I will always recall that phone call from GBA Past Chairman Jim Edwards in January of 2014 asking if we could meet.

Although snow storms twice kept us from that in-person meeting (remember SnowJam 2014?), ultimately we connected and he told me the nominating committee had asked if I would start through the chairs to become Chairman of the GBA.

It would be a huge understatement to say how honored and humbled I felt at even being considered – particularly when considering the great group of bankers that I would be asked to follow.

It truly has been a privilege and an honor to serve as your 127th Chairman.

It’s also my honor and privilege to tell you that the state of the Georgia Bankers Association is strong.

I guess that means I didn’t mess anything up!

The association remains on solid financial footing and has had another successful year from start to finish.

Twelve months ago at our annual meeting in Austin, I spoke about the breadth and diversity being the strength of our association.

Our membership includes everyone from the state’s smallest bank - $11 million Barwick Banking Company on the Georgia/Florida line, to our state’s oldest chartered bank - the Geo. D. Warthen Bank in Sandersville (chartered way back in 1871), to our largest Georgia chartered bank SunTrust at more than $200 billion in assets, and all the way up to our nation’s biggest banks.

It is our depth of membership, representing the voices of ALL banks in our state that makes the GBA so successful for the whole industry.
We have seen this proven time and again with great results recently.

When the DBF decided it was essential to overhaul and update our state’s banking code, who did they turn to in their public-private effort to perform this critical and necessary task?

GBA and our bank counsel section, of course. They wrapped up that three-year project at the close of this year’s general assembly going three for three in helping the Banking Department get bills to the Governor’s desk.

When the new Basel III capital requirements created a nearly impossible situation for our larger banks to handle our state’s public funds deposits, who did the Georgia State Treasurer call to formulate a solution to work for all banks? The GBA, which helped shepherd through the legislation needed and is setting up the program to make it all work when it goes live next month.

When the State Supreme Court ruled that Georgia law did not fully protect Georgia bank directors and officers under the business judgment rule, who carried the important task of working the critical corrective statute through the legislature, and even overcoming the formidable opposition of the trial bar? That’s right, the GBA.

As you know, those are only a few examples from our Advocacy portfolio of what the more than 200 banker volunteers who serve GBA and the staff – our team – have done to support, protect and ensure the health of our industry.

And overall the health of the industry is good these days. I’d categorize it as being both stable and healthy.

The overwhelming majority of our banks – 97% – are profitable today, even higher than the national average. We’re at an all-time high for deposits statewide, with loans and total assets growing. And, families and business are able to meet their loan obligations resulting in our very low levels of past-due loans.

But beyond the financials, Georgia banking is about people. Our member banks employ about 60,000 Georgians. Keep that in mind because I’m going to come back to that in just a bit.
As we stand on the cusp of our Association’s quasquicentennial, it is interesting to reflect on the changes to our industry.

In 1892, the state and the industry were finally emerging from the economic ashes of the Civil War.

And in somewhat similar fashion here in 2017, we’re finally back on more solid economic footing following the Great Recession and its aftermath.

In between, we’ve seen the industry survive a great depression and more than a dozen other economic recessions.

Our industry has ebbed and flowed by numbers of banks.

In 1890, shortly before GBA was formed, there were 51 state chartered banks and 30 national banks with total assets of a little more than $41 million (that’s million with an M) dollars.

By 1929, that had grown to a total of 405 state and national banks with $334 million in combined assets.

Today, we have 147 state chartered banks, 22 national banks, and 13 Savings Associations. Assets in state-based institutions are at $306.7 billion (that’s billion with a B).

And, because of the strength of the state’s economy, we also are home to a healthy crop of banks based in other states that recognize the opportunity in Georgia to prosper in partnership with the growth of our state.

But regardless of the number of banks and where our banks are based, our industry still is the linchpin of commerce, economic growth, prosperity, community and family financial stability in Georgia.

So, that’s kind of the backdrop for the general health and history of banking in the Peach State.

In my year as GBA Chairman and past several years in going through the chairs, I’ve noticed there are several challenges to the industry in which bankers, through GBA, can particularly be helpful in meeting.
We’ve got to keep hammering our message of regulatory relief, and GBA remains the primary conduit for that.

The very rules and regulations meant to help people access credit or protect them from financial harm have simply made it more difficult for banks to meet those needs. Our GBA legislative trip to DC this year actually suggested there may be better reason for optimism in the coming months.

We also need to keep hammering our message of tax reform and a level playing field when it comes to credit unions and the farm credit system.

We take those messages to our elected officials and regulators through the GBA. We do it through grassroots lobbying, direct lobbying and meetings. And we do it through the Georgia FedPac and StatePAC.

2016 was a record year for political action committees for total amounts raised and the number of individuals and banks participating. Our FedPAC and StatePAC combined raised over $164,000. Look for details soon about the 2017 goals and please be ready to contribute again.

In addition to regulatory burden, there are a couple other challenges I’d like to talk about.

We’ve got to continue to rebuild the reputation of the industry. We’ve got to adapt to changes in consumer preferences and technology. We’ve got to take care of our people and we’ve got to ensure the flow of bright, new talent coming into our industry.

There is no doubt, these issues will confound and challenge our banks for years to come. And as much as I wish I had a magic wand or a crystal ball, there are no easy answers.

But I do know that GBA, through its advocacy, education and services programs is certainly the best resource for helping us do all that.

We educated thousands of bankers in the past year.
We continued to provide health, dental and financial wellbeing services to more than 20,000 bankers and their families.

And, we provided a professional network and community of bankers to help each other solve problems and save money.

I want to be clear that I am bullish on a diverse banking industry and that we can survive and thrive.

America’s destiny is not pre-ordained to become a Canada with just a few handfuls of banks or for us to be replaced by Google, PayPal or Apple.

So how do we do that?

First and foremost, we must embrace change in many areas.

For example, we’ve got to crack the code about how to continue to provide the highest level of data security, yet not get in the way of easier transactions and payments.

If our customer wants to say “Hey, Alexa, send money to my daughter” or “Hey, Siri, buy me some gluten-free pizza,” we better figure out a way to let them access their account – or somebody else will. And while data security and accessibility are seemingly at odds with each other, we have always been in the business of managing risk and will figure it out.

How about our largest and most profitable asset – our loans?

Many of our clients believe that if Match.com can instantaneously find them a soulmate for life – surely their bank can approve a $10,000 loan for them without having to wait or to even come into the bank.

Think about it. How long does it take one of your lenders to approve someone to get a loan? How much “stuff” – documentation to provide, applications and various other papers to sign – do we require to make a decision?
Yeah, I get it – “the regulators” require it or there’s no way we can underwrite a loan without all that for the file.

But there are plenty of firms out there – and banks – that have found a way.

I guess my message is that just as other industries have learned – whether video stores, taxicabs, cellular phones, or even the shopping mall, consumers – our customers – demand ease and spontaneity of doing business. If we don’t adapt, we’ll be in trouble and at real risk of becoming irrelevant.

That’s not necessarily a new challenge, and I think our banks have adapted pretty well, particularly considering the terrible economy we dug out of over the past ten years. We just can’t become complacent. The level of access our customers have to their bank information today is not only unprecedented, we provide it at little to no cost.

With few exceptions, our clients enjoy free checking, free debit cards, free ATMs, free statements, free transfers, free bill payment, free remote deposit, and on and on – and their money can be managed via a smartphone, computer, tablet or even an old fashioned touch-tone landline.

We provide all these services in an interest rate environment that – to put it mildly – has made the deposits not very valuable.

And most of us even still give out lollipops.

But what defines good banking service or a critical product today may be considered passé in just a few short years. Think about it. I remember when the iPhone first came out, one of our bank CSRs showing me hers and how I dismissed it – oh, it has a button that simulates rolling dice – isn’t that cute. Fast forward to today - now our devices are filled with “apps” we can’t live without.
And look what Amazon has done in just a short two decades. The retail landscape has been turned upside down, and even the most ardent shop local advocates among us have to admit the ease and selection of buying on-line is a powerful force. And that same force is clearly vying for banking.

Still, something truly makes our industry different and distinguishes us from those FinTech guys. It’s the intangible – and that’s our people. There’s no app for that!

I was at the Georgia Banking School to visit a couple of sessions and graduation in May. The experience really got me energized.

I saw first-hand that we’ve got a great new generation of professionals with the talent, passion for banking and creative ideas to help us address all of these challenges.

And, what I see every day at my bank and by getting to know more about you all in my role as GBA Chairman also is heartening.

I know this sounds cliché as each of us would say our customer service is what makes different. But the reality is – it’s true.

We know our communities. We live there. We go to church with our customers. We see them in the grocery stores and the restaurants on the weekend. Attending PTA meetings – where likely one of our folks is on the board. Our kids go to school and play little league ball with their kids – and, our banks likely pay for the team sponsorship.

We listen, we're involved, it matters to us, and we care.

Our advantage is every one of those 60,000 people of Georgia's banks I mentioned to you earlier.

For us, our customers don't have to match up to some “magic” algorithm to get a loan. They aren't just a transaction.
And for a great many of our clients, we bankers are their only advisors – for accounting, legal, budgeting, financial, investment and business counselling.

And if something happens in their life that changes – we find a way to help them. Not because we are required to – it’s who we are. And it is vital for us bankers to continue to be there, nurturing the growth and success of our communities.

We are the people of Georgia banking. And standing behind us is The Georgia Bankers Association. It’s your Association, run by bankers for bankers.

It has been empowering me, you and our predecessors for 125 years.

For that, I’m grateful and optimistic about the future.

Thank you for the honor of allowing me to serve you and your co-workers this year.