



AMB Holds Fifth Annual Conference in Washington D.C.- National Experts Address Mutual Issues- Chairman Boulrier Says that AMB Stands Resolute in Pursuing its Legislative Agenda

America's Mutual Banks held its annual meeting last Monday night which was attended by numerous CEOs of prominent mutual banks. The agenda began with a discussion of the most pressing business issues facing mutuals and the accomplishments of AMB in the last year. Chairman Chuck Boulrier, Ion Bank, addressed AMB's legislative and regulatory outreach achievements during the year. He cited the OCC's recent issuance of Bulletin 2014-35 "Characteristics and Supervisory Considerations" relating to mutual banks which clarified the method of weighing the reasonableness of compensation to mutual executives, relief from the Volker rule for banks holding TRUPS and AMB members' continued representation on the OCC's MSAAC as accomplishments. He declared AMB's resolve to keep fighting for mutual regulatory and legislative relief. He distinguished AMB's legislative agenda as the only national trade group agenda that seeks comprehensive relief to put mutual banks on equal footing with their stock brethren. Other speakers questioned the wisdom of a limited legislative agenda this Congress and asked "if not now when" will it be the time for legislative relief for mutual banks.

Marcus Faust, Principal R.P. Financial, presented a financial analysis of mutual banks and compared it with both stock banks and credit unions. He discussed the opportunities that mutuals might have in combined functions without mergers, and the likely economies .

Bob Kafafian, President The Kafafian Group, discussed mutual mergers and gave a detailed analysis of the deals announced in the last few years and explained the different motivations that resulted in an agreement. He offered his views and extensive experience on the various structures and their applicability to individual situations. He discussed the cost of regulatory compliance and the need to achieve economies of scale to shoulder increased compliance costs.

Dory Wiley, President Commerce Street Capital, gave a comprehensive financial analysis of the various features that have been proposed over the years as part of an alternative Tier 1 capital instrument. He discussed his extensive experience with TRUPS securities and related that experience to the development of a Tier 1 capital instrument. He compared the limitations on the marketability of mutual capital certificates to AMB's proposed Mutual Investment Certificates (MICs). He was very enthusiastic as to the prospect of marketing MICs at an affordable price and expressed a strong belief that an investment market could be created for them.

Sam Batkins, American Action Forum discussed the initiatives that his group has underway to require bank agencies to assess the cost and benefits of their regulatory proposals. He discussed his analysis of the cost of Dodd-Frank regulations as amounting to billions of dollars and challenged agency procedures as inadequately gauging costs.

Finally, John Ryan, President and CEO , Conference of State Bank Supervisors discussed the activities of the state bank regulators and their interface with their federal counterparts. While he acknowledged the crush of federal regulation has not facilitated innovation, he stated his belief that the states can still remain incubators for innovation in banking.

Copies of the various presentations are attached. We urge you to review them as they contain important but difficult to access data relevant to mutual banks.