

**GBA Chairman Rhodes McLanahan  
First American Bank & Trust Company  
State of the Association Speech  
GBA Annual Meeting  
June 20, 2023  
The Broadmoor, Colorado Springs, CO**

Good morning, Georgia Bankers! It's great to see you all here this morning.

I hope you all had a nice afternoon and evening yesterday. We've got a lot to cover this morning, so let's dive right in.

I hereby call the 2023 Annual Business Meeting to order.

Here is our agenda:

- First up, I'll give you an update on the State of the Association.
- Then we'll have reports from the Nominating Committee and recognize our incoming officers and board members.
- Next we'll hear from the Resolutions Committee.
- We also have a PAC Campaign update, and we'll recognize some 50-year bankers for their service.
- So let's get started with the annual report on the state of the association:

As I look back on my year as Chairman, I can't help but be amazed at how much, and how quickly, things have changed in the banking world.

When I took the reins as chairman last year in Palm Beach, many of our banks were relieved that the Prime Rate had increased to 4.00% with the overnight Fed Funds rate around 1.00%. Inflation was still termed "transitory," and our margins finally had an opportunity to expand from historic lows. The tireless work assisting our commercial customers with PPP loans paid off with tremendous deposit growth and a reinforced image as community leaders providing the trusted support in an uncertain time. FINALLY, we had moved on from the great recession and past a pandemic that even our most robust business continuity plans didn't consider.

Fast forward to today and the Prime Rate sits at 8.25%, margins are beginning to shrink in many banks due to the competitive pricing pressure on deposits, liquidity concerns are at the forefront of banker and regulator's minds, regulators are continuing to implement new rules which will result in additional burden on our compliance staffs, and we've seen three large bank failures.

Challenging times, while seemingly daunting, often open doors to unique opportunities. They prompt us to step outside our comfort zones, test our resilience, and unveil strengths we may not have recognized in times of comfort.

The silver lining in challenging times is the opportunity they provide to grow stronger, wiser, and more versatile, ready to turn future obstacles into opportunities. For First American Bank, the GBA has been our most important resource during challenging times, and I am honored to have served as the Chairman of the GBA over the past year.

The GBA serves as the unified voice that represents all of us – the banks in Georgia. As individual entities, we have local power, but as a collective, our influence extends to the state level, and even beyond. This unified voice empowers us to drive significant policy changes, to protect our interests, and to ensure that the distinctive characteristics and needs of our banks are heard at the state and national level.

But perhaps most importantly, the GBA fosters a spirit of camaraderie and collaboration among us. In an industry where competition can sometimes be fierce, the GBA reminds us that we are all part of a larger community with shared interests and a common goal – to serve our local communities to the best of our abilities.

So, today, I'm pleased to report the state of the Georgia Banker's Association is as strong as ever. The association's finances are in good shape. We've met all the goals for revenue, expense management and adding to reserves.

And while my position as Chairman means I get the pleasure to report that good news to you, the true credit for GBA's success goes to each of you, your teams and your banks.

Our membership stands at 171 banks, 231 Associate Member companies, 98 Bank Counsel Section members and 14 Bank Accountant Section firms.

However, it's not just about the numbers of banks and companies. At the heart of our association are the bankers and other professionals who make up our vibrant community.

We have more than 300 people serving on boards and committees shaping our programming and guiding our advocacy efforts. Throughout the year, thousands attended GBA conferences, seminars, and other events. Just as impressive is that our roundtables for CEOs, Finance and Operations, Senior Lenders, and emerging leaders have waitlists.

I'm also pleased to report that GBA continued to be a forceful advocate for the industry during my term.

In the Georgia General Assembly session, our advocacy team worked on 143 bills relevant to how Georgia's banks do business and serve our communities.

One of our priority bills, the annual GA Department of Banking Housekeeping Bill, successfully passed both the House and Senate and has been signed by the Governor. The bill cleans up some terminology on credit losses to align with accounting standards and also added flexibility for banks to change their names without shareholder approval.

Two other priority bills passed and have been signed, as well. One was a probate bill related to notifying beneficiaries of estates. The other was a bill to clean up some differences in a couple of state laws regarding what's required of witnesses attesting to deeds. GBA supplied input and important clarifying language for both bills.

Additionally, we managed to sidetrack a bill sponsored by retailers that would have prohibited interchange fees from the sales tax portion of transactions. In the simplest terms, it would have unnecessarily involved the legislature in business pricing disputes, with no real benefit to consumers or the state.

On the national advocacy front, I think the highlight was the return of our member advocacy visit to Washington, D.C., for the first time since the pandemic.

There's really no substitute to getting to sit directly across the table to talk to regulatory agency heads and members of our Congressional delegation. After

we told the CFPB we hated Rule 1071 (the new small business data collection rule), it will be interesting to see if Director Chopra invites us back.

Media and public relations advocacy were important this year, as well. GBA was a valuable resource for members and journalists in communicating the message that Georgia's banks remain strong and stable, countering concerns sparked by recent bank closures out west and in New York.

We also played a role in shaping reporting on fraud issues. While there is a lot of work still to be done, we helped shed light on this issue by highlighting the challenges banks face related to fraud, our commitment to customer protection, and the importance of consumer diligence in securing their accounts.

So, we had another strong year of advocacy for the industry.

Turning now to our education programs, just look at the crowd and agenda here as an illustration as to how successful those continue to be. Our members recognize there's something helpful and relevant for bankers in our programming every single day.

I had the honor of addressing the graduates of the Georgia Banking School last month as the Chairman. Let me tell you, the GBA Banking School and

Compliance School are thriving! Attendance levels for those groups haven't been this high since before the Great Recession.

And the conferences for other professional disciplines within the bank are jam packed too.

That's the short version of the education highlights from the year. I'm confident that GBA remains the preferred and most trusted partner in Georgia for ongoing banker education.

GBA also had another solid year of living up to its commitment to being a resource for products and services that help your bank and bankers' families through the offerings from the GBA Insurance Trust, GBA Retirement Services and GBA Services Inc.

From a governance standpoint, the Executive Committee and the Board have been diligent about ensuring we have a management succession plan in place. We're fortunate to have a strong staff and we recognized three officers with promotions this year. David Oliver was named Executive Vice President and Chief Operating Officer. Elizabeth Chandler was named Executive Vice President for Government Relations and Advocacy. And Bo Brannen was promoted to Senior Vice President for Member Relations and Advocacy. Also, Kathy Friestad and Alison Moreau were promoted to

Senior Professional Development managers. Please join me with a round of applause for the great work they do for us.

In summary, your association is on extremely firm footing as we're about to enter the 132<sup>nd</sup> year in service to the banks and bankers serving our great state. The strength of the GBA is a testament to the strength of banking in our state. It is a symbol of our unity, resilience, and commitment to serving our communities.

I have complete confidence that our incoming GBA leadership team, led by Kim Wilson as Chair, Brad Barber as Chairman-elect, and Philip Williams as Vice Chairman, along with the new board, will keep the momentum going strong.

To close, let us heed my favorite philosopher (Sir Thomas Carlyle's) words - "Conviction, were it never so excellent, is worthless till it convert itself into Conduct." Let our convictions of serving our communities translate into our everyday actions, our decisions, and our relationships. Let us, together, build a future that's worthy of the trust placed in us.

Thank you.