

Hometown Express

A Quarterly Publication of Community Bank of Pickens County



John Trammell, President/CEO
Community Bank of Pickens County

Capital is King...

In the Winter Hometown Express, I titled my article "Looking Forward to 2013." With this year now half over, I am happy to report that 2013 has been something to look forward to! Some highlights thus far include:

- Profits for the first half of 2013 have far exceeded the total year's profits of 2012.
- The Small Business Administration has ranked us tied for 8th position in Georgia for Small Business loans produced. We're tied with Synovus Bank and fell just behind Trust Company Bank in these rankings.
- The Small Business Administration ranks us #1 in total dollars of loans produced from October 1, 2012 thru May 31, 2013, with just over \$29,000,000 of loans closed.
- We've continued to add excellent employees to help us move forward into the future.
- Our Cove Branch has increased traffic by approximately 50%
- And..... drumroll..... We completed a very successful capital raise! Our existing shareholders, employees, and a few local customers joined together in purchasing over 2,000,000 new shares of stock in our Holding Company.

This generated approximately \$6,250,000 in available cash to be used to further improve an already improving bank.

Some folks, not close to the banking industry, ask "why is capital so important?" In the banking industry, "Capital is King!" Banks which did not make it through the downturn were closed because of capital. The Regulatory agencies made a decision about 5 years ago to close banks that had their Tier 1 Capital Ratio fall below 2% of assets. While some argue this number was not totally indicative that a bank couldn't survive, the feds saw it differently. When banks fell to this level, another bank, usually from outside the area or one formulated through Wall Street investors, was given "lucrative deals" to step in and take them over. In most instances "loss-share" agreements were used to entice them to take over failing banks. Thus, the name "Loss Share Banks" came into existence. These agreements encouraged the loss-share banks to liquidate borrowers rather than risk keeping them in their portfolio. Profits are reaped through this liquidation process. As bank closings are slowing considerably, we understand the new agreements are not as "sweet" as prior ones.

So, "Capital is King" because a 2% benchmark was set and determined the fate of banks. Because we lost so many banks in Georgia, particularly North Georgia, many folks thought there would be none left. Many rumors circulated about who would be next to fall. Many looked for reasons why this was going on. Primarily, banks lost money through bad real estate loans causing them to pull from their capital (equity) to continue to operate. When these capital levels fell to the "magic" number, the only way to survive was to raise additional capital. A few raised capital early on in the recession. Many were unsuccessful in their bids to raise additional capital. In 2008-2010, it was very difficult to pin point how much capital a bank needed. That process has become somewhat easier as the economy has improved.

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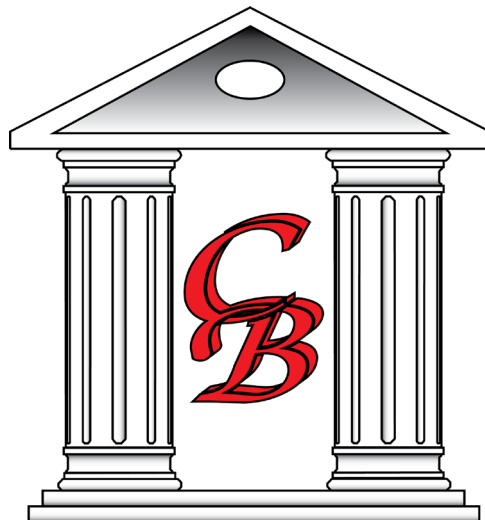
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Even though our Tier 1 Capital level was always over twice the amount need to stay away from the 2% level, our regulators always wanted us to have more. Thus, our capital raise puts us in a much stronger position. We have further increased these levels and our Board of Directors have made the decision to hold approximately 1/3 of this capital raise in our Holding Company for future strength. In the old days they referred to this strategy as "keeping some powder dry."

I hope this article was understandable and informative. I thought some long-standing rumors should be put to rest and folks deserved to know the facts. Now you know why this edition's heading is "Capital is King!"

John

~ Our New Logo ~



If you have visited either of our locations recently, you probably noticed all of our staff wearing shirts with our new logo. Our staff brainstormed and designed this logo for the bank. Their goal was to come up with a simple design that showed the strength and stability of the bank and incorporated various elements to make it instantly recognizable within our community. For many years, our advertisements have included pictures of one or both of our banking locations. We have always received compliments on our buildings and the staff wanted to include physical attributes of each building in the new logo. One of our structures most recognizable features are the columns on the front of each location. Columns have long been a symbol of strength and stability, so we incorporated them as a fundamental portion of our new logo. We are happy to have created a logo that we feel represents us as a strong, stable and community-minded hometown bank.



2013 Travel Club Meetings

- August 19th
- October 21
- December 9th

New CBOPC ATM locations

Pickens County Courthouse

50 N Main Street
Jasper, Ga 30143

Arrowhead Country Club

260 Camp Road



Team Member Spotlight on Gary Reece



Gary Reece
VP Loan Department

The spotlight is on Gary Reece. Gary was born and raised in Pickens County and graduated from Pickens High School. He went on to the University of Georgia, where he earned his bachelor's degree. In addition, Gary has attended several banking schools including the Graduate School of Banking at the University of Georgia. Gary began working as Vice President in the Loan Department at CBOPC in December of 2011 and brought 31 years of local banking experience with him. When asked why he chose to join CBOPC he stated, "I enjoy working in a community bank environment and I knew many of the people that were already on staff here. I knew I would feel at home here, and I have."

Gary is a member of the Optimist Club and represents Pickens County as the Non-Public Representative on the Northwest Georgia Regional Commission. Gary is married to Kay Reece and they have two grown boys, Adam and Ben. Gary's favorite hobbies include playing golf and fishing.

Join us in welcoming:



Tracey Chastain
Consumer Lender



Micheal Glass
Teller



Tammy Bledsoe
Teller

We are very proud to have a strong commercial banking relationship with the businesses shown below. We hope you will consider doing business with them as well.



Cope Equipment & Truck
706-253-2673

Office #: 706-253-2673
Cell #: 770-894-2313

Luke Copeland
40 East Church Street
Jasper, GA 30143

E-mail: copeequipment@yahoo.com

WOODBIDGE inn
Restaurant & Lodge

44 CHAMBERS ST. JASPER, GA 30143

www.woodbridgeinn.net

Owned and operated by the Rueffert Family since 1976

706-253-6293



RENTS A BUNCH



706-253-2526

DTV • APPLIANCES • ELECTRONICS

Clock Tower
Gifts & Boutique



located *inside* Jasper Drugs

One North Main Street
Jasper, Ga 30143
(706) 692-6427

Monday - Friday
9:00am - 6:00pm

Saturday
9:00am - 4:00pm

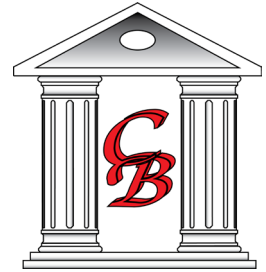
In each issue of our newsletter we like to share family recipes that have been around for many years and make family gatherings special.

Mexicorn Dip

Jarod Trammell, an employee of Community Bank, wanted to share this recipe with all of you. It is a quick and easy dip that is great for a summertime snack! Enjoy!

- 2 cans (11 Oz. Can) Mexicorn, Drained
- 1 can (4 Oz. Can) Chopped Green Chiles
- 1 whole Bell Pepper, Chopped
- 3 whole Green Onions, Chopped
- 2 whole Jalapenos, Chopped (without Seeds)
- 8 ounces, weight Shredded Cheddar Cheese
- 1 cup Sour Cream
- 1 cup Mayonnaise

Combine all ingredients. Serve chilled with Fritos! ●●●



Note: If you have a favorite family recipe you would like to share, drop it off at the bank or email it to chris.beasley@cbopc.com and you may see it published here.

"Creativity is contagious, pass it on"

~ Albert Einstein



Community Bank of Pickens County

"We can make a difference"

P.O. Box 40 • Jasper, GA 30143
(706) 253-9600 • cbopc.com

Two Convenient Locations & 12 ATMs to Serve You!



On the Inside...

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