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Welcoming remarks by James Bullard, President and CEO
Second Annual *Community Banking in the 21st Century* Conference
The Federal Reserve System and Conference of State Bank Supervisors (CSBS)
St. Louis, Mo.
Sept. 23, 2014

Good morning, and welcome to the Federal Reserve Bank of St. Louis for the second annual Community Banking Research and Policy Conference, hosted by the Federal Reserve System and the Conference of State Bank Supervisors.

Last year, we had the privilege of hosting a very successful inaugural conference, which provided a unique opportunity to hear and discuss not only cutting-edge research in the community banking space, but also to hear the views of community bankers, policymakers and regulators regarding pressing issues and the future of community banking. The response of attendees was very positive. As a result, the Fed and CSBS unanimously decided to hold the conference on an annual basis here in St. Louis, the heartland of community banking.

Community banks are important to the Federal Reserve's Eighth District. There are more than 625 community banks in the District (of which 127 are state members) and 522 holding companies. Two community bankers serve as directors on the board of our head office, and several community bankers serve on the boards of our branch offices, which are in Little Rock, Ark., Louisville, Ky., and Memphis, Tenn. As with other Reserve banks, community bankers advise us on a variety of matters through our Community Depository Institutions Advisory Council. Services flow both ways as we are very involved in providing information and training to community banks through a variety of programs. In fact, this fall we will pilot a revitalized learning program for bank directors, based on the popular "Basics for Bank Directors" curriculum written by the Federal Reserve Bank of Kansas City.

Our supervision of community banks is a partnership with state regulators. Here in the Eighth District, we have the opportunity to work with Candace Franks from Arkansas (who is also this year's CSBS chair), Manny Flores from Illinois, Dennis Bassett from Indiana, Charles Vice from Kentucky, Jerry Wilson from Mississippi, Debra Hardman from Missouri and Greg Gonzales from Tennessee. I know my colleagues across the Federal Reserve System place great value on the information and insights they gain from maintaining regular and substantive engagements with state bank commissioners.

Community banks are important to the economy of the Eighth District, but we all know that their business model is under pressure. The research presented at the inaugural conference pushed our understanding of the opportunities and challenges facing community banks. Looking at the agenda for the next two days, I have no doubt that this year's research and panel discussions will do the same. One important measure of success is the degree to which we broaden the dialogue on community banking and promote further thinking in this sector. We had a significant increase in the number of paper submissions this year, and believe we'll see even more in the upcoming years.

I've always believed that good research leads to good policy. Or, said another way, there cannot be good policy without quality research. I would like to thank all of you who have focused your research on the community banking industry and look forward to another great conference.