AMERICA'S MUTUAL BANKS
701 8TH STREET NW SUITE 700. WASHINGTON, D.C. 20001

Contact: Douglas Faucette
Locke Lord LLP
T: 202-220-6961
dfaucette@lockelord.com

FOR IMMEDIATE RELEASE

AMB's FOURTH ANNUAL MEETING ATTRACTS EXPERTS ON MUTUALITY FROM THE GOVERNMENT AND PRIVATE SECTORS

AMB's fourth annual meeting featured various speakers who provided a wealth of advice to the audience of mutual bank CEOs on opportunities for mutual institutions. Chairman Boulier addressed the audience on AMB's goals for 2014 and Washington Counsel Doug Faucette reported on last year's accomplishments.

Ron Riggins of RP Financial gave an in-depth report on the financial aspects of mutuality and how they compare with other banks and credit unions. He focused on the latest mutual trends and comparisons. He identified capital instruments as a key form of regulatory relief as well as discussing a number of strategic planning challenges. He pointed out that the number of stock thrifts has been declining at a more rapid pace than mutual thrifts. We plan to post his entire presentation on our web-site. In the meantime we have a number of extra copies that we can send you so long as supply lasts. It is a presentation that contains a wealth of data that is not available anywhere else.

Following Mr Riggins was Rich Torrenzano of the Torrenzano group who gave a fascinating presentation on how to control how your bank is perceived. Mr. Torrenzano who is a bestselling author and heads one of the financial services industry's most prominent public relations and marketing firms explored the difficulty in projecting an institutional message and assuring that it is received. He spoke about some of the lesson learned that he wrote about in his book "Digital Assassination" in protecting an organization's reputation from on-line attack. He praised credit unions for their ability to market the qualities of mutuality but noted that too few mutual banks have incorporated effectively the mutual message in their image projection. He urged the audience to be less timid in borrowing from the credit union industry some of the better and more creative ideas for their mutuality campaigns. He engaged the audience in a number of audience participation exercises which made a compelling case for his theme.

The late afternoon session featured a regulatory panel with representatives from the OCC, FDIC, and Federal Reserve Board. Donna Deale, Deputy Comptroller for Thrift Supervision led off with a discussion of her experience with the OCC Mutual Community Bank Advisory Board. She praised the progress that has been made and advised that the OCC will be seeking new nominees this summer. She indicated that as the Committee has become more comfortable it has been more proactive in proposing new ideas. She also announced a joint advisory committee meeting between the OCC and the FDIC Community

Bank Advisory Boards on July 24th this summer at the OCC at which both Comptroller Curry and Chairman Gruenberg will preside.

Jim Watkins, Senior Deputy Division of Risk Management, FDIC discussed overall risk factors and commented that mutuals have presented far less risk than stock companies with almost none on the problem list. He noted their high capital ratios in general and noted that mutuals score higher in every camel rating component. He reported that profits are up but that gross revenues are down. He also said that interest rate risk is a continuing worry. A number of the audience pointed out the need to hedge against inclining interest rate risk as a major factor in holding back growth. He noted that ironically the low interest rate environment had allowed many banks on the problem list to survive because of the low cost of carrying nonperforming loans. He also discussed the FDIC's emphasis on community banks and its policy of tailoring regulation for large banks only, excluding community banks because of the unnecessary burden.

Second Vice Chairman Rey questioned the panel on its thoughts with respect to a tier 1 capital instrument. The FDIC and FRB panelists were not fully aware of the provisions in the mutual income certificate "MIC". Mr. Faucette explained that the staff charged with capital policy had been fully briefed and outlined the features of the MIC and the need to have deductible payments to be saleable at an attractive rate and be competitive with credit unions. Mr. Michael Sexton, Deputy Associate Director, FRB, discussed the Volker rule and was asked if pooled securities backed by MICs issued by small banks would be permissible investments. He indicate that he was not sure of an answer but would follow up.

The final speaker of the day was Congressman Michael Grimm who discussed the many benefits of his bill, HR. 1603. He acknowledged the recent introduction of the Rothfus Bill HR. 4252 and distinguished his bill as having more provisions in it to relieve mutuals. He did welcome the introduction of the bill and professed a willingness to work to get relief for mutual banks no matter who received the credit. He explained the legislative process at length and his expectations for action on the bill this Congress. He was very positive and as usual full of enthusiasm for obtaining relief for mutual banks. He vowed to continue to promote his bill and work hard to assure that mutuals are not left behind if some form of community bank bill moves in the house. He also urged the membership to focus on the Senate for improving the prospects for a companion bill there.

Douglas Faucette
America's Mutual Banks
701 8th Street, N.W.
Suite 700
Washington D. C. 20001
dfaucette@lockelord.com
www.americasmutualbanks.com