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Atlanta, Georgia
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Disclaimer:

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.
Earnings Remain Weak among Insured Institutions

Source: FDIC, all insured institutions included.
Profitability is Below the National Trend in Atlanta and Georgia

Net operating income-to-Assets
Aggregate

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 institutions included.
Established Institutions in the Atlanta Metro area Comprise an Increasingly Larger Share of the Banks and Thrifts that are Loosing 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**

<table>
<thead>
<tr>
<th></th>
<th>Median percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Atlanta Metro</strong></td>
<td>1.50</td>
</tr>
<tr>
<td><strong>Q1.05</strong></td>
<td></td>
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<tr>
<td><strong>Q1.06</strong></td>
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<td><strong>Q1.07</strong></td>
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<td><strong>Q1.08</strong></td>
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<tr>
<td><strong>Q1.09</strong></td>
<td></td>
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<tr>
<td><strong>Georgia</strong></td>
<td></td>
</tr>
<tr>
<td><strong>National</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: FDIC, all insured institutions.

*Chart shows the provision expenses-to-average assets for different regions and quarters from Q1.05 to Q1.09.*

- **Atlanta Metro** trend shows a significant increase in Q1.09 compared to previous quarters.
- **Georgia** also shows a rise in Q1.09.
- **National** data is consistent with regional trends.
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

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Atlanta Metro</th>
<th>Georgia</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1.05</td>
<td>420</td>
<td>210</td>
<td>210</td>
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<tr>
<td>Q1.06</td>
<td>350</td>
<td>280</td>
<td>210</td>
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<td>Q1.07</td>
<td>210</td>
<td>280</td>
<td>210</td>
</tr>
<tr>
<td>Q1.08</td>
<td>70</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Q1.09</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
</tbody>
</table>

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

Source: FDIC
For further information or a copy of today’s presentation, please contact:

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