



The four branches of **GulfSouth Private Bank, Destin, Florida** closed with SmartBank, Pigeon Forge, Tennessee, to assume all of the deposits.

Founded November 21, 2005, there were 27 full time employees at their offices in Destin, Fort Walton Beach, Pensacola, and Santa Rosa Beach.

Tony Atkins, founding president and CEO, had big dreams opening of the bank at the building the bank owned at 305 Main Street. On what is known as the Emerald Coast, on the Gulf Coast, originally an island but became a peninsula due to the many hurricanes. It became a popular vacation sport with reportedly the largest fishing vessel fleet in the state of Florida. It was going to be a boom town for tourists.

[http://en.wikipedia.org/wiki/Destin,\\_Florida](http://en.wikipedia.org/wiki/Destin,_Florida)

The 2010 BP oil spill affected tourism, but that was just the final straw to an area overbuilt as real estate loans were the demise of the bank, as seen in the drop in profits and charge offs.

(in millions, unless otherwise)

#### Profit

2006 \$1.4  
2007 \$1.4  
2008 \$628,000  
2009 -\$4.9  
2010 -\$4.1  
2011 -\$8.7  
6/30 -\$5.0

#### Charge Offs

**2006** 0

**2007** 0

**2008** \$344,000 (\$255,000 construction/land development, \$89,000 loans to individuals)

**2009** \$3.1 (\$1.4 construction/land, \$1.0 nonfarm nonres., \$500,000 1-4 family, \$208,000 individuals)

**2010** \$4.8 (\$1.7 1-4 family, \$1.0 individuals, \$626,000 industrial, \$605,000

nonfarm/nonres,  
2011 \$3.0 (\$877,000 nonfarm/nonres., \$610,000 1-4 family, \$614,000 individual, \$520,000 commercial)

**6/30** \$2.3 (\$1.2 1-4 family, \$803,000 nonfarm/nonres., \$252,000 construction, \$90,000 commercial, \$21,000 individuals).

*Construction and Land, 1-4 family multiple residential, Multiple Family Residential, Non-Farm Non-Residential loans.*

GulfSouth Private Bank President Tony Atkins was formally the President/Senior Lender of Corporate Banking for Colonial Bank's South Central Region. In this capacity Mr. Atkins managed over 1.5 Billion in loans and over 125 lenders in fifty plus branches. The region produced in excess of \$600 million in loans annually. His responsibilities consisted of credit quality, loan production, profitability and the mortgage banking area.

<http://www.gulfsouthprivatebank.com/atkins.html>

Instead of growth, he saw the bank equity start to drop in 2009:

(in millions)

Net Equity

2006	\$17.9
2007	\$19.0
2008	\$19.2
2009	\$13.8
2010	\$16.5
2011	\$7.9
6/30	\$2.6

Note Non-Current Loans large jump in 2009:

(in millions)

Non-Current Loans

2006	0
2007	0
2008	\$728,000
2009	\$13.8
2010	\$21.4
2011	\$22.9
6/30	\$27.9

GulfSouth owed the U.S. Treasury \$7.5 million under the TARP program. Under the terms of the Capital Purchase Program, the Bank made four payments to the U.S. Treasury totaling \$681,300 and then defaulted on its payment obligations. The last payment made to the U.S. Treasury for the TARP funds was made during June 2010.

As of September 30, 2012, the Tier 1 risk-based capital ratio was 2.59%.

As of June 30, 2012, GulfSouth Private Bank had approximately \$159.1 million in total assets and \$151.1 million in total deposits. In addition to assuming all of the deposits of the failed bank, SmartBank agreed to purchase essentially all of the assets.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$36.1 million.

<http://www.fdic.gov/news/news/press/2012/pr12118.html>