

# GEORGIA STATE UNIVERSITY ECONOMIC FORECASTING CONFERENCE



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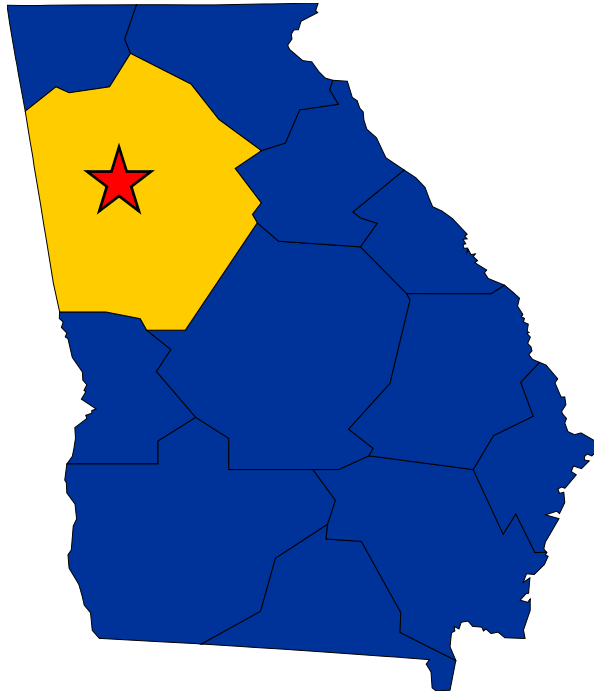
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- *The views expressed herein are those of the author and presenter and do not necessarily reflect official positions of the Federal Deposit Insurance Corporation.*
- *All of the information used was obtained from FDIC call reports.*
- *Media should consider these comments off the record.*



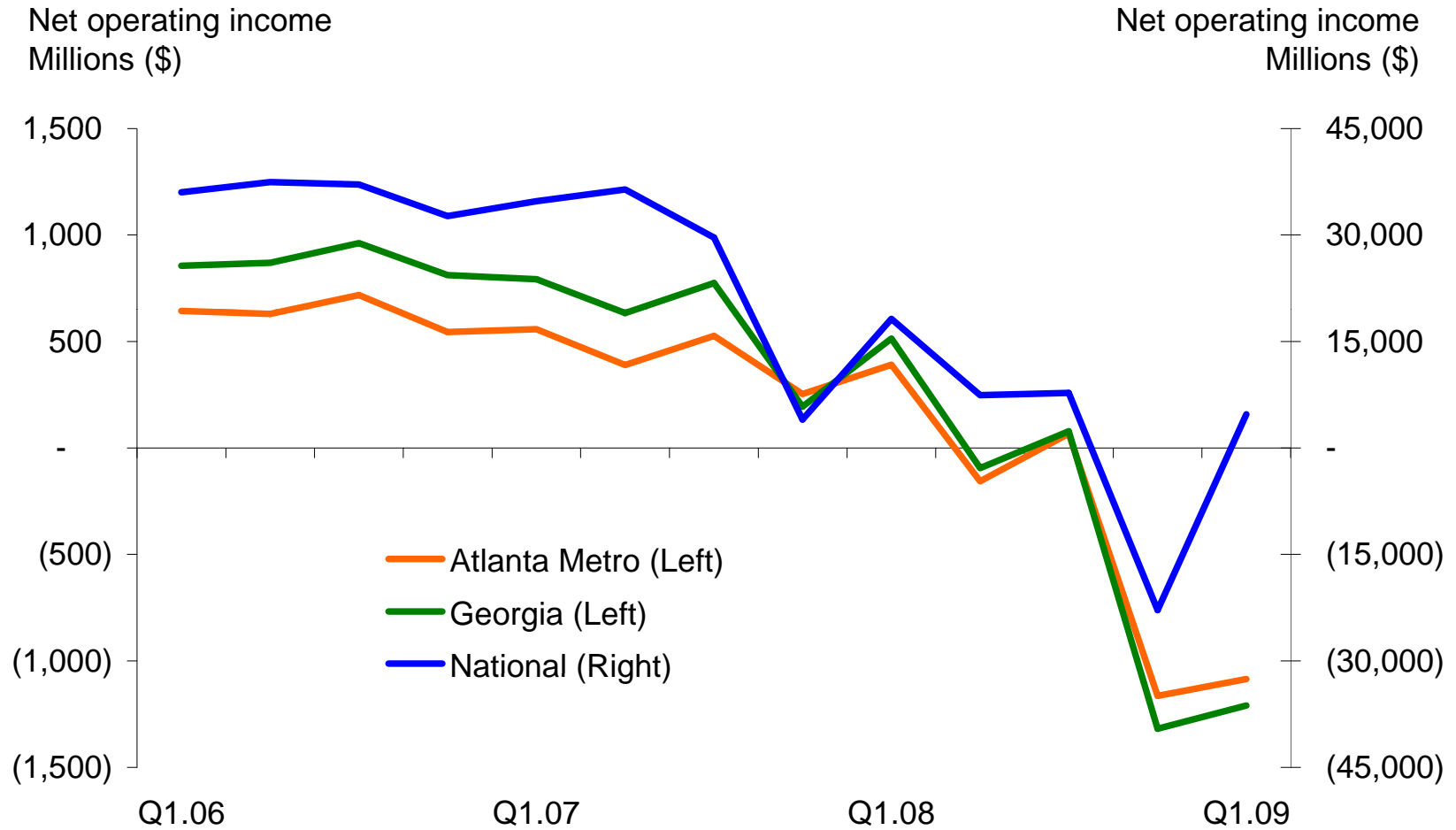


## *Georgia Banking Performance*



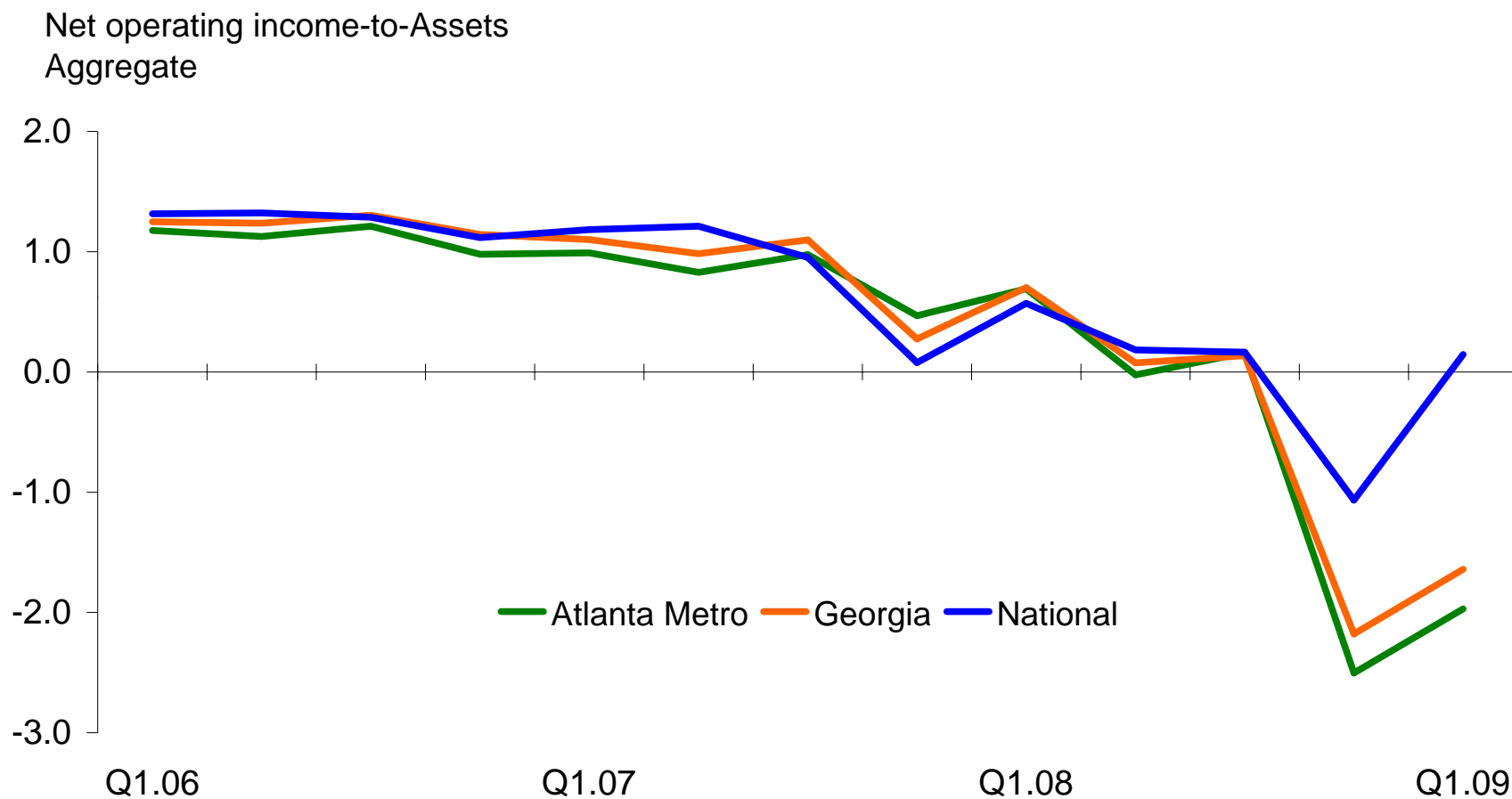
CONFIDENCE AND STABILITY

## Earnings Remain Weak among Insured Institutions



Source: FDIC, all insured institutions included.

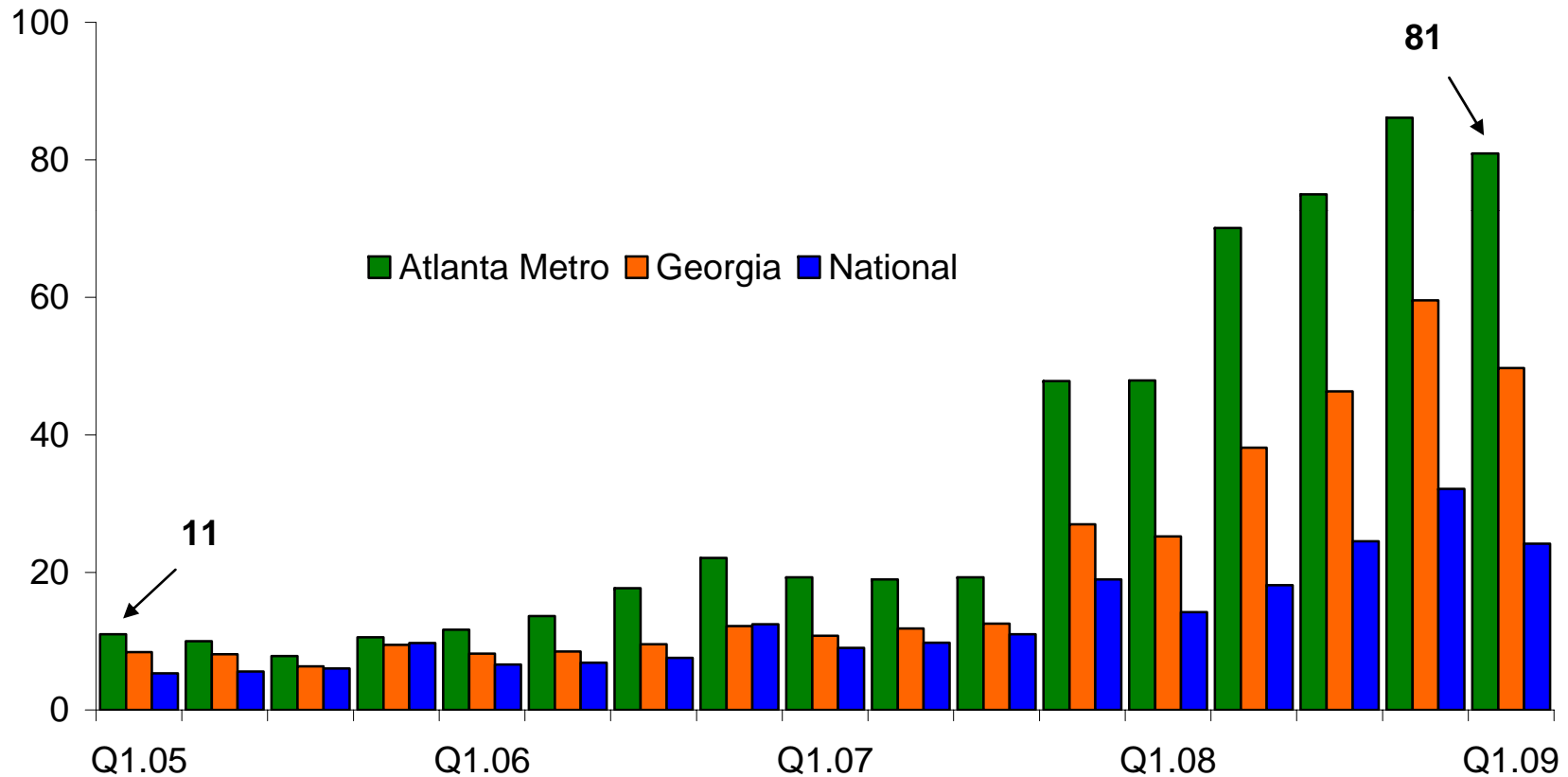
## Profitability is Below the National Trend in Atlanta and Georgia



Source: FDIC, all insured institutions included.

## The Number of Institutions Loosing Money has Increased

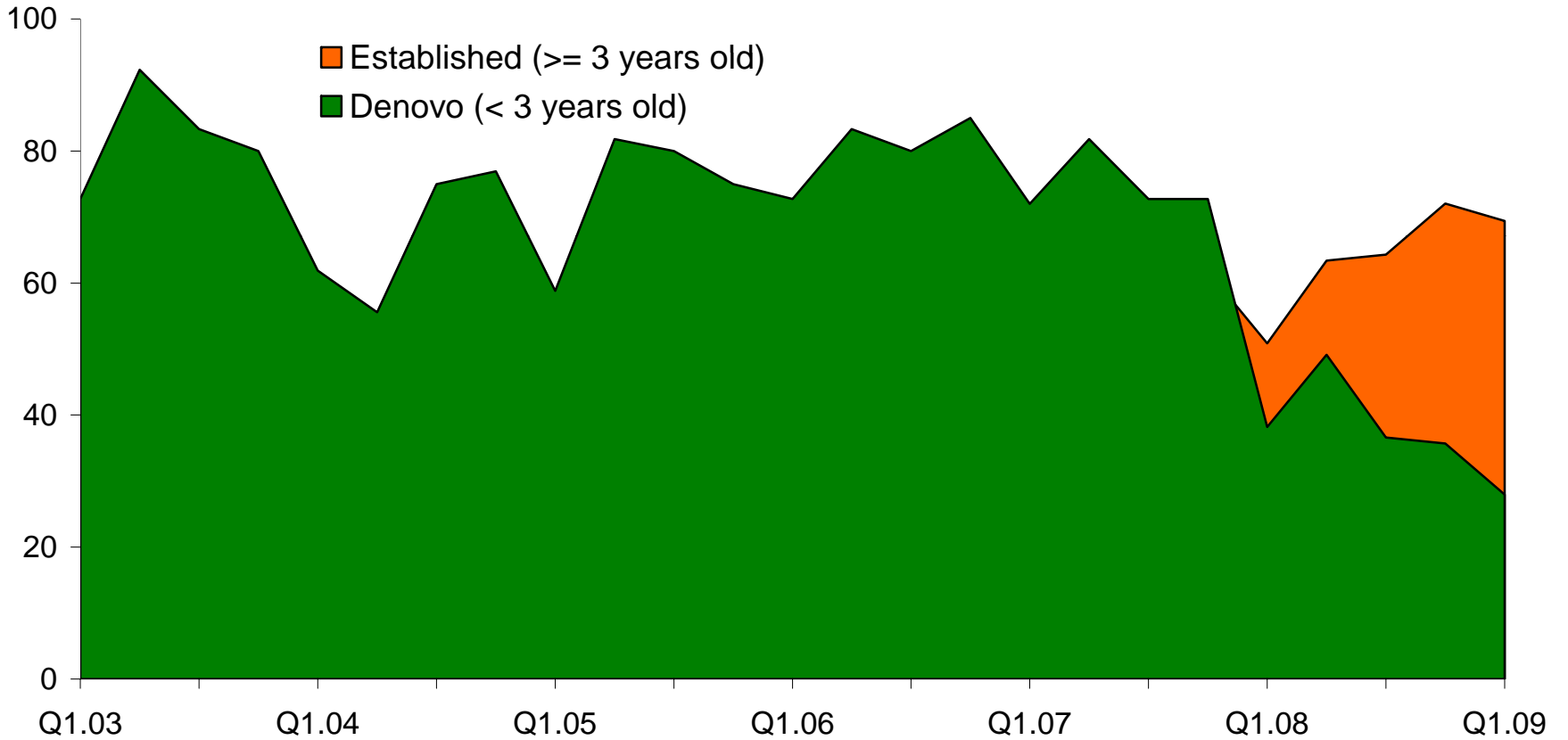
Institutions reporting a loss in net operating income  
Percent



Source: FDIC, all insured instituitons included.

# Established Institutions in the Atlanta Metro area Comprise an Increasingly Larger Share of the Banks and Thrifts that are Losing Money

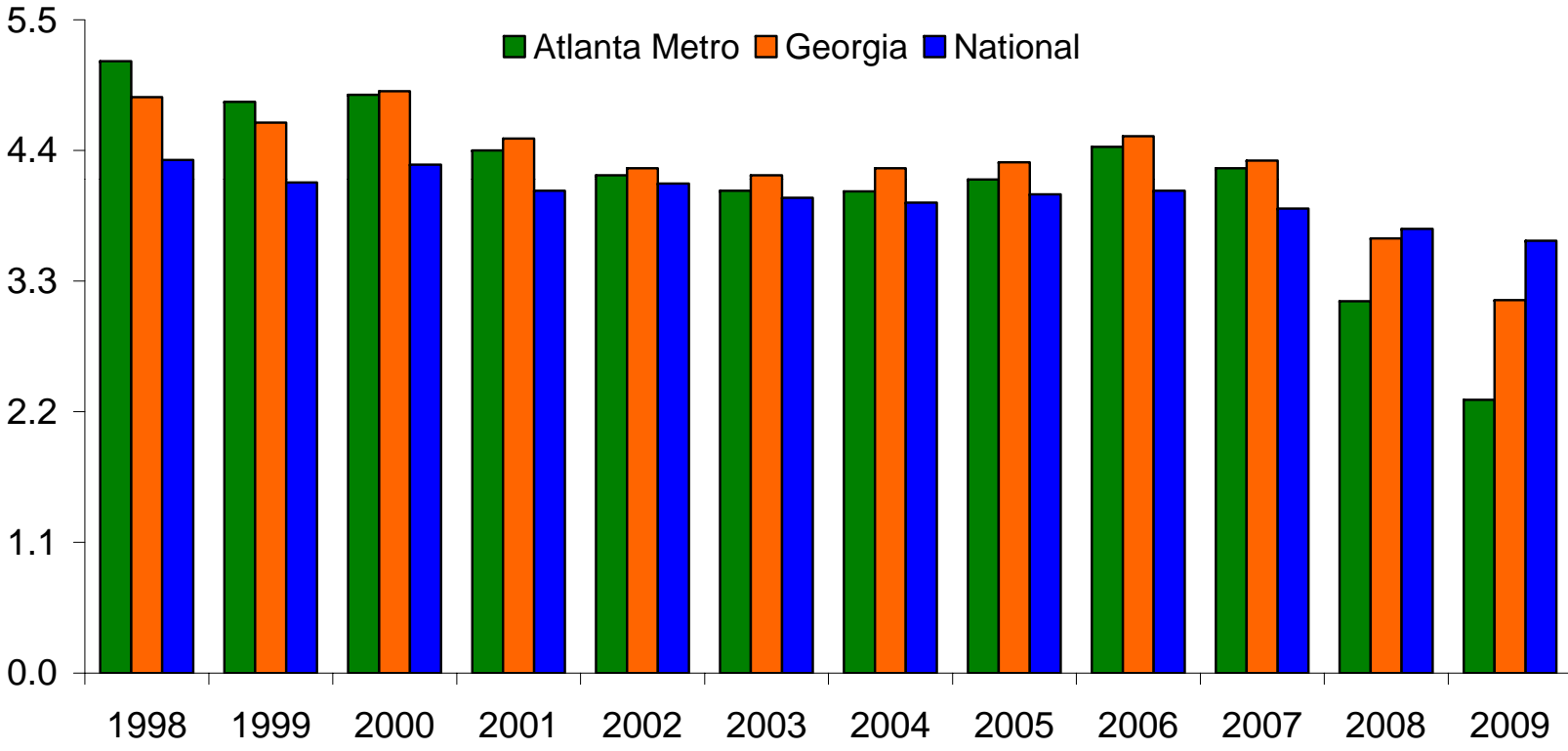
Percent of total that lost money



Source: FDIC, all insured institutions.

# Margin Compression has been Widespread Across Insured Institutions

Net interest margins  
Median percentage

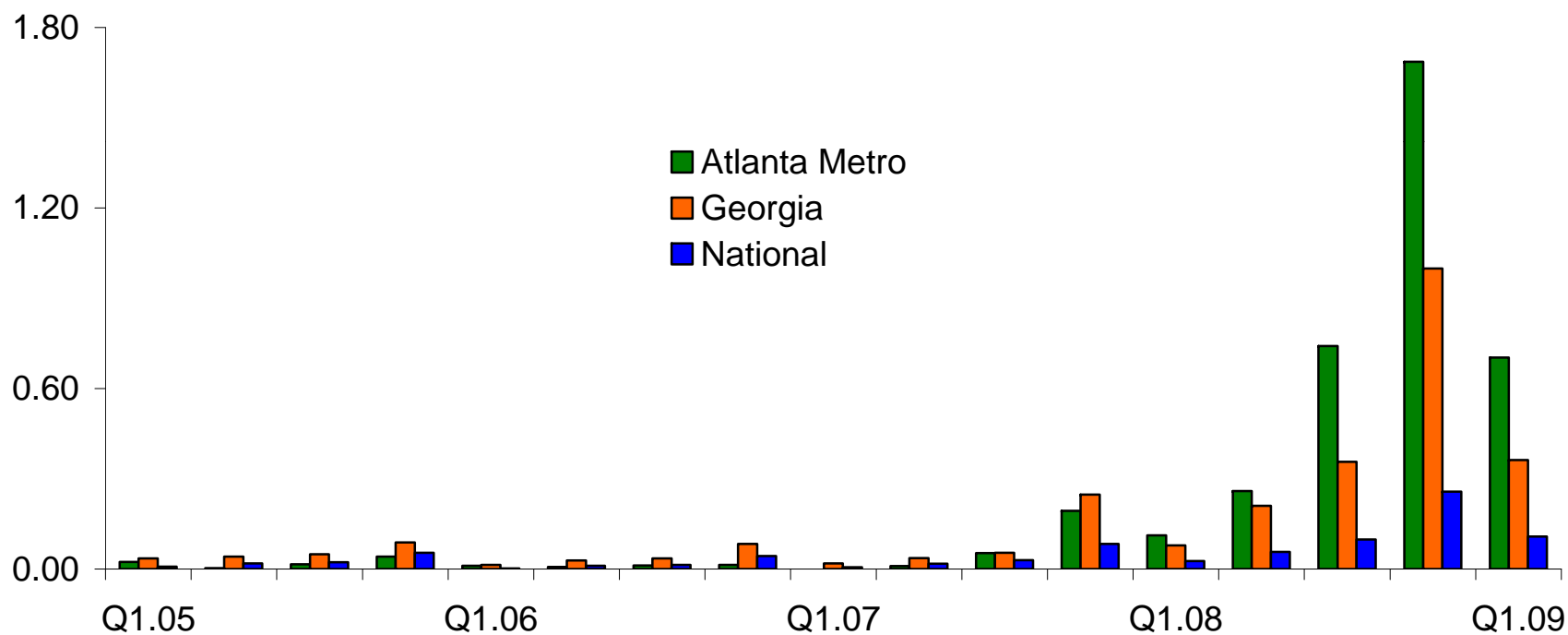


Source: FDIC, data as of March 31st for all insured institutions.



## Net Charge-offs Peaked in Fourth Quarter 2008

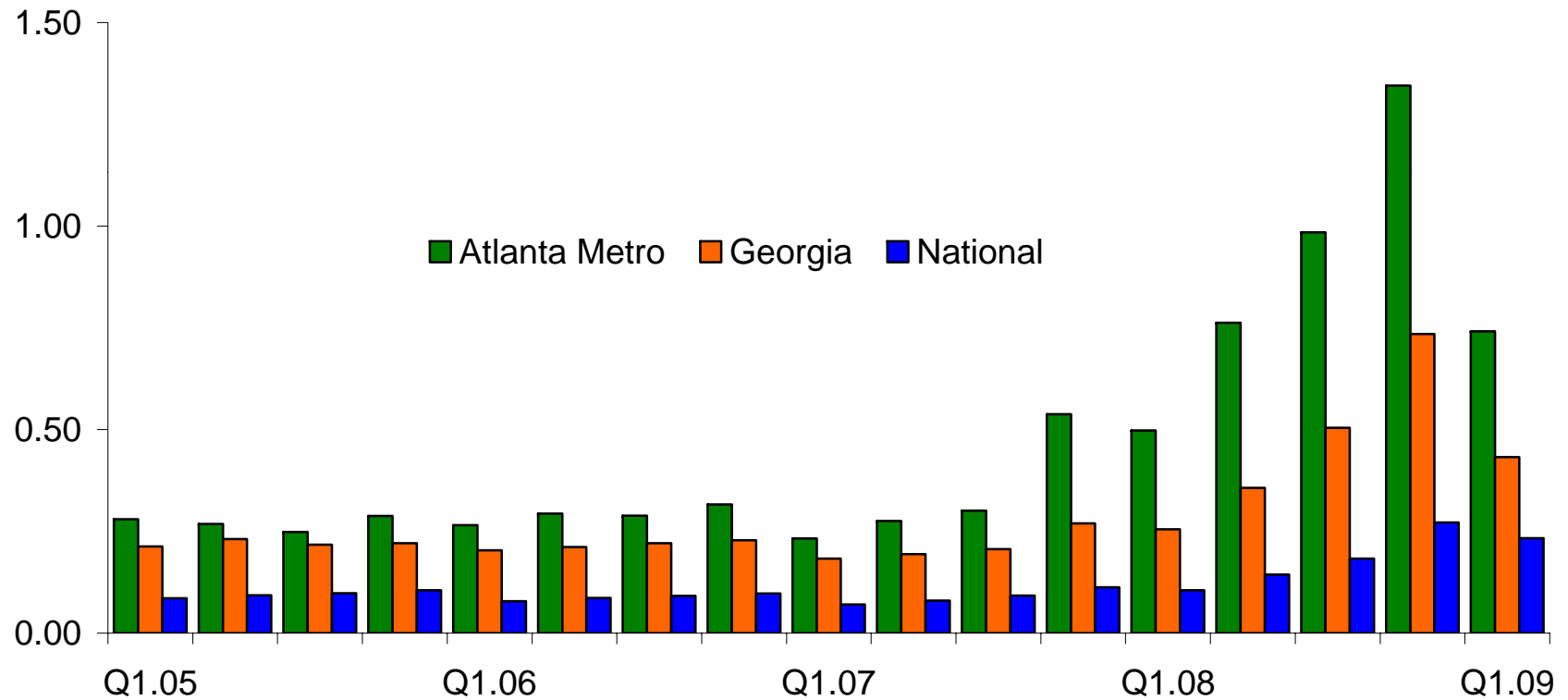
Quarterly Annualized Net Charge-offs to Total Loans  
Median (%)



Source: FDIC, Quarterly annualized data for all insured institutions.

## Loan Loss Provisions Have Declined but Remain Elevated

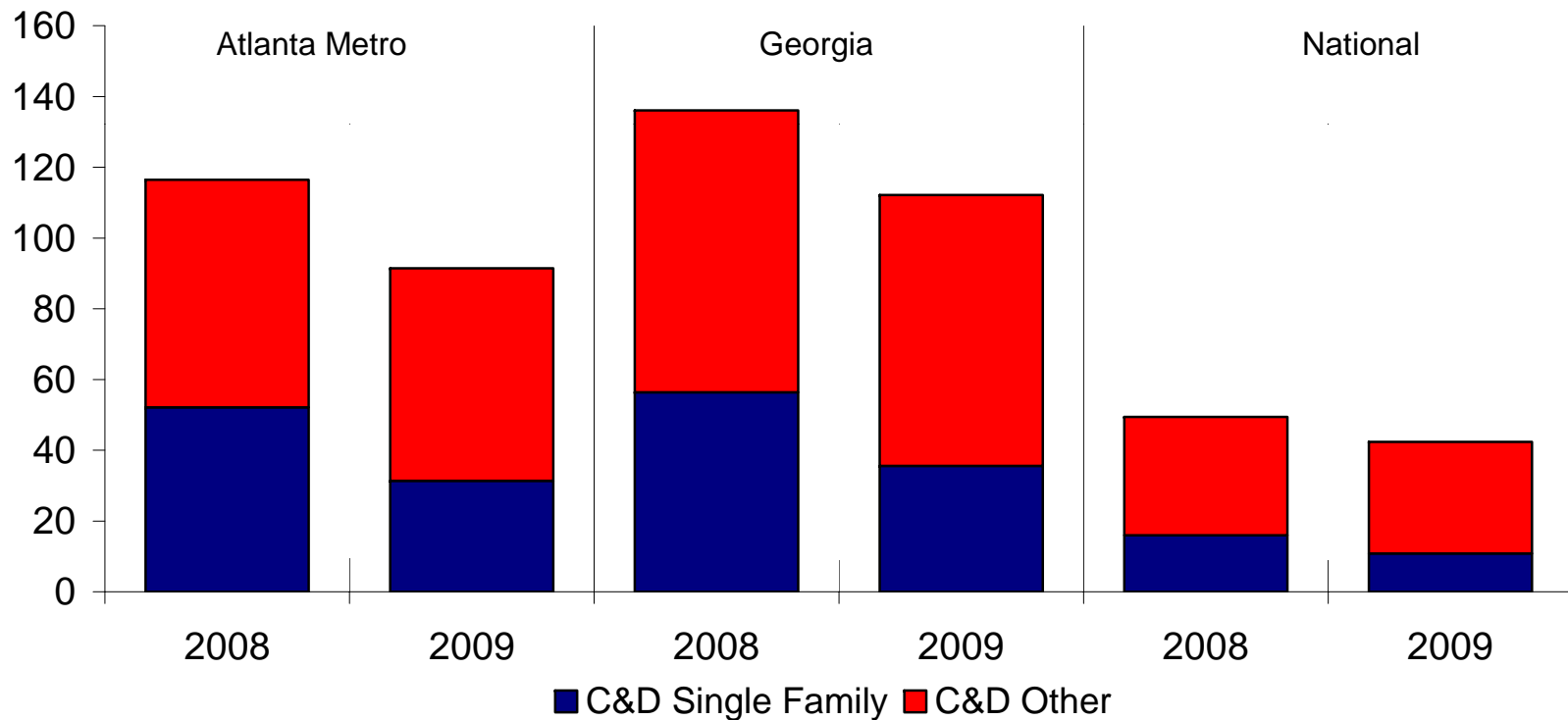
Provision expenses-to-average assets  
Median percentage



Source: FDIC, all insured institutions.

## The Majority of Construction Loans have been Primarily for Construction Other than 1-to-4 Family Residential Building

C&D loan category-to-total risk based capital  
Aggregate percentage

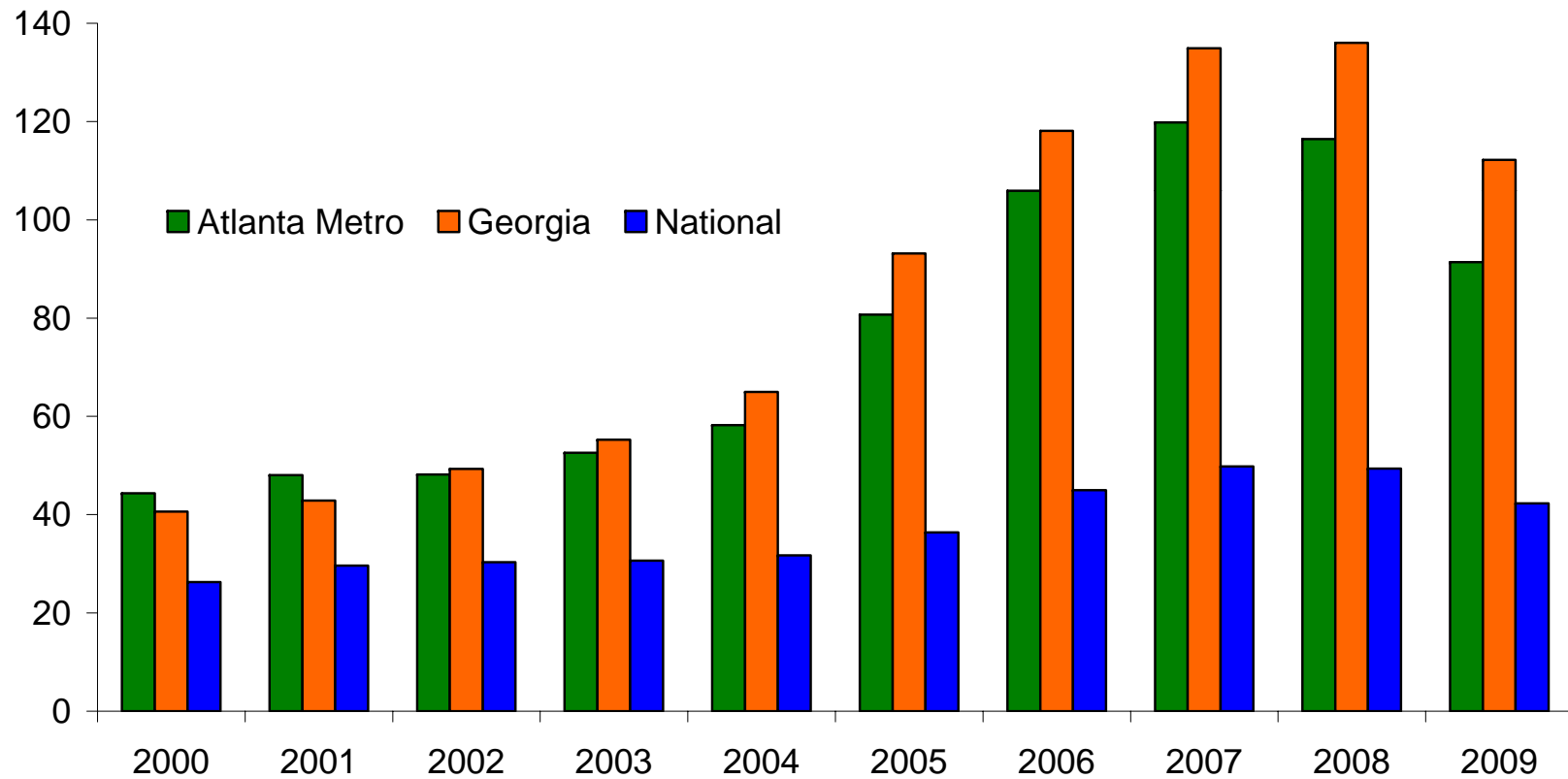


Source: FDIC, data as of March 31st for all insured institutions.

Note: Prior to 2007, the break out of C&D loan categories did not exist.

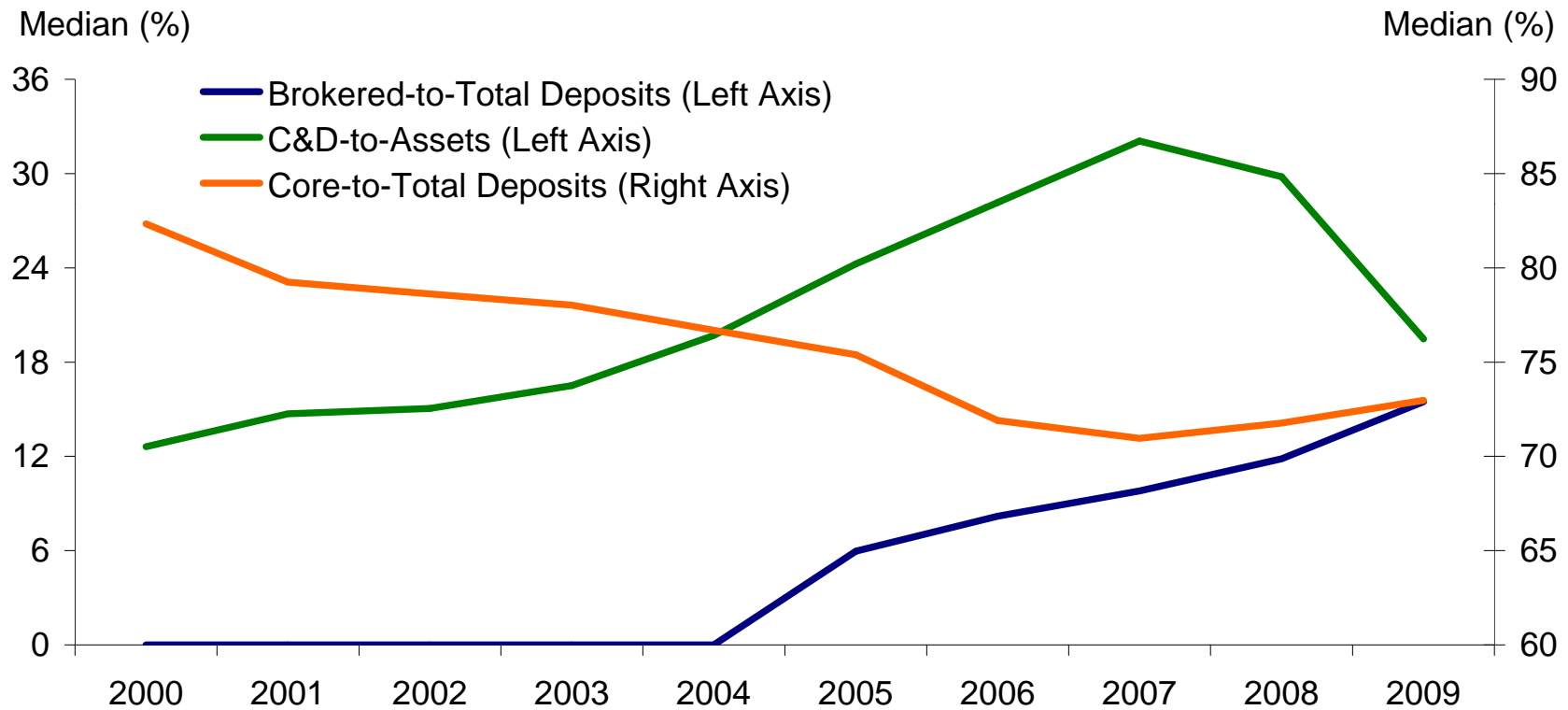
## Capital Exposure to C&D Lending has Started to Taper Off

C&D-to-Total Risk Based Capital  
Aggregate percentage



Source: FDIC, data as of March 31st for all insured institutions.

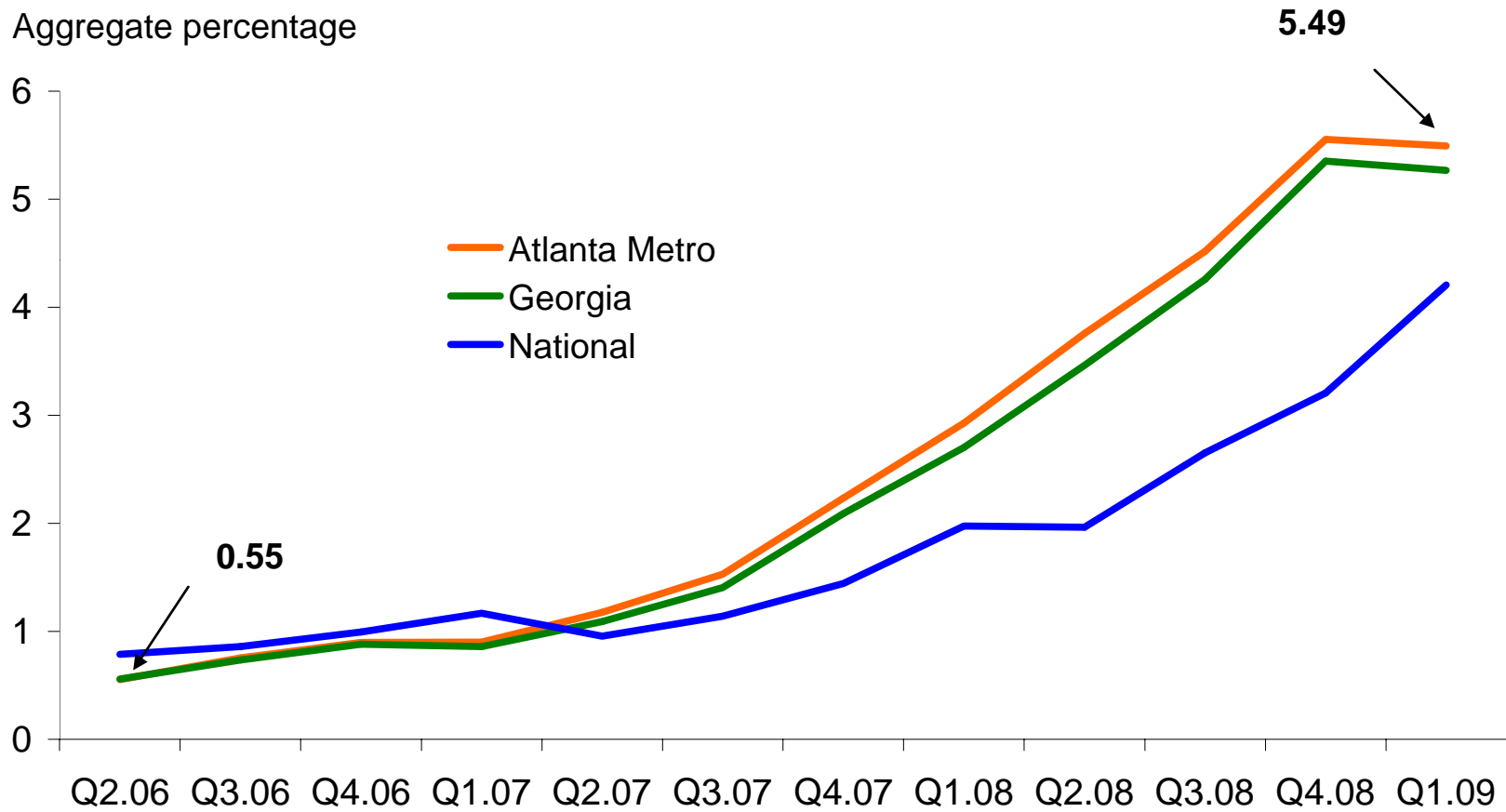
## Growth in Brokered Deposits helped to Fuel the Construction Boom Among Atlanta Metro Area Community Institutions



Source: FDIC. Data as of March 31st for institutions with assets less than \$1 billion and headquarters located in the Atlanta Metro area.

## Troubled Loan Balances Inside the Atlanta Metro Area Have Risen Faster than Average over the Past Several Quarters

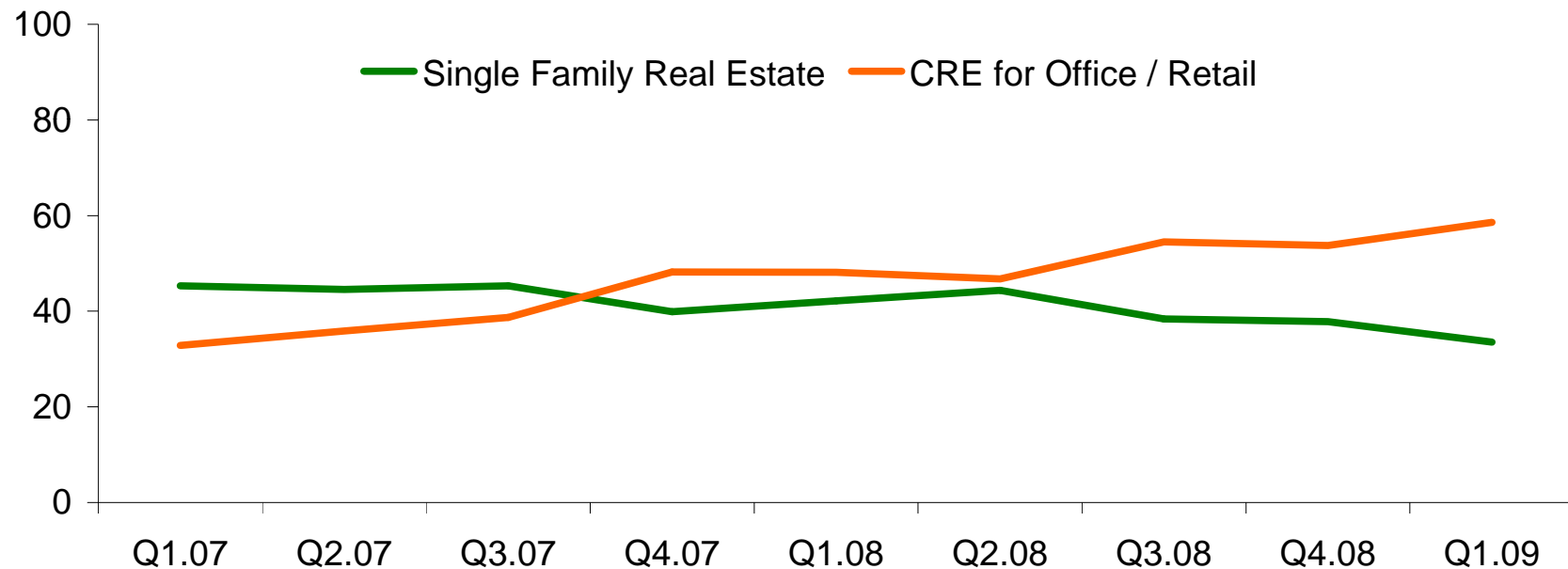
Trouble loan balance-to-total loans  
Aggregate percentage



Source: FDIC, all insured institutions.

## Troubled Loan Balances Shift Toward Commercial Real Estate Among Community Institutions in the Atlanta Metro Area

Troubled loan category balance-to-total troubled loan balance  
Aggregate percentage

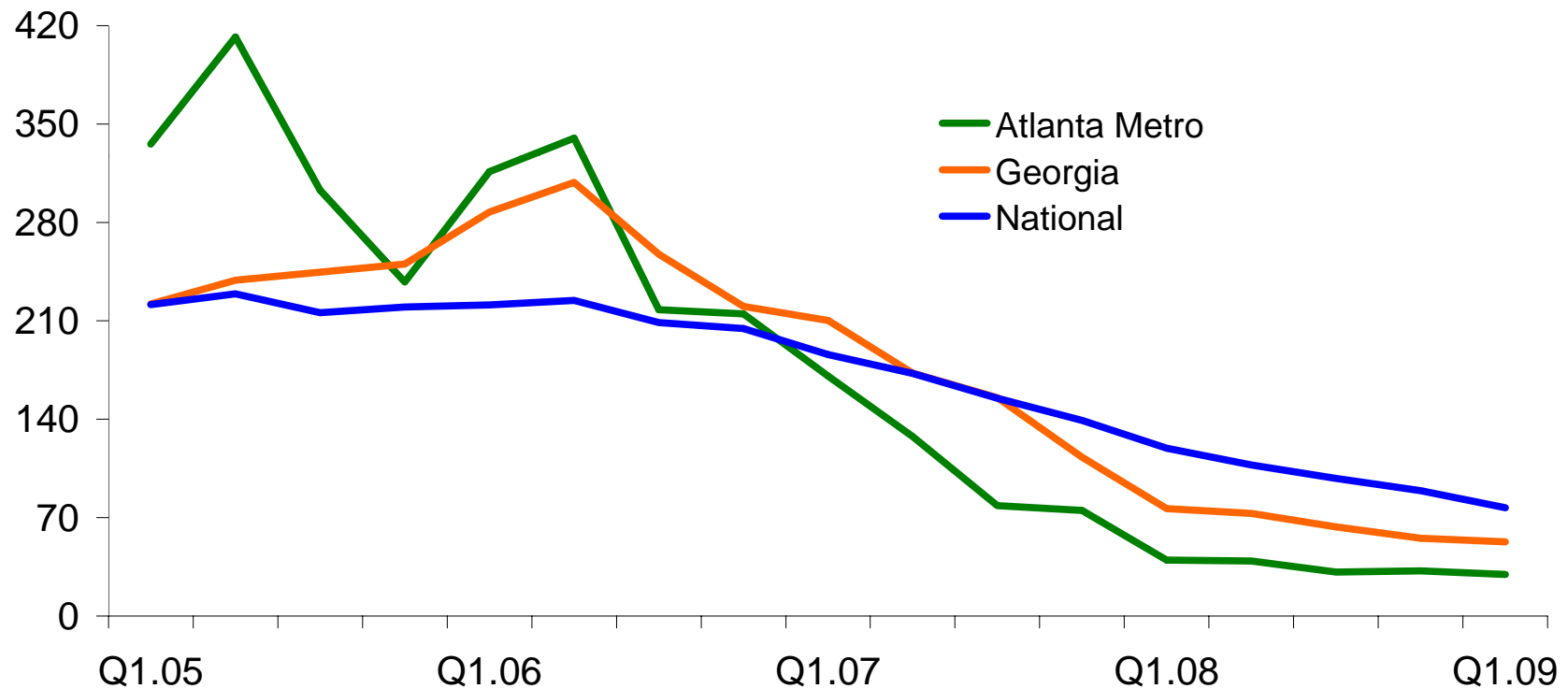


Source: FDIC. Institutions headquartered in the Atlanta metro area with assets less than \$1 billion are used.

Note: Trouble loans = (noncurrents + chargeoffs): Single family real estate consist of 1-to-4 family loans and C&D for single family homes. CRE for office/retail consist of owner and nonowner occupied nonfarm nonresidential and other C&D.

## A Sizable Increase in Noncurrent Loan Levels has Pushed the Reserve Coverage Ratio to Record Lows

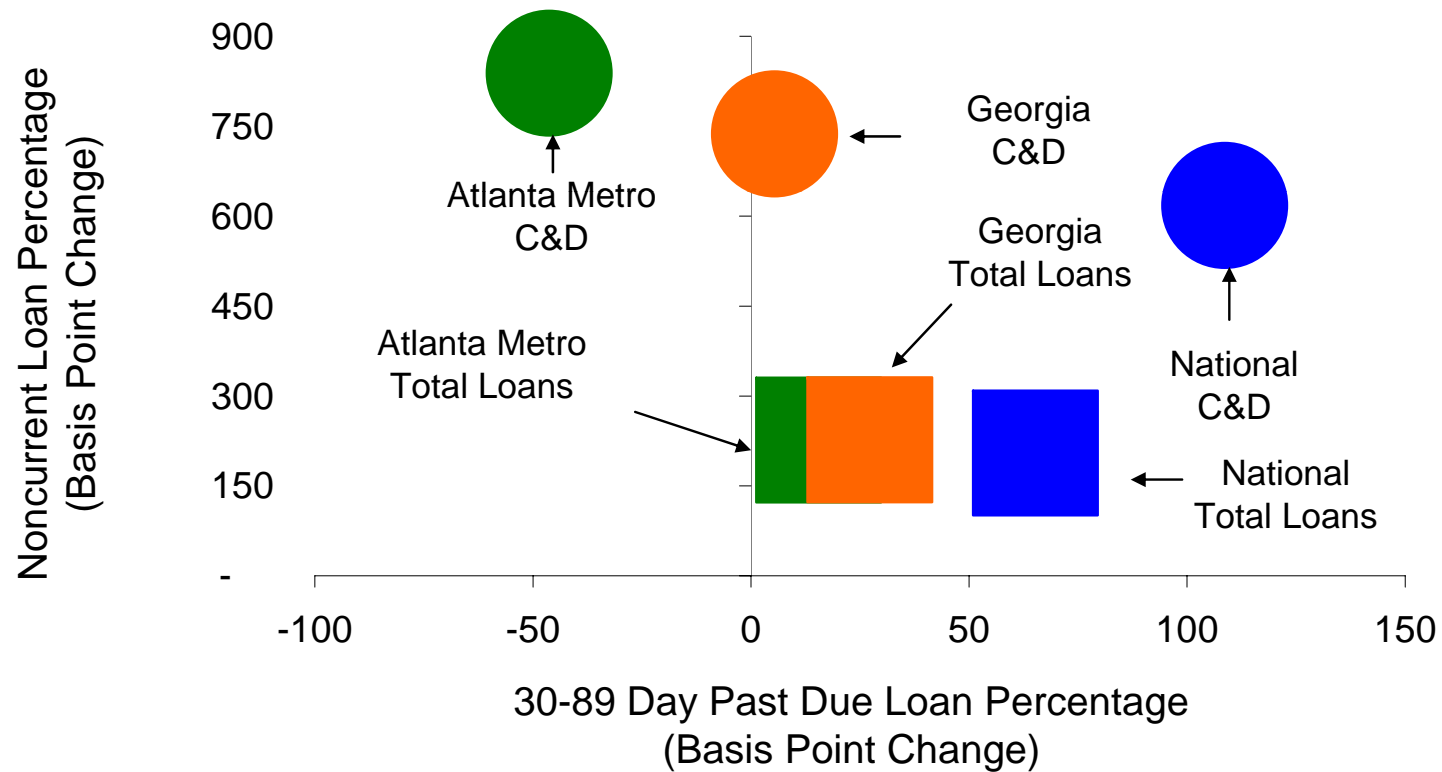
Loan loss reserve-to-noncurrent loans  
Median percentage



Source: FDIC



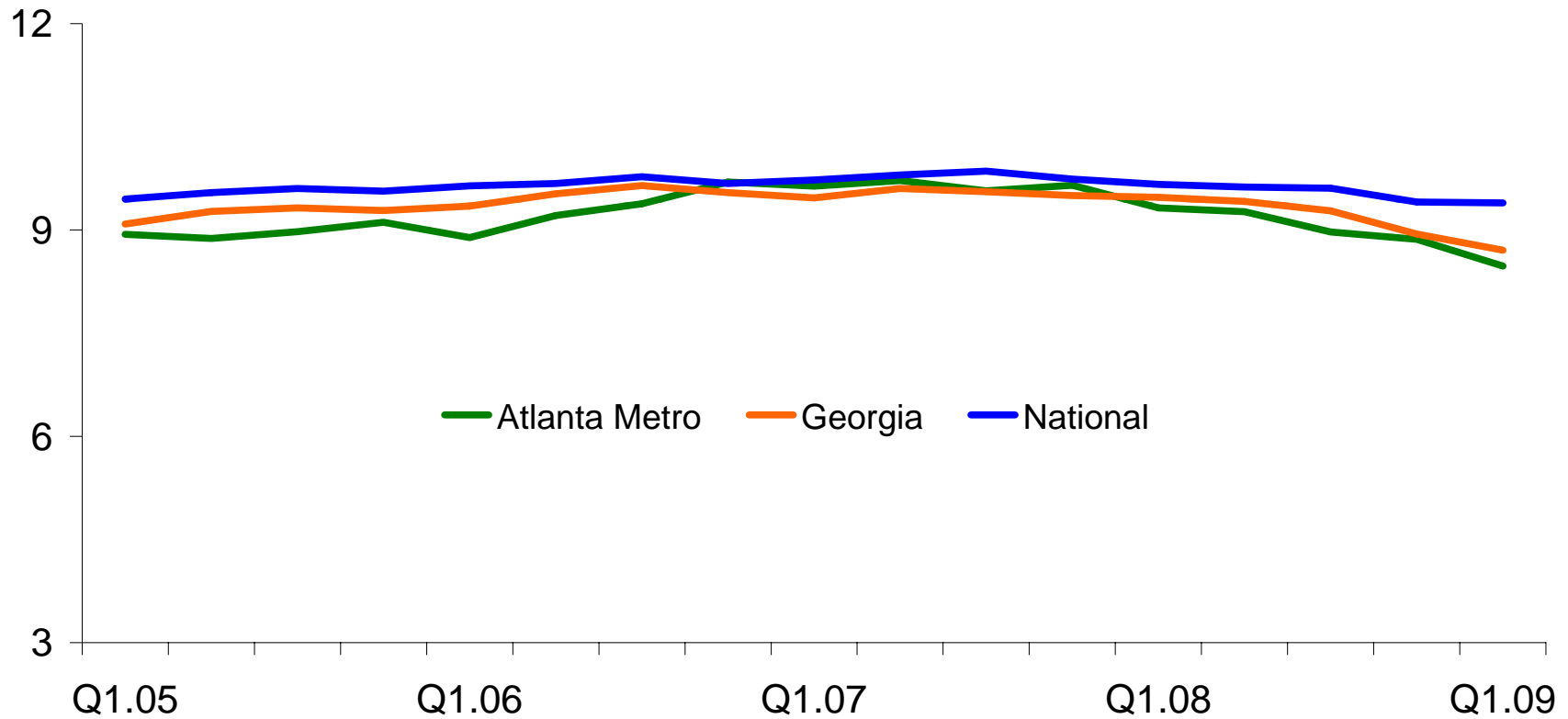
## Asset Quality Weakness among C&D Loan Products Drives Overall Past Due Levels Higher



Source: FDIC, data is aggregate for March 31st (2008-2009) for all insured institutions.

## The Majority of Insured Institutions Remain Well Capitalized

Leverage capital ratio  
Median percentage



Source: FDIC



**For further information or a copy of today's presentation, please contact:**

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**<http://www.fdic.gov/bank/analytical/stateprofile/index.html>**