of Atlanta or the Board of Governors of the Federal Reserve System.



#### **Measures of Financial Stress**



## Aggregate Positive Earnings Trends Continue in the Southeast

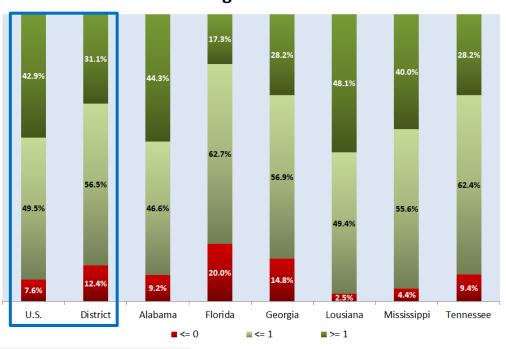


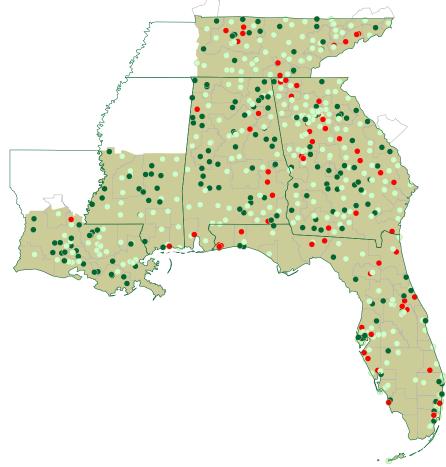
Source: Bank Call Reports

## **Earnings Performance Varies by Geography**

#### 2013Q2







#### Reaching for Yield?

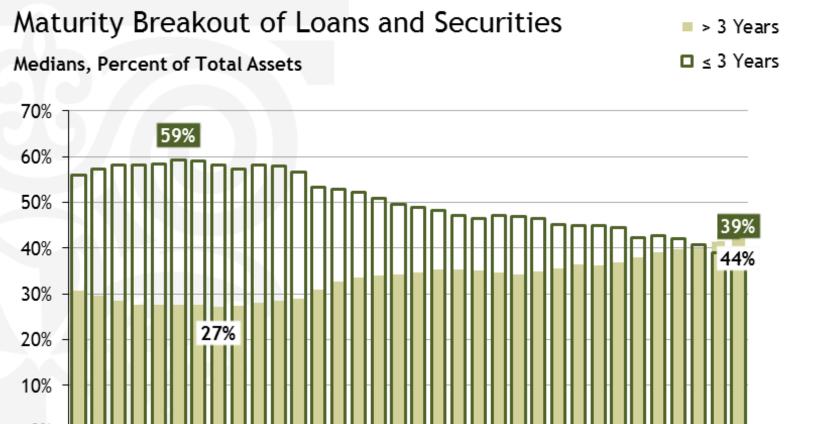
2006

2005

Source: Bank Call Reports

2007

2008



2009

2010

2011

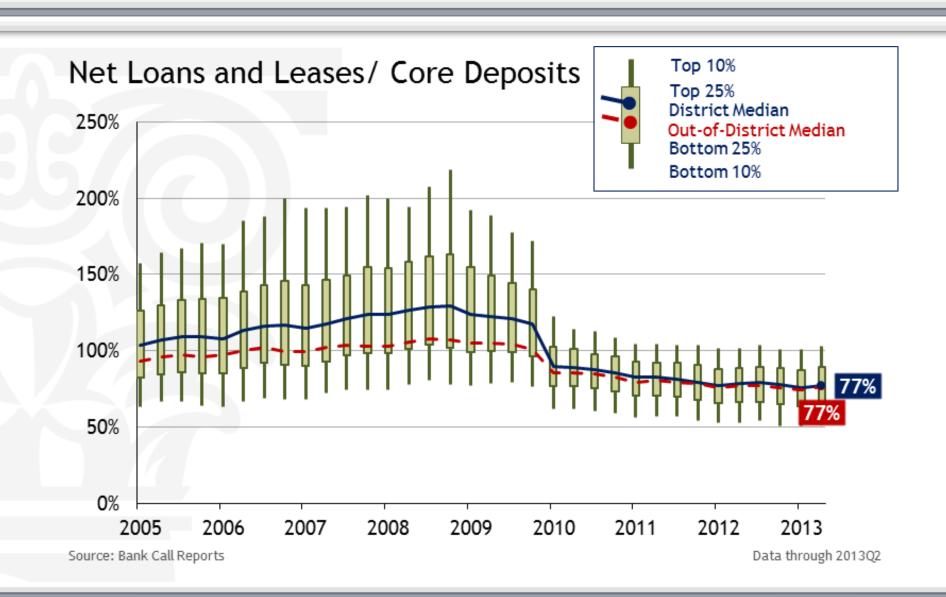
2012

2013

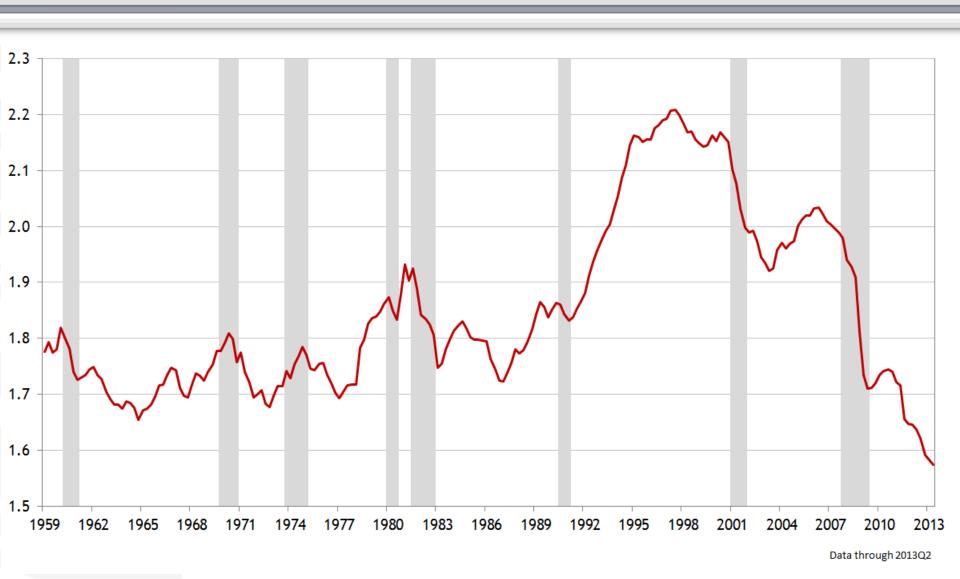
Data through 2013Q2

FEDERAL RESERVE BANK of ATLANTA

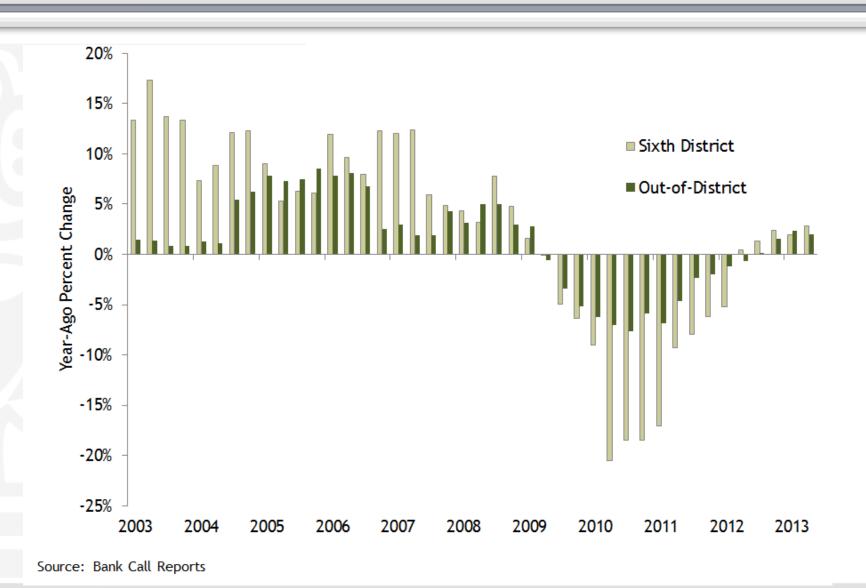
## **Bank Liquidity Remains High**



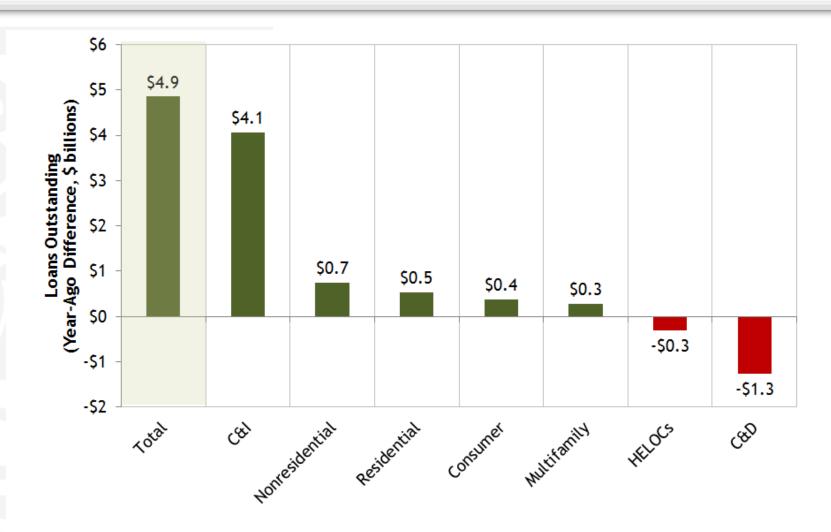
## Velocity of Money [V=(Q\*P)/M2]



## **Lending Growth Remains Modest**

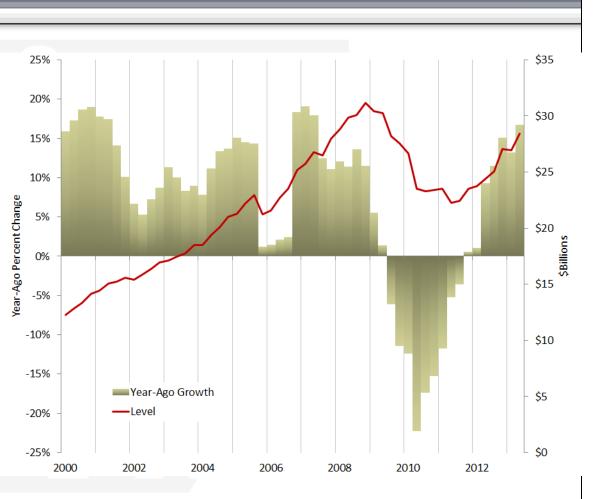


## Lending Gains Vary Across Banks Portfolios



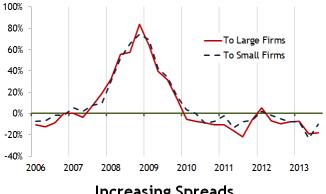
Source: Bank Call Reports, 2013Q2

#### District Loan Growth Led by C&I

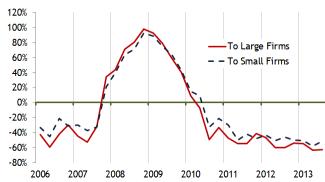


#### Net Percentage of U.S. Banks:

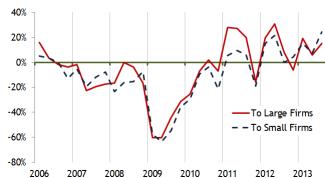




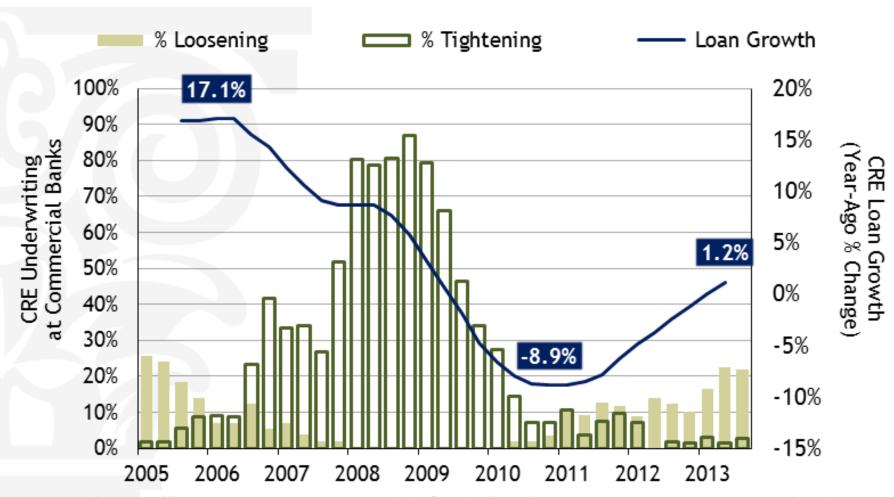
#### **Increasing Spreads**



#### **Reporting Stronger Demand**



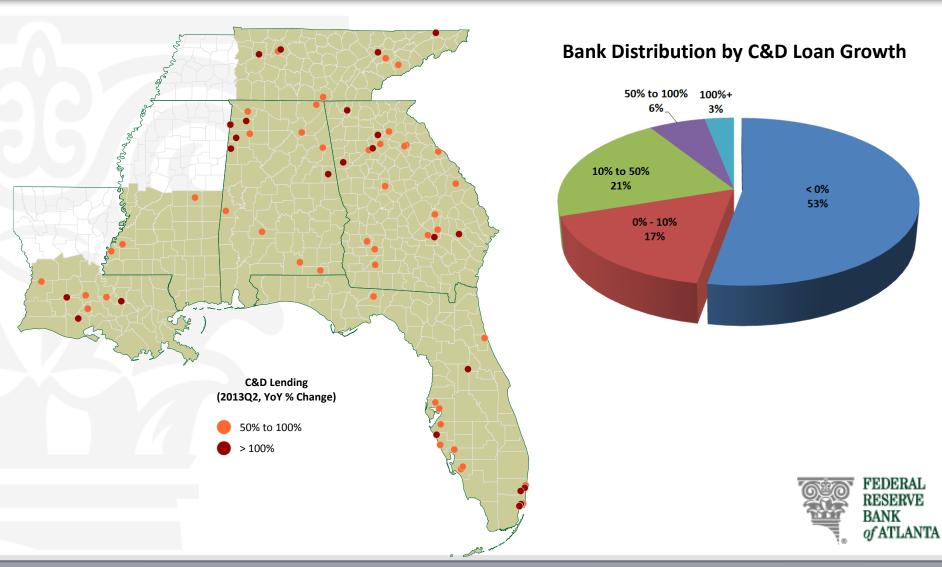
## **CRE Underwriting and Loan Growth**



Source: Senior Loan Officer Survey, H.8 Report/Haver Analytics (break-adjusted)

Data through 2013Q3

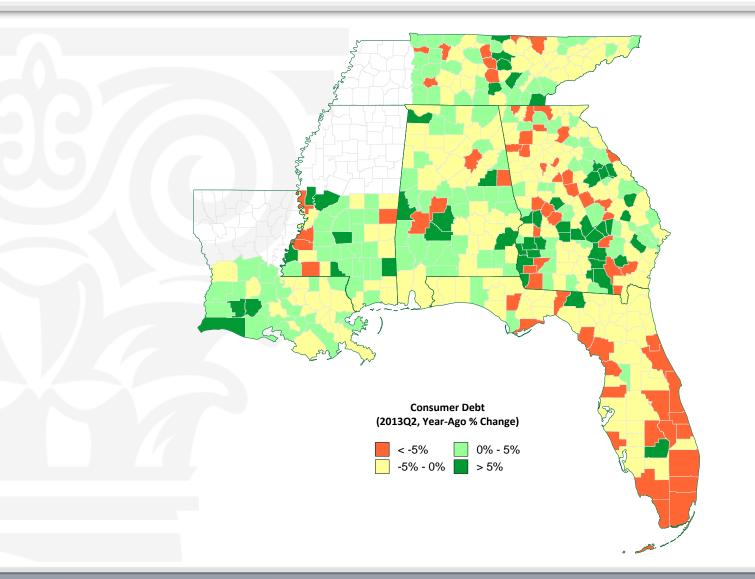
## **C&D Lending**



## **Consumer Debt Growth by Type**



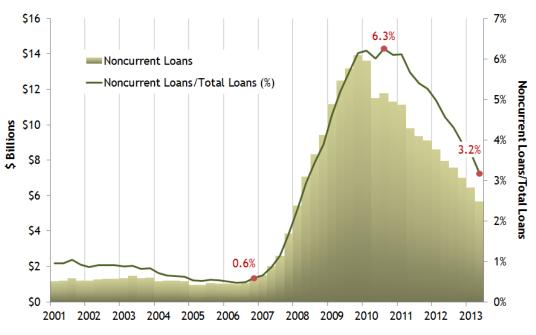
### **Consumer Debt Growth by County**





#### **Southeast Asset Quality Improvement Continues**

#### Sixth District Noncurrent Loans

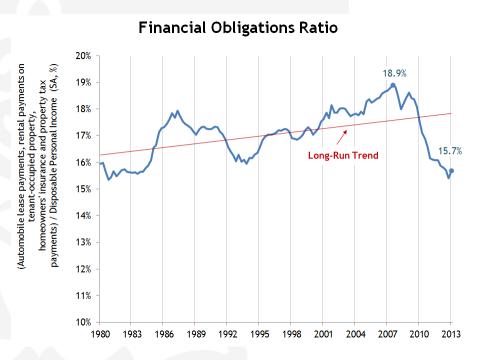


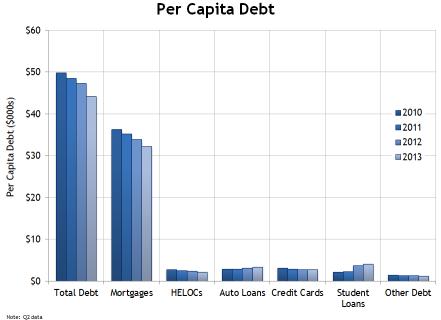
Source: Bank Call Reports

District Noncurrent Loans by Portfolio						
	Sixth District			Out-of-District		
As a Share of Loans (%)	2013Q2	2013Q1	2012Q2	2013Q2	2013Q1	2012Q2
Total	3.2	3.7	4.6	2.1	2.3	2.8
Construction & Development	9.9	11.4	14.4	5.7	6.6	9.6
Commercial Real Estate	3.0	3.4	4.2	2.2	2.5	3.0
1-4 Family Residential	3.3	3.6	4.3	2.5	2.6	3.1
Home Equity	1.6	1.8	1.8	1.2	1.3	1.3
Commercial & Industrial	2.5	3.3	3.7	2.9	3.0	3.6
Credit Card	0.8	0.8	0.8	1.2	1.4	1.3
Other Consumer	1.3	1.4	1.5	0.5	0.5	0.5
Source: Bank Call Reports						



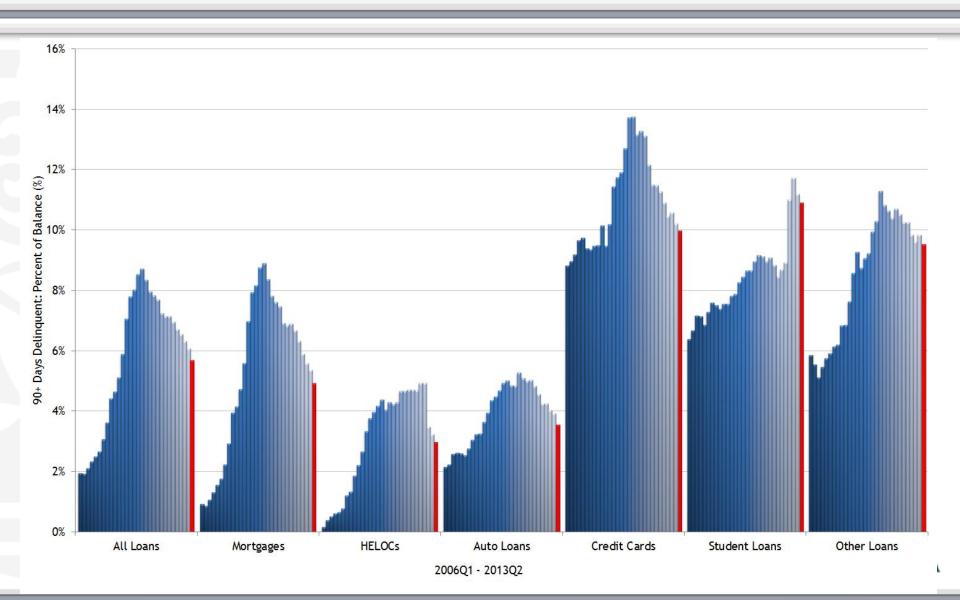
#### The Health of the U.S. Consumer





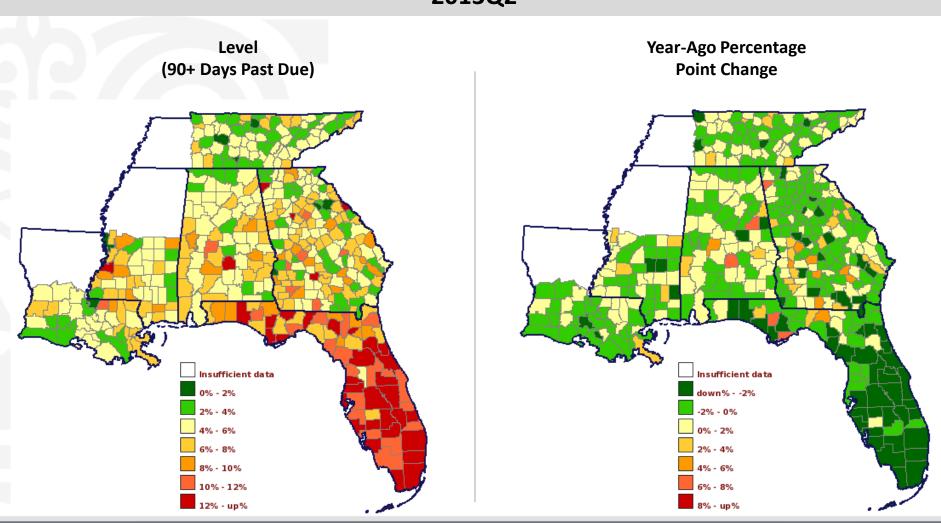


#### The Health of the U.S. Consumer



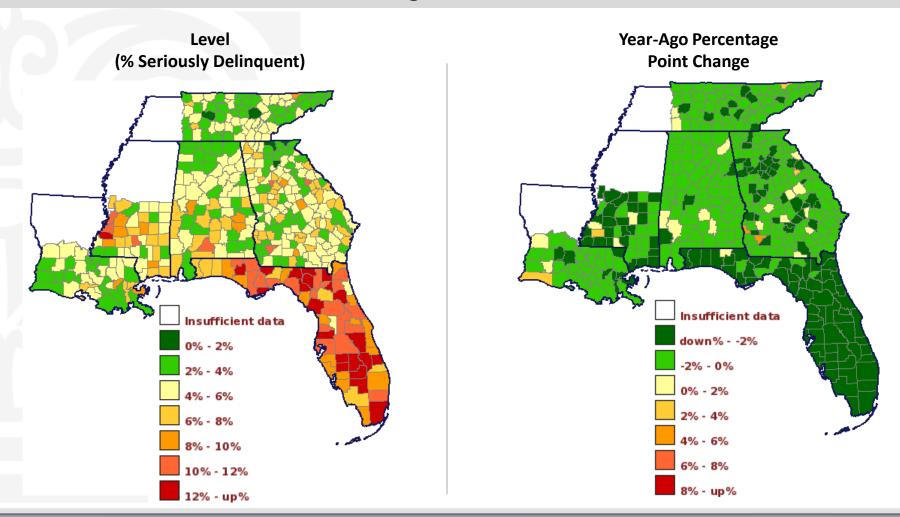
### **Total Consumer Delinquencies**

#### 2013Q2

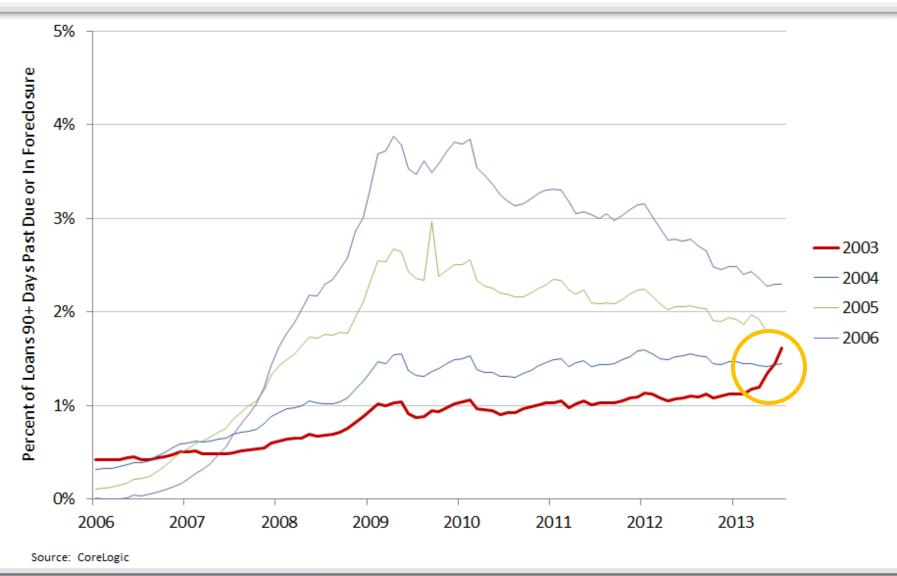


## **Seriously Delinquent Mortgages**

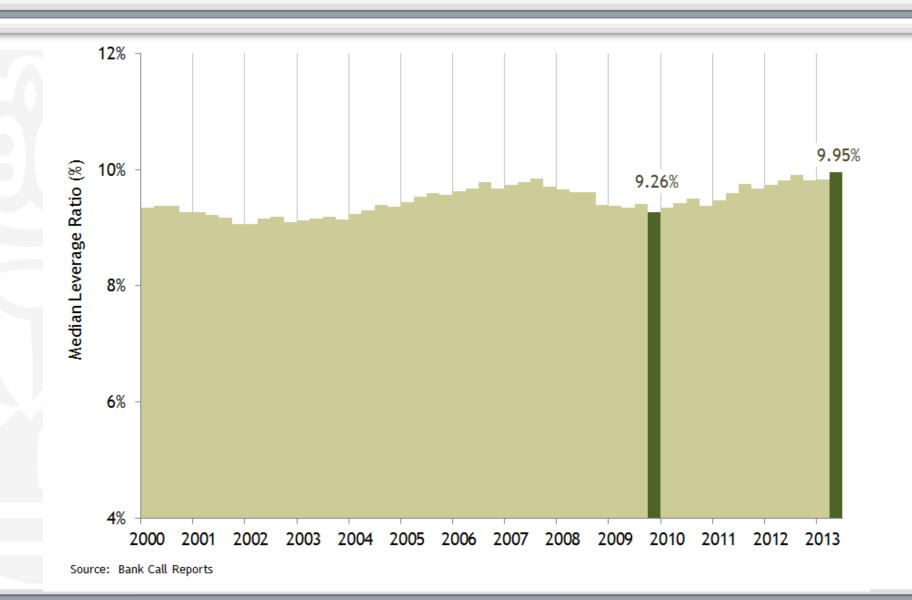
#### August 2013



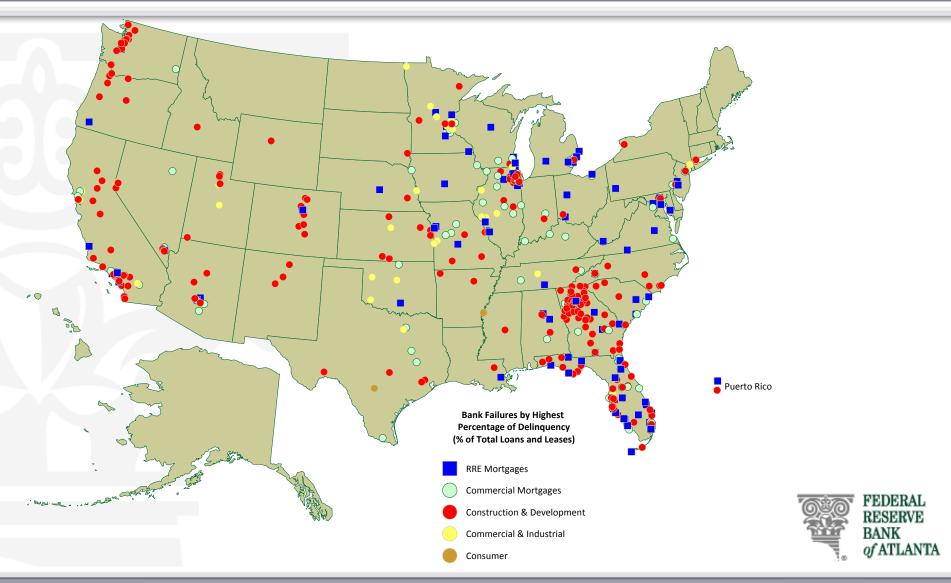
### **U.S. HELOC Performance by Vintage**



## **Capital Continues to Recover**



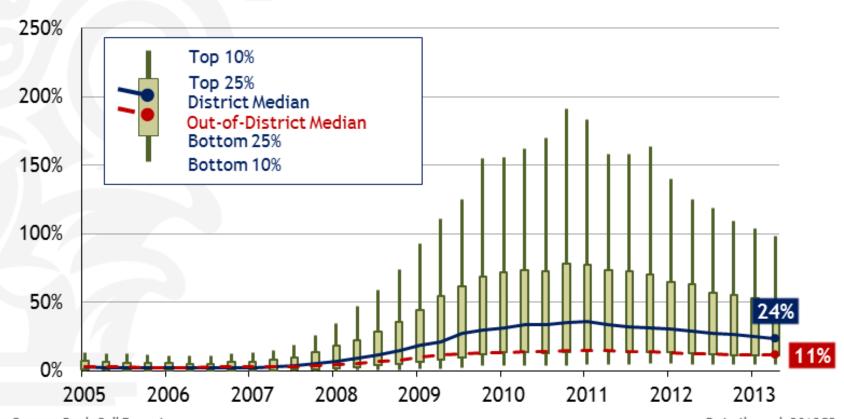
#### **Bank Failures Since 2004**



#### **Bank Failures are Slowing**

#### **Texas Ratio Distributions**

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



Source: Bank Call Reports

Data through 2013Q2

#### **Banks with Texas Ratios > 100%**

