## DAY 4 - THURSDAY

#### Return on Average Assets

- Measures the profitability of the Bank
- Sometimes called ROA or ROAA
- ROA shows income relative to size, so can be useful in comparing the performance over time or with other peer banks
- Higher the better
- Calculation:
  - Annualized net income / Average Total Assets

## DCB Return on Assets (ROA)

```
+ Interest Income
                            4.50%
+ Interest Expense
                            0.75%
                            3.75%
+ Net Interest Income
                            0.15%
- Provision for loan losses
                            0.75%
+ Non-interest Income

    Non-interest expense

                            3.00%
+ Pre-tax Income
                            1.35%

    Federal Tax Expense

                            0.27%
+ Net Income/ROA
                            1.08%
```

\$10,800,000 / \$1,000,000,000 = \_\_\_\_%

## Return on Average Equity

- Also measures the profitability of the Bank
- Measures the degree to which the company profitably deploys its capital
- Sometimes called ROE or ROAE
- Higher the better
- Calculation:
  - Annualized net income / Average Total Equity
  - -\$\_\_\_\_\_ / \$\_\_\_\_ = \_\_\_%

#### Earnings per share driver of stock price

DCB earns \$2,700,000 quarter DCB has 10,000,000 shares stock

P/E Multiple on stock trading at \$14.00 per share Stock Price\_\_\_\_\_ / EPS\_\_\_\_ = P/E

## **Efficiency Ratio**

- The ratio of noninterest expense to total revenue
- Measures how much it costs to earn a dollar of revenue, i.e. the efficiency of the company
- Fee Income business lines can limit usefulness I prefer net overhead ratio
- Lower number is better
- Calculation:
  - Noninterest Expense/ (<u>Net</u> interest income + noninterest income)
  - Securities gains/losses excluded from non-interest income in calculation

# Risk-Return on balance sheet Two **Inversely** related variables

- Maximize Return and Minimize risk
  - Credit Risk (Asset Quality)
  - Liquidity Risk
  - Interest Rate Risk
  - Capital Adequacy
- Maximize LT return = EARNINGS POWER

## Darden Community Bankshares

Assets	\$ Amount	Liabilities/Capital	\$ Amount
Cash and Due From	\$ 10,000,000	DDA	\$ 200,000,000
Fed Funds Sold	50,000,000	Savings/MMDA	370,000,000
Securities	150,000,000	CDs/IRA Certificates	300,000,000
Loans, Gross	735,000,000	Funds Purchased	0
Reserve Losses	(10,000,000)	Other Borrowings	20,000,000
Fixed Assets	40,000,000	Other Liabilities	10,000,000
OREO	5,000,000	Total Liabilities	900,000,000
Other Assets	20,000,000		
		Equity Capital	100,000,000
Total Assets	\$1,000,000,000	Liabilities & Capital	\$1,000,000,000

#### Risk-Return on balance sheet

- ST Loan Demand Weak, competitive
- DCB buys \$50 MM 15 yr. FNMA MBS@3.0%
- DCB books \$50 MM 10 year loans@5%
- Did we introduce any Risk?
  - Asset Quality/Credit Risk
  - Liquidity
  - Interest rate sensitivity
  - Capital Adequacy
- Did we make any money? Grow EPS?

## Darden Community Bankshares

Assets	\$ Amount		Liabilities/Capital	\$ Amount	
Cash and Due From	\$ 10,000,000	,	DDA	\$ 200,000,000	
Fed Funds Sold			Savings/MMDA	370,000,000	
Securities			CDs/IRA Certificates	300,000,000	
Loans, Gross			Funds Purchased		
Reserve Losses	(10,000,000)		Other Borrowings	20,000,000	
Fixed Assets	40,000,000		Other Liabilities	10,000,000	
OREO	5,000,000		Total Liabilities	950,000,000	
Other Assets	20,000,000				
			Equity Capital	100,000,000	
Total Assets			Total Liab & Capital		

## Math on bank growth

- DCB Previous Year earned \$10,800,000
- New Loans \$50MM x 5.00% =
- New Bonds \$50MM x 3.50% = \_\_\_\_\_\_
- Lost FFS \$50MM x 2.00% =
- New FFP \$50MM x 2.25% =
- New Pretax Income =
- Taxes @ 21% = \_\_\_\_\_
- Net Income =
- Total Assets =
- EPS on 10 million shares\$\_\_\_\_\_\_\_%
- Stock Price x stable P/E ration \$\_\_\_\_\_

## Darden Community Bankshares

Assets	\$ Amount		Liabilities/Capital	\$ Amount
Cash and Due From	\$ 10,000,000	•	DDA	\$ 200,000,000
Fed Funds Sold	0		Savings/MMDA	370,000,000
Securities	200,000,000		CDs/IRA Certificates	300,000,000
Loans, Gross	785,000,000		Funds Purchased	50,000,000
Reserve Losses	(10,000,000)		Other Borrowings	20,000,000
Fixed Assets	40,000,000		Other Liabilities	10,000,000
OREO	5,000,000		Total Liabilities	950,000,000
Other Assets	20,000,000			
			Equity Capital	100,000,000
Total Assets	\$1,050,000,000		Total Liab & Capital	\$1,050,000,000

## Uniform Bank Performance Report

- All banks report financial results quarterly – the CALL report
- Analysis of your bank compared to peer banks –based on size/structure
- Excellent tool for analysis
- FFIEC.Gov website

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BANK PG 4 PCT   BANK PG 5 PCT   Percent of Average Assets:   SANK PG 5 SANK PG 5 PCT   Percent of Average Assets:   SANK PG 6 SANK PG							
Percent of Average Assets:							
Interest Income (TE)	Earnings and Profitability	BANK	PG 4	PCT	BANK	PG 5	PCT
Interest Expense	Percent of Average Assets:						
Net Interest Income (TE)	Interest Income (TE)						
+ Noninterest Expense	- Interest Expense						
- Noninterest Expense	Net Interest Income (TE)						
- Provision: Loan & Lease Losses   2.51   0.94   89   0.21   0.21   62   - Provision: Credit Loss Oth Assets   N/A   N/A   N/A   N/A   N/A   Pretax Operating Income (TE)   0.44   0.48   23   2.40   1.56   88   + Realized Gains/Losses Sec   0.00   -0.04   50   0.00   0.00   66   + Unrealized Gains / Losses Equity Sec   N/A   0.00   N/A   N/A   0.00   N/A   Pretax Net Operating Income (TE)   0.44   0.48   23   2.40   1.56   88   + Realized Gains / Losses Equity Sec   N/A   0.00   N/A   N/A   0.00   N/A   Pretax Net Operating Income (TE)   0.44   0.31   25   1.77   1.00   1.00   - Adjusted Net Operating Income   1.98   0.51   95   1.77   1.00   1.00   - Adjusted Net Operating Income   1.98   0.51   95   1.77   1.10   1.00   - Adjusted Net Operating Income   1.98   0.51   95   1.77   1.10   1.00   - Net Income Adjusted Sub S   0.29   0.15   25   1.57   1.10   89   - Net Income Adjusted Sub S   0.29   0.18   25   1.57   1.10   89   - Net Income Adjusted Sub S   0.29   0.18   25   1.57   1.10   89   - Net Income Adjusted Sub S   0.29   0.18   25   1.57   1.00   89   - Net Income Adjusted Sub S   0.29   0.18   25   1.57   1.00   89   - Net Income Avg Assets   82.19   82.61   42   77.70   80.05   33   - Intil Inc (TE) to Avg Earn Assets   82.19   82.61   42   77.70   80.05   33   - Not Intil Inc-TE to Avg Earn Assets   3.10   2.47   84   3.61   3.27   70   - Net Intil Inc-TE to Avg Earn Assets   3.10   2.47   84   3.61   3.27   70   - Net Loss to Average Total LN&LS   8.68   6.51   26   0.55   0.18   26   - Earnings Coverage of Net Losses (X)   8.68   6.51   26   0.55   0.51   80   - LN&LS Allowance to Net Losses (X)   1.367   4.14   90   2.82   1.59   81   - LN&LS Allowance to Total LN&LS   3.04   1.59   95   1.20   1.21   54   - Total LN&LS-90- Days Past Due   0.31   0.13   81   0.33   0.11   83   - Nonaccrual   4.85   2.52   78   0.63   1.04   45   - Lugidity   Net Non Core Fund Dep New \$250M   65.30   36.39   93   50.59   27.89   90   - Net Loans & Leases to Assets   9.9772   8.41   86   13.108   9.06   95   - Real	+ Noninterest Income						
- Provision: Credit Loss Oth Assets	<ul> <li>Noninterest Expense</li> </ul>						
Protax Operating Income (TE) + Realized Gains/Losses Sec 0.00 + Unrealized Gains/Losses Sec 0.00 + Unrealized Gains/Losses Equity Sec N/A 0.00 N/A 0.00 N/A N/A N/A 0.00 N/A N/A N/A N/A 0.00 N/A N/A N/A N/A 0.00 N/A N/A N/A N/A N/A 0.00 N/A N/A N/A N/A N/A 0.00 N/A N/A N/A N/A N/A N/A N/A 0.00 N/A N/A N/A N/A N/A N/A N/A N/A 0.00 N/A	- Provision: Loan & Lease Losses	2.51	0.94				
+ Realized Gains/Losses Sec	<ul> <li>Provision: Credit Loss Oth Assets</li> </ul>	N/A	N/A	N/A	N/A	N/A	N/A
+ Unrealized Gains / Losses Equity Sec N/A 0.00 N/A N/A 0.00 N/A Pretax Net Operating Income (TE)	Pretax Operating Income (TE)	-0.44	0.48	23	2.40	1.56	88
Pretax Net Operating Income (TE)	+ Realized Gains/Losses Sec	0.00	-0.04		0.00		66
Net Operating income							
Adjusted Net Operating Income Net Inc Attrib to Min Ints NA 0.00 NA NA 0.00 NA Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 0.15 25 1.57 1.01 89 Net Income Adjusted Sub S -0.29 82.19 82.61 42 77.70 80.05 33 Int Inc (TE) to Avg Earn Assets 82.19 82.61 42 77.70 80.05 33 Int Inc (TE) to Avg Earn Assets 83.10 2.47 84 3.61 3.27 70 Net Int Inc-TE to Avg Earn Assets 3.00 2.47 84 3.61 3.27 70 Net Int Inc-TE to Avg Earn Assets 3.04 3.67 59 4.72 4.03 85  Loan & Lease Analysis: Net Loss to Average Total LN&LS  Net Loss to Average Total LN&LS  Net Loss to Average Total LN&LS  Net Loss to Average of Net Losses (X) 8.68 6.51 72 55.34 31.11 80 LN&LS Allowance to Net Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Net Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Total LN&LS  Notal LN&LS-90+ Days Past Due 9.31 0.13 81 0.33 .01 83 -Nonaccrual 4.34 2.33 79 0.30 0.81 32 -Total  Liquidity Net Non Core Fund Dep New \$250M 66.30 36.39 93 50.59 27.89 90 Net Loans & Leases to Assets 91.40 72.57 96 92.23 71.61 99 Rest+Nonac-HE Acq to Equity 2.59 4.25 3 3 1.89 4.97 90 Rest-Nonac-HE Acq to Equity 2.59 4.25 3 3 1.89 4.97 90 Rest-Nonac-HE Acq to Equity 2.59 4.25 3 3 1.89 4.79 90 Rest-Nonac-HE Acq to Equity 3.78 5.78 22.33 78 2.64 8.06 29  Growth Rates 70 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1	Pretax Net Operating Income (TE)		0.31				
Net Inc Attrib to Min Ints NA	Net Operating Income						
Net Income Adjusted Sub S   -0.29   0.18   25   1.57   1.01   89							
Net Income   -0.29	Net Inc Attrib to Min Ints						
Margin Analysis:         95.49         93.47         77         96.28         93.94         83           Avg Earning Assets to Avg Assets         82.19         82.61         42         77.70         80.05         33           Int Inc (TE) to Avg Earn Assets         6.94         6.16         94         8.33         7.28         90           Int Expense to Avg Earn Assets         3.10         2.47         84         3.61         3.27         70           Net Int Inc-TE to Avg Earn Assets         3.84         3.67         59         4.72         4.03         83           Loan & Lease Analysis:         8.68         6.51         72         5.34         31.11         80           Net Loss to Average Total LN&LS         0.25         0.81         26         0.05         0.18         26           Earnings Coverage of Net Losses (X)         8.68         6.51         72         55.34         31.11         80           LN&LS Allowance to Table LN&LS         3.04         1.60         95         1.20         1.21         53           LN&LS Allowance to Total LN&LS         3.04         1.59         95         1.20         1.21         54           Total LN&LS-90+ Days Past Due         0.31         0.1							
Avg Earning Assets to Avg Assets Avg Int-Bearing Funds to Avg Assets 82.19 82.61 42 77.70 80.05 33 Int Inc (TE) to Avg Earn Assets 6.94 6.16 94 8.33 7.28 90 Int Expense to Avg Earn Assets 5.10 2.47 84 3.61 3.27 70 Net Int Inc-TE to Avg Earn Assets 5.84 3.67 59 4.72 4.03 83  Loan & Lease Analysis: Net Loss to Average Total LN&LS Earnings Coverage of Net Losses (X) 8.86 6.51 72 55.34 31.11 80 LN&LS Allowance to IN&LS Not HFS 3.04 1.60 95 1.20 1.21 53 LN&LS Allowance to Net Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Total LN&LS INALS Allowance to Average Total LN&LS INALS Allowance to Net Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Total LN&LS INALS Allowance to Average Total LN&LS INALS Allowance to Total	Net Income	-0.29	0.18	25	1.57	1.10	81
Avg Earning Assets to Avg Assets Avg Int-Bearing Funds to Avg Assets 82.19 82.61 42 77.70 80.05 33 Int Inc (TE) to Avg Earn Assets 6.94 6.16 94 8.33 7.28 90 Int Expense to Avg Earn Assets 5.10 2.47 84 3.61 3.27 70 Net Int Inc-TE to Avg Earn Assets 5.84 3.67 59 4.72 4.03 83  Loan & Lease Analysis: Net Loss to Average Total LN&LS Earnings Coverage of Net Losses (X) 8.86 6.51 72 55.34 31.11 80 LN&LS Allowance to IN&LS Not HFS 3.04 1.60 95 1.20 1.21 53 LN&LS Allowance to Net Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Total LN&LS INALS Allowance to Average Total LN&LS INALS Allowance to Net Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Total LN&LS INALS Allowance to Average Total LN&LS INALS Allowance to Total							
Avg Int-Bearing Funds to Avg Assets Int Inc (TE) to Avg Earn Assets 6.94 6.16 94 8.33 7.28 90 Int Expense to Avg Earn Assets 3.10 2.47 84 3.61 3.27 70 Net Int Inc-TE to Avg Earn Assets 3.84 3.67 59 4.72 4.03 83  Loan & Lease Analysis: Not Loss to Average Total LN&LS Not Loss to Average of Net Losses (X) LN&LS Allowance to LN&LS Not HFS 3.04 1.60 95 1.20 1.21 53 LN&LS Allowance to Total LN&LS Not Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Total LN&LS 3.04 1.59 95 1.20 1.21 54 Total LN&LS-90+ Days Past Due 0.31 0.13 81 0.33 0.11 83 -Nonaccural 4.34 2.33 79 0.30 0.81 32 -Total 4.65 2.52 78 0.63 1.04 45  Liquidity Net Non Core Fund Dep New \$250M 66.30 36.39 93 50.59 27.89 90 Net Loans & Leases to Assets 91.40 72.57 98 92.23 71.61 99  Capitalization Tier One Leverage Capital 9.9572 8.41 86 13.1088 9.06 95 Cash Dividends to Net Income 0.00 36.00 39 0.00 47.84 20 Retained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Rest-Nonac-RE Acq to Eqcap+ALLL 35.78 22.33 78 2.64 8.06 29  Growth Rates Total Assets 28.75 9.82 89 17.91 8.22 83 Tier One Capital Net Loans & Leases 52 27.99 10.88 88 17.57 10.30 78 Short Term Investments -67.47 74.04 5 102.09 10.12 84 Short Term Investments -77.3.716 Total Equity Capital 108.88 27.98 90 43.77 17.27 81  Average Total Assets 956.195 773.716 Total Equity Capital 106.295 10.08 88 17.57 10.30 78 Short Term Investments -77.3.716 Total Equity Capital 106.295 10.09 10.12 84 Short Term Non Core Funding 108.88 27.98 90 43.77 17.27 81							
Int Inc (TE) to Avg Earn Assets Int Expense to Avg Earn Assets 3.10 2.47 84 3.61 3.27 70 Net Int Inc-TE to Avg Earn Assets 3.84 3.67 59 4.72 4.03 83  Loan & Lease Analysis: Net Loss to Average Total LN&LS Earnings Coverage of Net Losses (X) 8.68 6.51 72 55.34 31.11 80 LN&LS Allowance to LN&LS Not HFS LN&LS Allowance to Net Losses (X) 13.67 4.14 90 25.82 15.59 81 LN&LS Allowance to Total LN&LS Total LN&LS-90+ Days Past Due 0.31 0.13 81 0.33 0.11 83 -Nonaccrual 4.34 2.33 79 0.30 0.81 32 -Total LN&LS-90+ Days Past Due 0.31 0.13 81 0.33 0.11 83 -Nonaccrual 4.34 2.33 79 0.30 0.81 32 -Total Liquidity Net Non Core Fund Dep New S250M 66.30 36.39 33 50.59 27.89 90 Net Loans & Leases to Assets 91.40 72.57 98 92.23 71.61 99  Capitalization Tier One Leverage Capital 9.9572 8.41 86 13.1088 9.06 95 Cash Dividends to Net Income 0.00 36.00 39 0.00 47.84 20 Retained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Retained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Retained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Retained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Retained Earnings to Avg Total Sesses 28.75 9.82 89 17.91 8.22 83 Tier One Capital -2.24 7.54 23 12.90 7.95 77 Net Loans & Leases -2.75 91 10.88 88 17.57 10.30 78 Short Term Investments -2.75 10.88 81 17.57 10.30 78 Short Term Investments -2.75 10.88 81 17.57 10.30 78 Short Term Investments -2.75 10.88 81 17.57 10.30 78 Short Term Non Core Funding 108.88 27.98 90 43.77 17.27 81  Average Total Assets 95.195 105.285 107.978 Net Income -2.803 107.978							
Int Expense to Avg Earn Assets   3.10   2.47   84   3.61   3.27   70							
Net Int Inc-TE to Avg Earn Assets   3.84   3.67   59   4.72   4.03   83							
Loan & Lease Analysis:   Net Loss to Average Total LN&LS							
Net Loss to Average Total LN&LS   0.25   0.81   26   0.05   0.18   26   Earnings Coverage of Net Losses (X)   8.68   6.51   72   55.34   31.11   80   1.20   1.21   53   1.24   1.21   53   1.24   1.21   53   1.24   1.21   53   1.24   1.21   1.21   1.21   1.21   1.22   1.22   1.22   1.23   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24	Net Int Inc-TE to Avg Earn Assets	3.84	3.67	59	4.72	4.03	83
Net Loss to Average Total LN&LS   0.25   0.81   26   0.05   0.18   26   Earnings Coverage of Net Losses (X)   8.68   6.51   72   55.34   31.11   80   1.20   1.21   53   1.24   1.21   53   1.24   1.21   53   1.24   1.21   53   1.24   1.21   1.21   1.21   1.21   1.22   1.22   1.22   1.23   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24   1.24							
Earnings Coverage of Net Losses (X) LN&LS Allowance to LN&LS Not HFS LN&LS Allowance to LN&LS Not HFS LN&LS Allowance to Net Losses (X) LN&LS Allowance to Net Losses (X) LN&LS Allowance to Net Losses (X) LN&LS Allowance to Total LN&LS 3.04 1.50 95 1.20 1.21 53 LN&LS Allowance to Total LN&LS 3.04 1.59 95 1.20 1.21 54 10.31 1.01 83 -Nonaccrual -Nonaccrual -Nonaccrual -Nonaccrual -Nonaccrual -Not Non Core Fund Dep New \$250M -Net Non Core Fund Dep New \$250M -Net Loans & Leases to Assets -Not Loans & Leases to Not Income -Net Loans & Leases -Not Income -Not Loans & Leases -Not Term Investments -Not Core Funding -Not Loans & Leases -Not Term Investments -Not Term Not Core Funding -Not Loans & Leases -Not Term Not Core Funding -Not Loans & L							
LN&LS Allowance to Net Losses (X) LN&LS Allowance to Total LN&LS 3.04 Total LN&LS-90+ Days Past Due 0.31 -Nonaccrual -Total							
LN&LS Allowance to Net Losses (X) LN&LS Allowance to Total LN&LS 3.04 1.59 95 1.20 1.21 54 Total LN&LS-90+ Days Past Due 0.31 0.31 0.13 81 0.33 0.11 83 -Nonaccrual -Nonaccrual -Notal -							
LN&LS Allowance to Total LN&LS Total LN&LS-90+ Days Past Due  0.31 0.13 81 0.33 0.11 83 -Nonaccrual 4.34 2.33 79 0.30 0.81 32 -Total 4.65 2.52 78 0.63 1.04 45  Liquidity Net Non Core Fund Dep New \$250M Net Loans & Leases to Assets 91.40 72.57 98 92.23 71.61 99  Capitalization Tier One Leverage Capital 9.9572 8.41 86 13.1088 9.06 95 Cash Dividends to Net Income 0.00 8-etained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Rest+Nonac+RE Acq to Eqcap+ALLL 35.78 22.33 78 26.4 8.06 29  Growth Rates Total Assets 28.75 9.82 89 17.91 8.22 83 Tier One Capital 9.24 7.54 23 12.90 7.95 77 Net Loans & Leases 27.59 10.38 88 17.57 10.30 78 Short Term Investments -87.47 74.04 5 102.09 10.12 84 Short Term Non Core Funding 108.88 773.716 Total Equity Capital Net Income 956.195 773.716 107.978 107.978 Net Income							
Total LN&LS-90+ Days Past Due   0.31							
-Nonaccrual -Total -Tot							
Liquidity Net Non Core Fund Dep New \$250M Net Loans & Leases to Assets 91.40  Capitalization Ther One Leverage Capital Cash Dividends to Net Income Retained Earnings to Avg Total Equity Rest+Nonac+RE Acq to Eqcap+ALLL  Growth Rates Total Assets  28.75 Short Term Investments Short Term Non Core Funding  Average Total Assets  956.195  Cash Dividends to Net Income  28.75 Short Term Non Core Funding  Average Total Assets  9.9572 Rest-Nonac+RE Acq None Rest-Nonac+RE Acq None Rest-Nonac+RE Acq None Rest-Nonac+RE Rest-Non							
Liquidity Net Non Core Fund Dep New \$250M Net Loans & Leases to Assets 91.40 72.57 98 92.23 71.61 99  Capitalization Tier One Leverage Capital 9.9572 8.41 86 13.1088 9.06 95 Cash Dividends to Net Income 0.00 36.00 39 0.00 47.84 20 Retained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Growth Rates Total Assets 70tal Assets 28.75 8.82 89 17.91 8.22 83 17.91 8.22 83 17.91 8.22 83 17.91 8.22 83 18.90 17.91 8.22 83 18.90 17.91 8.22 83 18.90 17.91 8.22 83 18.90 17.91 8.22 83 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90 18.90							
Net Non Core Fund Dep New \$250M   66.30   36.39   93   50.59   27.89   90	- i Ottal	4.03	2.02	78	0.03	1.04	43
Net Non Core Fund Dep New \$250M   66.30   36.39   93   50.59   27.89   90	Liquidity						
Net Loans & Leases to Assets   91.40   72.57   98   92.23   71.61   99		66.30	36.39	93	50.59	27.89	90
Capitalization Tier One Leverage Capital 9,9572 8,41 86 13,1088 9,06 95 Cash Dividends to Net Income 0,00 36,00 39 0,00 47,84 20 Retained Earnings to Avg Total Equity -2,59 -2,51 33 11,89 4,97 90 Rest+Nonac+RE Acq to Eqcap+ALLL 35,78 22,33 78 2,64 8,06 29  Growth Rates Total Assets 28,75 Tier One Capital -2,24 7,54 23 12,90 7,95 77 Net Loans & Leases 27,59 10,38 88 17,57 10,30 78 Short Term Investments -87,47 74,04 5 102,09 10,12 84 Short Term Non Core Funding 108,88 27,98 90 43,77 17,27 81 Average Total Assets 956,195 773,716 Total Equity Capital 105,235 107,978 Net Income							
Tier One Leverage Capital 9.9572 8.41 86 13.1088 9.06 95 Cash Dividends to Net Income 0.00 36.00 39 0.00 47.84 20 Retained Earnings to Avg Total Equity -2.59 -2.51 33 11.89 4.97 90 Rest+Nonac+RE Acq to Eqcap+ALLL 35.78 22.33 78 2.64 8.06 29  Growth Rates Total Assets 28.75 9.82 89 17.91 8.22 83 Tier One Capital -2.24 7.54 23 12.90 7.95 77 Net Loans & Leases 27.59 10.38 88 17.57 10.30 78 Short Term Investments -87.47 74.04 5 102.09 10.12 84 Short Term Non Core Funding 108.88 27.98 90 43.77 17.27 81  Average Total Assets 956.195 773.716 Total Equity Capital 105,235 107,978 Net Income -2.803 12.109					02.20		
Cash Dividends to Net Income Retained Earnings to Avg Total Equity Pest-Nonac-RE Acq to Eqcap+ALLL S5.78  Growth Rates Total Assets Total Assets Short Term Investments Short Term Non Core Funding Average Total Assets Total Equity Capital Average Total Assets Total Equity Capital To	Capitalization						
Cash Dividends to Net Income Retained Earnings to Avg Total Equity Rest+Nonac+RE Acq to Eqcap+ALLL  Growth Rates Total Assets Total Assets Ther One Capital Short Term Investments Short Term Non Core Funding  Average Total Assets  Total Equity Capital  Average Total Assets  Total Equity Capital Total Eq		9.9572	8.41	86	13.1088	9.06	95
Rest+Nonac+RE Acq to Eqcap+ALLL   35.78   22.33   78   2.64   8.06   29		0.00	36.00	39	0.00	47.84	
Growth Rates Total Assets  28.75  9.82  89  17.91  8.22  83  Tier One Capital  -2.24  7.54  23  12.90  7.95  77  Net Loans & Leases  27.59  10.38  88  17.57  10.30  78  Short Term Investments  -87.47  Average Total Assets  956.195  773.716  Total Equity Capital  Net Income  -2.803  17.91  8.22  83  12.90  7.95  77  78  77  78  77  81  77  78  77  77		-2.59			11.89	4.97	
Total Assets   28.75   9.82   89   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   1	Rest+Nonac+RE Acq to Eqcap+ALLL	35.78	22.33	78	2.64	8.06	29
Total Assets   28.75   9.82   89   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   8.22   83   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   17.91   1							
Tier One Capital -2.24 7.54 23 12.90 7.95 77 Net Loans & Leases 27.59 10.38 88 17.57 10.30 78 Short Term Investments 87.47 74.04 5 102.09 10.12 84 Short Term Non Core Funding 108.88 27.98 90 43.77 17.27 81  Average Total Assets 956.195 773.716 Total Equity Capital 105.235 107,978 Net Income -2.803 12,109							
Net Loans & Leases         27.59         10.38         88         17.57         10.30         78           Short Term Investments         -87.47         74.04         5         102.09         10.12         84           Short Term Non Core Funding         108.88         27.98         90         43.77         17.27         81           Average Total Assets         956.195         773.716           Total Equity Capital         105,235         107,978           Net Income         -2,803         12,109							
Short Term Investments         -87.47         74.04         5         102.09         10.12         84           Short Term Non Core Funding         108.88         27.98         90         43.77         17.27         81           Average Total Assets         956.195         773.716           Total Equity Capital Net Income         105,235         107,978           Net Income         -2,803         12,109							
Short Term Non Core Funding 108.88 27.98 90 43.77 17.27 81  Average Total Assets 956.195 773.716  Total Equity Capital 105,235 107,978 Net Income -2,803 12,109							
Average Total Assets         956,195         773,716           Total Equity Capital         105,235         107,978           Net Income         -2,803         12,109							
Total Equity Capital 105,235 107,978 Net Income -2,803 12,109	Short Term Non Core Funding	108.88	27.98	90	43.77	17.27	81
Total Equity Capital 105,235 107,978 Net Income -2,803 12,109	Accessed Water Access	CHANGE THE CONTROL OF					
Net Income -2,803 12,109							
-2,000			1				
Number of banks in Peer Group 305 298	rver income			-2,803			12,109
realition of ballits in Feet Group 305 298	Number of banks in Peer Group						
	realiber of banks in Feet Group			305			298

Figure 1 and Figure 1 to 1 t		31/2008			1/2006		
Earnings and Profitability	BANK	PG 5	PCT	BANK	PG 5	PCT	
Percent of Average Assets:							
Interest Income (TE)	5.57	5.90	23	7.33	6.63	82	
- Interest Expense	2.56	2.36	63	3.05	2.70	73	
Net Interest Income (TE)	3.01	3.55	20	4.28	3.94	69	
+ Noninterest Income	3.59	0.77	97	1.01	0.83	68	
<ul> <li>Noninterest Expense</li> </ul>	5.29	2.91	95	3.44	2.84	80	
<ul> <li>Provision: Loan &amp; Lease Losses</li> </ul>	0.91	0.62	75	0.16	0.15	61	
<ul> <li>Provision: Credit Loss Oth Assets</li> </ul>	N/A	N/A	N/A	N/A	N/A	N/A	
Pretax Operating Income (TE)	0.40	0.87	25	1.68	1.82	43	
+ Realized Gains/Losses Sec	-0.01	-0.04	23	-0.01	0.00	16	
+ Unrealized Gains / Losses Equity Sec	N/A	0.00	N/A	N/A	0.00	N/A	
Pretax Net Operating Income (TE)	0.39	0.74	29	1.67	1.81	42	
Net Operating Income	0.30	0.53	30	1.15	1.26	44	
Adjusted Net Operating Income	1.03	0.78	60	1.31	1.33	51	
Net Inc Attrib to Min Ints	N/A	0.00	N/A	N/A	0.00	N/A	
Net Income Adjusted Sub S	0.30	0.47	30	1.15	1.17	48	
Net Income	0.30	0.53	30	1.15	1.26	44	
THE INCOME	0.50	0.55	30	1.10	1.20		
Margin Analysis:							
Avg Earning Assets to Avg Assets	89.66	93.86	8	94.61	94.04	57	
Avg Int-Bearing Funds to Avg Assets	78.27	80.74	31	73.88	79.62	18	
Int Inc (TE) to Avg Earn Assets						81	
	6.21	6.30	44	7.75	7.06		
Int Expense to Avg Earn Assets	2.86	2.52	70	3.22	2.87	72	
Net Int Inc-TE to Avg Earn Assets	3.36	3.79	25	4.52	4.21	67	
Lean B Leans Applicates							
Loan & Lease Analysis:							
Net Loss to Average Total LN&LS	0.20	0.53	33	0.00	0.11	17	
Earnings Coverage of Net Losses (X)	7.66	9.99	60	705.78	57.97	96	
LN&LS Allowance to LN&LS Not HFS	1.59	1.43	70	1.01	1.21	24	
LN&LS Allowance to Net Losses (X)	8.52	5.96	76	359.44	26.60	96	
LN&LS Allowance to Total LN&LS	1.44	1.42	61	1.00	1.20	24	
Total LN&LS-90+ Days Past Due	0.00	0.15	26	0.00	0.08	30	
-Nonaccrual	1.34	1.84	51	0.03	0.44	14	
-Total	1.34	2.07	46	0.03	0.58	9	
Liquidity							
Net Non Core Fund Dep New \$250M	38.28	31.66	67	17.97	26.92	30	
Net Loans & Leases to Assets	92.27	71.43	99	78.15	70.71	72	
Capitalization							
Tier One Leverage Capital	9.2200	8.75	67	12.2100	9.02	92	
Cash Dividends to Net Income	31.46	45.37	41	8.82	39.93	22	
Retained Earnings to Avg Total Equity	2.17	0.24	48	10.15	7.37	68	
Rest+Nonac+RE Acq to Eqcap+ALLL	12.73	18.71	49	0.21	4.16	10	
ribotitionability riod to EdoublineEE	12.75	10.71	45	0.21	4.10	10	
Growth Rates							
Total Assets	18.84	8.75	82	23.12	10.13	87	
Tier One Capital	19.48	5.18	89	47.06	11.64	95	
Net Loans & Leases							
Short Term Investments	26.96	9.14	90	20.31	12.34	79	
	-97.44	35.08	_1	80.13	59.71	71	
Short Term Non Core Funding	3.43	21.85	36	132.39	36.94	93	
Average Total Access							
Average Total Assets			53,900			4,684	
Total Equity Capital		5	55,102		4	4,015	
Net Income			1,653			3,978	
North and the state to David Constitution							
Number of banks in Peer Group			305			285	