
From: A. Parrish Clark, Jr. [mailto:pclark@guardianbankonline.com]
Sent: Thursday, April 02, 2009 9:42 AM
To: Comments
Subject: Assessments, RIN 3064-AD35

April 2, 2009

Ms. Sheila C. Bair, Chairman
Federal Deposit Insurance Corporation

Ms. Bair,

We are writing you to comment on the FDIC's February 27, 2009 decision to impose a 20 basis point emergency special assessment on the industry, which will be due September 30, 2009, and its authorization to assess an additional 10 basis points should the board deem it necessary. This is in addition to the 7 basis point increase top rated banks already face this year, an increase of more than 100% over 2008.

WB&T Bankshares, Inc. is a \$265 million, 2-bank holding company. We have banks located in Waycross, Georgia (Waycross Bank & Trust) and Valdosta, Georgia (Guardian Bank). We run a conservative banking company. We make good loans and strive to comply with all banking regulations. We invite you to review our most recent FDIC and Department of Banking examinations on which our banks each received a CAMELS rating of 1. Over the last several years when many of our peers made riskier and more exotic loans in pursuit of higher profits, we maintained our traditional banking principles. As a result, we didn't have eye-popping return on asset and return on equity ratios during these years. What we did have and continue to have is excellent loan quality, good liquidity, and strong capital. Therefore, it was a very simple decision for us to decline the TARP money. We are well positioned for the current economic environment and are poised for growth in loans, deposits, and profitability. That is until this assessment was announced.

This FDIC decision is forcing a banking company that required no bailout to further insure the banks that got a bailout. This assessment will cost our company an additional \$500,000 at a minimum, excluding increases in current assessments and any additional 10 basis point assessments. Our guess is that the current assessments will increase, and there will be further "emergency" assessments. If that occurs, our company may pay an unannounced, unbudgeted, additional tax of \$850,000 in 2009. This sum represents 32% of our company's budgeted net income for 2009. This will effectively cost 4 months of our year. This assessment will severely hamper our ability to further strengthen capital through our earnings. This assessment will reduce our ability to strengthen loan loss reserve provisions to insure against a protracted recession. This assessment will take from our shareholders who invest their **hard-earned, after-tax dollars**. This assessment will damage the morale of our directors, officers, and staff who work hard, play by the rules, pay taxes, and make good decisions. Remember, we didn't take TARP funds, so we don't have any taxpayer money to pay these outrageous assessments. We will have to pay this assessment the old fashioned way.

This is not just our story, but it's the story of community banks across this country. It is fundamentally unfair. Taking from those who cost the taxpayers nothing is a tremendous disincentive, plus assessing a

third of our earnings weakens us though we wisely prepared for this day. We are not the government or a government agency, which means we have to actually earn and/or save this money to make these payments. Therefore, our customers will have to be paid less on deposits and will have to pay more on loans. Some unprofitable services, though helpful to our customers, will need to be eliminated. Also, our company pays for the health insurance of our employees and matches their contributions up to 6% of their salaries in our 401K program. This too will need to be reviewed as it is very expensive, and the elimination of these benefits will go a long way toward covering these assessments. Hopefully, all of our employees will keep their jobs, but we do pay average salary and benefits of nearly \$66,000 per employee. With 59 employees it would require the elimination of 13 positions or 22% of our workforce to pay this assessment.

We agree that the industry should fund the FDIC, so all banks are not branded as being bailed out by the taxpayer. However, we ask that you explore all options available before deciding on a 20 bps assessment including the authority to borrow from the Treasury and/or the industry and issuing debt instruments. Furthermore, if a special assessment is deemed essential, we ask that the accounting rules be changed to allow the assessment to be amortized over a period of years. Finally, we believe that those institutions that are considered "too large to fail" and pose systemic-risk to the system should pay a premium. We all know that the traditional banking model of taking deposits and making loans did not fuel this economic crisis. Your consideration in this matter is greatly appreciated.

Sincerely,

James E. Stewart, Jr., Chairman
WB&T Bankshares, Inc.

Ansel P. Clark, President
WB&T Bankshares, Inc.