

Bank Failures Total Twenty-Three in 2012

May 7, 2012

Security Bank, National Association (FDIC Certificate Number: 23156), a banking institution based in North Lauderdale, Florida, failed on Friday, May 4th after carrying an “E” rating since the March 2008 rating period. Security Bank, National Association’s poor rating is primarily due to weak asset quality, low capital levels, and a trend of negative earnings. As of December 31, 2011, the bank reported nonperforming assets equal to 290.93% of total equity plus reserves, ranking it in the 99th percentile of all domestic banks. Equity capital had been declining for the past five consecutive quarters, falling 52% over the fourth quarter of 2011, impacting the Tier 1 and total risk-based capital ratios, which stood at 3.70% and 4.91%, respectively. Additionally, the bank reported a cumulative net loss of \$7.45 million as of the fourth quarter of 2011, resulting in a negative annual return on assets of 7.81%. **Banescos USA** (rating “B”, FDIC Certificate Number: 57815), based in Coral Gables, Florida has assumed all deposits of Security Bank, National Association.

4Q11 Financial Summary

Name	City	State	Total Assets (\$Mil)	Brokered Dep. / Deposits (%)	Net Loans / Assets (%)	NPAs / Capital (%)	(Cap. - Intang. Asts) / Assets (%)	NIM (%)	ROA (%)	2Q11 Rating	3Q11 Rating	4Q11 Rating
Security Bank, National Association	North Lauderdale	FL	95.43	0.61	78.38	290.93	2.30	3.79	(7.81)	E	E	E

© Copyright 2012, Kroll Bond Rating Agency, Inc., and/or its licensors and affiliates (together, “KBRA”). All rights reserved. All information contained herein is protected by copyright law, and none of such information may be copied or otherwise reproduced, further transmitted, redistributed, or resold, in whole or in part, by any person, without KBRA’s prior express written consent. The statements contained in this report are based solely upon the opinions of KBRA and the data and information available to the authors at the time of publication of this report. All information contained herein is obtained by KBRA from sources believed by it to be accurate and reliable. No warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, or fitness for any particular purpose of any rating or other opinion or information is given or made by KBRA. Under no circumstances shall KBRA have any liability resulting from the use of any such information. The credit ratings, if any, and analysis constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities.