

AGENDA

MSAAC Meeting December 8, 2016 Conference Room 1W-410/420

8:30am	Open Meeting & Introductions	Michael R. Brickman Acting Deputy Comptroller for the Southern District Joseph Meinhardt Acting Deputy Comptroller for Thrift Supervision and Special Supervision
	Welcome and General Remarks	Thomas J. Curry Comptroller of the Currency Toney M. Bland Senior Deputy Comptroller for Midsize and Community Bank Supervision
9:00am	Congressional Update	Carrie Moore Director of Congressional Liaison
9:30am	Committee Activities and Accomplishments	Michael Brickman and Joseph Meinhardt
10:00am	Break	
10:15am	Discussion about Mutuals, Saving Costs, Planning for Change	Stephen Lybarger Deputy Comptroller for Licensing Lazaro Barreiro Director Governance/Operational Risk Policy Paul Moloney Lead Economic Expert, International Analysis and Banking Condition
12:00 noon	Lunch	
1:00pm	MSAAC Member Roundtable	MSAAC Members
2:30pm	Public Comments	Public
3:00pm	Adjourn	

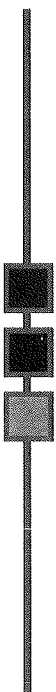
Status of Issues

Mutual Savings Association Advisory Committee

Date of Meeting	Issue	Action Requested	Status
January 16, 2013	Availability of peer data for mutuals	Members want to see comparative analysis against mutual peers: NIM and CAMELS	Can use FFIEC or OCC Comparative Tool, OCC uses internal tool (can be requested through bank's EIC.)
	Merger conversions	Revisit \$25M assets threshold for waivers when a standard conversion is not a good option.	OCC has reviewed the rules and guidance issued by OTS and has stated that it is still in effect, including the threshold
	Availability of statistics of upgrades/downgrades on composite ratings.	Explore ways to provide general information.	Aggregate data is part of the Financial Trend Report prepared for the committee and made available on the website
	Areas committee would like to explore: Uniqueness of mutual charter, hostile depositor situations, and alternative capital instruments/mutual investment certificates.	Discussion of topics of interest to the Committee members	Each of these topics has been discussed at Committee meetings
June 17, 2013	Discussion of possible revisions to the guidance on mutuals to be issued by the OCC	Members suggested that the guidance should address the community focus of the mutual model	The guidance focuses on risk based supervision of mutuals. Where appropriate, OCC's "mastering the basics" will include a focus on mutuals.
April 24, 2014	Discussion of the use of collaborative arrangements for specific tasks, including back office administrative	Guidance requested	White paper issued in 2015. Collaboration mentioned and promoted in numerous speeches by the Comptroller and other senior OCC officials.

Date of Meeting	Issue	Action Requested	Status
	responsibilities, compliance and other areas		
	Discussion of compensation, including phantom stock plans. Request guidance on what is "excessive"	Guidance requested	Guidance issued in 2014 addresses phantom stock plans and other compensation issues for mutuals. 2010 Interagency Guidance and rulemaking to implement Dodd Frank section 956 address "excessive"
April 28, 2015	Peer to peer tool	Request peer data	OCC staff working on comparative tool to be available on BankNet.
November 18, 2015	Incentive compensation plans	Request information to develop compensation plans	Guidance issued in 2014 on compensation at mutuals. Implementation of Dodd Frank section 965 forthcoming
	Interest rate risk metrics	Request data used to measure interest rate risk be added to the Call Report. (Similar to data required by the former OTS)	Call Report required items are under review. It is an interagency process and it is unlikely that additional items will be added
May 3, 2016	Earnings	Request additional guidance for examiners on earnings of mutuals	Guidance issued in 2014 highlights earnings of mutuals. In November 2016, Examiner View - the OCC's MCBS Supervisory Information System - was amended to reference the 2014 guidance on earnings and capital.

Condition of the Federal Mutual Savings Associations



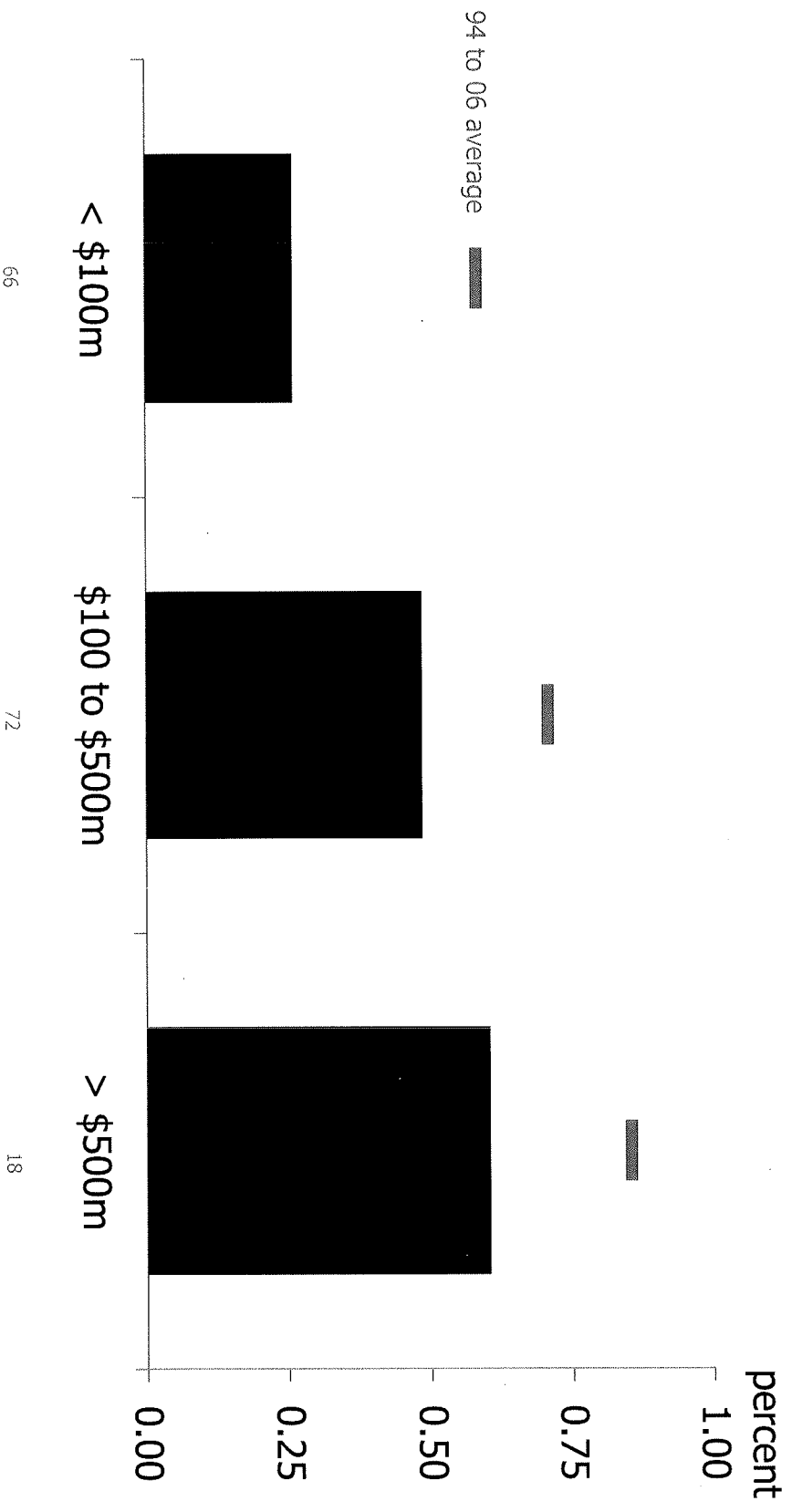
December 2016



Profitability for the smallest mutuals is well below what was earned pre-crisis

Federal mutual thrifts

Median ROA, 3Q:2016



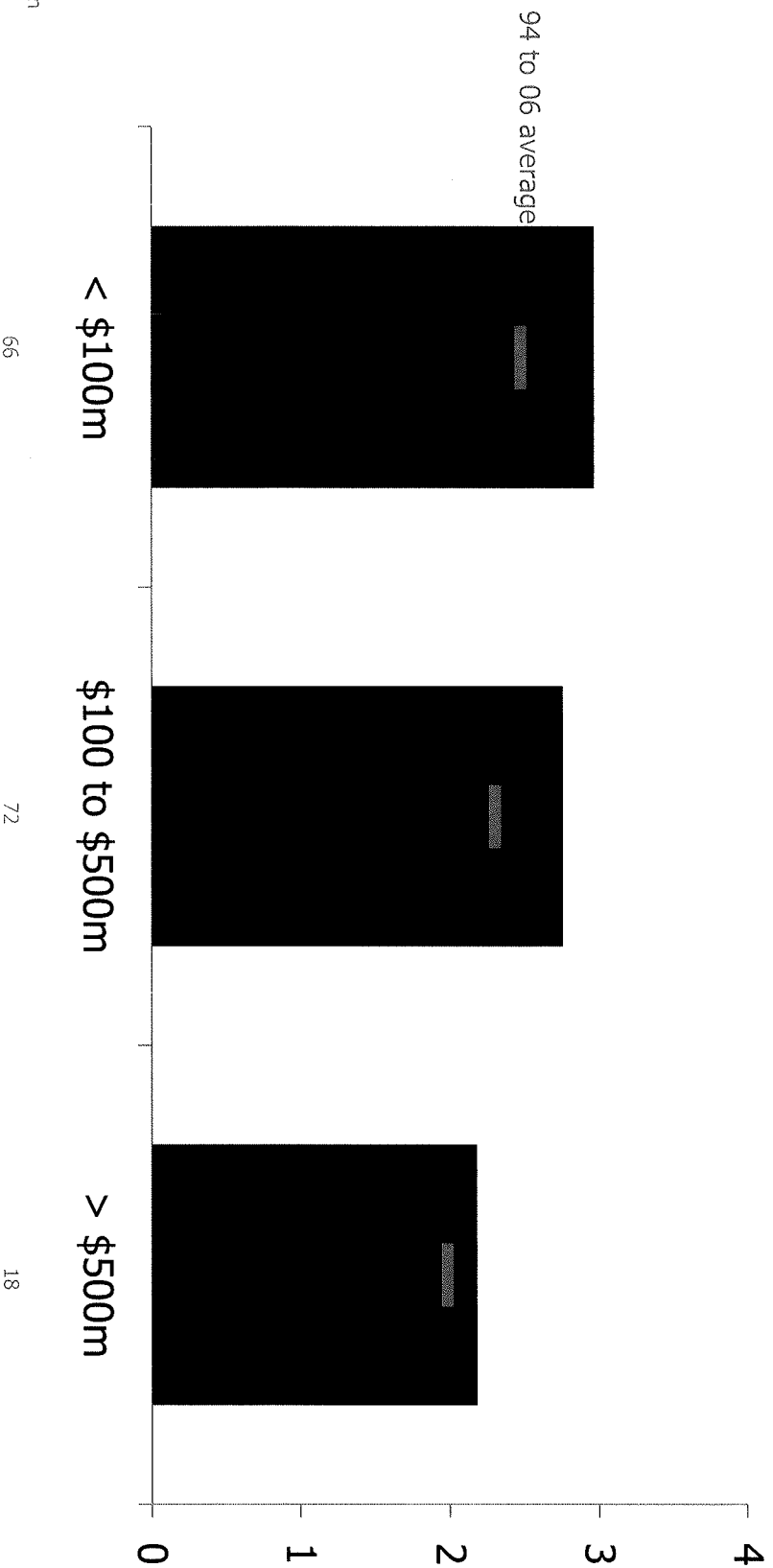
Source: Call Reports from OCC Integrated Banking Information System

Data are merger adjusted for institutions in continuous operation between 1Q:10 and 3Q:16.

A driver of this performance difference has been an inability to achieve prior efficiency levels

Federal mutual thrifts

Median noninterest expense % of assets, 3Q:2016



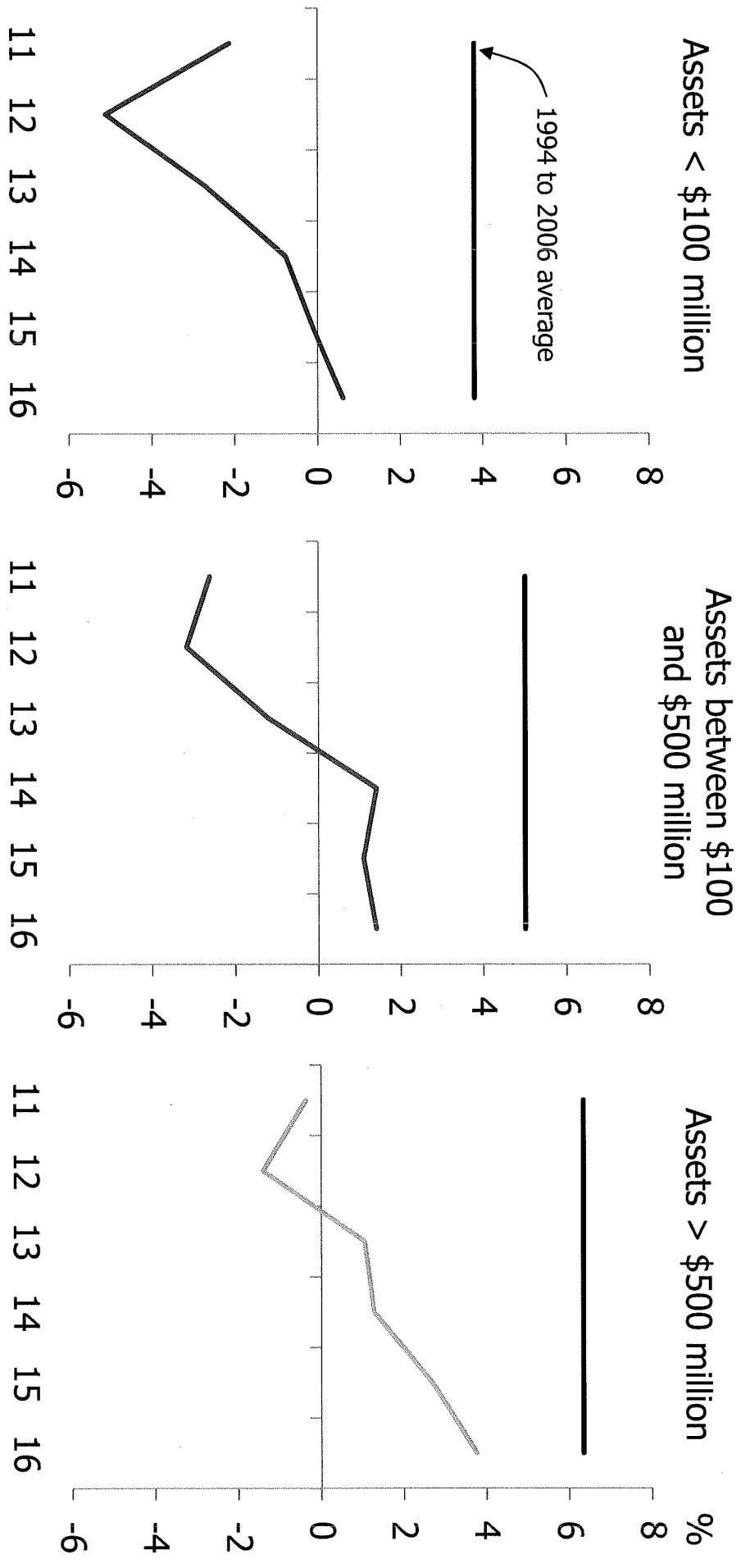
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Growth in this recovery has lagged the earlier period especially the smaller peer groups

Federal mutual thrifts

Median year-over-year total loan growth

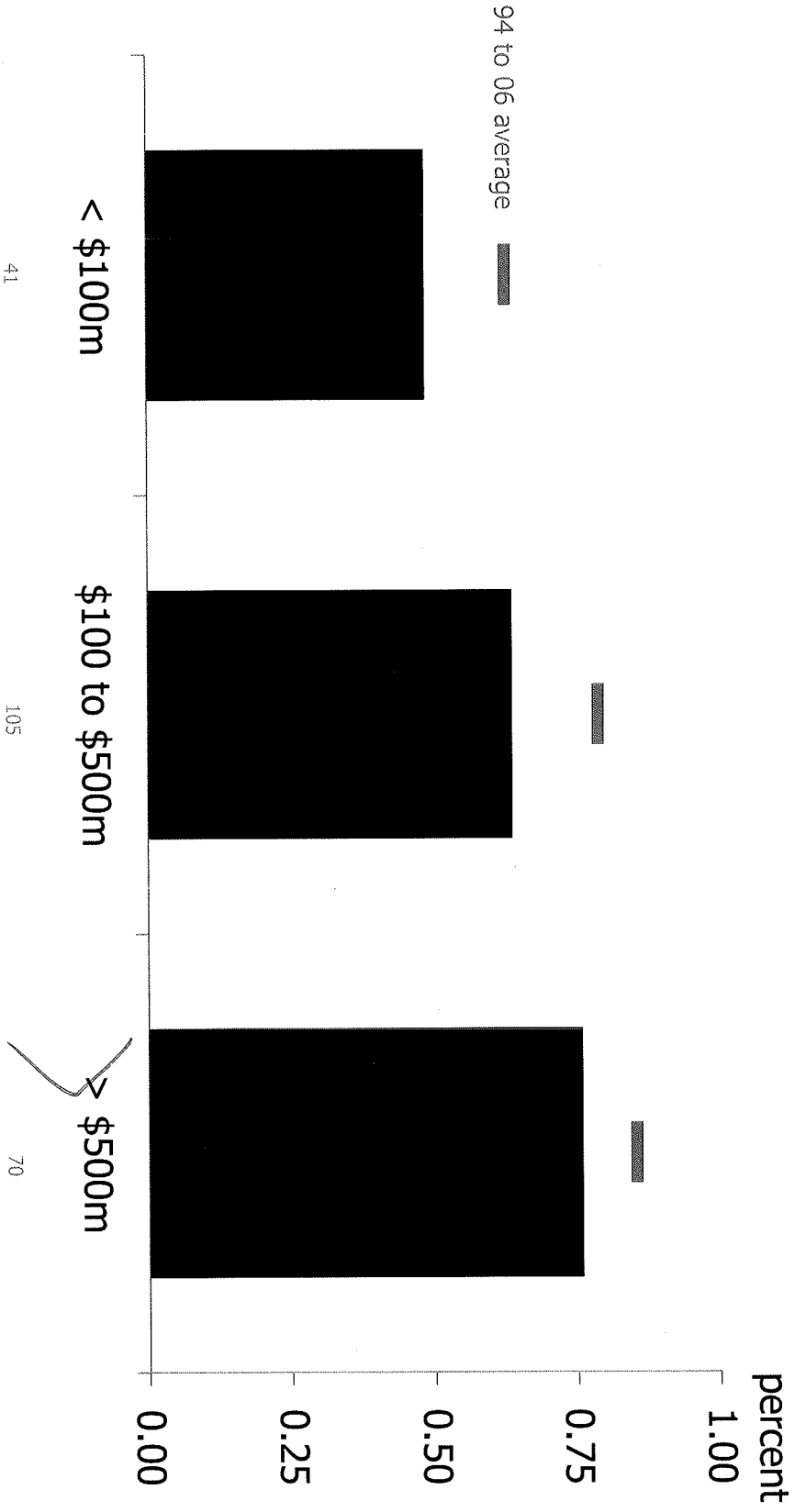


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Federal stock thrifts with assets < \$10 billion

Median ROA, 3Q:2016

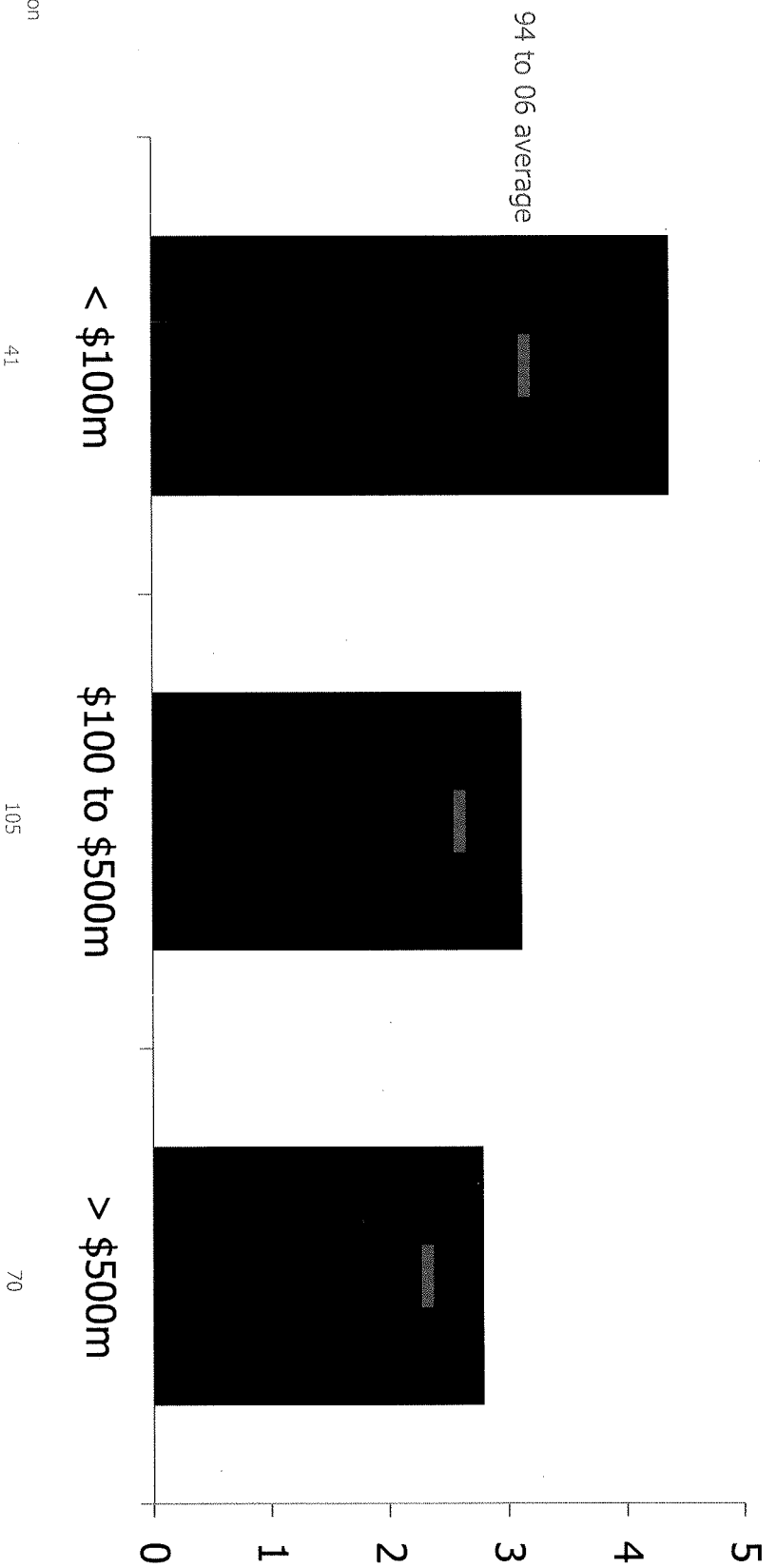


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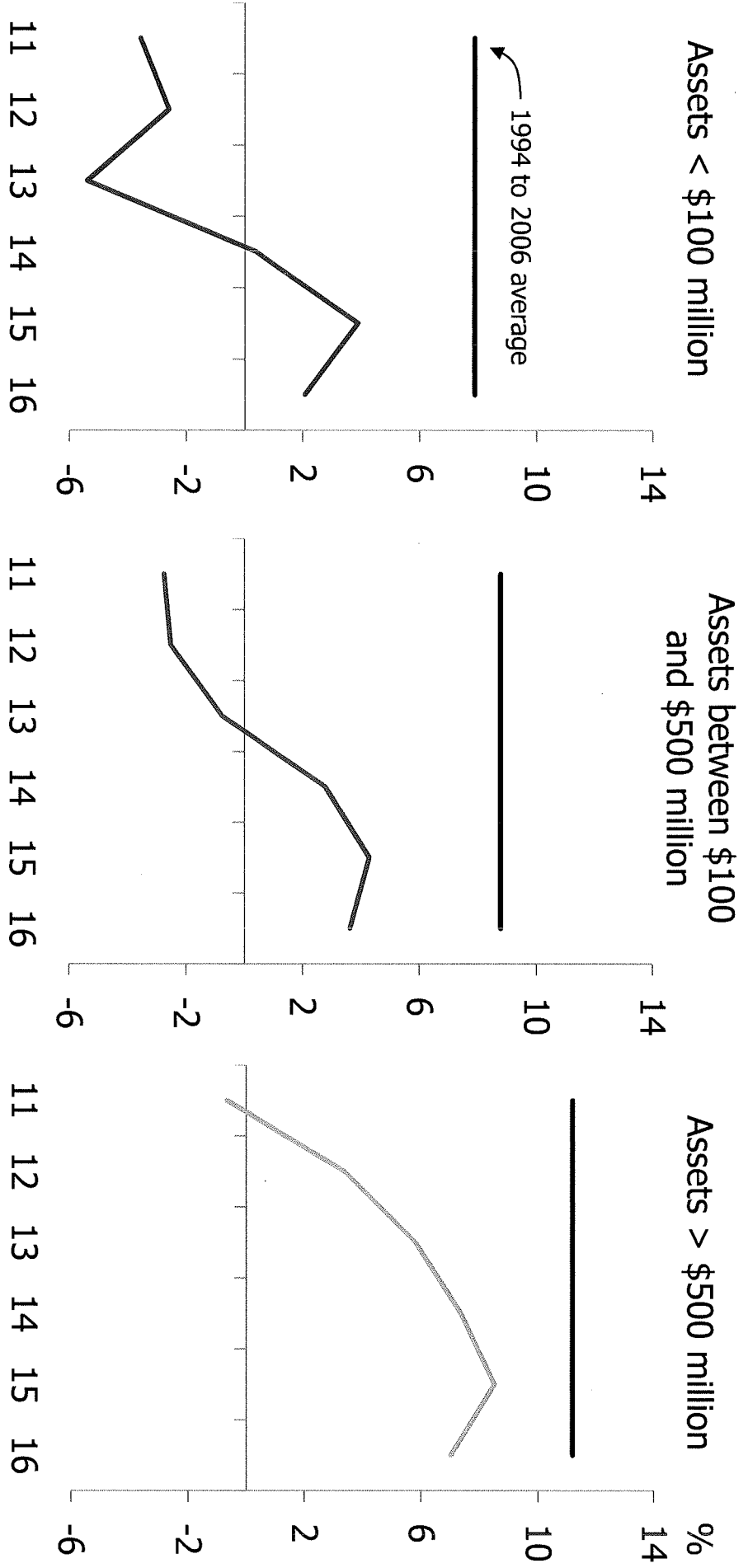


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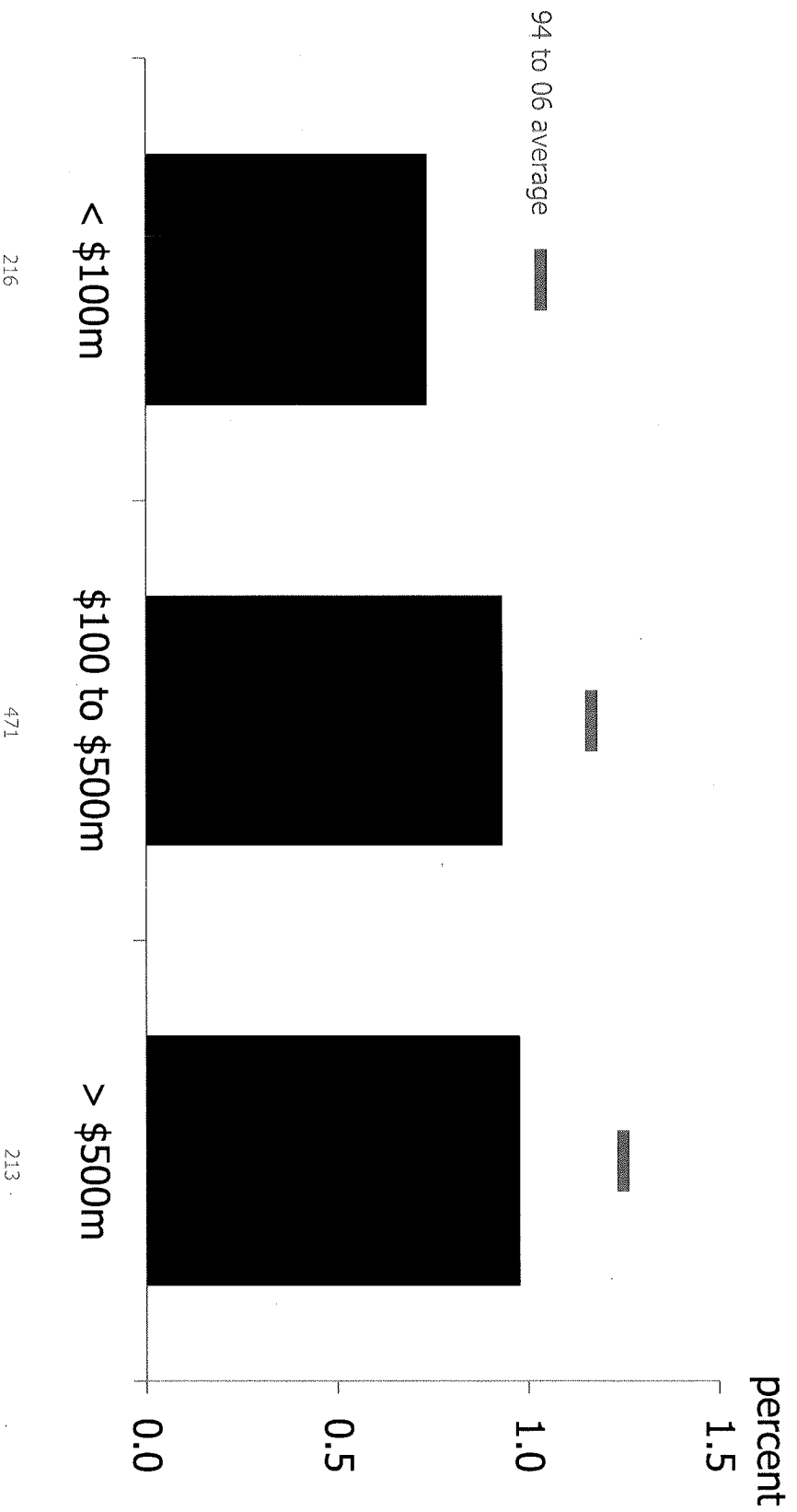


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National banks with assets < \$10 billion

Median ROA, 3Q:2016

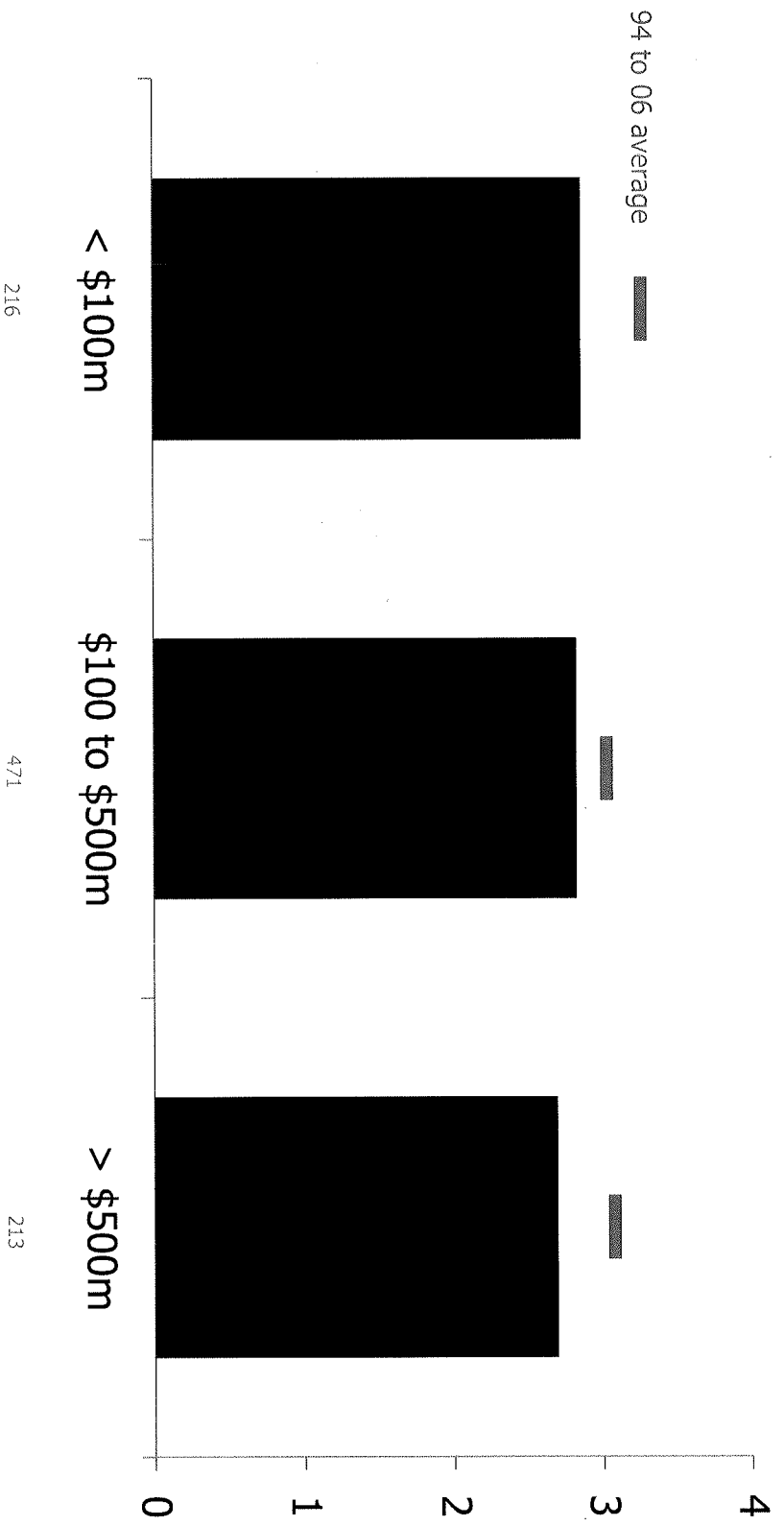


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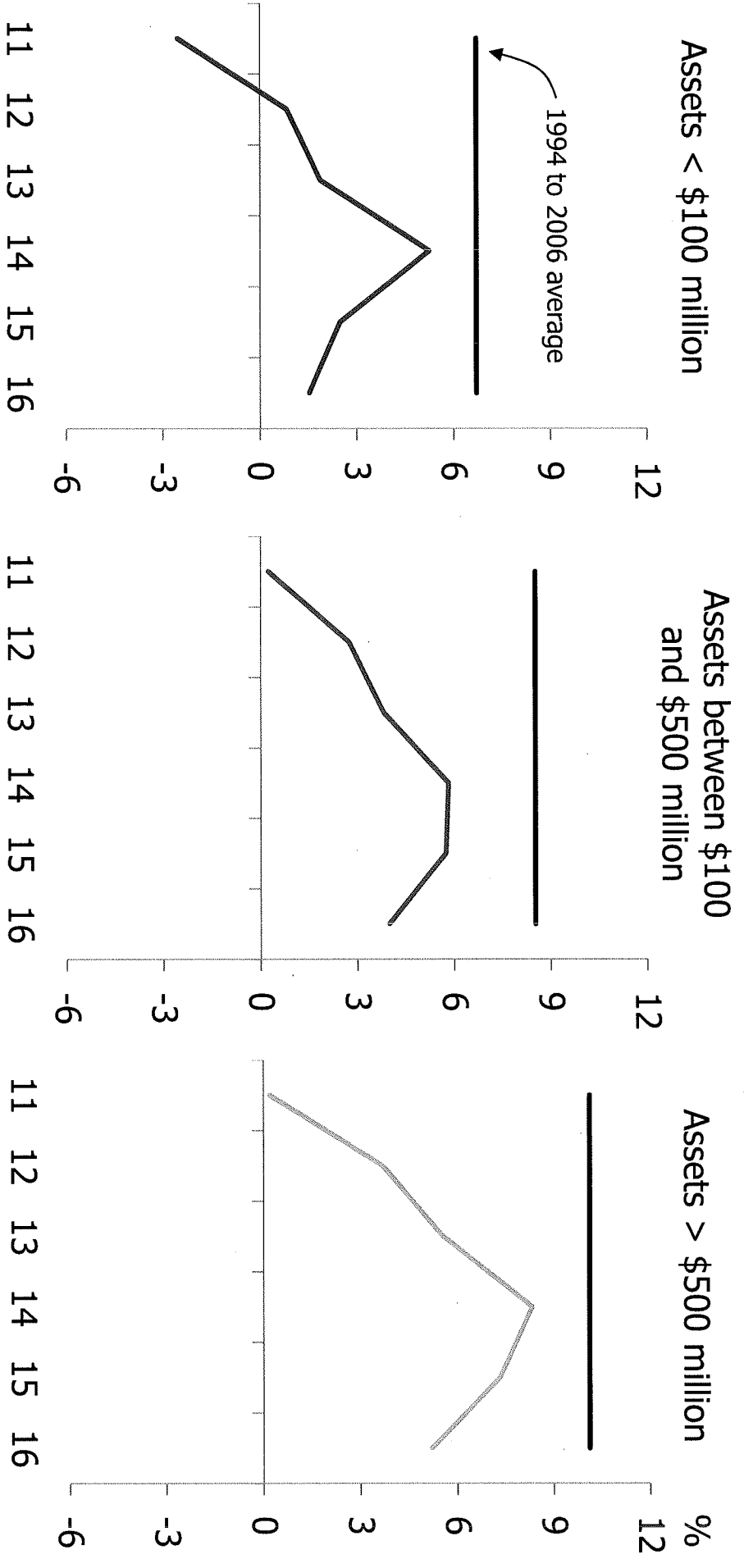


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