

Bank Failures 6/18/2011 - Present

A total of 92 banking failures have occurred thus far in 2011. The following table and write-ups summarizes the failures that occurred following the release of ratings based on first quarter 2011 financials. For the first 47 failures of 2011, please refer to the document, Bank Failures 1/1/2011 - 6/17/2011.

2011 Bank Failures														
NAME	CITY	State	Total Assets (\$)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	Constr. & Land Dev Lns. / Total Lns. (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	Change in Core Dep. (%)	KBRA Rating Prior Qtr.	KBRA Rating Failed Qtr	Failure Date
Mountain Heritage Bank	Clayton	GA	103.7M	2.39	55.90	904.09	46.49	1.01	1.50	(6.60)	(7.00)	E (4Q10)	E (1Q11)	6/24/11
First Chicago Bank & Trust	Chicago	IL	959.3M	23.32	78.34	244.69	11.27	0.87	2.83	(4.24)	(5.20)	E (4Q10)	E (1Q11)	7/8/11
Colorado Capital Bank	Castle Rock	CO	717.5M	6.90	83.44	415.72	48.69	2.20	2.46	(3.16)	(48.15)	E (4Q10)	E (1Q11)	7/8/11
Signature Bank	Windsor	CO	66.7M	0.00	77.60	209.00	17.43	2.28	3.34	(10.88)	(8.12)	E (4Q10)	E (1Q11)	7/8/11
First Peoples Bank	Port Saint Lucie	FL	228.3M	7.91	70.48	188.61	7.49	1.09	3.45	(7.36)	0.94	E (4Q10)	E (1Q11)	7/15/11
High Trust Bank	Stockbridge	GA	192.5M	0.00	75.46	1,020.35	18.73	1.25	1.55	(8.44)	(6.32)	E (4Q10)	E (1Q11)	7/15/11
One Georgia Bank	Atlanta	GA	186.3M	15.43	72.30	353.19	17.54	1.61	2.29	(2.48)	10.34	E (4Q10)	E (1Q11)	7/15/11
Summit Bank	Prescott	AZ	72.0M	0.36	82.60	169.24	15.72	2.05	3.97	(6.32)	(16.46)	E (4Q10)	E (1Q11)	7/15/11
Bank of Choice	Greeley	CO	1.07B	5.33	60.45	245.14	25.85	1.67	2.20	(3.12)	(1.35)	E(4Q10)	E(1Q11)	7/22/11
LandMark Bank of Florida	Sarasota	FL	275.0M	1.15	85.22	382.76	15.39	0.25	3.19	(11.40)	(9.41)	E(4Q10)	E(1Q11)	7/22/11

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SouthShore Community Bank	Apollo Beach	FL	46.3M	3.86	67.62	332.73	20.00	1.85	2.78	(7.56)	(11.74)	E(4Q10)	E(1Q11)	7/22/11
Integra Bank N.A.	Evansville	IN	2.18B	15.98	59.05	155.32	12.37	1.69	2.09	(8.28)	(10.63)	E (4Q10)	E (1Q11)	7/29/11
BankMeridian N.A.	Columbia	SC	239.8M	3.77	73.43	397.19	29.54	1.24	2.23	(7.96)	(6.36)	E (4Q10)	E (1Q11)	7/29/11
Virginia Business Bank	Richmond	VA	97.2M	1.50	79.54	178.82	8.04	2.20	3.41	(4.92)	(21.85)	E (4Q10)	E (1Q11)	7/29/11
Bank of Whitman	Colfax	WA	608.1M	19.35	82.68	158.85	5.80	3.03	3.22	(4.32)	(12.45)	E (4Q10)	E (1Q11)	8/5/11
Bank of Shorewood	Shorewood	IL	120.3M	0.00	62.06	159.70	5.91	2.88	3.26	(1.12)	2.29	E (4Q10)	E (1Q11)	8/5/11
First National Bank of Olathe, The	Olathe	KS	571.7M	2.08	58.88	515.79	31.31	1.96	1.54	(4.44)	(1.15)	E (4Q10)	E (1Q11)	8/12/11
Lydian Private Bank	Palm Beach	FL	1.68B	0.00	72.25	159.85	0.19	2.75	2.70	(3.76)	(5.62)	E (4Q10)	E (1Q11)	8/19/11
First Southern National Bank	Statesboro	GA	174.6M	8.10	69.36	297.39	15.98	2.33	3.28	(5.52)	3.79	E (4Q10)	E (1Q11)	8/19/11
First Choice Bank	Geneva	IL	149.6M	3.20	75.20	222.05	10.77	3.31	3.02	(3.68)	(24.29)	E (4Q10)	E (1Q11)	8/19/11

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Public Savings Bank	Huntingdon Valley	PA	48.7M	5.51	76.07	300.76	1.91	2.80	5.06	(7.56)	(8.37)	E (4Q10)	E (1Q11)	8/18/11
Patriot Bank of Georgia	Cumming	GA	161.0M	0.13	69.63	723.78	8.81	2.15	1.53	(0.80)	(0.11)	E (4Q10)	E (1Q11)	9/2/11
Creekside Bank	Woodstock	GA	103.9M	0.00	63.19	592.06	31.57	2.28	1.94	(1.96)	5.94	E (4Q10)	E (1Q11)	9/2/11
First National Bank of FL, The	Milton	FL	296.8M	10.38	62.66	381.42	34.76	4.76	2.02	(4.79)	(3.03)	E (1Q11)	E (2Q11)	9/9/11
Bank of the Commonwealth	Norfolk	VA	985.1M	36.63	85.24	260.05	10.22	1.67	2.56	(6.65)	2.94	E (1Q11)	E (2Q11)	9/23/11
Citizens Bank of Northern CA	Nevada City	CA	288.8M	0.00	79.06	166.03	9.09	3.92	4.56	(3.30)	(5.56)	E (1Q11)	E (2Q11)	9/23/11
First International Bank	Plano	TX	239.9M	0.00	78.77	266.26	11.64	2.76	3.44	(3.10)	(25.34)	E (1Q11)	E (2Q11)	9/30/11
The RiverBank	Wyoming	MN	417.4M	5.32	73.05	384.31	10.65	0.63	3.27	(3.90)	(5.89)	E (1Q11)	E (2Q11)	10/7/11
Sun Security Bank	Ellington	MO	355.9M	0.00	69.75	287.46	14.20	2.38	3.37	(8.50)	(5.65)	E (1Q11)	E (2Q11)	10/7/11
First State Bank	Cranford	NJ	204.4M	0.00	72.08	189.42	4.01	1.03	3.37	(0.93)	(5.84)	E (1Q11)	E (2Q11)	10/14/11
Piedmont Community Bank	Gray	GA	201.7M	0.00	62.85	747.60	36.15	0.66	2.42	(8.21)	(5.20)	E (1Q11)	E (2Q11)	10/14/11
Country Bank	Aledo	IL	190.6M	20.58	78.43	367.01	21.09	0.63	2.27	(4.77)	(1.81)	E (1Q11)	E (2Q11)	10/14/11

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Blue Ridge Savings Bank Inc	Asheville	NC	161.2M	0.00	62.56	672.92	24.32	1.34	3.78	(3.11)	0.98	E (1Q11)	E (2Q11)	10/14/11
Community Banks of CO	Greenwood Village	CO	1.39B	3.82	74.96	212.92	22.41	1.96	2.66	(3.87)	(2.21)	E (1Q11)	E (2Q11)	10/21/11
Old Harbor Bank	Clearwater	FL	215.9M	0.00	75.22	507.17	16.73	(1.03)	2.97	(7.53)	(0.63)	E (1Q11)	E (2Q11)	10/21/11
Decatur First Bank	Decatur	GA	191.5M	0.12	53.96	443.23	25.00	0.85	2.77	(4.62)	(0.02)	E (1Q11)	E (2Q11)	10/21/11
Community Capital Bank	Jonesboro	GA	181.2M	0.00	74.80	555.28	31.05	1.79	2.35	(1.34)	0.81	E (1Q11)	E (2Q11)	10/21/11
All American Bank	Des Plaines	IL	37.8M	0.00	70.15	219.25	10.41	2.20	2.95	(5.31)	(0.97)	E (1Q11)	E (2Q11)	10/28/11
SunFirst Bank	Saint George	UT	212.7M	2.23	61.29	161.36	24.05	8.02	2.69	(2.58)	(2.65)	E (1Q11)	E (2Q11)	11/4/11
Mid City Bank, Inc.	Omaha	NE	124.8M	8.22	50.78	299.26	0.00	0.37	3.71	(10.29)	(8.12)	E (1Q11)	E (2Q11)	11/4/11
Community Bank of Rockmart	Rockmart	GA	62.2M	14.62	67.17	330.87	1.12	2.43	3.25	(0.38)	(2.42)	E (1Q11)	E (2Q11)	11/10/11
Central Progressive Bank	Lacombe	LA	397.9M	0.00	61.88	281.70	41.96	5.56	3.83	(4.53)	(2.01)	E (1Q11)	E (2Q11)	11/18/11

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Polk County Bank	Johnston	IA	98.9M	0.00	57.88	403.89	10.60	1.88	3.89	(3.90)	(0.78)	E (1Q11)	E (2Q11)	11/18/11
Western National Bank	Phoenix	AZ	162.9M	10.39	89.62	232.71	5.68	1.03	3.79	(5.07)	(6.87)	E (2Q11)	E (3Q11)	12/16/11
Premier Community Bank of the Emerald Coast	Crestview	FL	126.0M	0.00	66.56	987.96	23.98	(0.86)	2.94	(4.61)	(10.30)	E (2Q11)	E (3Q11)	12/16/11

Another Bank Failure for Georgia

June 27, 2011

On Friday, June 24, 2011, the Georgia Department of Banking and Finance closed **Mountain Heritage Bank** (FDIC Certificate Number, 57593), based in Clayton, Georgia, marking the fourteenth bank failure for the state in 2011. The bank had been rated “E” since the fourth quarter of 2008. In June 2009 the bank was the subject of a FDIC cease and desist order citing inadequate capital, poor quality of loans and asset quality, as well as negative earnings. Thereafter, the bank appeared on the *Institutions of Concern (IOC)* list in the third quarter of 2009. The bank suffered from a high level of nonperforming assets (NPAs) with 69.0% of NPAs in its construction and loan portfolio. In the fourth quarter of 2010, the bank’s NPAs to total equity ratio was 459.12%. During the first quarter of 2011, the bank recorded a 60.0% decline in capital causing its NPAs to total equity ratio to increase to 1346.48%. The bank’s leverage ratio stood at 1.11% during the first quarter of 2011 compared to 3.76% in the same quarter for 2010, considered critically undercapitalized by regulatory standards. Mountain Heritage Bank’s deposit accounts, excluding certain brokered deposits, were assumed by **First American Bank and Trust Company** (rating, “A-”, FDIC Certificate Number, 16858).

1Q11 Financial Summary												
NAME	CITY	State	Total Assets (\$)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	3Q10 Rating	4Q10 Rating	1Q11 Rating
Mountain Heritage Bank	Clayton	GA	103.7M	2.39	55.90	1,346.48	1.01	1.50	(6.60)	E	E	E

Three Additional Banks Fail

July 11, 2011

On Friday, July 8, 2011, **First Chicago Bank & Trust** (FDIC Certificate Number, 27935) was closed by the Illinois Department of Financial and Professional Regulation. **Northbrook Bank & Trust Company** (rating, “C”, FDIC Certificate Number, 57028) assumed all of the deposits of First Chicago Bank & Trust. The bank had been “E” rated since December 2008 and first appeared on the *Institutions of Concern* (IOC) list in March 2010. The bank suffered from a high level of nonperforming assets (NPAs), net loans, and brokered deposits, as well as negative earnings. During the fourth quarter of 2010, NPAs to total equity stood at 269.21%. However, the bank recorded a 73% decline in equity causing this ratio to increase to 1167.76%. The majority of the bank’s NPAs were in its construction and land development portfolio, 34.8%, followed by 24.32% of NPAs in its loans secured by nonfarm and nonresidential properties. The 74% decline in capital also caused a steep decline in the bank’s regulatory capital ratios. In the fourth quarter of 2010, its leverage ratio, and Tier 1 and total risk-weighted capital ratios stood at 3.82%, 4.93%, and 6.21%, respectively. These declined to 0.80%, 1.01%, and 2.03%, respectively, in the first quarter of 2011, and were considered critically undercapitalized by regulators. The bank’s liquidity also suffered due to high levels of net loans to total assets, 78.34%, and its high level of brokered deposits to total domestic deposits, 23.32%, and was also in the 99th percentile for all banks. In 2010, the bank had a cumulative net loss of \$69.4 million. In the first quarter of 2011, the bank recorded a net loss of \$10.1 million.

The Colorado Division of Banking closed **Colorado Capital Bank** (FDIC Certificate Number, 34522). The bank had been rated “E” for three quarters and appeared on the most recent *Institutions of Concern* list. Colorado Capital Bank was the subject of two FDIC issued enforcement actions, a consent order issued in September 2010 and a prompt supervisory corrective action directive issued in May of 2011. The latter enforcement action required the bank to recapitalize within thirty days. As of March 31, 2011, Colorado Capital Bank had been losing capital for four consecutive quarters, culminating in a 55% decline in the first quarter of 2011, which placed the bank in the critically undercapitalized category. Similarly, the bank suffered from a high level of delinquent loans, which comprised 1,426% of remaining equity capital. Colorado Capital Bank’s deposit accounts, excluding certain brokered deposits, were assumed by Raleigh, North Carolina based **First-Citizens Bank & Trust Company** (rating, “B-”, FDIC Certificate Number, 11063).

The Colorado Division of Banking also closed **Signature Bank** (FDIC Certificate Number, 57835), based in Windsor, Colorado. All of Signature Bank’s deposits were assumed by **Points West Community Bank** (rating, “A”, FDIC Certificate Number, 3031). On October 22, 2009, the bank was the subject of an FDIC cease and desist order citing a number of concerns including inadequate capital, net interest margin, earnings, allowance for loan and lease losses, and liquidity. In the third quarter of 2009, the bank had a 200% increase in nonperforming assets (NPAs) and first appeared on the *Institutions of Concern* (IOC) list. The following quarter, December 2009, the bank was downgraded to an “E” rating and remained “E” rated until failure. The bank continued to suffer from deteriorating asset quality. In the first quarter of 2011, its NPAs to total equity ratio was 522.66%, in the 99th percentile among its peers, with 44.1% of NPAs in its construction and loan portfolio. Since 2009, Signature Bank had a track record of negative earnings, and in the first quarter of 2011, the bank recorded a loss of \$1.83 million. In addition to

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earnings losses during the first quarter of 2011, the bank also reported a 54% decline in capital. On March 31, 2011 the FDIC released a supervisory prompt corrective action directive, noting that the bank was undercapitalized. Tier 1 capital and total capital to risk-weighted assets were 2.56% and 3.86%, respectively, in the first quarter of 2011.

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NAME	CITY	State	Total Assets (\$)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	3Q10 Rating	4Q10 Rating	1Q11 Rating
First Chicago Bank & Trust	Chicago	IL	959.3M	23.32	78.34	1116.76	0.87	2.83	(4.24)	E	E	E
Colorado Capital Bank	Castle Rock	CO	717.5M	6.90	83.44	1425.64	2.20	2.46	(3.16)	E	E	E
Signature Bank	Windsor	CO	66.7M	N/A	77.60	522.66	2.28	3.34	(10.96)	E	E	E

Regulators Close Four More Banks

July 18, 2011

On Friday, July 15, 2011, **First Peoples Bank** (FDIC Certificate Number, 34870), based in Port Saint Lucie, Florida was closed by the Florida Office of Financial Regulation. **Premier American Bank, N.A.** of Miami, Florida (rating, “NB”, FDIC Certificate Number, 58991) assumed First Peoples’ deposits, excluding certain brokered deposits. First Peoples Bank maintained an “E” rating since the third quarter 2008 rating period and frequented the *Institutions of Concern (IOC)* list. The bank suffered from poor asset quality, continued negative earnings, and undercapitalization. In the first quarter of 2011, First Peoples’ NPAs comprised 4.59% of total assets and 426.53% of total equity, ranking the bank in the 99th percentile of all banks in terms of asset quality. The failed bank posted several years of losses, including a loss of \$7.65 million in 2010 and \$4.20 million in first quarter 2011. As a result, First Peoples Bank became critically undercapitalized by regulatory standards with a Tier 1 leverage ratio of just 1.31%. The FDIC also issued First Peoples Bank a consent order in March of 2010 and a prompt corrective action directive on January 28, 2011.

The Georgia Department of Banking and Finance closed **High Trust Bank** (FDIC Certificate Number, 19554), based in Stockbridge, Georgia. The bank had been rated “E” since the third quarter of 2008. In November of 2009 the bank was the subject of an FDIC consent order. A modified consent order followed in December of 2010. The order cited issues with capital levels, concentrations of credit, reserves, excessive doubtful and substandard assets, liquidity management, brokered deposits, and information security. The bank appeared on the *Institutions of Concern (IOC)* list in the second quarter of 2009 and has been featured every quarter thereafter up until the time of failure. The bank suffered from a high level of nonperforming assets (NPAs), which comprised 28.98% the bank’s total assets in the first quarter of 2011. High Trust Bank recorded a 63% decline in capital causing its NPAs to total equity ratio to increase to 2,375.76%. The bank’s leverage ratio stood at 1.48% during the first quarter of 2011 compared to 5.42% in the same quarter for 2010, considered critically undercapitalized by regulatory standards. The bank’s net interest margin (NIM) of 1.55% ranked in the lowest one percent of banks, and resulted in a negative return on assets of 2.11%. All of High Trust Bank’s deposit accounts, including brokered deposits, were assumed by **Ameris Bank** of Moultrie, Georgia (rating, “B-”, FDIC Certificate Number, 20504).

One Georgia Bank (FDIC Certificate Number, 58238), based in Atlanta, Georgia was closed by the State of Georgia Department of Banking & Finance, marking the 16th bank failure in the state of Georgia. The bank’s rating was downgraded to an “E” at the end of the first quarter of 2009 and carried the rating until the time of failure. Following the first quarter of 2010, the bank appeared on the *Institution of Concern (IOC)* list and was the subject of an FDIC consent order dated March 23, 2010. The order cited a number of concerns including weakness in asset quality, capital adequacy, earnings, management effectiveness, and liquidity. The bank was well capitalized by regulatory standards until the beginning of 2010, after which it fell below the regulatory capital standards as defined by the FDIC’s consent order in March of that year. As of March 31, 2011, One Georgia’s Tier 1 leverage ratio stood at 2.03%. One Georgia lost a total of \$22.3 million since the beginning of 2009. The bank continued to suffer from deteriorating asset quality. In the first quarter of 2011, its NPA to total equity ratio was 1,069.29% compared to

417.99%, in December 2010, with 49% of NPAs in its construction and loan portfolio. All of One Georgia Bank's deposits, excluding certain brokered deposits, were assumed by **Ameris Bank** (rating, "B-", FDIC Certificate Number, 20504).

The Arizona Department of Financial Institutions closed **Summit Bank** (FDIC Certificate Number, 57442) of Prescott, Arizona. The failed bank carried an "E" rating since the second quarter 2009 rating period and appeared on the *Institutions of Concern* (IOC) list several times. As was the case with many of the failed banks, Summit Bank had poor asset quality, continued losses, and a declining capital base. Summit Bank posted a loss of \$1.14 million in the first quarter of 2011, following a loss of \$3.30 million in 2010. Consequently, the bank's capital position deteriorated significantly over that time and was considered critically undercapitalized by regulatory standards in the first quarter of 2011 with a Tier 1 leverage ratio of 1.93%. Summit Bank had been operating under an FDIC prompt corrective action directive since February of 2011, requiring the bank to recapitalize via sale or acquisition. **The Foothills Bank** (rating, "C", FDIC Certificate Number, 34573) of Yuma, Arizona, acquired nearly all deposits and assets of Summit Bank.

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First Peoples Bank	Port St. Lucie	FL	228.3M	7.91	70.48	426.53	1.09	3.45	(7.36)	E	E	E
High Trust Bank	Stockbridge	GA	192.5M	0.00	75.46	2,375.76	1.25	1.55	(8.44)	E	E	E
One Georgia Bank	Atlanta	GA	186.3M	15.43	72.30	1,069.29	1.61	2.29	(2.48)	E	E	E
Summit Bank	Prescott	AZ	72.0M	0.36	82.60	503.59	2.05	3.97	(6.32)	E	E	E

Bank Failures Total Fifty-Eight

July 25, 2011

Bank of Choice, a Colorado based bank with assets totaling \$1.07 billion, failed on Friday, July 22, after failing to become adequately capitalized in accordance with an FDIC prompt supervisory action directive issued on March 14, 2011. The bank had been under capitalized in the fourth quarter of 2010 and the first quarter of 2011 due to a trend of significant equity losses dating back to 2009. Bank of Choice's high concentration in commercial real estate loans was a strong driver of the bank's demise. At the time of failure, the bank's tangible asset ratio ranked Bank of Choice in the bottom percentile of all domestic banks. As of March 31, 2011, nearly 26% of the bank's loans were construction and land development loans, compared to a national average of 4.6%. As a result, nearly half of the failed bank's \$125.6 million worth of nonperforming loans were from its construction and land development loan portfolio while \$34.6 million of additional loans were from the bank's portfolio of non-farm, non-residential real estate portfolio. Kansas City Missouri based **Bank Midwest, N.A.** (FDIC Certificate Number, 59052, too new to be rated) acquired Bank of Choice's deposits less a portion of its brokered deposits. Bank of Choice's seventeen locations reopened on Saturday under the Bank Midwest banner.

On July 22, 2011, **LandMark Bank of Florida** (FDIC Certificate Number, 35244) based in Sarasota, FL was closed by the Florida Office of Financial Regulation marking the seventh bank failure in the state of Florida. The bank was downgraded to an "E" rating at the end of the second quarter of 2009 and was added to the *Institutions of Concern (IOC)* list the following quarter. On September 23, 2010, the Federal Reserve Board released a prompt corrective action directive against the bank, citing it as undercapitalized by regulatory standards. As of March 31, 2011, the bank's tier 1 capital ratio was 0.32% and its total risk-weighted capital ratio was 0.63%, compared to 3.46% and 5.93%, respectively, at year-end 2010. The bank's leverage ratio dropped below the 2% level to 0.26% at the end of 1st quarter of 2011, thereby being considered "critically undercapitalized" by regulatory standards. Negative earnings affected the bank's deteriorating capital levels further in the first quarter of 2011, when the bank suffered a net loss of \$7.8 million, compared to \$468,000 the first quarter of 2010. The bank reported a high net loans to total assets ratio of 86% as of March 31, 2011, of which 36% comprised of relatively risky construction and land development loans. All assets of LandMark Bank of Florida were assumed by **American Momentum Bank** (rating, "C", FDIC Certificate Number, 58309).

On July 22, 2011, the Florida Office of Financial Regulation closed **SouthShore Community Bank** (FDIC Certificate Number, 58056), based in Apollo Beach, FL. The bank had been rated "E" since December 2009 and first appeared in the *Institutions of Concern (IOC)* list the following quarter in March 2010. Furthermore, the bank was the subject of an FDIC consent order released on March 4, 2010, citing its deficient capital levels among other problems. The bank suffered from a first quarter 2011 net loss of \$878,000, compared to a net loss of \$113,000 in the first quarter of 2010, which negatively affected SouthShore Community Bank's capital levels. The bank's tier 1 capital ratio declined from 4.82% at year-end 2010, to 2.61% in the first quarter of 2011, and its leverage ratio declined to 2.04% during the same period, flirting with the 2% level required by regulatory standards. As of March 31, 2011, the bank's net loans to total assets ratio was quite high at 68%, while its

nonperforming loans to total equity ratio rose from 214% as of December 31, 2010 to 754% in the first quarter of 2011. All assets of SouthShore Community Bank were assumed by **American Momentum Bank** (rating, "C", FDIC Certificate Number, 58309).

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Bank of Choice	Greeley	CO	1,066.04	5.33	60.45	570.65	1.67	2.20	(3.12)	E	E	E
LandMark Bank of Florida	Sarasota	FL	275.0	1.15	85.22	5,628.95	0.25	3.19	(11.40)	E	E	E
SouthShore Community Bank	Apollo Beach	FL	46.34	3.86	67.62	754.21	1.85	2.78	(7.56)	E	E	E

Bank Failures Total Sixty-One

August 1, 2011

Integra Bank, National Association (FDIC Certificate Number, 4392) based in Evansville, Indiana, a bank with \$2.18 billion in assets, was closed by the Office of the Comptroller of the Currency on July 29, 2011. The failed bank was “E” rated since the fourth quarter 2008 rating period and appeared on the KBRA *Institutions of Concern (IOC)* list five times. Integra Bank suffered from very poor asset quality, continued negative earnings, and declining capital. As of first quarter 2011, Integra Bank’s total NPAs comprised 9.55% of total assets and 546.18% of total equity. The bank continued to report negative earnings posting a first quarter 2011 net loss of \$45.0 million, following a cumulative net loss of \$110.9 million in 2010 and \$101.4 million in 2009. Subsequently, Integra Bank suffered from a weak capital position with a tangible capital ratio of 1.69% in the first quarter of 2011, ranking the bank in the bottom percentile of all banks. Additionally, Integra Bank was the subject of an OCC cease and desist order dated August 2010, requiring the bank to maintain higher capital minimums. The failed bank’s 52 branches were reopened over the weekend under **Old National Bank** of Evansville, Indiana, (FDIC Certificate Number, 3832, Rating, “A-”).

BankMeridian, N.A. (FDIC Certificate Number: 58222, rating “E”), a bank based in Columbia, South Carolina, with \$239.8 million in assets, was closed by the OCC on Friday, July 29, 2011. The bank had been rated “E” for 7 consecutive quarters and appeared on the KBRA *Institutions of Concern (IOC)* list five times prior to failure. BankMeridian entered into a formal agreement with the OCC on January 22, 2010, and became the subject of a cease and desist order in September of the same year. As of March 31, the failed bank was critically undercapitalized and ranked in the bottom percentile in terms of regulatory capital ratios as well as the tangible capital ratio due to a 72% decline in equity in the first quarter of 2011. The bank’s exceptionally poor capital levels coupled with a trend of increasing loan delinquencies led to a nonperforming assets to capital ratio of over 1,500% in the first quarter of 2011. BankMeridian’s high exposure to the relatively risky construction and land development loan market weakened its asset quality as nearly half of the bank’s total nonperforming loans fell into this category. Unsurprisingly, BankMeridian’s earnings suffered over the past four quarters; during this time period, the bank’s return on assets has consistently been negative and its net interest margin has been well below average. Orangeburg, South Carolina based, **SCBT National Association** (FDIC Certificate Number: 13425, Rating, “C+”) reopened BankMeridian’s three branch locations this morning and assumed all of its deposits.

On Friday, July 29, 2011, the Virginia State Corporation Commission closed **Virginia Business Bank** (FDIC Certificate Number, 58283), based in Richmond, Virginia. On August 20, 2009, the bank consented to a written agreement issued by the Federal Reserve Board, which demonstrated concern with the bank’s capital adequacy, credit risk management, loan review procedures, and fund liquidity, among other concerns. Shortly thereafter, the bank was downgraded to an “E” in the third quarter of 2009, and remained “E” until failure. The bank had negative earnings in the first quarter of 2011, following a similar trend in the preceding years of 2009 and 2010. Virginia Business Bank lost \$4.2 million in 2009 and \$6.0 million in 2010, which consequently depleted its equity capital from \$9.4 million to \$3.3 million during this period. The

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bank appeared on the KBRA *Institutions of Concern (IOC)* list in the third quarter of 2010 and every quarter following. As of March 31, 2011, the bank's tier 1 capital ratio, total risk-weighted capital ratio and leverage ratio were at 2.99%, 4.71% and 2.21%, respectively, considered significantly undercapitalized according to regulatory standards. On January 24, 2011, the Federal Reserve Board ordered the bank a prompt corrective action, to increase its equity capital levels. In addition, the bank's asset quality deteriorated in terms of its nonperforming assets to total equity ratio, which increased each quarter since June 2010, and reached a high of 604.77% in the most recent quarter ended March 31, 2011. All of the bank's assets and deposits were assumed by **Xenith Bank** located in Richmond, Virginia (FDIC Certificate Number, 57487, rating, "B").

1Q11 Financial Summary												
NAME	CITY	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	3Q10 Rating	4Q10 Rating	1Q11 Rating
Integra Bank N.A.	Evansville	IN	2,175.6	15.98	59.05	546.18	1.69	2.09	(8.28)	E	E	E
BankMeridian N.A.	Columbia	SC	239.82	3.77	73.43	1,505.29	1.24	2.23	(7.96)	E	E	E
Virginia Business Bank	Richmond	VA	97.17	1.50	79.54	604.77	2.20	3.41	(4.92)	E	E	E

Bank Failures Total Sixty-Three

August 8, 2011

Bank of Whitman (FDIC Certificate Number, 22528) based in Colfax, Washington, was closed by the Washington State Department of Financial Institutions on Friday, August 5. The failed bank was “E” rated since the third quarter 2009 rating period and appeared on the KBRA *Institutions of Concern (IOC)* list beginning with the March 2010 report. Bank of Whitman reported significant capital losses beginning in the third quarter of 2010, which continued through the first quarter of 2011. Ultimately, Bank of Whitman ranked in the bottom percentile of all domestic banks with tangible capital and leverage ratios of 3%, each. As a result, the Bank total delinquent loans comprised 234% of its remaining equity capital in the first quarter of 2011. Nonperforming loans were largely concentrated in commercial real estate. Bank of Whitman reported negative earnings for four consecutive quarters and posted a loss of \$6.5 million in the first quarter of 2011. Additionally, the failed bank’s liquidity was of concern as it reported a net loans to total assets ratio of 83%, which is quite high when compared to the median value of 63%, and a brokered deposit ratio of 20%. Additionally, Bank of Whitman was the subject of a prompt corrective action directive issued by the Federal Reserve Board in February 2011. The order required the bank to raise and maintain higher capital levels. **Columbia State Bank** in Tacoma, Washington, (FDIC Certificate Number, 33826, Rating, “B”) reopened eight of the failed bank’s locations this morning and will not reopen the remaining twelve locations.

Bank of Shorewood (FDIC Certificate Number: 22637), located in Shorewood, Illinois, carried an “E” rating for nine consecutive quarters prior to failure and appeared on the KBRA *Institutions of Concern (IOC)* list over the last four quarters. The failed bank was the subject of an FDIC Consent Order issued on November 24, 2009, citing weakness in asset quality, earnings, capital and liquidity. Asset quality was very poor with an NPA-to-equity figure of 126.77% in the first quarter of 2011. The bank’s earnings were also poor, losing \$1.56 million in 2009 and \$5.54 million in 2010. In addition, Bank of Shorewood was significantly undercapitalized with a Tier 1 leverage ratio of 2.88% in the first quarter of 2011. Due to the bank’s inadequate capital, the FDIC issued Bank of Shorewood a supervisory prompt corrective action directive in March of 2011, requiring the bank recapitalize via the sale of shares or acquisition. All of the failed bank’s deposits and essentially all assets have been assumed by Heartland Bank and Trust Company of Bloomington, Illinois, (FDIC Certificate Number, 20369, Rating, “B-”).

1Q11 Financial Summary												
NAME	CITY	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	3Q10 Rating	4Q10 Rating	1Q11 Rating
Bank of Whitman	Colfax	WA	608.14	19.35	82.68	234.08	3.03	3.22	(4.32)	E	E	E
Bank of Shorewood	Shorewood	IL	120.26	0.00	62.06	126.27	2.88	3.26	(1.12)	E	E	E

Bank Failures Total Sixty-Four

August 15, 2011

First National Bank of Olathe (FDIC Certificate Number, 4744) based in Olathe, Kansas, a bank with \$571.7 million in assets was closed by the Office of the Comptroller of the Currency on August 12, 2011. The failed bank was rated “E” since the third quarter of the 2009 rating period. The decline in asset quality and capital were prevalent – leaving the bank critically undercapitalized at the time of failure. As of the first quarter of 2011, First National Bank of Olathe’s total NPAs comprised 19.7% total assets and 1015.25% of total equity. The bank continued to report negative earnings, posting a first quarter 2011 net loss of \$6.4 million following a cumulative net loss of \$24.1 million in 2010 and \$55.2 million in 2009. **Enterprise Bank and Trust** of Clayton, Missouri (FDIC Certificate Number, 27237, Rating, “C+”) has signed a purchase and assumption agreement with the Federal Deposit Insurance Corporation (FDIC) to assume all deposits, excluding a portion of brokered deposits, and to acquire certain assets of the First National Bank of Olathe. To accompany this transaction, Enterprise and FDIC have signed a loss sharing agreement. The First National Bank of Olathe’s six branches reopened and now operate as branches of Enterprise Bank and Trust.

1Q11 Financial Summary												
NAME	CITY	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	3Q10 Rating	4Q10 Rating	1Q11 Rating
First National Bank of Olathe	Olathe	KS	571.68	2.08	58.88	1015.25	1.96	1.54	(4.44)	E	E	E

Bank Failures Total Sixty-Eight

August 22, 2011

Lydian Private Bank (FDIC Certificate Number, 35356) based in Palm Beach, Florida, a thrift with approximately \$1.68 billion in assets was closed by the Office of the Comptroller of the Currency on Friday, August 19th. This closure included the thrift's division, Virtual Bank. The failed bank was "E" rated since the fourth quarter 2008 rating period and appeared on the KBRA *Institutions of Concern (IOC)* list three times. Asset quality was poor with an NPA-to-equity figure of 191.17% in the first quarter of 2011. Additionally, earnings were consecutively negative with an ROA equal to negative 0.72% in December 2010 and negative 0.94% in March 2011. Cumulative net income resulted in losses of \$12.79 million as of December 31, 2010 and \$15.86 million as of March 31, 2011. Liquidity was unfavorable with net loans-to-total assets at a figure of 72.25%. Also, core deposits from the prior quarter fell 5.62%. All of the failed thrift's deposits, including brokered deposits and online deposits held at Virtual Bank, have been acquired by **Sabadell United Bank, National Association (N.A.)** of Miami, Florida (FDIC Certificate Number, 21837, Rating, "C").

On August 19, 2011, **First Southern National Bank** (FDIC Certificate Number, 57239) based in Statesboro, GA was closed by the Office of the Comptroller of the Currency, marking the 17th bank failure in the state of Georgia in 2011. The bank was downgraded to an "E" rating at the end of the second quarter of 2009. The bank had negative earnings in 2009 as well as 2010, with an ROA of negative 1.67% and negative 7.88% in each of those years respectively. In the third quarter of 2010, the bank recorded an ROA of -2.2%, ROE of -37.7%, due to high operating expenses. Following this quarter, on November 30, 2010, the Office of the Comptroller of the Currency issued a stipulation and consent order against the bank, citing a number of issues such as ineffective management, concentrations of credit, inadequate capital levels and high levels of credit risk amongst others. The OCC ordered the bank to maintain a total capital ratio of 13% and a Tier 1 capital ratio of 9%. However, by December 31, 2010, the bank's total capital ratio had dropped to 6%, and Tier 1 capital ratio had dropped to 4.7%, inadequate to meet the OCC order requirements. The bank also had high credit risk based on its loan portfolio, as nonperforming assets to total assets ratio was 12.5%, and reserves for loan losses to nonperforming assets was 27.7%. The bank continued to lose capital with negative earnings resulting in declining capital ratios until it was closed. All assets of First Southern National Bank were assumed by **Heritage Bank of the South** (rating, "B+", FDIC Certificate Number, 50028) based in Albany, GA.

On August 19, 2011, the Illinois Department of Financial and Professional Regulation—Division of Banking closed **First Choice Bank** (FDIC Certificate Number, 57212), based in Geneva, IL, marking the 7th bank failure in the state of Illinois in 2011. The bank had been rated "E" since December 2008 and first appeared in the *Institutions of Concern (IOC)* list three quarters later in September 2009. The bank recorded negative earnings in both 2008, and 2009, with an ROA of -0.92% in 2008, and -0.24% in 2009. The negative earnings were a result of extremely high noninterest expenses; in the fourth quarter of 2009, the bank's noninterest income was 0.8 million whereas noninterest expenses were 6.3 million. As a result, capital levels kept declining and on June 30, 2010, the bank was the subject of a consent order, issued by the FDIC, citing

issues such as inadequate capital levels, allowance for loans and lease losses, reduction of adversely classified assets as well as restriction to adversely classified borrowers. Per the order, the bank was supposed to maintain a total capital ratio of 11.5% and a Tier 1 capital ratio of 8.5%. By the end of that year, the bank had high net loans to assets ratio of 75.6%, nonperforming to total assets ratio of 12.8% with reserves to nonperforming assets of 20%, signaling high risks in its loan portfolio. As of the first quarter of 2011, the bank's total and Tier 1 capital ratios dropped to 5.8% and 4.5%, respectively, unable to meet FDIC's capital level requirements. All assets of First Choice Bank were assumed by **Inland Bank & Trust** (rating, "C+", FDIC Certificate Number, 22444) based in Oak Brook, IL.

Public Savings Bank (FDIC Certificate Number, 34130) based in Huntingdon Valley, Pennsylvania, a bank with \$48.68 million in assets was closed by the Pennsylvania Department of Banking on Thursday, August 18th. The failed bank was "E" rated since fourth quarter 2008 rating period and appeared on the KBRA *Institutions of Concern (IOC)* list five times. Declining asset quality and capital losses were evident in recent quarters. Asset quality was very poor with a NPAs-to-equity figure of 373.65% in the first quarter of 2011. Additionally, the bank's earnings were consecutively negative. Public savings Bank lost \$2.34 million in 2010 and \$922,000 in the first quarter of 2011. Also, the bank's net loans-to-total assets ratio was poor with a figure of 76.07% and its core deposits depleted by 8.37% from the prior quarter. As of March 31, 2011, the bank's Tier 1 capital ratio, total risk-weighted capital ratio and leverage ratio were reported at 3.69%, 4.87% and 2.78%, respectively, demonstrating undercapitalization. All of the failed bank's deposits and effectively all assets have been transferred to **Capital Bank, National Association (N.A.)**, of Rockville, Maryland (FDIC Certificate Number, 35278, Rating, "C").

1Q11 Financial Summary												
NAME	CITY	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	3Q10 Rating	4Q10 Rating	1Q11 Rating
Lydian Private Bank	Palm Beach	FL	1,682.96	0.00	72.25	191.17	2.75	2.70	(3.76)	E	E	E
First Southern National Bank	Statesboro	GA	174.64	8.10	69.36	563.57	2.33	3.28	(5.52)	E	E	E
First Choice Bank	Geneva	IL	149.63	3.20	75.20	249.05	3.31	3.02	(3.68)	E	E	E
Public Savings Bank	Huntingdon Valley	PA	48.68	5.51	76.07	373.65	2.80	5.06	(7.56)	E	E	E

Bank Failures Total Seventy

September 6, 2011

Patriot Bank of Georgia (FDIC Certificate Number, 58273), a bank based in Cumming, Georgia with \$160.98 million in assets, was closed by the Georgia Department of Banking and Finance on Friday, September 2, 2011. The bank had been rated “E” since the third quarter 2008 rating period and appeared on the KBRA *Institutions of Concern (IOC)* list seven times prior to failure. Patriot Bank of Georgia suffered from continual negative earnings reporting a first quarter 2011 loss of \$325,000 following cumulative losses of \$4.62 million in 2010 and \$3.81 million in 2009. The bank also exhibited poor asset quality as well as poor capital adequacy. NPAs comprised 14.08% of total assets and 665.93% of total equity. Subsequently, the tangible capital ratio was only 2.15% with additional capital ratios ranking among the lowest percentile of all banks. Patriot Bank of Georgia will reopen as branches of **Georgia Commerce Bank** of Atlanta, Georgia (FDIC Certificate Number, 57521, Rating, “C+”).

CreekSide Bank (FDIC Certificate Number, 58226) based in Woodstock, Georgia, a bank with \$103.92 million in assets, was closed by the Georgia Department of Banking and Finance on Friday, September 2, 2011. The failed bank was “E” rated since the fourth quarter 2008 rating period and appeared on the KBRA *Institutions of Concern (IOC)* list seven times. CreekSide Bank suffered from very poor asset quality, declining capital and continual negative earnings. As of first quarter 2011, Creekside Bank’s total NPAs comprised 19.16% of total assets and 843.08% of total equity and capital ratios were among the bottom percentile of all banks. Additionally, CreekSide Bank continued to report negative earnings posting a first quarter 2011 net loss of \$507,000 following a cumulative net loss of \$4.54 million in 2010 and \$5.50 million in 2009. All deposit accounts, as well as brokered deposits, have been transferred to **Georgia Commerce Bank** of Atlanta, Georgia, (FDIC Certificate Number, 57521, Rating, “C+”) and current locations of CreekSide Bank will reopen as its branches.

1Q11 Financial Summary												
NAME	CITY	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	3Q10 Rating	4Q10 Rating	1Q11 Rating
Patriot Bank of Georgia	Cumming	GA	160.98	0.13	69.63	665.93	2.15	1.53	(0.80)	E	E	E
CreekSide Bank	Woodstock	GA	103.92	-	63.19	843.08	2.28	1.94	(1.96)	E	E	E

Bank Failures Total Seventy-One

September 12, 2011

On Friday, September 9, 2011, the **First National Bank of Florida** (FDIC Certificate Number: 25155), based in Milton, Florida was closed by the Office of the Comptroller of the Currency. **CharterBank**, a thrift based in West Point, Georgia (rating, “B-”, Docket Number: 05798) assumed First National Bank of Florida’s deposits. First National Bank of Florida maintained an “E” rating since the fourth quarter 2007 rating period. The bank suffered from poor asset quality and significant undercapitalization, as well as a negative earnings trend. As of first quarter 2011, First National Bank of Florida’s total NPAs comprised 25.83% of total assets and 381.42% of total equity plus reserves. Additionally, First National Bank of Florida’s tangible capital ratio stood at only 4.76%, while its regulatory capital ratios also remained low with a Tier 1 capital ratio equaling 3.48% and a total risk based capital ratio of 4.75%. Subsequently, the bank reported continued negative earnings with a cumulative net loss of \$7.10 million in the second quarter of 2011, which was accompanied by a negative ROA amounting to 4.79%, 7.04%, 3.46% and 3.57% in preceding quarters. The FDIC and the assuming institution, CharterBank, entered into a loss-share agreement on \$216.3 million of The First National Bank of Florida's assets.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
First National Bank of Florida	Milton	FL	296.84	10.38	62.66	381.42	4.76	2.02	(4.79)	E	E	E

Bank Failures Total Seventy-Three

September 26, 2011

On Friday, September 23, 2011, **Bank of the Commonwealth** (FDIC Certificate Number: 20408), based in Norfolk, Virginia was closed by the Virginia State Corporation Commission. **Southern Bank and Trust Company**, a bank based in Mount Olive, North Carolina (rating “B+”, FDIC Certificate Number: 15359) assumed Bank of the Commonwealth’s deposits, excluding certain brokered deposits. Bank of the Commonwealth maintained an “E” rating since the fourth quarter 2009 rating period. The bank suffered from poor asset quality, significant undercapitalization and a negative earnings trend. As of second quarter 2011, Bank of the Commonwealth’s total NPAs comprised 19.26% of total assets and 260.05% of total equity plus reserves. In addition, the bank’s tangible capital ratio stood at only 1.67%, while its regulatory capital ratios also remained low with a Tier 1 capital ratio equaling 2.02% and a total risk-based capital ratio of 3.34%. This categorized Bank of the Commonwealth as significantly undercapitalized. Furthermore, the bank reported consecutive losses in the last year with negative ROAs amounting to 6.65%, 2.58%, 3.09%, and 0.26% in preceding quarters. This attributed to a reported cumulative net loss of \$32.75 million in the second quarter of 2011. The twenty-one branches of Bank of the Commonwealth will reopen as branches of Southern Bank and Trust Company.

Citizens Bank of Northern California (FDIC Certificate Number: 33983), based in Nevada City, California, was closed on Friday, September 23, 2011 by the California Department of Financial Institutions. All deposits have been transferred to **Tri Counties Bank**, a bank based in Chico, California (rating “B+”, FDIC Certificate Number: 21943). Citizens Bank of Northern California maintained an “E” rating since the fourth quarter 2009 rating period. The bank suffered from poor asset quality, undercapitalization, and a negative earnings trend. As of second quarter 2011, NPAs comprised 13.76% and 166.03% of Citizens Bank of Northern California’s total assets and total equity plus reserves, respectively. Furthermore, the bank’s tangible capital ratio stood at only 3.92%, while its regulatory capital ratios also remained low with a Tier 1 capital ratio equaling 4.70% and a total risk based capital ratio of 6.00%, both down significantly from this quarter one year ago when the ratios stood at 6.80% and 8.11%, respectively. Subsequently, Citizen Bank of Northern California reported continued losses with negative ROAs equaling 3.30%, 1.82%, 1.62%, and 1.51% in preceding quarters.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
Bank of the Commonwealth	Norfolk	VA	985.10	36.63	85.24	260.05	1.67	2.56	(6.65)	E	E	E
Citizens Bank of Northern California	Nevada City	CA	288.77	0.00	79.06	166.03	3.92	4.56	(3.30)	E	E	E

Bank Failures Total Seventy-Four

October 3, 2011

On Friday, September 30, 2011, **First International Bank** (FDIC Certificate Number: 33513), a bank with \$239.92 million in assets, based in Plano, Texas was closed by the Texas Department of Banking. All deposits of First International Bank have been transferred to **American First National Bank**, a bank based in Houston, Texas (rating “B”, FDIC Certificate Number: 34656). First International Bank maintained an “E” rating since the second quarter 2010 rating period. The bank suffered from poor asset quality, undercapitalization, and continued negative earnings. As of second quarter 2011, First International Bank’s total NPAs comprised 20.63% of total assets and 266.26% of total equity plus reserves, ranking the bank in the lowest percentile of all banks. Additionally, the bank suffered from undercapitalization with a tangible capital ratio equal to only 2.76%, while its regulatory capital ratios also remained low with a Tier 1 capital ratio equal to 3.27% and a total risk-based capital ratio equal to 4.59%. Moreover, the bank reported continued losses of \$3.82 million, \$12.94 million, \$3.49 million, and a cumulative net loss of \$3.72 million as of the second quarter of 2011.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
First International Bank	Plano	TX	239.92	0.00	78.77	266.26	2.76	3.44	(3.10)	E	E	E

Seventy-Six and Counting – Bank Failures Continue Slow and Steady

October 10, 2011

On Friday October 7, 2011, **The RiverBank** (FDIC Certificate Number: 10216), based in Wyoming, Minnesota, was closed by the Minnesota Department of Commerce. The RiverBank, a bank with \$417.42 million in assets, has maintained an “E” rating since the second quarter 2008 rating period. The bank suffered from poor asset quality, critical undercapitalization, and consecutive losses. As of second quarter 2011, the RiverBank’s total NPAs comprised 17.54% of total assets and 384.31% of total equity plus reserves, ranking the bank in the lowest percentile of all banks. The bank suffered from severe undercapitalization with a significantly low tangible capital ratio of 0.63% in addition to very low regulatory capital ratios—a Tier 1 capital ratio of 1.71% and a total risk-based capital ratio of 3.00%. Subsequently, the RiverBank reported consecutive losses of \$5.25 million, \$ 2.88 million, \$1.78 million, and \$1.52 million over the last year generating a cumulative net loss of \$8.13 million as of the second quarter of 2011. All deposits of the RiverBank have been transferred to **Central Bank**, based in Stillwater, Minnesota (rating “B-”, FDIC Certificate Number: 27234).

Sun Security Bank (FDIC Certificate Number: 20115), a bank with \$355.9 million in assets, based in Ellington, Missouri was closed by the Missouri Department of Finance on Friday, October 7, 2011. **Great Southern Bank**, a bank based in Springfield, Missouri (rating “B”, FDIC Certificate Number: 29546) assumed the failed bank’s deposits and reopened its 27 branch locations on Saturday. Sun Security Bank has been rated “E” since the December 2007 rating period, which amounts to fifteen consecutive quarters. Sun Security Bank has long suffered from numerous financial ills and was the subject of several enforcement actions issued by the FDIC. The failed bank has consistently posted poor asset quality, with NPAs approaching 300% of equity plus reserves, largely credited to significant soured construction and land development loans. Additionally, the bank reported a 59% decline in equity capital in the second quarter of 2011. As of second quarter 2011, Sun Security Bank’s equity fell from adequately capitalized to the critically undercapitalized threshold.

2Q11 Financials												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
The RiverBank	Wyoming	MN	417.42	5.32	73.05	384.31	0.63	3.27	(3.90)	E	E	E
Sun Security Bank	Ellington	MO	355.85	0.00	69.75	287.46	2.38	3.37	(8.50)	E	E	E

And Four More Make Eighty...

October 17, 2011

First State Bank (FDIC Certificate Number: 58046), based in Cranford, New Jersey, has been rated “E” for three consecutive quarters and appeared on the most recent *Institutions of Concern* (IOC) list prior to being closed by the New Jersey Department of Banking and Insurance last Friday. As the June 2011 IOC list stated, First state Bank was troubled due to its poor capital position, trend of net losses, and weak asset quality. First State Bank recorded equity losses in the third quarter of 2010 through the second quarter of 2011. In the second quarter of 2011, First State Bank reported a 75% decline in equity, which lowered its Tier 1 leverage capital ratio to 0.96%, down from 3.73% in the previous quarter. The failed bank’s Tier 1 and total capital ratios were equally dismal and stood at 1.30% and 2.59%, respectively. First State Bank earned a quarterly profit of \$611,000 in the second quarter of 2011. However, the bank posted cumulative net losses in each of the past four quarters, losing \$948,000 in the first half of 2011 and \$4.4 million in 2010. Nonperforming assets accounted for approximately 190% of equity plus reserves. In contrast, the median ratio of all domestic banks stood at 13.76% during the second quarter. First State Bank is the subject of two FDIC consent orders, issued in October 2009 and July 2011, citing weaknesses in management, capital, asset quality, lending policies, internal controls, and earnings, among other concerns. **Northfield Bank** (rating “A-”, OTS Docket Number: 18063), a savings and loans based in Staten Island, New York, acquired First State Bank’s deposits and reopened its two branch locations on Saturday, October 15, 2011.

On Friday, October 14, 2011, **Piedmont Community Bank** (FDIC Certificate Number: 57256), based in Gray, Georgia, was closed by the Georgia Department of Banking and Finance. The bank has maintained an “E” rating since the third quarter 2008 rating period. Piedmont Community Bank, with approximately \$201.73 million in assets, was subject to poor asset quality, declining capital adequacy, and a large amount of reported losses. During the second quarter of 2011, the bank reported a nonperforming assets-to-total equity plus reserves ratio equal to 747.6%, ranking the bank in the lowest percentile of all banks. Furthermore, the bank’s capital declined by 85% between the first and second quarters causing the bank to become significantly undercapitalized. Piedmont Community Bank’s regulatory capital ratios, Tier 1 and total risk-based, stood at 0.75% and 1.5%, respectively. Also, its tangible capital ratio was very low and stood at only 0.66%. Construction and land development loans as well as residential real estate loans remained relatively high at 36.15% and 21.15%, respectively. Subsequently, the bank reported a cumulative net loss of \$8.28 million as of the second quarter of 2011. All deposits of Piedmont Community Bank have been transferred to **State Bank and Trust Company**, based in Macon, Georgia, (rating “B+”, FDIC Certificate Number: 57870).

Country Bank (FDIC Certificate Number: 35395) in Aledo, Illinois Failed on Friday, October 14, after carrying an “E” rating for three quarters. The failed bank’s nonperforming assets began to swell in the third quarter of 2010, while equity capital began to dip in the following quarter. In the second quarter of this year, Country Bank posted a 94% loss in its equity capital, which fell from \$19.7 million, originally reported in its first quarter call report, to \$1.2 million. It should be noted that Country Bank amended its call report on August 30 and restated its equity capital at \$6.3 million. Unsurprisingly, as of the second quarter of 2011, Country Bank was considered critically undercapitalized by regulatory standards,

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with a Tier 1 leverage ratio of just 0.57%. As of June 30, Country Bank's nonperforming assets comprised nearly 370% of equity capital plus reserves. Additionally, Country Bank posted a net loss of \$4.8 million, down from a slight profit of \$217,000 in the first quarter of 2011. Country Bank was the subject of two consent orders issued by the FDIC in February and August of this year. The order issued in February as fairly standard—focusing mainly on management, capital, allowances for loan and lease losses, and classified assets. The second of these two orders was unusual in that it focused solely on Country Bank's liquidity position. **Blackhawk Bank & Trust** (rating "A-", FDIC Certificate Number: 18402), based in Milan, Illinois, acquired Country Bank's deposits less those owned by Cede & Co.

Blue Ridge Savings Bank, Inc., based in Asheville, North Carolina, (FDIC Certificate Number: 32347) was closed by the North Carolina Office of Commissioner of Banks on Friday, October 14, 2011. Blue Ridge Savings Bank, Inc., with approximately \$161.23 million in assets, has maintained an "E" rating since the first quarter 2008 rating period. The bank was subject to poor asset quality, declining capital adequacy, and consecutive losses. Nonperforming assets were extremely high and comprised 672.92% of total equity plus reserves in the second quarter of 2011. Also, capital declined approximately 64% between the first and second quarters of 2011, leaving the tangible capital, Tier 1 capital, and risk-based capital ratios at 1.34%, 1.67%, and 2.95%, respectively. Moreover, Blue Ridge Savings Bank, Inc. reported consecutive quarterly losses over the last year, contributing to a cumulative net loss of \$2.51 million reported in the second quarter of 2011. As a result, all deposits of Blue Ridge Savings Bank, Inc. have been assumed by the **Bank of North Carolina**, based in Thomasville, North Carolina (rating "C-", FDIC Certificate Number: 33527).

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
First State Bank	Cranford	NJ	204.43	0.00	72.08	189.42	1.03	3.37	(0.93)	E	E	E
Piedmont Community Bank	Gray	GA	201.73	0.00	62.85	747.60	0.66	2.42	(8.21)	E	E	E
Country Bank	Aledo	IL	190.60	20.58	78.43	367.01	0.63	2.27	(4.77)	E	E	E
Blue Ridge Savings Bank, Inc.	Asheville	NC	161.23	0.00	62.56	672.92	1.34	3.78	(3.11)	E	E	E

Bank Failures Total Eighty-Four

October 24, 2011

Community Banks of Colorado (FDIC Certificate Number: 21132) in Greenwood Village, Colorado failed on October 21, after carrying an “E” rating since the first quarter 2009 rating period. The failed bank entered into a written agreement with the Federal Reserve Board in March of 2009 citing concerns with board oversight, credit risk management, asset quality, and capital adequacy, among other concerns. Further, Community Banks of Colorado was the subject of a prompt corrective action issued in February 2011 requiring the bank to recapitalize within 90 days. At the time of failure, the bank continued to report poor asset quality, undercapitalization, and continued negative earnings. NPAs comprised 11.85% of total assets and 212.92% of equity plus reserves in the second quarter, while tangible equity-to-total assets stood at just 1.96%. Through the first six months of 2011, Community Banks of Colorado posted a net loss of \$26.82 million, following a cumulative 2010 net loss of \$64.34 million. **Bank Midwest, National Association** (rating “NB”, FDIC Certificate Number: 59052), based in Kansas City, Missouri, acquired Community Banks of Colorado’s deposits less the Cede & Co. deposits.

Old Harbor Bank (FDIC Certificate Number: 57537), based in Clearwater, Florida, was closed on Friday, October 21, 2011 by the Florida Office of Financial Regulation. All deposits have been transferred to **1st United Bank** of Boca Raton, Florida (FDIC Certificate Number: 21943), a bank with \$1.26 billion in assets and a rating of “B+” as of 2Q11. Old Harbor Bank had been rated “E” since the first quarter 2008 rating period and appeared on the KBRA *Institutions of Concern* list (IOC) seven times prior to failure. The bank suffered from poor asset quality, resulting from its high concentration in residential and commercial real estate loans, which represented 70.43% of gross loans as of June 30, 2011. Construction and land development loans were also relatively high as they comprised 16.73% of the bank’s gross loans. As of the second quarter 2011, Old Harbor Bank’s NPAs increased 10% to comprise 14.81% of total assets and 507.17% of equity plus reserves. Net income stood at negative \$8.13 million in the first-half of 2011, up from a loss of \$4.96 million in the first-half of 2010. The bank’s continued net losses have resulted in a declining capital base with Old Harbor Bank losing 368% of its equity during the second quarter of 2011. Consequently, the bank was critically undercapitalized by regulatory standards with a Tier 1 leverage ratio of negative 1.34% down from 0.86% in the previous period. An FDIC consent order was issued to Old Harbor Bank on September 1, 2010, requiring the bank to improve its capital ratios within 30 days of the order’s issuance. The consent order also cited issues with the bank management and excess of poor performing assets.

Decatur First Bank (FDIC Certificate Number: 34392), based in Decatur, Georgia was shuttered by the Georgia Department of Banking and Finance on Friday, October 21st. The bank had been rated “E” for eleven consecutive quarters and appeared on the *Institutions of Concern* list dating back to the December 2009 rating period. Additionally, Decatur First Bank was the subject of an FDIC consent order issued in December 2009, which cited weaknesses in asset quality, capital adequacy, earnings, management effectiveness, liquidity, and sensitivity to market risk. As of June 30, 2011, the troubled bank’s capital position was dismal with Tier 1, total, and leverage capital ratios of 1.24%, 2.48%, and 0.84%, respectively – all well below the regulatory thresholds for adequate capitalization – due to a 62% decline in equity capital in the second quarter.

Nonperforming assets, which totaled \$20.77 million dollars, comprised 443.23% of remaining equity capital and reserves and 10.81% of total assets. The bank's poor asset quality is likely due to its high concentration in construction and land development loans, which comprised 25.0% of Decatur First Bank's loan portfolio. In comparison, the median ratio of construction loans to total loans across all domestic banks is 4.37%. Unsurprisingly, Decatur First Bank has been posting net losses on a both a quarterly basis and on a cumulative basis since at least 2009. **Fidelity Bank** (rating "B-", FDIC Certificate Number: 21440), based in Atlanta, Georgia, New York, acquired Decatur First Bank's deposits and reopened its Five branch locations on Saturday, October 22, 2011.

Community Capital Bank (FDIC Certificate Number, 57036) based in Jonesboro, Georgia, held approximately \$181.23 million in assets before it was closed by the Georgia Department of Banking and Finance on Friday, October 21st. The failed bank had been "E" rated and appeared on the KBRA *Institutions of Concern (IOC)* list every quarter beginning with the first quarter 2008 rating period. Community Capital Bank's asset quality was very poor, with an NPAs-to-total assets ratio of 17.09% and a NPAs-to-total equity plus reserves ratio of 555.28% with reserves covering only 7.71% of NPAs. Both NPAs-to-total assets and NPAs-to-total equity plus reserves ratios have steadily increased in recent quarters from 16.27% and 425.25%, respectively, in the first quarter of 2011 to their current levels. Additionally, total capital declined by 28% in the second quarter of 2011, resulting in a Tier 1 capital ratio of just 2.38% and a total risk-based capital ratio of just 3.63%. The bank was considered significantly undercapitalized by regulatory standards and ranked in the bottom percentile of its peer group in terms of capital adequacy. Community Capital Bank had continued to report losses through the second quarter 2011, with a negative return on assets of 1.34%. Subsequently, Community Capital Bank was subject to a cease and desist order issued by the FDIC on April 16, 2009 citing the bank for poor management, inadequate equity capital, poor asset quality, and operating with hazardous lending and lax collection practices. All assets of Community Capital Bank were assumed by **State Bank and Trust Company** (rating, "B+", FDIC Certificate Number, 57870) based in Macon, GA.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
Community Banks of Colorado	Greenwood Village	CO	1,387.7	3.82	74.96	212.92	1.96	2.66	(3.87)	E	E	E
Old Harbor Bank	Clearwater	FL	215.94	0.00	75.22	507.17	(1.03)	2.97	(7.53)	E	E	E
Decatur First Bank	Decatur	GA	191.50	0.12	53.96	443.23	0.85	2.77	(4.62)	E	E	E
Community Capital Bank	Jonesboro	GA	181.23	0.00	74.80	555.28	1.79	2.35	(1.34)	E	E	E

Bank Failures Total Eighty-Five in 2011

October 31, 2011

All American Bank (FDIC Certificate Number: 57759) in Des Plaines, Illinois failed on Friday, October 28, after carrying an “E” rating since the first quarter 2009 rating period. The bank was subject to a consent order issued on January 14, 2011 citing unsafe banking practices, specifically related to maintaining adequate reserves for handling liabilities arising from third party payment processing. Furthermore, All American Bank suffered from poor asset quality, undercapitalization, and continued negative earnings. As of June 30, 2011, nonperforming assets comprised 16.69% of total assets and 219.25% of total equity plus reserves. In terms of capital adequacy, All American Bank’s tangible equity-to-total assets ratio stood at just 2.20%, while regulatory capital ratios also remained low at just 3.08% and 4.42%, for Tier 1 and total risk based in the second quarter, respectively. Through the first six months of 2011, All American Bank reported a cumulative negative return on assets of 5.31% and a net loss of \$1 million, following a cumulative 2010 net loss of \$400,000. **International Bank of Chicago** (rating “C+”, FDIC Certificate Number: 33708), based in Chicago, Illinois, acquired All American Bank’s deposits.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
All American Bank	Des Plaines	IL	37.75	0.00	70.15	219.25	2.20	2.95	(5.31)	E	E	E

Bank Failures Total Eighty-Seven To Date in 2011

November 7, 2011

SunFirst Bank (FDIC Certificate Number: 57087), based in Saint George, Utah, failed on Friday, November 4, 2011, after carrying an “E” rating since the fourth quarter of 2008. The bank suffered from weak asset quality and consecutive losses. As of June 2011, nonperforming assets totaled 161.36% of total equity plus reserves, while reserves for loan losses only comprised 17.51% of nonperforming assets. In addition, the bank reported negative earnings equal to 2.58%, 1.98%, 2.66%, and 3.05%, over the last year, amounting to a cumulative net loss of \$2.74 million as of June 2011. Furthermore, the bank reported a relatively high amount of residential and construction loans equal to 24.87% and 24.05% of total loans, respectively. SunFirst Bank was subject to five enforcement actions, beginning in 2009, with the latest occurring on August 1, 2011. The latest enforcement action was a supervisory prompt corrective action directive issued to the vice chairman of the bank citing criminal charges and prohibiting him from further participation in the bank’s affairs in order to protect the interest of the depositors. Additionally, on July 28, 2011, the bank was issued a supervisory prompt corrective action directive primarily citing deteriorating capital conditions and concerns with management. The bank was finally closed by the Utah Department of Financial Institutions and deposit accounts were transferred to **Cache Valley Bank** (rating “C”, FDIC Certificate Number: 22134), based in Logan, Utah.

Mid City Bank, Inc. (FDIC Certificate Number: 19397), based in Omaha, Nebraska, failed on Friday, November 4, 2011, after carrying an “E” rating since the fourth quarter of 2008. The bank exhibited very poor asset quality, significant undercapitalization, and consecutive losses. As of June 2011, nonperforming assets comprised 299.26% of total equity plus reserves, ranking the bank in the highest percentile of all banks. Also, the bank was critically undercapitalized reporting a tangible equity ratio equal to 0.37%, as well as severely low regulatory ratios—Tier 1 and total risk-based, both equal to negative 0.4%. Furthermore, equity capital declined approximately 91% since the prior quarter. Mid City Bank, Inc. reported negative returns equal to 10.29%, 2.36%, 13.78%, and 8.17% over the last year. As of June 2011, the bank’s cumulative net loss amounted to \$6.42 million. Mid City Bank, Inc. was closed by the Nebraska Department of Banking and Finance and deposit accounts were transferred to **Purdum State Bank** (rating “A-”, FDIC Certificate Number: 12493), located in Purdum, Nebraska. Purdum State Bank will change its name to Premier Bank on November 12, 2011.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
SunFirst Bank	Saint George	UT	212.66	2.23	61.29	161.36	8.02	2.69	(2.58)	E	E	E
Mid City Bank, Inc.	Omaha	NE	124.75	8.22	50.78	299.26	0.37	3.71	(10.29)	E	E	E

Bank Failures Total Eighty-Eight Year To Date in 2011

November 11, 2011

Community Bank of Rockmart (FDIC Certificate Number: 57860), based in Rockmart Georgia, failed on Thursday, November 10, 2011, after carrying an “E” rating since the December 2008 rating period. The bank’s financial strength was hampered by weak asset quality, poor capitalization and a trend of net losses. As of the second quarter of 2011, the bank’s nonperforming assets comprised a staggering 330% of remaining equity capital plus reserves and were only 12% covered by reserves. The bank had been under capitalized since the fourth quarter of 2010 and had been consistently losing equity capital for over a year. Additionally, the bank had not been profitable since the first quarter of 2009 and posted a loss of \$1.13 million in the second quarter of 2011, and an annualized cumulative ROA of negative 0.38%. After the Georgia Department of Banking and Finance closed Community Bank of Rockmart, its deposits were transferred to **Century Bank of Georgia** (rating “B+”, FDIC Certificate Number: 35236), based in Cartersville, Georgia.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
Community Bank of Rockmart	Rockmart	GA	62.23	14.62	67.17	330.87	2.43	3.25	(0.38)	E	E	E

Bank Failures Total Ninety Year To Date in 2011

November 21, 2011

Central Progressive Bank (FDIC Certificate Number: 19657), based in Lacombe, Louisiana failed on Friday, November 18, 2011, after carrying an “E” rating since the December 2007 rating period. The bank was exposed to weak asset quality and a trend of net losses, as well as a poor loan mix. As of the second quarter of 2011, the bank reported nonperforming assets totaling 282% of total equity plus reserves, which were only 13% covered by reserves. Its Tier 1 capital ratio plunged from 6.51% to 2.59%, while its total capital ratio fell from 7.77% to 3.87%, from the first quarter of 2011 to the second quarter of 2011, respectively. Furthermore, Central Progressive Bank reported a cumulative net loss of \$9.02 million resulting in a negative return on assets of 4.53%, in the second quarter of 2011. Construction and land development loans comprised 41.96% of total loans, ranking the bank in the 99th percentile of all banks during the second quarter of 2011. All deposit accounts were transferred to **First NBC Bank** (rating “C+”, FDIC Certificate Number: 58302), based in New Orleans, Louisiana.

Polk County Bank (FDIC Certificate Number: 14194), based in Johnston, Iowa failed on Friday, November 18, 2011, after carrying an “E” rating since the June 2008 rating period. The bank’s financial strength was weakened by poor asset quality, undercapitalization, and a trend of net losses. As of the second quarter of 2011, the bank’s nonperforming assets comprised approximately 404% of total equity plus reserves, while reserves only covered 14% of nonperforming assets. Polk County Bank’s equity capital and capital ratios steadily declined over the last year. As of the second quarter of 2011, the bank reported a Tier 1 capital ratio of 2.60%, a total risk-based capital ratio of 3.89%, and a tangible capital ratio of just 1.88%, leaving the bank significantly undercapitalized. In addition, the bank reported consecutive losses, posting a cumulative net loss of \$1.93 million in the second quarter of 2011 accompanied by a negative return on assets of 3.90%. Subsequently, the bank reported a relatively high amount of construction loans totaling 10.60% of total loans. Polk County Bank was closed by the Iowa Division of Banking and all deposits were transferred to **Grinnell State Bank** (rating “B+”, FDIC Certificate Number: 11347), based in Grinnell, Iowa.

2Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	4Q10 Rating	1Q11 Rating	2Q11 Rating
Central Progressive Bank	Lacombe	LA	397.93	0.00	61.88	281.70	5.56	3.83	(4.53)	E	E	E
Polk County Bank	Johnston	IA	98.88	0.00	57.88	403.89	1.88	3.89	(3.90)	E	E	E

Bank Failures Total Ninety-Two Year To Date in 2011

December 19, 2011

Western National Bank (FDIC Certificate Number: 57917), based in Phoenix, Arizona, failed on Friday, December 16, 2011, after maintaining an “E” rating since the September 2009 rating period. The bank’s financial strength was weakened by poor asset quality, poor liquidity, undercapitalization, and a trend of net losses. As of the third quarter of 2011, the bank’s nonperforming assets comprised 233% of equity capital plus reserves and were 37% covered by reserves. In addition, the bank reported a high net loans-to-assets ratio of 90% as of September 30, 2011. Western National Bank had been undercapitalized and consistently losing equity capital since the second quarter of 2010, reporting a tangible capital ratio of only 1.03% as well as a 69% decline in equity capital in the third quarter of 2011. Moreover, the bank posted a cumulative net loss of \$6.20 million and an annualized cumulative return on assets of negative 5.07% in the same period. Deposits of Western National Bank were transferred to **Washington Federal** (rating “A-”, Docket Number: 880), a savings and loans institution, based in Seattle, Washington.

Premier Community Bank of the Emerald Coast (FDIC Certificate Number: 58343), a bank with \$125.98 million in assets was closed by the Florida Office of Financial Regulation on Friday, December 16, 2011. Premier Community Bank of the Emerald Coast has been rated “E” for six consecutive quarters due to extremely poor asset quality, negative capital levels, and consistent losses. The bank’s total capital declined by 130% in the third quarter of 2011, resulting in negative capital ratios with a Tier 1 capital ratio of negative 1.34% and a leverage capital ratio of negative 0.90%. Additionally, the bank has reported elevated levels of nonperforming assets (NPAs), which ultimately comprised over 900% of equity plus reserves, as compared to 145% in the first quarter of 2011. Furthermore, reserves covered only 16% of NPAs as of the end of the third quarter. Premier Community Bank of the Emerald Coast reported a cumulative net loss of \$4.36 million for the first nine months of 2011, resulting in an annualized return on assets of negative 4.61%. Premier Community Bank of the Emerald Coast was subject to a consent order issued by the FDIC on January 28, 2011 citing the bank for poor management, inadequate equity capital, poor asset quality, and operating with hazardous lending and lax collection practices. Deposit accounts were transferred to Summit Bank, National Association (rating “A-”, FDIC Certificate Number: 58786), based in Panama City, Florida, which reopened the failed bank’s two branch offices Monday morning as “Premier Community Bank, a division of Summit Bank, National Association.”

3Q11 Financial Summary												
Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	1Q11 Rating	2Q11 Rating	3Q11 Rating
Western National Bank	Phoenix	AZ	162.87	10.39	89.62	232.71	1.03	3.79	(5.07)	E	E	E
Premier Community Bank of the Emerald Coast	Crestview	FL	125.98	0.0	66.56	987.96	(0.86)	2.94	(4.61)	E	E	E

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