

Bank Ratings for Local Institutions 8-29-09

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Info Posted: July 2009

Safe & Sound[®] rating system

Star rating Definition

*****	Superior
****	Sound
***	Performing
**	Below peer group
*	Lowest rated

Banks/Thriffs, Oconee State Bank

<http://www.bankrate.com/rates/safe-sound/bank-ratings.aspx?t=cb&i=Oconee+State+Bank&r=&a=&c=&s=&z=>

<u>Institution</u>	<u>State</u>	<u>ZIP</u>	<u>Asset Size</u>	<u>Star Rating</u>	<u>Memo</u>	<u>Financial Statement</u>
OCONEE STATE BANK	GA	30677	\$100 million	*	Memo	Statement

OCONEE STATE BANK
35 NORTH MAIN STREET
WATKINSVILLE, Georgia 30677

STAR RATING: 1 *

Predictive Indicator neutral

As of March 31, 2009

Federal Reserve System Identifier 573036

INSTITUTIONAL HIGHLIGHTS

Institution Name	OCONEE STATE BANK	
Report Date	March 31, 2009	
Report Period	3 months	
Star Composite Rating, Percentile Rank	1 /2.01	
Predictive Indicator	neutral	
Earnings Rating, Percentile Rank	1 /8.74	
Asset Quality Rating, Percentile Rank	1 /1.81	
Capital Rating, Percentile Rank	2 /17.35	
Liquidity Rating, Percentile Rank	2 /17.74	
Institution Asset Size	312.5280 million	
Deposits	270.5320 million	
Loans	185.9880 million	
Equity	24.7880 million	
Net Profit/Loss	-686.00 thousand	

Key Earnings information and ratios:	Ratio (%)	Assessment
Return on Equity	-9.95	Substantially Below Average
Net Interest Margin	2.44	Substantially Below Average
Level of Non-interest Income (1)	0.74	Substantially Below Normal

Overhead (1)	2.95	Below Standard
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Key Asset Quality information and ratios:	Ratio (%)	Assessment
Nonperforming Asset Ratio (2)	112.62	Highly Problematic
Loss Reserve Coverage (3)	17.69	Substantially Below Normal
Loan Yield	4.94	Conservative
Asset Growth Rate	-3.07	Below Normal

Key measures of Capital Adequacy:	Ratio (%)	Assessment
Net Worth to Total Assets	7.93	Below Peer Norm
Regulatory Capital Ratio	12.93	Exceeded Requirement

Key measures of Liquidity:	Ratio (%)	Assessment
Balance Sheet Liquidity (4)	5.42	Weak
Purchased Liabilities (5)	21.91	No Greater Than Average Dependence

Institution Commentary

OVERVIEW of Institution

Organized in 1960, OCONEE STATE BANK is a state chartered commercial bank, which, as of March 31, 2009, reported \$312.5280 million in total assets. At that date, loans and deposits held by the bank amounted to \$185.9880 million and \$270.5320 million, respectively. The bank's March 31, 2009 equity base of \$24.7880 million produced an Equity/Assets ratio of 7.93%, as of that date.

COMPOSITE SUMMARY

Bankrate believes that, as of March 31, 2009, this bank exhibited a [significantly below average condition](#), characterized by substantially lower than normal overall, sustainable profitability, very questionable asset quality, below standard capitalization and lower than normal liquidity.

EARNINGS ANALYSIS

For the three months ended March 31, 2009, the bank recorded a net loss of \$-686.00 thousand, which represented a return on average assets (ROA) of -0.88%. Year earlier three month results amounted to a net profit of \$464.00 thousand, or a 0.57% annualized ROA. An ROA of at least 1.0% is deemed satisfactory in accordance with banking industry standards, and the industry's ROA for the first three months of 2009 was approximately 0.4%. We have concluded that for [the first three months of 2009, the bank achieved substantially below average return on equity](#), and, as noted, sustained an actual loss for that three month period. We deem net interest margin to have been substantially below average, and the reported percentage should cause inquiry into balance sheet composition, asset yields, and liability costs. Noninterest income was substantially below normal, and management should be questioned as to the outlook for this source of revenue. We also observed overhead ratios that were below standard, a sign of good expense control. Importantly, net interest margins, noninterest income components, and overhead expense levels represent operating factors that combine to impact overall operating results.

ASSET QUALITY ANALYSIS

The bank revealed, as previously stated, [very questionable asset quality](#). Our conclusion with respect to asset quality incorporates our analysis of data depicting regional economic conditions as well as our computations of a highly problematic March 31, 2009 nonperforming asset ratio,..... bank achieved substantially below average return on equity , and, as noted, sustained an actual loss for that three month period . We deem net interest margin to have been substantially below average, and the reported percentage should cause inquiry into balance sheet composition, asset yields, and liability costs. Noninterest income was substantially below normal, and management should be questioned as to the outlook for this source of revenue. We also observed [overhead ratios that were below standard, a sign of good expense control](#). Importantly, net interest margins, noninterest income components, and overhead expense levels represent operating factors that combine to impact overall operating results.

ASSET QUALITY ANALYSIS

The bank revealed, as previously stated, [very questionable asset quality](#). Our conclusion with respect to asset quality incorporates our analysis of data depicting regional economic conditions as well as our computations of a highly problematic March 31, 2009 nonperforming asset ratio, substantially below normal reserve coverage for nonperforming loans, and much greater than average holdings of commercial real estate and construction loans, two categories that can intensify credit risk. The bank's current level of nonperforming assets could lead to sharp write-downs and consequent substantial loss provisions. Hence, careful monitoring and additional inquiry are warranted.

Commercial real estate and construction loans should be examined for:

- Loan underwriting and appraisal standards that differ from normal bank guidelines.
- Loan-to-value benchmarks deemed not in conformance with prudent underwriting requirements.
- Speculative construction activity.
- The deferral of interest payments during construction periods.
- The funding of the entire amount of construction costs and land valuation.

Other asset categories, such as farm and consumer loans, which may carry more than usual default potential, should not have a substantial negative impact upon future results.

Banks/Thrifts, North Georgia Bank

<http://www.bankrate.com/rates/safe-sound/bank-ratings.aspx?t=cb&i=North+Georgia+Bank&r=&a=&c=&s=&z=>

Institution	State	ZIP	Asset Size	Star Rating	Memo	Financial Statement
NORTH GEORGIA BANK	GA	30677	\$100 million	★	Memo	Statement

NORTH GEORGIA BANK

7911 MACON HIGHWAY
WATKINSVILLE, Georgia 30677

STAR RATING: 1 ★

Predictive Indicator neutral

As of March 31, 2009

Federal Reserve System Identifier 2905604

Institution Name	NORTH GEORGIA BANK
Report Date	March 31, 2009
Report Period	3 months
Star Composite Rating, Percentile Rank	1 /2.46
Predictive Indicator	neutral
Earnings Rating, Percentile Rank	1 /14.57
Asset Quality Rating, Percentile Rank	1 /1.81
Capital Rating, Percentile Rank	1 /4.70
Liquidity Rating, Percentile Rank	4 /57.91
Institution Asset Size	196.4170 million
Deposits	160.1790 million
Loans	139.3690 million
Equity	13.0690 million
Net Profit/Loss	-251.00 thousand

Key Earnings information and ratios:	Ratio (%)	Assessment
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Return on Equity	-7.08	Substantially Below Average
Net Interest Margin	1.65	Substantially Below Average
Level of Non-interest Income (1)	0.28	Substantially Below Normal
Overhead (1)	2.32	Well Below Standard

Key Asset Quality information and ratios:	Ratio (%)	Assessment
Nonperforming Asset Ratio (2)	116.72	Highly Problematic
Loss Reserve Coverage (3)	12.45	Substantially Below Normal
Loan Yield	5.83	Conservative
Asset Growth Rate	20.77	Normal

Key measures of Liquidity:	Ratio (%)	Assessment
Balance Sheet Liquidity (4)	10.94	Strong
Purchased Liabilities (5)	28.14	Somewhat Greater Than Average Dependence

OVERVIEW of Institution

Organized in 2000, NORTH GEORGIA BANK is a state chartered commercial bank, which, as of March 31, 2009, reported \$196.4170 million in total assets. At that date, loans and deposits held by the bank amounted to \$139.3690 million and \$160.1790 million, respectively. The bank's March 31, 2009 equity base of \$13.0690 million produced an Equity/Assets ratio of 6.65%, as of that date.

COMPOSITE SUMMARY

Bankrate believes that, as of March 31, 2009, this bank exhibited a significantly below average condition, characterized by substantially lower than normal overall, sustainable profitability, very questionable asset quality, well below standard capitalization and seemingly ample liquidity.

EARNINGS ANALYSIS

For the three months ended March 31, 2009, the bank recorded a net loss of \$-251.00 thousand, which represented a return on average assets (ROA) of -0.56%. Year earlier three month results amounted to a net profit of \$189.00 thousand, or a 0.47% annualized ROA. An ROA of at least 1.0% is deemed satisfactory in accordance with banking industry standards, and the industry's ROA for the first three months of 2009 was approximately 0.4%. We have concluded that for the first three months of 2009, the bank achieved substantially below average return on equity, and, as noted, sustained an actual loss for that three month period. We deem net interest margin to have been substantially below average, and the reported percentage should cause inquiry into balance sheet composition, asset yields, and liability costs. Noninterest income was substantially below normal, and management should be questioned as to the outlook for this source of revenue. We also observed overhead ratios that were well below standard, a sign of strict expense control. Importantly, net interest margins, noninterest income components, and overhead expense levels represent operating factors that combine to impact overall operating results.

ASSET QUALITY ANALYSIS

The bank revealed, as previously stated, very questionable asset quality. Our conclusion with respect to asset quality incorporates our analysis of data depicting regional economic conditions as well as our computations of a highly problematic March 31, 2009 nonperforming asset ratio, substantially below normal reserve coverage for nonperforming loans, and much greater than average holdings of commercial real estate and construction loans, two categories that can intensify credit risk. The bank's current level of nonperforming assets could lead to sharp write-downs and consequent substantial loss provisions. Hence, careful monitoring and additional inquiry are warranted.

Commercial real estate and construction loans should be examined for:

- Loan underwriting and appraisal standards that differ from normal bank guidelines.
- Loan-to-value benchmarks deemed not in conformance with prudent underwriting requirements.
- Speculative construction activity.
- The deferral of interest payments during construction periods.

- The funding of the entire amount of construction costs and land valuation.

Other asset categories, such as farm and consumer loans, which may carry more than usual default potential, should not have a substantial negative impact upon future results.

Loan yield can measure financial reward versus credit risk. Excessive loan yield may be an indicator of existing or future problems. Our loan review indicates that the bank has assumed a seemingly prudent position between credit risk and financial reward.

FIRST AMERICAN BANK AND TRUST COMPANY

300 COLLEGE AVENUE
ATHENS, Georgia 30603

STAR RATING: 4 ★★★★★
Predictive Indicator neutral
As of March 31, 2009
Federal Reserve System Identifier 921039

FIRST AMERICAN BANK AND TRUST COMPANYGA30603\$100 million★★★★★[Memo](#)[Statement](#)

FIRST GEORGIA BANKING COMPANY

101 MAIN STREET
FRANKLIN, Georgia 30217

STAR RATING: 1 ★
Predictive Indicator neutral
As of March 31, 2009
Federal Reserve System Identifier 3219335

<u>Institution</u>	<u>State</u>	<u>ZIP</u>	<u>Asset Size</u>	<u>Star Rating</u>	<u>Memo</u>	<u>Financial Statement</u>
FIRST GEORGIA BANKING COMPANY	GA	30217	\$100 million	★	Memo	Statement

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14 Georgia Branches as of 2009-05-14

SYNOVUS FINANCIAL CORP.

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1111 BAY AVENUE
COLUMBUS, Georgia 31901

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As of December 31, 2008
Federal Reserve System Identifier 1078846

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AFB&T

150 WEST HANCOCK
ATHENS, Georgia 30601

STAR RATING: 1 ★
Predictive Indicator neutral
As of March 31, 2009
Federal Reserve System Identifier 947178