

*A Review of Regulatory Proposals on  
Basel Capital and Commercial Real Estate*

**Testimony by Institutional Risk Analytics**

**Committee on Financial Services**

**U.S. House of Representatives**

**September 14, 2006**

[www.institutionalriskanalytics.com](http://www.institutionalriskanalytics.com)

Mr. Chairman and Members of the Committee:

As requested by the Committee, we submit this written testimony regarding the issues surrounding the New Basel Capital Accord or Basel II. We will be pleased to answer any questions you may have regarding this testimony.

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When we think about Basel II, the first issue that comes to mind is the question of national interest. Before all other considerations, we believe that it is important to put the Basel II framework, as well as related regulatory initiatives, into the proper context and to recognize that successful implementation is good for the United States, for consumers as well as providers of financial services. Related regulatory initiatives include the revisions to the collection of counterparty risk data for the Shared National Credits survey (“SNC”), the revised rule on Complex Structured Financial Instruments, and the public and private sector efforts to improve Counterparty Risk Management practices in the US and globally.

Second is the issue of improving and aligning global credit risk practices. More than merely measuring the capital adequacy of a financial institution, the Basel II framework and related regulatory initiatives are about creating a common set of terms and data that describe the financial risks which banks originate and trade with other market participants. Credit risk terms such as Probability of Default, Loss Given Default, Exposure at Default and Maturity are being refined into the new benchmarks for bank safety and soundness – separate and apart from whether one uses such metrics to measure a bank’s capital adequacy.

While the political delay of the Basel II process in the US has slowed the adoption of such credit risk measures for gauging whether a bank has sufficient capital to support its various lines of business, in fact the credit metrics described by these relationships are becoming the industry standard for managing risk – albeit with many different labels and definitions. The Basel II process offers the financial community the opportunity to refine and codify these types of measures of risk into a consistent and transparent dictionary of terms for describing the business models of banks.

The third issue which occurs to us when we look at the Basel II process is, we regret to say, a failure of vision. Despite the obvious national and technical benefits promised by Basel II, we believe that both the regulators and the banking industry have failed the nation and themselves by allowing the process to degenerate into a narrow debate over partisan political interests rather than a cooperative effort to align global bank credit and capital measures.

True, a great deal of the blame can be put at the feet of the Federal Reserve Board, Office of the Comptroller of the Currency and other agencies for not better defining the Basel II proposal, in specific technical terms, and also for not leading the development effort with greater purpose; that is, by example. The years spent on this process and the mixed results yielded to date do not inspire great confidence in the ability of the various regulatory agencies to lead the Basel II process to a successful conclusion and implementation.

But it would be equally wrong not to place at least equal blame with the banking industry for the failure to adopt Basel II in the US. The largest money center banks are the moved movers of Basel II. They demanded a more sensitive and sensible approach to measuring the way that internationally active banks take and mitigate risk. In particular, the largest institutions rightly sought an end to the static measures of capital adequacy currently used to compute risk based capital, measures which virtually all risk professionals agree do not truly measure the risks taken by banks today.

Instead of leading the process by example and working to create a transparent and consistent framework for measuring the capital adequacy of all US banks, the largest banks and their political supporters instead have acted out of self interest. Rather than considering the overwhelming national interest argument for moving forward with Basel II, a woeful state now exists where each bank is arguing for unique treatment under the Basel II rules, this rather than supporting a common set of measures to benchmark capital adequacy for all US banks.

In 2005, after the Congress raised objections with regulators regarding the composition of the Basel II proposal, particularly with respect to the general consensus that bank capital levels would fall under Basel II,<sup>1</sup> the regulators took a step back from the more ambitious goals of Basel II. The static gearing ratio for measuring capital to assets already used by regulators under the Basel I framework was explicitly retained in the proposal and other changes were made to in essence maintain the current methods of measuring whether a bank has sufficient capital to support the risks that it takes in the marketplace.

Our sources in the industry tell us that the changes made to the Basel II proposal since last year, changes which are reflected in the draft proposal published last week by the Federal Reserve Board and other agencies, have largely taken away the attractiveness of pursuing the more advanced levels of the Basel II framework. Indeed, it is no surprise that four of the largest banks have written to the Federal Reserve Board asking to be allowed to opt-out of the most rigorous and technically challenging aspects of the Basel II proposal, in favor of what is known as the standardized approach.

We view this development with alarm and we suggest to the Committee that the reluctance of some of the most sophisticated and well-run financial institutions in the US to pursue the full menu of risk management enhancements proposed under the current Basel II framework means that the regulators need to go back to the drawing board. Our suggestion to the Committee is that the regulators should observe three basic principals of risk management and financial analytics when approaching the task of finalizing the Basel II framework:

- Standardization of risk measures
- Transparency of risk disclosure
- Comparability of capital adequacy metrics

Following these core principles, we believe, will help the Congress and the regulators shape a Basel II proposal that is worthy of support by the banking industry and the Congress.

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<sup>1</sup> See "Summary Findings of the Fourth Quantitative Impact Study," February 2006.

First is the issue is standardization of capital adequacy measures. We reject the core assumption of Basel II that each bank deserves “special treatment” when it comes to assessing its risk based capital needs. Accepting the view currently held by the Federal Reserve Board means that calculating a bank's capital needs and assessing its operational safety and soundness will be an entirely subjective process. To make Basel II work, the Fed and other US regulators need to come up with a simplified version of the framework that is easy to implement, validate and most important, explain to observers outside the industry.

Second is the related issue of transparency. The single biggest obstacle to political approval of Basel II is the accord's reliance on privileged, non-public financial data to gauge compliance. If you begin with the assumption in the current Basel II proposal that each bank deserves “special treatment” and combine the fact that most of the data used to measure capital adequacy will never be disclosed to the public of the Congress, you end up with an unworkable situation. At the very least, it will be impossible for the Congress to conduct oversight of the current Basel II proposal.

Under the current Basel II proposal, perhaps the most important single issue of bank supervision affecting any institution will be decided in private, away from public scrutiny and the oversight of the Congress. If regulators, investors and risk professionals can't examine the Basel II metrics or the data used to produce them, then there is no validation and no market discipline. And that means there is no Pillar III process, the key element of Basel II which the Bank for International Settlements identifies as critical to making the framework viable.<sup>2</sup>

Third is the issue of comparability, one of the most import aspects of the current Basel I capital framework. If the current Basel II proposal is adopted, then there will be no way to compare the risk profiles of different US banks. Since virtually all of the processes and data used to measure compliance with Basel II will be based upon privileged, non-public information, there will be no way for investors, regulators, other banks or the Congress to easily make observations about the risk profiles of different banks or industry sectors.

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<sup>2</sup> See “Using Public Data Benchmarking for Basel II,” *GARP Risk Review*, May/June, 2006, Pg. 30.

Fortunately, the part of the answer to many of these issues is easily at hand, namely using existing public data and enhancements to public data disclosure to create a framework for benchmarking the risk profiles of all US banks. Specifically, the portfolio level financial statement data gathered by the Federal Deposit Insurance Corporation on behalf of the members of the Federal Financial Institutions Examinations Council, should be used by regulators to create benchmarks for the found basic measures of the Basel II proposal – measures which are shared, by no coincidence, in the proposed revisions to the SNC reporting framework.

Over the past year, we have prepared public data benchmarks for the major Basel II factors using data from the FDIC's Research Information Service. We believe that these public benchmarks provide very powerful measures for how and where banks deploy assets and take risks, measures which if combined with new counterparty risk data proposed to be gathered as part of the SNC proposal, could provide a greatly enhanced picture of the economic capital required to support a bank's business.<sup>3</sup>

Once regulators accept the concept of using public data for Basel II and establish transparent methods for calculating the key credit metrics such as Probability of Default, Loss Given Default, Exposure at Default and Maturity, the regulators can then benchmark the entire US banking industry, not just the largest banks. Such an approach would greatly enhance the ability of the Fed to gain industry support for the proposal and lessen political opposition in Washington.

Complexity is not clarity. Trying to gain approval of a Basel II proposal that relies on non-public data and is therefore difficult to illustrate in concrete, dollars and cents terms, strikes us and many risk managers as a tall order. It is not too late for the US regulators to change course and adopt a proposal that enhances the current Basel I framework, using public, portfolio-level data already available from the FDIC.

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<sup>3</sup> A copy of our latest Basel II survey, "Basel II by the Numbers," for Q1 2006 is attached as Appendix A.

By taking this route, the US would continue to rely on the principles of transparency and comparability which have made the its banking industry the envy of the world for over a century and thereby save the Basel II process from what seems to be a increasingly doubtful future.

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APPENDIX A

# Institutional Risk Analytics

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## Basel II by the Numbers: Q1 2006

This report presents public data Basel II credit benchmarks derived from the IRA Bank Monitor for more than 360 US bank holding companies (“BHC”). The IRA Bank Monitor provides 18 years of historical, portfolio-level performance and Basel II benchmarks for all federally insured depository institutions. This report includes BHCs which operated in the US market as of March 31, 2006.

The metrics presented in this report are based on “as filed” data from the Research Information Service (“RIS”) of the [Federal Deposit Insurance Corp](#) and aggregate financial results for the subsidiary banks of the BHC, rolled-up into a “bank only” profile. The results of the Basel II and performance benchmarks in this report are grouped into four subsets based upon the BHC’s asset size:

- [Large Holding Companies Over \\$10 Billion Assets](#) [Page 11](#)
- [Mid-Size Holding Companies \\$1B to \\$10B Assets](#) [Page 17](#)
- [Small Holding Companies \\$500M to \\$1B Assets](#) [Page 25](#)
- [Micro Holding Companies Under \\$500M Assets](#) [Page 33](#)

Please note that thrifts are not listed in this edition of the *Basel II by the Numbers* series. The Office of Thrift Supervision’s policy controlling the FDIC research feed prevents transmission of portfolio and aggregate maturity data for thrifts in electronic form – even though the data is public. This makes it impossible to calculate a key Basel metric – weighted average maturity or WAM. We are addressing our observations to the OTS and look forward including this class of institutions in future editions of *Basel II by the Numbers*.

As with IRA’s previous report, we are again using a test methodology that sets a very high hurdle in terms of capital adequacy by measuring the amount of Economic Capital (“EC”) a firm needs and comparing this result with the bank’s regulatory capital requirement. Under Basel II, EC is broadly considered to be the amount of capital a financial services firm’s own internal risk assessment determines it should hold.<sup>1</sup>

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<sup>1</sup> See Porteous & McCullough, “An approach to economic capital for financial services firms,” *Risk*, April 2003. ([www.risk.net](http://www.risk.net)).

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## Basel II by the Numbers: Q1 2006

Our benchmarking efforts continue to focus on a perspective that is an apparent opposite of that selected in the Quantitative Impact Survey conducted by US regulators during 2005. Specifically, this Basel II simulation poses the key question: How much Economic Capital does a given banking organization need in order to sustain severe losses on its risk bearing trading book and yet keep its external credit ratings stable? By focusing on the stressed scenario rather than the “best case” scenario highlighted in QIS 4, we hope to shed light on the assumptions in the current debate over Basel II.

This methodology may seem arbitrary – and it is, intentionally so. The point of the simulation presented in this report is not to test compliance with the notional rules of Basel II, rules which are still not finalized at this writing, but instead to examine the safety and soundness of an institution compared with its peers using the valuable concepts upon which Basel II is meant to be based. This is, after all, what the risk management process is really about; understanding individual subject behavior, not to auto correlate a notional target point as seems to have been the result – if not the intention -- of the QIS 4 survey.

As in previous reports, we are overly generous in our assumptions regarding the treatment of risk-free exposure for assets such as GSE obligations and harshly prudish in the way we approach trading risks, but we also allow expected loan losses to be defined by recent loan default experience, an assumption we feel is quite liberal. As discussed below, current bank loan default rates in the US are so low as to be incredible and thus understate risks in the banking book.

The good news is that the US banking industry does not seem to be suffering a capital crisis, as many of the opponents of Basel II would argue. As you would expect, our Basel II scenario seemingly confirms that larger banks are riskier than mid-size, small and micro institutions. Indeed, the test results suggest that smaller banks are far better capitalized than their larger peers relative to the risks they take. These results also call into question current regulatory attention on enhancing risk management practices in smaller institutions. The attention of regulators would seem to be better allocated to the largest banks that are playing far beyond the margin in terms of the adequacy of their current capital.

The bad news is that the smaller banks especially and all US banks generally are probably more risky than their current Basel II profiles suggest. Despite the very low loan loss rates reported by US banks during Q1 2006, we continue to believe that bank loan default rates reflected in the FDIC RIS understate the economic reality by at least two full letter default rating grades. Thus an exploration of the possible EC requirements for banks during a future period of above-normal loan default rates seems both timely and of great significance to the risk community, regulators and the banking public.

## Basel II by the Numbers: Q1 2006

Finally, we have greatly expanded the universe of banks surveyed in this edition of *Basel II by the Numbers*. Where previous editions focused only on large banks, this edition adds coverage of three additional asset strata in the U.S. banking universe. As we continue to examine our benchmarking strategy, we find ourselves confirming over and over again the delightful fact that bank business models are indeed quite varied and innovative. We hope that this expanded sample allows you to appreciate this diversity and see them all in a more transparent, apples-to-apples fashion.

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July 20, 2006

*Ongoing research, technical analysis and methodology development of Basel II by the Numbers is directed by IRA CEO Dennis Santiago.*

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# Basel II by the Numbers: Q1 2006

## Highlights

- Whereas surveys conducted by US bank regulators suggest that under the Basel II proposal some of the largest US banks would need less EC than current regulatory minimum capital levels, the “fully stressed” simulation presented in this report suggests that some of the largest US banks would require significantly more EC than current minimum levels of Tier One Risk Based Capital (“RBC”), particularly during an economic downturn.
- For example, JP Morgan Chase (NYSE:JPM) would require EC equal to 5.4x current Tier One RBC in order to maintain its credit rating during a period of extreme stress -- which is defined as the institution sustaining significant, high double-digit percentage losses to the risk bearing portion of the trading and investment books. Under this same scenario, Citigroup (NYSE:C) would require 3.4x Tier One RBC, Bank of America 1.6x Tier One RBC and Wachovia Corp (NYSE:WB) 2.1x Tier One RBC.
- Table One below shows the results for the ratio of EC to Tier One RBC for the top ten largest BHCs in the US market. The average ratio of EC to Tier One RBC for this group is 1.94, the median is 1.26 and the STDEV is 1.66.

<b>Holding Company</b>	<b>EC to Tier One RBC</b>
<b>BANK OF AMERICA CORPORATION</b>	<b>1.589</b>
<b>JPMORGAN CHASE &amp; CO.</b>	<b>5.438</b>
<b>CITIGROUP INC.</b>	<b>3.379</b>
<b>WACHOVIA CORPORATION</b>	<b>2.120</b>
<b>WELLS FARGO &amp; COMPANY</b>	<b>0.927</b>
<b>U.S. BANCORP</b>	<b>0.694</b>
<b>SUNTRUST BANKS, INC.</b>	<b>0.765</b>
<b>HSBC HOLDINGS PLC</b>	<b>3.418</b>
<b>ROYAL BANK OF SCOTLAND GROUP</b>	<b>0.654</b>
<b>NATIONAL CITY CORP</b>	<b>0.377</b>

**Source: IRA Bank Monitor**

- Notice that some of the largest banks in the US, such as US Bancorp (NYSE:USB), the subsidiaries of Royal Bank of Scotland (NYSE:RBS) and National City Corp (NYSE:NCC) were assigned a significantly lower ratio of EC to Tier One RBC in this simulation than some of their peers, perhaps suggesting that these franchises are pursuing different business model goals than the large bank group as a whole.

## Basel II by the Numbers: Q1 2006

- Table Two below shows the mean and median ratios of EC to Tier One RBC for the entire test population, divided into four groups based upon asset size, as well as the standard deviation for each group.

### EC to Tier One RBC Ratio

	<b>Mean</b>	<b>Median</b>	<b>STDEV</b>
<b>Top Ten Banks</b>	1.94	1.26	1.66
<b>Large Banks</b>	1.52	0.875	1.81
<b>Mid-Size Banks</b>	0.786	0.427	1.151
<b>Small Banks</b>	0.520	0.261	0.701
<b>Micro Banks</b>	0.541	0.207	1.341

Source: IRA Bank Monitor

# Basel II by the Numbers: Q1 2006

## Description of the Metrics

Below is a description of the performance and Basel II metrics presented in this report. The measures in the profiles for individual BHCs are in thousands of US dollars unless otherwise indicated. All data is for the quarter ended March 2006.

- **Total Assets:** The total assets of the subsidiary banks in a given BHC. As reported in CALL/TFR.
- **Net Income:** Net income for the subsidiary banks, as reported in CALL/TFR.
- **ROA/ROE:** Return on assets and return on equity. This is an annualized measurement. Data is computed by IRA for BHC roll up's using a straight line annual factoring method. Unit level ROA/ROE data reported as computed by FDIC using RIS annual factoring formulae.
- **Loss Provisions Analysis:** Gross defaults suffered, loss provisions allocated, and the ratio of provisions to gross defaults. As reported in CALL/TFR.
- **Basel II Rating:** Actual default rate for current quarter expressed as bond rating equivalent using industry break points. Computed and assigned by IRA. This figure should generally align with the "internal target rating" for the bank's credit operations business model.
- **Defaults:** Observed loan and lease defaults in basis points versus the reported loan and lease base.
- **Loss Given Default ("LGD"):** Percent loss after default per dollar lent, calculated by comparing current period defaults with recoveries.
- **M:** Weighed average maturity or WAM in years for the aggregate lending portfolio.
- **Exposure at Default ("EAD")** = Amount in aggregate which obligors could borrow immediately prior to default expressed as % of existing credit available. Computed by analyzing as-reported unused lending commitments.

## Basel II by the Numbers: Q1 2006

- **Economic Capital:** EC is a way to measure the amount of capital needed to meet the losses from the risks which a bank assumes. In this report, standardized, fully-stressed EC is computed by IRA to enable direct comparisons between institution risk management strategies. Includes separate calculations and risk weightings for lending, trading and investment activities for each BHC or thrift.
- **Tier-One Risk-Based Capital:** The regulatory capital measure as reported by the institution to regulators. Tier One RBC is based on a regulated formula and in the case of BHCs is reported in Schedule RC-R of the CALL/TFR for their subsidiary banks.
- **EC to Tier One RBC:** Ratio of Economic Capital to Tier 1 RBC.
- **RAROC:** Risk Adjusted Return On Capital. Also known as Return On Economic Capital (ROEC). Computed using IRA's EC estimate.

### Notes on Methodology

There is a degree of diversity of opinion as to how the metrics in Basel II should be calculated equal to that found among bank business models. Indeed, since our last report, we have received feedback on several areas of methodology:

- Our choice to treat the implied guarantee for GSE paper as a zero risk item for Economic Capital computations drew several comments. Many institutions use a 20% risk factor for GSE risk when calculating EC, a practice which is compliant with regulatory guidelines. Since everyone in the marketplace views GSEs as risk free, applying such a factor to a benchmark designed to highlight the differences in "business model" efficacy among institutions can mask the real world RAROC effects of significant amounts of capital and thus impede transparency. We have data showing the delta between the two viewpoints and are presently examining how to best express these for benchmarking purposes.
- We also received feedback on our choice to base our Exposure At Default (EAD) methodology that focuses on examining unused commitments. As one might expect, the reactions ranged from favorable to concerned in a manner that correlates to the degree to which the commenter's institution has such exposure and degree to which they mitigate that exposure using statistics to predict the likely use of these unused commitments ("UC") by obligors. We note that these statistics are internally arbitrary and of

## Basel II by the Numbers: Q1 2006

sufficient variety so as to be hindrances to transparency if applied to a “business model” benchmarking tool. We examined the EAD data using a parametric approach but this just adds to the noise. We looked into creating a standard test case UC exposure distribution formula for but this only produces a basis for even more argument about the validity of the benchmark. So for now we are sticking with the simplistic but defensible rule that a contracted and unused commitment constitutes EAD.

- Lastly, we also received comments regarding our calculations for LGD, in both cases complaining, to quote one banker, that “I haven’t lost money on a real estate loan in years.” One commenter suggested that we compare gross defaults to provisions instead of recoveries to better capture the economic reality of the lending & recovery process. We are concerned that using provisions, rather than current period recoveries, to calculate LGD may add noise to the analysis, however, and thus we have retained our current definition for LGD in this report.

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## Basel II by the Numbers: Q1 2006

### SUMMARY BASEL II METRICS

The table below presents actual average and median current period P(D), LGD, M and EAD, divided into four groups, and including the standard deviation for each group. We also provide a smoothed average (“S”) for LGD, replacing any negative values more than one standard deviation from the mean of the actual results with a four quarter average.

<b>LARGE BANKS</b>	<b>P(D) (bp)</b>	<b>LGD (%)</b>	<b>M (yrs)</b>	<b>EAD (%)</b>
MEAN	8.22	31.43%	3.86	74.01%
MEDIAN	5.60	66.10%	3.27	43.60%
STDEV	10.98	-253.50%	2.18	88.88%
S-MEAN		61.89%		
S-MEDIAN		67.15%		
S-STDEV		23.91%		

Source: IRA Bank Monitor

<b>MID SIZE BANKS</b>	<b>P(D) (bp)</b>	<b>LGD (%)</b>	<b>M (yrs)</b>	<b>EAD (%)</b>
MEAN	6.65	-35.67%	3.3935	38.21%
MEDIAN	3.90	59.75%	2.975	29.00%
STDEV	14.65	-506.75%	2.206	72.17%
S-MEAN		33.70%		
S-MEDIAN		60.10%		
S-STDEV		76.57%		

Source: IRA Bank Monitor

<b>SMALL BANKS</b>	<b>P(D) (bp)</b>	<b>LGD (%)</b>	<b>M (yrs)</b>	<b>EAD (%)</b>
MEAN	2.93	-25.13%	3.44	25.79%
MEDIAN	1.50	57.30%	2.99	24.00%
STDEV	4.85	-362.57%	2.02	10.94%
S-MEAN		36.68%		
S-MEDIAN		57.30%		
S-STDEV		76.76%		

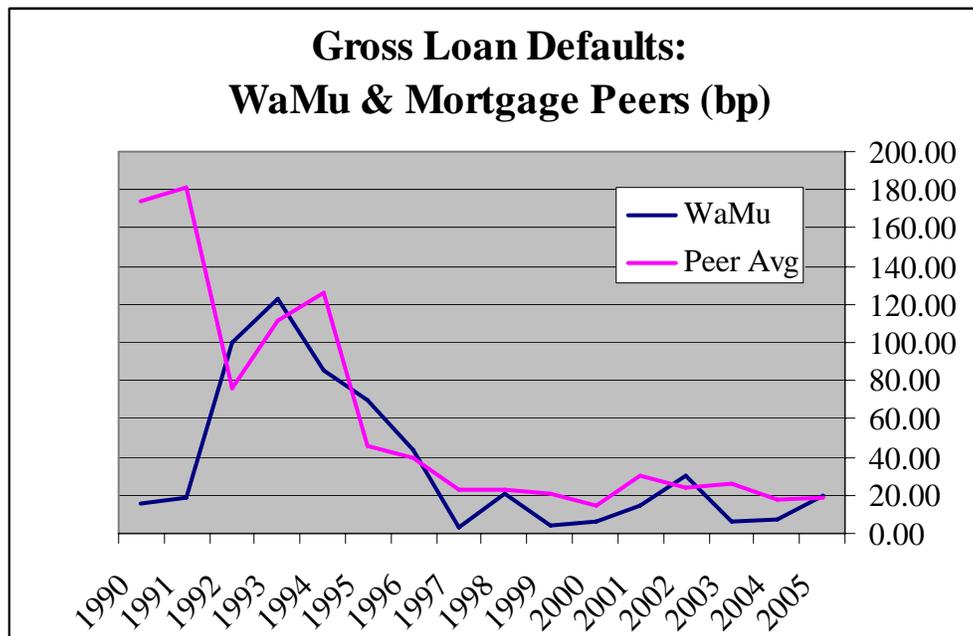
Source: IRA Bank Monitor

## Basel II by the Numbers: Q1 2006

<b>MICRO BANKS</b>	<b>P(D) (bp)</b>	<b>LGD (%)</b>	<b>M (yrs)</b>	<b>EAD (%)</b>
MEAN	3.69	4.09%	3.27	23.32%
MEDIAN	2.15	66.00%	2.60	21.40%
STDEV	4.57	-314.13%	2.27	10.00%
S-MEAN		41.39%		
S-MEDIAN		55.74%		
S-STDEV		52.58%		

Source: IRA Bank Monitor

We believe that the frequency and magnitude of the negative LGD results in this simulation, as illustrated in the individual BHC profiles which follow starting on Page 11, support the view that loan collateral values have reached extraordinarily high levels and that defaults, conversely, are greatly skewed to the low-end of historical norms. Consider the chart below, which shows since 1990 the gross defaults for the lead unit of Washington Mutual (NYSE:WM) and the average of 40 other large members of the FDIC mortgage specialization peer group. The longer this abnormal situation persists, we believe, the more dramatic the likely reversion back to the historical mean is likely to be.



Source: IRA Bank Monitor

## Basel II by the Numbers: Q1 2006

<b>LARGE HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
BANK OF AMERICA	\$1,281,481,387	\$4,876,468	1.52%	13.04%	\$683,417,561	\$1,115,634	\$1,252,591	0.89:1
JPMORGAN CHASE & CO	\$1,167,775,561	\$2,890,395	0.99%	10.37%	\$461,296,789	\$879,600	\$850,130	1.03:1
CITIGROUP	\$1,030,820,869	\$4,131,644	1.60%	16.95%	\$643,625,809	\$1,900,798	\$1,115,617	1.70:1
WACHOVIA	\$499,713,373	\$1,530,960	1.23%	11.71%	\$287,050,128	\$104,554	\$88,973	1.18:1
WELLS FARGO & COMPANY	\$444,968,873	\$1,660,229	1.49%	17.05%	\$313,919,797	\$316,126	\$187,951	1.68:1
U S BANCORP	\$213,518,811	\$1,107,411	2.07%	20.45%	\$140,710,938	\$174,812	\$116,800	1.50:1
SUNTRUST BANKS	\$179,407,024	\$557,751	1.24%	12.02%	\$128,450,489	\$54,235	\$33,678	1.61:1
HSBC HOLDINGS PLC	\$161,125,331	\$413,107	1.03%	11.99%	\$88,496,865	\$229,890	\$156,599	1.47:1
ROYAL BANK OF SCOTLAND	\$159,913,200	\$358,247	0.90%	6.37%	\$103,874,452	\$113,044	\$79,999	1.41:1
NATIONAL CITY	\$148,316,945	\$419,263	1.13%	12.56%	\$114,549,475	\$178,101	\$37,895	4.70:1
ABN AMRO HOLDING N V	\$114,637,628	\$275,397	0.96%	8.86%	\$69,331,017	\$15,146	\$114,935	0.13:1
BB&T	\$111,554,205	\$442,702	1.59%	15.07%	\$74,517,181	\$42,066	\$27,557	1.53:1
FIFTH THIRD BANK	\$107,244,546	\$381,367	1.42%	14.05%	\$72,251,128	\$96,716	\$77,576	1.25:1
STATE STREET	\$91,968,170	\$268,472	1.17%	17.62%	\$8,942,292	\$0	\$0	na
KEY CORP	\$88,890,537	\$281,033	1.26%	16.11%	\$70,434,302	\$64,550	\$38,628	1.67:1
BANK OF NEW YORK	\$88,793,175	\$341,875	1.54%	15.17%	\$33,114,609	\$13,853	\$6,620	2.09:1
PNC FINANCIAL SERVICES	\$87,676,298	\$258,748	1.18%	15.55%	\$51,941,505	\$28,758	\$22,024	1.31:1
REGIONS FINANCIAL	\$80,357,053	\$261,341	1.30%	9.52%	\$60,137,508	\$55,231	\$32,689	1.69:1
COUNTRYWIDE FINANCIAL	\$79,951,833	\$261,238	1.31%	18.79%	\$71,235,319	\$7,285	\$27,586	0.26:1
CAPITAL ONE FINANCIAL	\$75,140,274	\$792,261	4.22%	27.59%	\$42,573,405	\$345,877	\$78,772	4.39:1
BNP PARIBAS SA	\$66,465,619	\$196,652	1.18%	7.47%	\$43,709,696	\$27,383	\$13,000	2.11:1
NORTH FORK BANK	\$58,087,052	\$221,620	1.53%	9.15%	\$38,390,977	\$8,834	\$9,000	0.98:1
COMERICA	\$57,078,819	\$193,117	1.35%	13.83%	\$44,862,945	\$25,323	-\$27	-937.89:1
ALLIED IRISH BANKS P L C	\$55,418,707	\$211,533	1.53%	13.13%	\$40,858,598	\$25,797	\$18,000	1.43:1
MITSUBISHI UFJ FINANCIAL	\$52,910,138	\$188,093	1.42%	13.17%	\$34,889,341	\$10,253	\$3,762	2.73:1
AMSOUTH BANK	\$52,823,768	\$181,677	1.38%	18.97%	\$37,019,896	\$50,571	\$27,300	1.85:1
NORTHERN TRUST	\$51,884,652	\$182,213	1.40%	18.12%	\$20,474,652	\$366	\$4,060	0.09:1

## Basel II by the Numbers: Q1 2006

<b>LARGE HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
TORONTO-DOMINION BANK	\$50,428,218	\$108,438	0.86%	4.61%	\$25,735,526	\$12,197	\$6,912	1.76:1
ZIONS BANK	\$45,197,108	\$153,427	1.36%	12.68%	\$31,091,995	\$15,610	\$14,512	1.08:1
MARSHALL & ILSLEY	\$44,548,189	\$140,094	1.26%	14.44%	\$34,865,178	\$10,285	\$10,845	0.95:1
COMMERCE BAN	\$40,976,011	\$77,831	0.76%	13.04%	\$13,536,702	\$6,096	\$6,501	0.94:1
POPULAR	\$38,345,183	\$112,007	1.17%	15.56%	\$23,190,966	\$41,652	\$33,334	1.25:1
MELLON FINANCIAL	\$38,341,415	\$164,612	1.72%	20.23%	\$6,533,283	\$229	-\$842	-0.27:1
BANK OF MONTREAL	\$37,733,714	\$42,929	0.46%	5.46%	\$25,539,277	\$15,236	\$5,646	2.70:1
DEUTSCHE BANK AG	\$37,028,772	\$37,810	0.41%	1.81%	\$8,129,648	\$0	-\$50	0.00:1
FIRST HORIZON NATIONAL	\$36,999,286	\$228,410	2.47%	31.53%	\$24,823,390	\$14,791	\$17,799	0.83:1
HUNTINGTON BANCSHARES	\$35,241,416	\$99,242	1.13%	18.07%	\$26,294,495	\$31,767	\$16,419	1.93:1
COMPASS BANCSHARES	\$32,847,235	\$110,558	1.35%	15.78%	\$23,310,167	\$25,141	\$17,112	1.47:1
SYNOVUS FINANCIAL	\$30,141,139	\$150,179	1.99%	16.38%	\$22,624,930	\$17,254	\$19,549	0.88:1
NEW YORK COMMUNITY	\$27,099,292	\$74,793	1.10%	7.69%	\$18,146,255	\$99	\$0	n/a
COLONIAL BANC	\$21,918,735	\$68,446	1.25%	12.94%	\$16,516,306	\$13,136	\$12,342	1.06:1
ASSOCIATED BANC-	\$21,267,941	\$67,752	1.27%	11.30%	\$15,391,054	\$5,585	\$3,717	1.50:1
ROYAL BANK OF CANADA	\$20,541,202	\$27,198	0.53%	3.29%	\$12,800,334	\$7,816	\$5,355	1.46:1
FIRST BANK	\$20,490,995	\$2,711	0.05%	0.81%	\$13,057,692	\$19,605	\$19,259	1.02:1
UBS AG	\$19,009,426	\$67,428	1.42%	12.85%	\$8,233,919	\$0	\$0	n/a
BOK FINANCIAL	\$18,787,797	\$54,470	1.16%	14.21%	\$9,200,798	\$4,149	\$1,854	2.24:1
CHARLES SCHWAB	\$18,181,128	\$56,030	1.23%	12.47%	\$8,704,402	\$56	\$882	0.06:1
WEBSTER FINANCIAL	\$17,667,592	\$48,093	1.09%	11.00%	\$12,791,853	\$2,067	\$1,573	1.31:1
MERCANTILE BANKSHARES	\$17,094,476	\$68,153	1.59%	13.65%	\$11,715,334	\$1,379	-\$3,706	-0.37:1
W HOLDING COMPANY	\$16,640,389	\$35,030	0.84%	12.33%	\$8,121,130	\$5,364	\$7,000	0.77:1
SKY FINANCIAL	\$15,471,542	\$48,032	1.24%	12.46%	\$11,117,313	\$10,681	\$6,953	1.54:1
FIRST CITIZENS BANCSHARES	\$15,154,744	\$33,263	0.88%	9.68%	\$10,019,557	\$8,203	\$7,635	1.07:1
FULTON FINANCIAL	\$14,842,368	\$46,145	1.24%	11.93%	\$10,078,749	\$1,504	\$1,000	1.50:1
SOUTH FINANCIAL	\$14,729,736	\$30,031	0.82%	7.64%	\$9,834,428	\$8,874	\$10,259	0.86:1
CITY NATIONAL	\$14,554,937	\$55,820	1.53%	15.66%	\$9,567,152	\$1,149	\$0	n/a

## Basel II by the Numbers: Q1 2006

<b>LARGE HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
LAURITZEN	\$14,062,850	\$37,489	1.07%	12.36%	\$9,312,586	\$17,407	\$15,451	1.13:1
TCF FINANCIAL	\$13,935,545	\$58,052	1.67%	25.22%	\$10,791,898	\$3,116	\$1,507	2.07:1
COMMERCE BANCSHARES	\$13,692,836	\$51,391	1.50%	19.66%	\$9,127,876	\$9,346	\$4,432	2.11:1
FBOP	\$13,573,710	\$39,168	1.15%	9.70%	\$9,612,312	\$754	\$110	6.85:1
NEW YORK PRIVATE BANK & TRUST	\$13,196,486	\$35,891	1.09%	13.41%	\$6,441,046	\$4	\$1,748	0.00:1
INVESTORS FINANCIAL SERVICES	\$12,433,965	\$38,153	1.23%	18.63%	\$308,021	\$0	\$0	n/a
VALLEY NATIONAL BANK	\$12,281,514	\$42,782	1.39%	16.47%	\$8,163,699	\$1,394	\$1,294	1.08:1
BAN SOUTH	\$11,875,044	\$40,124	1.35%	14.54%	\$7,434,110	\$2,538	-\$3	-846.00:1
CULLEN/FROST BANKERS	\$11,686,145	\$48,785	1.67%	18.80%	\$6,521,631	\$4,265	\$3,934	1.08:1
DORAL FINANCIAL	\$11,420,920	\$26,415	0.93%	17.78%	\$4,032,009	\$971	\$2,756	0.35:1
BANCO BILBAO VIZCAYA	\$11,162,015	\$11,234	0.40%	3.28%	\$5,872,913	\$15,993	\$9,049	1.77:1
PEOPLE'S MUTUAL HOLDINGS	\$11,085,026	\$34,756	1.25%	10.64%	\$8,774,871	\$1,505	-\$2	-752.50:1
R&G FINANCIAL	\$11,020,025	\$17,690	0.64%	7.88%	\$6,940,322	\$1,645	\$5,637	0.29:1
BANK OF HAWAII	\$10,577,291	\$47,536	1.80%	29.69%	\$6,268,879	\$4,799	\$2,735	1.75:1
WILMINGTON TRUST	\$10,503,329	\$41,131	1.57%	18.09%	\$7,807,163	\$3,211	\$4,024	0.80:1
INTERNATIONAL BANCSHARES	\$10,469,540	\$26,247	1.00%	10.53%	\$4,647,153	\$5,630	\$597	9.43:1
WHITNEY HOLDING	\$10,287,413	\$35,127	1.37%	16.55%	\$6,514,648	\$3,629	\$2,000	1.81:1
FIRSTMERIT	\$10,088,726	\$29,337	1.16%	16.59%	\$6,731,794	\$14,907	\$6,153	2.42:1

## Basel II by the Numbers: Q1 2006

<b>LARGE HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
BANK OF AMERICA	BBB	16.3	73.60%	6.58	177.20%	\$146,994,026	\$92,520,711	1.589	6.55%
JPMORGAN CHASE & CO	BBB	19.1	76.10%	3.07	186.00%	\$390,198,992	\$71,748,830	5.438	0.98%
CITIGROUP	BBB	29.5	69.40%	1.58	240.70%	\$255,703,596	\$75,677,896	3.379	2.31%
WACHOVIA	AA	3.6	58.80%	6.02	77.80%	\$68,699,863	\$32,402,167	2.12	5.80%
WELLS FARGO & COMPANY	A	10.1	73.00%	3.32	57.90%	\$25,995,749	\$28,048,666	0.927	12.94%
U S BAN	BBB	12.4	65.90%	3.96	95.20%	\$8,971,860	\$12,922,123	0.694	18.57%
SUNTRUST BANKS	A	4.2	40.90%	4.5	73.20%	\$9,224,141	\$12,054,618	0.765	13.57%
HSBC HOLDINGS PLC	BBB	26	69.70%	3.12	268.60%	\$36,957,576	\$10,813,005	3.418	1.22%
ROYAL BANK OF SCOTLAND	A	10.9	69.20%	6.63	44.10%	\$6,283,783	\$9,602,490	0.654	18.05%
NATIONAL CITY	BBB	15.5	69.80%	4.36	52.50%	\$3,756,617	\$9,965,411	0.377	18.04%
ABN AMRO HOLDING N V	AA	2.2	36.50%	4.32	60.40%	\$4,611,232	\$9,586,295	0.481	18.70%
BB&T	A	5.6	70.70%	4.48	38.90%	\$1,576,416	\$7,783,668	0.203	55.68%
FIFTH THIRD BANK	BBB	13.4	75.30%	3.77	57.40%	\$3,894,618	\$10,311,788	0.378	16.50%
STATE STREET	AAA	0	n/a	4.74	451.10%	\$39,609,504	\$4,844,238	8.177	1.68%
KEY	A	9.2	59.90%	3.35	55.90%	\$3,852,501	\$6,810,428	0.566	13.42%
BANK OF NEW YORK COMPANY	A	4.2	48.40%	4.64	116.40%	\$29,923,807	\$6,422,539	4.659	1.56%
PNC FINANCIAL SERVICES	A	5.5	64.00%	4.56	79.60%	\$15,855,679	\$6,041,068	2.625	3.47%
REGIONS FINANCIAL	A	9.2	61.30%	2.27	34.70%	\$1,346,873	\$6,884,161	0.196	48.97%
COUNTRYWIDE FINANCIAL	AA	1	91.50%	2.64	14.50%	\$3,989,194	\$5,649,619	0.706	10.56%
CAPITAL ONE FINANCIAL	BB	81.2	60.80%	2.54	374.30%	\$6,329,899	\$7,564,553	0.837	0.96%
BNP PARIBAS SA	A	6.3	62.80%	7.51	27.50%	\$2,926,340	\$5,261,473	0.556	18.05%
NORTH FORK BANK	AA	2.3	64.30%	6.16	15.50%	\$4,161,072	\$3,846,430	1.082	12.10%
COMERICA	A	5.6	66.30%	2.61	58.60%	\$1,329,047	\$5,549,172	0.24	24.56%
ALLIED IRISH BANKS P L C	A	6.3	65.20%	5.94	36.60%	\$5,088,638	\$3,500,200	1.454	8.91%
MITSUBISHI UFJ FINANCIAL	AA	2.9	77.00%	3.68	75.40%	\$4,267,733	\$5,373,022	0.794	10.85%

## Basel II by the Numbers: Q1 2006

<b>LARGE HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
AMSOUTH BANK	BBB	13.7	82.60%	4.05	59.80%	\$6,679,358	\$3,738,499	1.787	6.21%
NOR RN TRUST	AAA	0.2	20.50%	3.29	91.90%	\$3,001,575	\$3,422,164	0.877	5.37%
TORONTO-DOMINION BANK	A	4.7	50.40%	3.43	40.60%	\$8,625,401	\$2,950,827	2.923	4.94%
ZIONS BAN	A	5	74.60%	2.45	66.40%	\$2,531,190	\$2,864,384	0.884	15.07%
MARSHALL & ILSLEY	AA	2.9	56.50%	1.9	48.00%	\$994,069	\$3,138,924	0.317	29.23%
COMMERCE BAN	A	4.5	82.90%	5.65	40.60%	\$18,116,850	\$2,368,987	7.648	2.81%
POPULAR	BBB	18	65.70%	5.94	32.30%	\$1,506,432	\$2,557,848	0.589	20.57%
MELLON FINANCIAL	AAA	0.4	-18.80%	1.62	189.00%	\$7,030,409	\$2,997,607	2.345	2.17%
BANK OF MONTREAL	A	6	57.50%	3.27	54.80%	\$918,116	\$3,037,372	0.302	20.39%
DEUTSCHE BANK AG	AAA	0	n/a	0.62	76.30%	\$6,091,434	\$7,964,460	0.765	3.30%
FIRST HORIZON NATIONAL	A	6	76.40%	1.97	67.90%	\$1,227,852	\$2,480,785	0.495	17.69%
HUNTINGTON BANCSHARES	BBB	12.1	71.10%	3.02	31.80%	\$3,181,235	\$2,096,496	1.517	6.60%
COMPASS BANCSHARES	A	10.8	68.00%	3.02	43.60%	\$2,717,244	\$2,127,117	1.277	8.96%
SYNOVUS FINANCIAL	A	7.6	83.40%	1.48	33.40%	\$181,526	\$3,338,060	0.054	43.70%
NEW YORK COMMUNITY BAN	AAA	0.1	100.00%	4.4	6.70%	\$3,533,847	\$2,086,136	1.694	5.64%
COLONIAL BANC	A	8	74.30%	2.6	37.10%	\$1,328,526	\$1,518,710	0.875	14.84%
ASSOCIATED BANC-	AA	3.6	73.00%	2.41	35.20%	\$417,168	\$1,488,497	0.28	38.16%
ROYAL BANK OF CANADA	A	6.1	56.50%	3.21	42.20%	\$2,864,836	\$1,799,787	1.592	5.32%
FIRST BAN	BBB	15	84.60%	5.02	13.40%	\$3,965,506	\$1,259,972	3.147	4.46%
UBS AG	AAA	0	n/a	0.5	0.50%	\$38,021	\$2,101,067	0.018	622.64%
BOK FINANCIAL	A	4.5	38.20%	2.43	50.60%	\$2,289,752	\$1,356,428	1.688	6.32%
CHARLES SCHWAB	AAA	0.1	89.30%	4.77	36.30%	\$3,851,042	\$1,314,455	2.93	3.62%
WEBSTER FINANCIAL	AA	1.6	81.10%	8.48	41.80%	\$2,247,134	\$1,149,747	1.954	6.75%
MERCANTILE BANKSHARES	AA	1.2	-11.40%	3.99	42.20%	\$158,022	\$1,326,265	0.119	88.90%
W HOLDING COMPANY	A	6.6	58.20%	2.58	12.40%	\$6,677,898	\$1,133,621	5.891	2.05%
SKY FINANCIAL	A	9.6	75.20%	2.37	29.30%	\$389,359	\$1,207,387	0.322	34.57%
FIRST CITIZENS BANCSHARES	A	8.2	75.70%	3.06	50.70%	\$529,032	\$1,317,739	0.401	18.96%
FULTON FINANCIAL	AA	1.5	42.80%	3.07	42.30%	\$161,129	\$1,000,557	0.161	62.77%

## Basel II by the Numbers: Q1 2006

<b>LARGE HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
SOUTH FINANCIAL	A	9	76.70%	2.59	23.20%	\$264,625	\$965,206	0.274	37.01%
CITY NATIONAL	AA	1.2	-0.20%	5.58	48.70%	\$634,551	\$1,337,393	0.474	26.60%
LAURITZEN	BBB	18.7	68.10%	2.19	367.60%	\$1,808,286	\$1,044,127	1.732	3.73%
TCF FINANCIAL	AA	2.9	81.00%	8.17	31.10%	\$66,561	\$803,357	0.083	163.96%
COMMERCE BANCSHARES	A	10.2	47.20%	2.14	76.60%	\$972,739	\$1,038,986	0.936	9.80%
FBOP	AAA	0.8	77.30%	3.18	29.10%	\$1,125,618	\$1,467,530	0.767	13.22%
NEW YORK PRIVATE BANK & TRUST	AAA	0	-2050.00%	5.29	16.60%	\$1,252,222	\$1,063,442	1.178	10.58%
INVESTORS FINANCIAL SERVICES	AAA	0	0.00%	0.25	317.80%	\$6,279,908	\$760,657	8.256	2.10%
VALLEY NATIONAL BAN	AA	1.7	41.90%	7.47	32.90%	\$1,517,061	\$881,036	1.722	8.54%
BAN SOUTH	AA	3.4	63.90%	1.12	27.60%	\$1,681,600	\$950,982	1.768	6.25%
CULLEN/FROST BANKERS	A	6.5	58.40%	1.99	52.20%	\$62,171	\$824,333	0.075	198.08%
DORAL FINANCIAL	AA	2.4	89.10%	11.43	11.10%	\$1,754,345	\$778,747	2.253	6.65%
BANCO BILBAO VIZCAYA	BBB	27.2	51.10%	2.83	14.10%	\$685,787	\$683,627	1.003	12.73%
PEOPLE'S MUTUAL HOLDINGS	AA	1.7	-0.10%	2.63	36.30%	\$415,895	\$1,225,090	0.339	21.38%
R&G FINANCIAL	AA	2.4	71.20%	10.69	22.50%	\$559,261	\$813,869	0.687	14.71%
BANK OF HAWAII	A	7.7	57.50%	7.14	43.80%	\$1,203,373	\$664,691	1.81	9.77%
WILMINGTON TRUST	A	4.1	55.00%	1.89	41.50%	\$475,336	\$921,610	0.516	19.61%
INTERNATIONAL BANCSHARES	BBB	12.1	94.10%	2.4	33.30%	\$31,122	\$715,655	0.043	287.28%
WHITNEY HOLDING	A	5.6	77.70%	1.78	46.30%	\$1,150,558	\$730,559	1.575	9.79%
FIRSTMERIT	BBB	22.1	61.70%	3.98	43.50%	\$304,906	\$731,582	0.417	23.72%

## Basel II by the Numbers: Q1 2006

MID SIZE HOLDING COMPANY	Total Assets (000)	Net Income, YTD	ROA %	ROE %	Loans and Leases	Gross Losses	Loss Provisions	Provisions/ Defaults Ratio
FIRST BANKS	\$9,373,551	\$34,632	1.48%	14.15%	\$7,171,283	\$3,445	\$771	4.47:1
EAST WEST BANCORP	\$9,275,439	\$33,735	1.45%	13.68%	\$7,652,336	\$1	\$2,728	0.00:1
ISRAEL DISCOUNT BANK	\$9,078,960	\$9,582	0.42%	7.01%	\$2,844,514	\$2,391	\$3,023	0.79:1
CORUS BANKSHARES	\$9,026,598	\$45,687	2.02%	19.92%	\$4,680,174	\$20	\$3,000	0.01:1
ARVEST BANK GROUP	\$8,558,894	\$20,498	0.96%	11.16%	\$5,908,766	\$2,607	\$2,539	1.03:1
WINTRUST FINANCIAL CORP.	\$8,483,652	\$19,085	0.90%	8.71%	\$5,532,016	\$1,793	\$1,537	1.17:1
FIRST MIDWEST BANCORP	\$8,474,384	\$30,571	1.44%	17.52%	\$5,045,383	\$2,306	\$2,517	0.92:1
TRUSTMARK CORP.	\$8,275,672	\$28,926	1.40%	15.53%	\$6,098,607	\$2,835	\$113	25.09:1
BANCO SANTANDER	\$8,189,978	\$10,582	0.52%	7.39%	\$6,068,162	\$4,672	\$4,500	1.04:1
OLD NATIONAL BANCORP	\$8,104,503	\$21,184	1.05%	12.16%	\$4,831,254	\$7,395	\$3,500	2.11:1
UCBH HOLDINGS	\$7,975,884	\$24,209	1.21%	13.02%	\$6,059,820	\$2,852	-\$4	-713.00:1
STERLING FINANCIAL CORP.	\$7,839,514	\$17,290	0.88%	11.23%	\$5,310,299	\$1,594	\$4,650	0.34:1
CITIZENS BANKING CORP.	\$7,728,142	\$22,645	1.17%	12.14%	\$5,605,389	\$6,233	\$4,295	1.45:1
UMB FINANCIAL CORP.	\$7,653,528	\$13,663	0.71%	8.07%	\$3,434,584	\$4,025	\$3,159	1.27:1
FIRST BANK HOLDING CO	\$7,620,348	\$28,231	1.48%	23.19%	\$2,342,305	\$729	\$755	0.97:1
METLIFE	\$7,222,991	\$3,595	0.20%	4.11%	\$2,631,789	\$0	\$2,163	0.00:1
SUSQUEHANNA BANCSHARES	\$7,214,871	\$21,233	1.18%	10.82%	\$5,047,172	\$2,994	\$2,600	1.15:1
PACIFIC CAPITAL BANCORP	\$6,965,729	\$68,766	3.95%	42.41%	\$4,977,839	\$64,787	\$48,146	1.35:1
CATHAY GENERAL BANCORP	\$6,867,231	\$27,969	1.63%	13.16%	\$4,991,513	\$265	\$1,233	0.21:1
NEW ALLIANCE BANCSHARES	\$6,862,872	\$13,087	0.76%	4.73%	\$3,551,922	\$409	\$0	n/a
IRWIN FINANCIAL CORP.	\$6,850,269	\$1,043	0.06%	0.60%	\$5,177,835	\$7,256	\$9,193	0.79:1
UNITED BANKSHARES	\$6,722,338	\$24,325	1.45%	15.24%	\$4,694,215	\$671	\$250	2.68:1
CENTRAL BANCOMPANY	\$6,720,299	\$21,393	1.27%	14.98%	\$4,601,687	\$2,286	\$3,408	0.67:1
GREATER BAY BANCORP	\$6,664,685	\$27,070	1.62%	14.93%	\$4,729,388	\$2,094	-\$7	-299.14:1

## Basel II by the Numbers: Q1 2006

<b>MID SIZE HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income, YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
TEXAS REGIONAL BANCSHARES	\$6,625,777	\$24,377	1.47%	14.04%	\$4,142,521	\$4,360	\$4,871	0.90:1
CHITTENDEN CORP.	\$6,594,728	\$21,527	1.31%	12.52%	\$4,620,572	\$1,753	\$1,533	1.14:1
OTTO BREMER FOUNDATION	\$6,585,478	\$17,561	1.07%	11.66%	\$4,681,207	\$996	\$2,539	0.39:1
EASTERN BANK CORP.	\$6,433,250	\$21,599	1.34%	12.95%	\$4,528,616	\$1,427	\$0	n/a
HANCOCK HOLDING COMPANY	\$6,233,540	\$21,515	1.38%	18.35%	\$2,971,171	\$3,922	\$561	6.99:1
REPUBLIC BANCORP	\$6,223,197	\$17,687	1.14%	15.67%	\$4,771,570	\$1,720	\$1,400	1.23:1
UNITED COMMUNITY BANKS	\$6,154,350	\$17,518	1.14%	13.93%	\$4,602,610	\$1,882	\$3,499	0.54:1
PROVIDENT BANKSHARES	\$6,096,083	\$20,168	1.32%	16.49%	\$3,720,477	\$2,088	\$318	6.57:1
ALABAMA NATIONAL	\$6,048,541	\$20,008	1.32%	15.24%	\$4,267,779	\$504	\$1,243	0.41:1
BANK LEUMILE-ISRAEL B.M.	\$5,986,974	\$5,381	0.36%	5.58%	\$2,705,755	\$3	\$0	n/a
PROVIDENT FINANCIAL SERVICES	\$5,912,304	\$13,026	0.88%	5.54%	\$3,731,348	\$1,122	\$555	2.02:1
FIRST COMMONWEALTH FINANCIAL	\$5,889,008	\$16,142	1.10%	11.34%	\$3,651,757	\$2,802	\$908	3.09:1
MB FINANCIAL INC	\$5,879,068	\$18,888	1.29%	12.35%	\$3,885,276	\$1,426	\$1,100	1.30:1
OCEAN BANKSHARES	\$5,822,188	\$22,553	1.55%	16.19%	\$4,518,284	\$689	\$3,200	0.22:1
PARK NATIONAL CORP.	\$5,679,315	\$22,434	1.58%	26.46%	\$3,310,930	\$2,417	-\$188	-12.86:1
FIRST CITIZENS BANCORP.	\$5,566,811	\$15,406	1.11%	11.79%	\$3,655,335	\$1,004	\$424	2.37:1
CVB FINANCIAL CORP.	\$5,521,063	\$19,361	1.40%	19.06%	\$2,717,127	\$20	\$250	0.08:1
FN.B. CORP.	\$5,473,599	\$16,374	1.20%	11.31%	\$3,718,786	\$2,298	\$1,390	1.65:1
UMPQUA HOLDINGS CORP.	\$5,452,541	\$19,293	1.42%	8.77%	\$4,107,954	\$613	\$20	30.65:1
EGGEMEYER ADVISORY CORP.	\$5,388,478	\$26,833	1.99%	10.93%	\$3,919,938	\$558	\$337	1.66:1
AMCORE FINANCIAL	\$5,323,593	\$12,243	0.92%	12.06%	\$3,804,580	\$3,101	\$2,004	1.55:1
CENTRAL PACIFIC FINANCIAL	\$5,240,562	\$20,805	1.59%	10.87%	\$3,654,840	\$1,084	\$525	2.06:1
INVESTORS BANCORP MHC	\$5,239,002	\$6,812	0.52%	4.24%	\$2,625,375	\$72	\$200	0.36:1
NATIONAL PENN BANCSHARES	\$5,069,003	\$15,666	1.24%	10.14%	\$3,412,710	\$1,238	\$680	1.82:1
SVB FINANCIAL GROUP	\$5,054,576	\$29,426	2.33%	22.28%	\$2,730,217	\$1,361	-\$2	-680.50:1
WESTAMERICA BANCORP.	\$5,017,273	\$25,751	2.05%	22.72%	\$2,639,968	\$1,119	\$150	7.46:1

## Basel II by the Numbers: Q1 2006

<b>MID SIZE HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income, YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
BOSTON PRIVATE FINANCIAL	\$5,004,914	\$12,555	1.00%	8.67%	\$3,760,547	\$558	\$1,163	0.48:1
NBT BANCORP	\$4,853,063	\$13,468	1.11%	12.43%	\$3,247,841	\$2,950	\$1,728	1.71:1
FIRST INTERSTATE BANCSYSTEM	\$4,605,734	\$16,383	1.42%	17.06%	\$3,114,352	\$1,101	\$1,753	0.63:1
RABOBANK NEDERLAND	\$4,589,545	\$8,037	0.70%	3.36%	\$3,440,260	\$132	\$1,452	0.09:1
SNBNY HOLDINGS LIMITED	\$4,574,993	\$6,249	0.55%	5.65%	\$1,361,862	\$0	-\$2	0.00:1
BARCLAYS PLC	\$4,534,024	\$90,903	8.02%	28.72%	\$2,423,446	\$15,958	\$30,220	0.53:1
ORIENTAL FINANCIAL GROUP	\$4,525,326	\$9,519	0.84%	13.78%	\$950,744	\$555	\$951	0.58:1
WESBANCO	\$4,330,062	\$6,781	0.63%	5.45%	\$2,942,535	\$1,845	\$2,641	0.70:1
FIRST CHARTER CORP.	\$4,269,962	\$12,130	1.14%	13.04%	\$3,019,682	\$1,229	\$1,519	0.81:1
GOLD BANC CORP.	\$4,205,494	-\$831	-0.08%	-0.89%	\$3,247,963	\$10,067	\$10,852	0.93:1
MERCANTIL SERVICIOS FIN.	\$4,167,024	\$11,125	1.07%	13.17%	\$1,983,318	\$524	\$750	0.70:1
DICKINSON FINANCIAL CORP. II	\$4,157,306	\$22,822	2.20%	22.41%	\$3,184,366	\$1,921	\$3,861	0.50:1
COMMUNITY BANK SYSTEM	\$4,146,078	\$10,163	0.98%	8.08%	\$2,408,367	\$3,859	\$2,394	1.61:1
UNITE HERE	\$4,106,926	\$3,805	0.37%	9.48%	\$1,589,748	\$69	\$150	0.46:1
PINNACLE BANCORP	\$3,955,517	\$16,910	1.71%	18.96%	\$2,960,469	\$469	\$1,008	0.47:1
FIRST NATIONAL BANK HOLDING COMPANY	\$3,827,739	\$13,437	1.40%	15.88%	\$3,137,756	\$792	\$640	1.24:1
MIZUHO FINANCIAL GROUP	\$3,817,746	\$13,581	1.42%	5.01%	\$2,376,606	\$0	-\$1	0.00:1
GLACIER BANCORP	\$3,816,482	\$15,004	1.57%	14.33%	\$2,568,131	\$153	\$1,151	0.13:1
STERLING BANCSHARES	\$3,765,611	\$11,319	1.20%	10.94%	\$2,758,729	\$2,146	\$1,524	1.41:1
CHEMICAL FINANCIAL CORP.	\$3,724,745	\$12,080	1.30%	10.04%	\$2,697,853	\$715	\$460	1.55:1
PRIVATE BANCORP	\$3,667,912	\$11,446	1.25%	13.13%	\$2,795,972	\$165	\$2,253	0.07:1
CAPITOL BANCORP LTD.	\$3,641,373	\$8,417	0.92%	8.32%	\$3,087,466	\$1,855	\$2,357	0.79:1
JOHNSON FINANCIAL GROUP	\$3,591,167	\$6,439	0.72%	9.55%	\$2,871,846	\$553	\$2,106	0.26:1
PROSPERITY BANCSHARES	\$3,562,028	\$13,886	1.56%	10.38%	\$1,561,467	\$74	\$120	0.62:1
HANMI FINANCIAL CORP.	\$3,511,974	\$16,000	1.82%	12.40%	\$2,668,787	\$1,328	\$2,960	0.45:1
RIVERSIDE BANKING COMPANY	\$3,473,611	\$10,126	1.17%	16.72%	\$2,157,945	\$1,763	\$2,625	0.67:1

## Basel II by the Numbers: Q1 2006

<b>MID SIZE HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income, YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
FIRST FINANCIAL BANCORP	\$3,449,758	\$5,526	0.64%	7.60%	\$2,605,224	\$3,266	\$1,253	2.61:1
COMMUNITY BANKS	\$3,411,062	\$11,127	1.30%	8.72%	\$2,290,720	\$313	\$500	0.63:1
INDEPENDENT BANK CORP.	\$3,402,845	\$10,741	1.26%	13.14%	\$2,644,865	\$1,764	\$1,588	1.11:1
FIRST MERCHANTS CORP.	\$3,387,450	\$9,653	1.14%	9.30%	\$2,496,655	\$1,596	\$1,726	0.92:1
1ST SOURCE CORP.	\$3,374,955	\$9,585	1.14%	9.99%	\$2,511,689	\$776	-\$300	-2.59:1
FIRST NATIONAL BANK GROUP	\$3,346,515	\$11,515	1.38%	21.87%	\$2,029,795	\$1,942	\$0	n/a
BANCFIRST CORP.	\$3,318,381	\$11,300	1.36%	14.80%	\$2,306,270	\$667	\$681	0.98:1
SUN BANCORP INC	\$3,281,342	\$5,368	0.65%	5.41%	\$2,214,630	\$200	\$625	0.32:1
TAYLOR CAPITAL GROUP	\$3,243,072	\$10,851	1.34%	15.04%	\$2,391,825	\$2,185	\$900	2.43:1
S & T BANCORP	\$3,191,265	\$13,208	1.66%	17.02%	\$2,548,884	\$1,026	\$1,500	0.68:1
TEXAS CAPITAL BANCSHARES	\$3,190,516	\$7,185	0.90%	11.07%	\$2,393,292	\$13	\$0	n/a
HARLEYSVILLE NATIONAL CORP.	\$3,168,302	\$9,165	1.16%	12.94%	\$2,003,450	\$1,472	\$1,200	1.23:1
ITLA CAPITAL CORP.	\$3,145,802	\$7,740	0.98%	11.30%	\$2,663,107	\$0	\$740	0.00:1
BANNER CORP.	\$3,116,468	\$8,099	1.04%	11.31%	\$2,570,531	\$360	\$1,200	0.30:1
STERLING FINANCIAL CORP.	\$3,069,367	\$11,021	1.44%	13.16%	\$2,171,250	\$908	\$1,125	0.81:1
INTRUST FINANCIAL CORP.	\$3,048,459	\$12,257	1.61%	18.13%	\$2,220,012	\$803	\$2,247	0.36:1
GREAT WESTERN BANCORP.	\$3,017,783	\$9,276	1.23%	14.20%	\$2,328,624	\$2,167	\$1,978	1.10:1
KNBT BANCORP	\$3,017,645	\$6,481	0.86%	7.16%	\$1,489,169	\$836	\$750	1.11:1
W.T.B. FINANCIAL CORP.	\$3,005,026	\$11,187	1.49%	16.94%	\$2,404,595	\$193	\$1,802	0.11:1
WESTERN ALLIANCE BANCORP.	\$3,002,976	\$8,892	1.18%	16.39%	\$1,946,505	\$85	\$542	0.16:1
COMMUNITY TRUST BANCORP	\$2,958,042	\$10,536	1.42%	13.81%	\$2,102,603	\$2,361	\$0	n/a
CENTENNIAL BANK HOLDINGS	\$2,953,152	\$8,819	1.19%	5.44%	\$2,058,077	\$1,098	\$8	137.25:1
YARDVILLE NATIONAL BANCORP	\$2,951,919	\$6,203	0.84%	11.43%	\$1,990,285	\$2,710	\$2,350	1.15:1
FRONTIER FINANCIAL CORP.	\$2,939,801	\$15,610	2.12%	21.87%	\$2,685,326	\$33	\$2,304	0.01:1

## Basel II by the Numbers: Q1 2006

MIDSIZE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD %	M (yrs)	EAD %	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC %
FIRST BANKS	A	4.8	-0.10%	2.13	39.40%	\$243,587	\$799,987	0.304	34.45%
EAST WEST BANCORP	AAA	0	-4600.00%	2.79	25.50%	\$49,320	\$722,189	0.068	163.13%
ISRAEL DISCOUNT BANK	A	8.4	89.60%	0.99	43.80%	\$2,079,634	\$582,600	3.57	4.19%
CORUS BANKSHARES	AAA	0	-1530.00%	0.32	93.50%	\$31,217	\$916,303	0.034	388.05%
ARVEST BANK GROUP	A	4.4	58.20%	2.11	33.80%	\$76,729	\$527,036	0.146	96.19%
WINTRUST FINANCIAL CORP.	AA	3.2	81.00%	1.57	40.70%	\$142,181	\$709,097	0.201	45.36%
FIRST MIDWEST BANCORP	A	4.6	74.50%	2.34	33.80%	\$339,924	\$637,375	0.533	24.78%
TRUSTMARK CORP.	A	4.6	5.80%	4.28	29.20%	\$423,625	\$586,796	0.722	16.64%
BANCO SANTANDER	A	7.7	73.70%	8.57	23.40%	\$188,609	\$569,651	0.331	26.40%
OLD NATIONAL BANCORP	BBB	15.3	75.10%	3.53	28.20%	\$508,150	\$654,885	0.776	11.64%
UCBH HOLDINGS	A	4.7	95.80%	3.19	23.30%	\$509,427	\$649,571	0.784	14.28%
STERLING FINANCIAL CORP.	AA	3	90.00%	5.17	32.80%	\$431,715	\$540,447	0.799	17.09%
CITIZENS BANKING CORP.	A	11.1	63.80%	4.34	29.00%	\$267,890	\$687,547	0.39	23.22%
UMB FINANCIAL CORP.	A	11.7	82.10%	2.04	64.70%	\$94,752	\$657,466	0.144	45.89%
FIRST BANK HOLDING CO	AA	3.1	72.00%	4.71	54.70%	\$1,756,093	\$475,074	3.696	5.71%
METLIFE	AAA	0	n/a	2.69	2.10%	\$1,916,084	\$385,273	4.973	3.22%
SUSQUEHANNA BANCSHARES	A	5.9	64.70%	3.44	27.30%	\$109,905	\$588,443	0.187	41.80%
PACIFIC CAPITAL BANCORP	BB	130.2	75.70%	5.01	29.00%	\$169,601	\$504,361	0.336	35.60%
CATHAY GENERAL BANCORP	AAA	0.5	9.10%	3.24	37.60%	\$331,368	\$616,119	0.538	22.23%
NEW ALLIANCE BANCSHARES	AA	1.2	-92.20%	6.35	20.10%	\$522,978	\$629,419	0.831	11.31%
IRWIN FINANCIAL CORP.	BBB	14	62.00%	5.58	19.70%	\$102,878	\$687,884	0.15	49.56%
UNITED BANKSHARES	AA	1.4	23.20%	4.3	39.10%	\$454,256	\$536,302	0.847	13.08%
CENTRAL BANCOMPANY	A	5	52.20%	1.85	26.70%	\$194,893	\$488,691	0.399	29.29%
GREATER BAY BANCORP	A	4.4	2.10%	3.58	31.30%	\$1,059,300	\$796,865	1.329	6.78%
TEXAS REGIONAL BANCSHARES	A	10.5	89.10%	1.29	18.10%	\$50,555	\$503,560	0.1	132.59%
CHITTENDEN CORP.	AA	3.8	50.80%	3.79	27.10%	\$405,969	\$480,761	0.844	15.48%

## Basel II by the Numbers: Q1 2006

<b>MIDSIZE HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
OTTO BREMER FOUNDATION	AA	2.1	58.70%	1.34	32.70%	\$251,771	\$524,630	0.48	21.25%
EASTERN BANK CORP.	AA	3.2	56.50%	3.92	32.70%	\$158,562	\$587,526	0.27	35.50%
HANCOCK HOLDING COMPANY	BBB	13.2	-2.80%	3.48	21.10%	\$82,619	\$425,615	0.194	80.68%
REPUBLIC BANCORP	AA	3.6	68.50%	5.34	22.50%	\$460,846	\$460,960	1	10.33%
UNITED COMMUNITY BANKS	A	4.1	66.20%	0.98	21.20%	\$263,242	\$403,832	0.652	22.79%
PROVIDENT BANKSHARES	A	5.6	57.60%	2.1	41.00%	\$808,220	\$504,288	1.603	7.63%
ALABAMA NATIONAL	AA	1.2	41.70%	1.82	31.80%	\$585,874	\$476,824	1.229	9.41%
BANK LEUMILE-ISRAEL B.M.	AAA	0	-33.30%	0.57	50.40%	\$937,673	\$379,382	2.472	4.53%
PROVIDENT FINANCIAL SERVICES	AA	3	56.20%	6.98	20.60%	\$472,342	\$522,210	0.905	10.56%
FIRST COMMONWEALTH FINANCIAL	A	7.7	85.00%	5.25	25.40%	\$288,179	\$455,173	0.633	18.24%
MB FINANCIAL INC	AA	3.7	69.70%	1.87	31.80%	\$98,759	\$493,321	0.2	44.72%
OCEAN BANKSHARES	AA	1.5	-21.50%	0.89	27.20%	\$569,257	\$559,525	1.017	10.91%
PARK NATIONAL CORP.	A	7.3	-6.50%	2.35	24.80%	\$215,636	\$332,539	0.648	28.89%
FIRST CITIZENS BANCORP.	AA	2.7	67.80%	3.26	28.20%	\$43,732	\$390,631	0.112	103.21%
CVB FINANCIAL CORP.	AAA	0.1	-650.00%	6.37	35.80%	\$138,925	\$391,370	0.355	44.25%
F.N.B. CORP.	A	6.2	80.10%	5.59	22.30%	\$822,688	\$373,147	2.205	5.43%
UMPQUA HOLDINGS CORP.	AA	1.5	-104.40%	3.77	28.80%	\$82,770	\$484,112	0.171	69.41%
EGGEMEYER ADVISORY CORP.	AA	1.4	-16.80%	1.49	37.40%	\$25,961	\$481,334	0.054	268.74%
AMCORE FINANCIAL	A	8.2	65.40%	2.6	24.70%	\$72,739	\$417,931	0.174	57.70%
CENTRAL PACIFIC FINANCIAL	AA	3	37.30%	2.77	53.00%	\$168,559	\$477,564	0.353	32.77%
INVESTORS BANCORP MHC	AAA	0.3	66.70%	11.23	16.50%	\$1,846,285	\$651,837	2.832	2.73%
NATIONAL PENN BANCSHARES	AA	3.6	51.20%	5.02	32.70%	\$210,558	\$339,218	0.621	21.84%
SVB FINANCIAL GROUP	A	5	-0.10%	1.09	165.30%	\$456,139	\$557,667	0.818	19.96%
WESTAMERICA BANCORP.	A	4.2	20.60%	5.59	19.10%	\$1,296,107	\$303,845	4.266	4.29%
BOSTON PRIVATE FINANCIAL	AA	1.5	94.40%	4.42	29.70%	\$71,440	\$355,784	0.201	65.21%
NBT BANCORP	A	9.1	60.10%	2.96	15.90%	\$142,111	\$336,202	0.423	24.53%
FIRST INTERSTATE BANCSYSTEM	AA	3.5	51.80%	2.46	29.80%	\$119,961	\$355,013	0.338	39.22%

## Basel II by the Numbers: Q1 2006

<b>MIDSIZE HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
RABOBANK NEDERLAND	AAA	0.4	40.90%	5.26	37.30%	\$21,199	\$585,810	0.036	185.00%
SNBNY HOLDINGS LIMITED	AAA	0	n/a	1.13	1.90%	\$115,608	\$443,521	0.261	22.76%
BARCLAYS PLC	BB	65.8	86.40%	0.69	727.40%	\$646,882	\$779,489	0.83	-14.77%
ORIENTAL FINANCIAL GROUP	A	5.8	80.40%	4.1	2.00%	\$2,267,183	\$308,793	7.342	2.16%
WESBANCO	A	6.3	70.80%	5.14	17.90%	\$378,826	\$357,729	1.059	8.69%
FIRST CHARTER CORP.	A	4.1	60.10%	3.71	39.70%	\$26,967	\$362,666	0.074	118.78%
GOLD BANC CORP.	BBB	31	97.20%	1.42	31.20%	\$370,173	\$357,237	1.036	3.88%
MERCANTIL SERVICIOS FIN.	AA	2.6	-157.60%	1.76	37.00%	\$489,334	\$347,597	1.408	10.85%
DICKINSON FINANCIAL CORP. II	A	6	63.00%	2.25	34.00%	\$168,344	\$379,264	0.444	20.36%
COMMUNITY BANK SYSTEM	BBB	16	59.40%	6.86	17.50%	\$190,525	\$281,824	0.676	22.07%
UNITE HERE	AAA	0.4	-66.70%	14.61	11.00%	\$128,991	\$241,432	0.534	31.88%
PINNACLE BANCORP	AA	1.6	72.90%	2.42	24.10%	\$23,011	\$316,698	0.073	152.33%
FIRST NATIONAL BANK HOLDING COMPANY	AA	2.5	54.50%	3.62	36.50%	\$45,326	\$343,892	0.132	61.79%
MIZUHO FINANCIAL GROUP	AAA	0	n/a	1.2	37.00%	\$939,967	\$1,084,271	0.867	2.74%
GLACIER BANCORP	AAA	0.6	-19.60%	4.28	28.20%	\$38,156	\$331,946	0.115	108.42%
STERLING BANCSHARES	A	7.8	76.30%	1.78	32.40%	\$196,882	\$334,737	0.588	20.62%
CHEMICAL FINANCIAL CORP.	AA	2.7	63.50%	3.8	19.20%	\$120,894	\$421,977	0.286	28.92%
PRIVATE BANCORP	AAA	0.6	87.90%	2.93	32.30%	\$8,477	\$275,933	0.031	383.94%
CAPITOL BANCORP LTD.	A	6	76.30%	2.08	23.80%	\$23,388	\$373,786	0.063	130.10%
JOHNSON FINANCIAL GROUP	AA	1.9	16.50%	2.58	37.00%	\$220,490	\$262,941	0.839	13.36%
PROSPERITY BANCSHARES	AAA	0.5	14.90%	3.77	24.50%	\$1,073,880	\$255,825	4.198	4.11%
HANMI FINANCIAL CORP.	A	5	91.90%	1.66	22.50%	\$30,541	\$304,192	0.1	121.24%
RIVERSIDE BANKING COMPANY	A	8.2	38.70%	5.43	14.80%	\$314,662	\$242,959	1.295	11.52%
FIRST FINANCIAL BANCORP	BBB	12.5	79.10%	4.08	21.10%	\$46,341	\$289,397	0.16	46.08%
COMMUNITY BANKS	AA	1.4	49.50%	5.27	27.30%	\$123,809	\$255,226	0.485	24.27%
INDEPENDENT BANK CORP.	A	6.7	64.00%	2.99	9.90%	\$120,547	\$252,123	0.478	23.02%
FIRST MERCHANTS CORP.	A	6.4	80.70%	3.25	24.80%	\$38,315	\$269,349	0.142	64.60%

## Basel II by the Numbers: Q1 2006

<b>MID SIZE HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
1ST SOURCE CORP.	AA	3.1	-90.20%	1.58	21.10%	\$100,141	\$368,629	0.272	21.86%
FIRST NATIONAL BANK GROUP	A	9.6	90.40%	2.46	15.70%	\$32,968	\$237,734	0.139	104.38%
BANCFIRST CORP.	AA	2.9	61.30%	2	24.80%	\$52,272	\$276,370	0.189	58.40%
SUN BANCORP INC	AAA	0.9	-50.50%	3.34	33.80%	\$74,384	\$243,304	0.306	35.44%
TAYLOR CAPITAL GROUP	A	9.1	77.60%	1.65	38.70%	\$63,577	\$277,429	0.229	49.33%
S & T BANCORP	A	4	65.30%	2.63	30.60%	\$42,407	\$260,138	0.163	61.58%
TEXAS CAPITAL BANCSHARES	AAA	0.1	-92.30%	0.88	37.50%	\$71,185	\$257,324	0.277	42.29%
HARLEYSVILLE NATIONAL CORP.	A	7.3	79.50%	5.14	37.10%	\$105,003	\$244,153	0.43	25.09%
ITLA CAPITAL CORP.	AAA	0	n/a	1.47	8.90%	\$239,187	\$271,527	0.881	9.78%
BANNER CORP.	AA	1.4	56.70%	3.57	39.30%	\$152,151	\$254,371	0.598	19.00%
STERLING FINANCIAL CORP.	A	4.2	76.50%	3.74	24.50%	\$47,881	\$279,210	0.171	36.79%
INTRUST FINANCIAL CORP.	AA	3.6	17.10%	1.37	77.50%	\$44,830	\$263,128	0.17	57.28%
GREAT WESTERN BANCORP.	A	9.3	85.00%	2.68	34.80%	\$21,918	\$236,762	0.093	111.59%
KNBT BANCORP	A	5.6	89.80%	8.59	24.80%	\$199,704	\$248,332	0.804	13.57%
W.T.B. FINANCIAL CORP.	AAA	0.8	-204.10%	2.57	53.50%	\$28,355	\$263,327	0.108	112.70%
WESTERN ALLIANCE BANCORP.	AAA	0.4	-91.80%	4.2	43.30%	\$282,800	\$226,978	1.246	11.02%
COMMUNITY TRUST BANCORP	A	11.2	58.50%	2.15	18.50%	\$220,084	\$247,512	0.889	11.43%
CENTENNIAL BANK HOLDINGS	A	5.3	43.30%	1.51	29.00%	\$29,734	\$219,130	0.136	92.10%
YARDVILLE NATIONAL BANCORP	BBB	13.6	98.20%	3.06	26.00%	\$117,570	\$229,929	0.511	22.05%
FRONTIER FINANCIAL CORP.	AAA	0.1	-363.60%	1.98	33.00%	\$39,754	\$283,924	0.14	87.31%

## Basel II by the Numbers: Q1 2006

<b>SMALL HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
COMMUNITY BANKSHARES	\$15,257	\$2,892	1.16%	12.84%	\$747,090	\$632	\$956	0.66:1
ALLIANCE FINANCIAL	\$10,753	\$1,632	0.65%	8.83%	\$666,153	\$1,070	\$1,000	1.07:1
NATIONAL BANK OF INDIANAPOLIS	\$9,766	\$1,833	0.74%	11.38%	\$677,093	\$100	\$411	0.24:1
FLORIDA COMMUNITY BANKS	\$13,059	\$5,323	2.15%	25.11%	\$868,192	\$37	\$980	0.04:1
PACIFIC MERCANTILE BANCORP	\$8,502	\$1,964	0.80%	11.12%	\$666,477	\$15	\$225	0.07:1
PORTER BANCORP	\$10,971	\$3,974	1.61%	14.15%	\$807,736	\$77	\$376	0.20:1
PROSPERITY BANKING COMPANY	\$10,434	\$3,590	1.46%	21.31%	\$671,251	\$101	\$522	0.19:1
STUPP BROS.	\$9,463	\$2,167	0.88%	9.49%	\$590,644	\$184	\$100	1.84:1
GATEWAY FINANCIAL HOLDINGS	\$10,678	\$966	0.39%	3.75%	\$783,614	\$66	\$1,200	0.06:1
LSB BANCSHARES	\$14,155	\$1,833	0.74%	7.93%	\$754,976	\$1,545	\$1,407	1.10:1
CENTER BANCORP	\$7,406	-\$831	-0.34%	-3.53%	\$500,567	\$10	\$0	n/a
OLNEY BANCSHARES OF TEXAS	\$13,304	\$6,483	2.66%	19.97%	\$836,838	\$102	\$576	0.18:1
HEARTLAND BANCORP	\$11,019	\$4,215	1.73%	21.55%	\$761,320	\$440	\$450	0.98:1
FIRST OF LONG ISLAND	\$10,376	\$2,845	1.17%	12.82%	\$404,064	\$3	\$236	0.01:1
COMMERCE BANCSHARES CORP.	\$12,185	\$1,798	0.75%	7.70%	\$340,262	\$293	\$150	1.95:1
CITIZENS NATIONAL BANC CORP.	\$10,471	\$3,146	1.32%	13.98%	\$506,846	\$14	\$296	0.05:1
FIRST CO BANCORP	\$7,905	\$2,287	0.96%	13.54%	\$810,355	\$1	\$80	0.01:1
ATBANCORP	\$11,121	\$2,933	1.23%	13.62%	\$753,839	\$40	\$303	0.13:1
MINNEHAHA BANSHARES	\$10,090	\$2,287	0.96%	11.32%	\$617,004	\$81	\$0	n/a
ACNB	\$7,468	\$1,374	0.58%	8.65%	\$518,922	\$2	\$225	0.01:1
BANK OF KENTUCKY FINANCIAL	\$10,942	\$2,719	1.14%	11.27%	\$749,601	\$602	\$400	1.51:1
OVERTON FINANCIAL	\$11,335	\$2,602	1.10%	11.68%	\$692,387	\$119	\$495	0.24:1
ENTERPRISE BANCORP	\$12,025	\$2,379	1.00%	11.93%	\$718,789	\$2	\$273	0.01:1
FSB MUTUAL HOLDINGS	\$5,609	\$1,644	0.69%	5.59%	\$516,067	\$0	\$0	n/a
LEESPORT FINANCIAL CORP.	\$10,512	\$2,057	0.87%	8.93%	\$686,039	\$474	\$200	2.37:1
PREMIERWEST BANCORP	\$15,012	\$3,542	1.51%	12.13%	\$828,400	\$45	\$300	0.15:1

## Basel II by the Numbers: Q1 2006

<b>SMALL HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
BANTERRA CORP	\$10,210	\$3,680	1.57%	16.28%	\$632,557	\$145	\$579	0.25:1
FIRST MUTUAL BANCORP OF ILLINOIS	\$11,883	\$5,655	2.43%	24.94%	\$756,664	\$301	\$1,800	0.17:1
BERKSHIRE BANCORP	\$5,622	\$1,783	0.77%	6.87%	\$306,917	\$1	\$45	0.02:1
PRINCETON NATIONAL BANCORP	\$9,563	\$1,981	0.85%	8.60%	\$570,421	\$236	\$10	23.60:1
SMITHTOWN BANCORP	\$11,512	\$3,329	1.44%	17.66%	\$745,169	\$103	\$600	0.17:1
COMMUNITY BANCORP	\$11,816	\$3,987	1.72%	14.55%	\$724,962	\$26	\$885	0.03:1
TEMECULA VALLEY BANCORP	\$18,812	\$4,128	1.79%	18.65%	\$799,099	\$156	\$314	0.50:1
GRANVALOR HOLDING LTD.	\$7,885	\$1,152	0.50%	4.14%	\$540,436	\$0	-\$200	0.00:1
NORTH VALLEY BANCORP	\$13,743	\$3,162	1.38%	12.58%	\$627,547	\$52	\$0	n/a
MACON BANCORP	\$9,808	\$2,716	1.19%	14.53%	\$743,368	\$124	\$405	0.31:1
CENTERSTATE BANKS OF FLORIDA	\$9,910	\$2,353	1.03%	13.80%	\$546,549	\$311	\$240	1.30:1
SOU ASTERN BANK FINANCIAL	\$11,318	\$2,551	1.12%	16.51%	\$626,977	\$418	\$504	0.83:1
FIRST FINANCIAL HOLDINGS MHC	\$5,188	\$2,457	1.08%	10.94%	\$582,492	\$0	\$150	0.00:1
PEOPLES FINANCIAL	\$9,132	\$2,543	1.13%	11.48%	\$354,707	\$148	\$35	4.23:1
BENJAMIN FRANKLIN BANCORP	\$7,338	\$1,269	0.57%	5.52%	\$621,763	\$30	\$6	5.00:1
BIG SANDY HOLDING COMPANY	\$11,016	\$3,945	1.77%	17.01%	\$852,929	\$23	\$636	0.04:1
GREATER COMMUNITY BANCORP	\$10,040	\$2,852	1.28%	13.34%	\$667,021	\$117	\$0	n/a
FIRST CITIZENS FINANCIAL CORP.	\$8,305	\$1,362	0.61%	5.89%	\$533,053	\$124	\$140	0.89:1
MASSBANK CORP.	\$5,772	\$1,822	0.82%	7.33%	\$257,260	\$6	\$0	n/a
SALIN BANCSHARES	\$11,853	\$4,795	2.15%	19.72%	\$715,517	\$341	\$30	11.37:1
RAINIER PACIFIC FINANCIAL GROUP	\$8,131	\$764	0.34%	3.74%	\$595,695	\$311	\$150	2.07:1
COMMUNITY FIRST BANCSHARES	\$10,558	\$1,973	0.89%	10.59%	\$688,507	\$193	\$323	0.60:1
COMMUNITY BANCORP	\$15,492	\$4,001	1.80%	12.13%	\$732,664	\$16	\$0	n/a
FLORENCE BANCORP MHC	\$7,034	\$1,227	0.56%	7.68%	\$534,502	\$23	\$1	23.00:1
BANK OF CHOICE HOLDING CO.	\$8,115	\$2,102	0.96%	7.47%	\$624,581	\$51	\$384	0.13:1
SNB BANCSHARES	\$9,652	-\$1	0.00%	0.00%	\$598,740	\$40	\$0	n/a

## Basel II by the Numbers: Q1 2006

<b>SMALL HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
INTEGRITY BANCSHARES	\$9,349	\$2,677	1.22%	11.07%	\$771,123	\$0	\$1,291	0.00:1
ALIAANT FINANCIAL	\$10,377	\$2,847	1.30%	16.05%	\$660,019	\$124	\$777	0.16:1
NEWMIL BANCORP	\$7,528	\$2,434	1.11%	15.71%	\$516,293	\$15	\$0	n/a
FIRST COMMUNITY BANCSHARES	\$51,098	\$1,437	0.65%	11.60%	\$299,734	\$1,050	\$821	1.28:1
SOUTH SHORE BANCORP MHC	\$7,905	\$1,431	0.65%	6.91%	\$547,479	\$27	\$0	n/a
BANK OF HIGHLAND PARK FIN.	\$5,776	\$2,387	1.09%	11.21%	\$781,640	\$0	\$150	0.00:1
SECURITY NATIONAL	\$10,367	\$3,030	1.39%	15.91%	\$607,684	\$26	\$75	0.35:1
NEW FRONTIER BANCORP	\$9,506	\$3,234	1.48%	17.58%	\$690,588	\$177	\$835	0.21:1
SILVER STATE BANCORP	\$14,125	\$4,809	2.21%	23.12%	\$715,721	\$0	\$600	0.00:1
FIRST SOUTH BANCORP	\$12,696	\$4,370	2.01%	22.84%	\$746,371	\$41	\$346	0.12:1
CNLBANCSHARES	\$9,070	\$1,559	0.72%	6.59%	\$681,739	\$0	\$841	0.00:1
VILLAGES BAN	\$8,698	\$2,685	1.24%	19.32%	\$312,146	\$63	\$447	0.14:1
AMERISERV FINANCIAL INC	\$8,031	\$419	0.19%	1.90%	\$548,466	\$183	\$0	n/a
CUMMINS-AMERICAN CORP.	\$7,843	\$1,628	0.75%	7.80%	\$508,448	\$67	\$0	n/a
FIRST CHESTER COUNTY	\$10,577	\$2,128	0.98%	12.41%	\$685,607	\$45	\$3	15.00:1
REPUBLIC FIRST BANCORP	\$10,553	\$2,801	1.30%	15.65%	\$701,910	\$1,127	\$1,313	0.86:1
NORTHRIM BANCORP	\$12,977	\$3,244	1.50%	14.61%	\$716,086	\$4	\$54	0.07:1
CIVITAS BANKGROUP	\$7,807	\$1,151	0.54%	7.06%	\$566,026	\$356	\$328	1.09:1
COPPERMARK BANCSHARES	\$13,905	\$3,514	1.64%	18.98%	\$766,700	\$379	\$600	0.63:1
ABINGTON MUTUAL HOLDING CO.	\$6,172	\$1,742	0.81%	8.06%	\$531,498	\$17	\$0	n/a
COLUMBIA BANCORP	\$14,245	\$4,077	1.91%	20.11%	\$682,758	\$570	\$550	1.04:1
SPIRIT BANCORP	\$11,409	\$1,772	0.83%	11.83%	\$656,533	\$906	\$750	1.21:1
MONTGOMERY BAN	\$7,118	\$2,220	1.05%	12.78%	\$613,231	\$11	\$321	0.03:1
MERIDIAN FINANCIAL SERVICES	\$7,054	\$1,809	0.85%	6.88%	\$490,733	\$0	\$69	0.00:1
NATIONAL BANKSHARES	\$9,476	\$3,058	1.45%	13.60%	\$490,303	\$87	\$17	5.12:1
SHORE BANCSHARES	\$10,743	\$3,019	1.43%	13.57%	\$641,271	\$176	\$312	0.56:1
CITRUS & CHEMICAL BANK	\$9,274	\$2,259	1.07%	17.47%	\$421,534	\$78	\$180	0.43:1
AMES NATIONAL	\$7,156	\$2,692	1.28%	13.81%	\$445,854	\$27	\$29	0.93:1

## Basel II by the Numbers: Q1 2006

<b>SMALL HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
HNB	\$10,642	\$2,548	1.22%	10.25%	\$619,068	\$125	\$200	0.63:1
FIRST CITIZENS BANCSHARES	\$9,664	\$2,335	1.12%	12.23%	\$556,858	\$109	\$225	0.48:1
FIRST MID-ILLINOIS BANCSHARES	\$9,951	\$2,638	1.26%	13.78%	\$641,860	\$181	\$193	0.94:1
INDEPENDENT ALLIANCE BANKS	\$8,225	\$2,330	1.12%	11.47%	\$637,065	\$112	\$156	0.72:1
HOME FEDERAL BANCORP	\$9,272	\$1,861	0.89%	9.05%	\$622,200	\$120	\$117	1.03:1
LSB FINANCIAL	\$8,937	\$892	0.43%	4.04%	\$595,548	\$227	\$150	1.51:1
TAMPA BANKING COMPANY	\$9,996	\$2,465	1.18%	15.81%	\$555,005	\$235	\$420	0.56:1
PREMIER BANCSHARES	\$7,159	\$1,706	0.82%	9.66%	\$701,020	\$7	\$571	0.01:1
WOORI FINANCE HOLDINGS CO. LTD.	\$12,116	\$2,879	1.39%	12.54%	\$585,368	\$274	\$300	0.91:1
VENTURE FINANCIAL GROUP	\$10,244	\$2,637	1.28%	10.71%	\$626,696	\$56	\$150	0.37:1
CITYWIDE BANKS OF COLORADO	\$12,090	\$4,549	2.22%	27.12%	\$647,581	\$191	\$810	0.24:1
WESTBANK	\$6,586	\$1,122	0.55%	7.19%	\$441,863	\$30	\$0	n/a
FARMERS NATIONAL BANC CORP.	\$7,174	\$1,980	0.97%	11.05%	\$511,174	\$270	\$110	2.45:1
PEOPLES BANCTRUST COMPANY	\$9,240	\$2,742	1.35%	14.20%	\$535,818	\$176	-\$541	-0.33:1
FIRST WESTERN BANCORP	\$9,188	\$4,673	2.30%	24.87%	\$649,816	\$54	\$0	n/a
FIRST BANCORP	\$9,745	\$3,001	1.48%	18.96%	\$670,929	\$198	\$272	0.73:1
LNB BANCORP	\$9,291	\$1,416	0.70%	9.05%	\$590,825	\$295	\$150	1.97:1
FIRST FARMERS AND MERCHANTS	\$9,623	\$1,697	0.84%	6.36%	\$473,040	\$110	\$0	n/a
PACIFIC CONTINENTAL	\$10,419	\$3,134	1.55%	13.65%	\$704,085	\$11	\$250	0.04:1
EASTERN VIRGINIA BANKSHARES	\$8,670	\$1,783	0.89%	10.58%	\$595,952	\$228	\$114	2.00:1

## Basel II by the Numbers: Q1 2006

SMALL HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD %	M (yrs)	EAD %	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC %
COMMUNITY BANKSHARES	A	8.5	86.70%	2.15	12.60%	\$32,989	\$89,388	0.369	24.34%
ALLIANCE FINANCIAL	BBB	16.1	85.50%	6.97	15.30%	\$6,806	\$66,560	0.102	88.79%
NATIONAL BANK OF INDIANAPOLIS	AA	1.5	-34.00%	1.26	42.10%	\$86,914	\$65,627	1.324	8.68%
FLORIDA COMMUNITY BANKS	AAA	0.4	64.90%	0.69	27.40%	\$55,093	\$84,794	0.65	21.82%
PACIFIC MERCANTILE BANCORP	AAA	0.2	86.70%	3.97	30.90%	\$19,245	\$75,001	0.257	50.93%
PORTER BANCORP	AAA	1	7.80%	2.22	15.80%	\$8,241	\$89,405	0.092	110.45%
PROSPERITY BANKING COMPANY	AA	1.5	82.20%	5.92	27.70%	\$21,827	\$69,870	0.312	46.66%
STUPP BROS.	AA	3.1	72.30%	2.95	29.90%	\$8,833	\$95,734	0.092	102.34%
GATEWAY FINANCIAL HOLDINGS	AAA	0.8	90.90%	1.5	24.80%	\$3,203	\$95,523	0.034	223.39%
LSB BANCSHARES	BBB	20.5	94.20%	2.86	29.30%	\$36,746	\$93,514	0.393	20.21%
CENTER BANCORP	AAA	0.2	10.00%	5.99	31.40%	\$206,131	\$80,170	2.571	5.08%
OLNEY BANCSHARES OF TEXAS	AA	1.2	38.20%	1.16	34.90%	\$12,110	\$101,323	0.12	85.16%
HEARTLAND BANCORP	A	5.8	96.10%	1.88	21.10%	\$5,464	\$76,664	0.071	142.64%
FIRST OF LONG ISLAND	AAA	0.1	100.00%	6.51	20.80%	\$225,620	\$89,743	2.514	5.54%
COMMERCE BANCSHARES CORP.	A	8.6	70.30%	3.62	35.00%	\$23,479	\$94,403	0.249	38.83%
CITIZENS NATIONAL BANC CORP.	AAA	0.3	-114.30%	2.87	19.40%	\$311,603	\$90,931	3.427	3.37%
FIRST CO BANCORP	AAA	0	100.00%	5.27	8.60%	\$394	\$65,626	0.006	1650.42%
ATBANCORP	AAA	0.5	62.50%	2.02	41.50%	\$2,138	\$84,631	0.025	342.22%
MINNEHAHA BANSHARES	AA	1.3	-1.20%	5.09	53.40%	\$11,127	\$83,842	0.133	69.82%
ACNB	AAA	0	-	6.07	19.10%	\$64,727	\$69,314	0.934	13.07%
			1800.00%						
BANK OF KENTUCKY FINANCIAL	A	8	98.30%	1.45	30.00%	\$17,274	\$84,449	0.205	39.14%
OVERTON FINANCIAL	AA	1.7	13.40%	2.89	17.00%	\$7,942	\$86,087	0.092	91.88%
ENTERPRISE BANCORP	AAA	0	-100.00%	2.71	37.90%	\$14,253	\$73,873	0.193	72.61%
FSB MUTUAL HOLDINGS	AAA	0	n/a	3.08	19.30%	\$11,092	\$119,504	0.093	70.75%
LEESPORT FINANCIAL CORP.	A	6.9	97.90%	6.23	39.40%	\$40,552	\$66,090	0.614	15.94%
PREMIERWEST BANCORP	AAA	0.5	-2.20%	3.34	21.30%	\$17,868	\$93,943	0.19	63.13%

## Basel II by the Numbers: Q1 2006

<b>SMALL HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
BANTERRA CORP	AA	2.3	49.70%	3.1	15.40%	\$16,163	\$84,325	0.192	52.76%
FIRST MUTUAL BANCORP OF ILLINOIS	AA	4	95.70%	1.94	14.70%	\$10,156	\$90,421	0.112	81.46%
BERKSHIRE BANCORP	AAA	0	-400.00%	8.95	6.80%	\$49,335	\$93,305	0.529	21.60%
PRINCETON NATIONAL BANCORP	A	4.1	83.50%	1.89	22.30%	\$17,572	\$64,168	0.274	44.09%
SMITHTOWN BANCORP	AA	1.4	11.70%	2.58	31.20%	\$3,500	\$73,037	0.048	243.81%
COMMUNITY BANCORP	AAA	0.4	3.80%	1.74	29.80%	\$6,858	\$86,935	0.079	157.03%
TEMECULA VALLEY BANCORP	AA	2	99.40%	0.87	48.10%	\$3,616	\$87,712	0.041	331.73%
GRANVALOR HOLDING LTD.	AAA	0	n/a	4.46	13.50%	\$39,945	\$113,301	0.353	16.01%
NORTH VALLEY BANCORP	AAA	0.8	61.50%	4.6	33.00%	\$24,205	\$84,985	0.285	31.30%
MACON BANCORP	AA	1.7	55.60%	5.8	22.70%	\$2,934	\$75,752	0.039	258.90%
CENTERSTATE BANKS OF FLORIDA	A	5.7	91.00%	3.14	17.00%	\$1,375	\$64,954	0.021	622.56%
SOU ASTERN BANK FINANCIAL	A	6.7	38.00%	2.78	28.50%	\$24,793	\$64,232	0.386	33.39%
FIRST FINANCIAL HOLDINGS MHC	AAA	0	n/a	9.35	8.00%	\$82,927	\$79,338	1.045	8.91%
PEOPLES FINANCIAL	A	4.2	17.60%	1.69	34.60%	\$196,031	\$90,868	2.157	5.08%
BENJAMIN FRANKLIN BANCORP	AAA	0.5	36.70%	4.74	20.40%	\$4,161	\$57,189	0.073	136.64%
BIG SANDY HOLDING COMPANY	AAA	0.3	-47.80%	0.92	21.30%	\$4,759	\$92,757	0.051	209.87%
GREATER COMMUNITY BANCORP	AA	1.8	64.10%	4.8	27.30%	\$60,953	\$74,622	0.817	14.14%
FIRST CITIZENS FINANCIAL CORP.	AA	2.3	57.30%	3.23	22.20%	\$25,429	\$93,898	0.271	33.13%
MASSBANK CORP.	AAA	0.2	100.00%	8.97	13.50%	\$12,159	\$103,159	0.118	77.86%
SALIN BANCSHARES	A	4.8	81.20%	1.83	24.00%	\$13,380	\$93,528	0.143	65.81%
RAINIER PACIFIC FINANCIAL GROUP	A	5.2	83.60%	5.02	23.70%	\$184,728	\$79,042	2.337	3.86%
COMMUNITY FIRST BANCSHARES	AA	2.8	-6.70%	2.74	23.90%	\$11,042	\$74,772	0.148	76.85%
COMMUNITY BANCORP	AAA	0.2	-518.80%	1.17	30.30%	\$9,383	\$86,804	0.108	121.38%
FLORENCE BANCORP MHC	AAA	0.4	21.70%	7.57	22.20%	\$13,934	\$69,010	0.202	51.45%
BANK OF CHOICE HOLDING CO.	AAA	0.8	39.20%	2.19	26.00%	\$20,124	\$72,223	0.279	33.59%
SNB BANCSHARES	AAA	0.7	-157.50%	4.48	17.90%	\$104,361	\$101,116	1.032	8.80%
INTEGRITY BANCSHARES	AAA	0	n/a	0.43	30.80%	\$9,765	\$97,921	0.1	91.23%
ALIAN T FINANCIAL	AA	1.9	23.40%	1.91	22.00%	\$29,355	\$73,551	0.399	30.29%

## Basel II by the Numbers: Q1 2006

<b>SMALL HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
NEWMIL BANCORP	AAA	0.3	53.30%	7.44	20.70%	\$20,684	\$58,167	0.356	41.86%
FIRST COMMUNITY BANCSHARES	BBB	35	69.90%	3.47	5.80%	\$14,831	\$55,481	0.267	-70.84%
SOUTH SHORE BANCORP MHC	AAA	0.5	-18.50%	4.46	24.40%	\$58,743	\$80,788	0.727	14.05%
BANK OF HIGHLAND PARK FIN.	AAA	0	n/a	2.48	13.60%	\$12,626	\$85,492	0.148	48.00%
SECURITY NATIONAL	AAA	0.4	19.20%	3.61	37.90%	\$39,048	\$75,908	0.514	16.42%
NEW FRONTIER BANCORP	AA	2.6	92.70%	1.35	17.60%	\$5,400	\$73,837	0.073	150.56%
SILVER STATE BANCORP	AAA	0	n/a	1.69	35.70%	\$5,018	\$83,657	0.06	239.46%
FIRST SOUTH BANCORP	AAA	0.5	7.30%	2.59	27.00%	\$3,423	\$72,902	0.047	303.34%
CNLBANCSHARES	AAA	0	n/a	1.14	53.50%	\$1,703	\$95,574	0.018	493.68%
VILLAGES BAN	AA	2	88.90%	3.13	61.90%	\$26,043	\$61,940	0.42	45.31%
AMERISERV FINANCIAL INC	AA	3.3	63.90%	3.35	19.20%	\$38,356	\$81,216	0.472	15.90%
CUMMINS-AMERICAN CORP.	AA	1.3	88.10%	4.66	28.70%	\$187,528	\$85,653	2.189	4.12%
FIRST CHESTER COUNTY	AAA	0.7	-60.00%	3.99	37.50%	\$19,604	\$70,639	0.278	39.68%
REPUBLIC FIRST BANCORP	BBB	16.1	100.00%	4.15	29.90%	\$26,215	\$71,589	0.366	29.79%
NORTHRIM BANCORP	AAA	0.1	-	1.71	20.70%	\$14,223	\$82,109	0.173	72.10%
			2750.00%						
CIVITAS BANKGROUP	A	6.3	14.60%	1.68	27.80%	\$117,488	\$67,487	1.741	5.95%
COPPERMARK BANCSHARES	A	4.9	77.30%	1.62	52.90%	\$8,854	\$74,229	0.119	76.71%
ABINGTON MUTUAL HOLDING CO.	AAA	0.3	70.60%	9.94	25.00%	\$80,273	\$89,720	0.895	8.42%
COLUMBIA BANCORP	A	8.3	91.20%	1.66	34.20%	\$23,329	\$73,954	0.315	42.72%
SPIRIT BANCORP	BBB	13.8	97.80%	1.5	24.10%	\$7,794	\$59,311	0.131	74.68%
MONTGOMERY BAN	AAA	0.2	81.80%	0.97	19.20%	\$20,873	\$71,765	0.291	31.60%
MERIDIAN FINANCIAL SERVICES INC	AAA	0	n/a	5.16	20.10%	\$235,607	\$104,898	2.246	3.27%
NATIONAL BANKSHARES	AA	1.8	56.30%	5.4	23.80%	\$129,055	\$75,001	1.721	6.47%
SHORE BANCSHARES	AA	2.7	74.40%	1.77	32.90%	\$15,469	\$85,799	0.18	52.01%
CITRUS & CHEMICAL BANK	AA	1.9	42.30%	2.77	41.60%	\$65,049	\$54,935	1.184	14.02%
AMES NATIONAL	AAA	0.6	48.10%	3.07	17.80%	\$57,433	\$80,081	0.717	13.04%
HNB	AA	2	68.80%	2.79	20.40%	\$20,901	\$99,534	0.21	38.99%

## Basel II by the Numbers: Q1 2006

<b>SMALL HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
FIRST CITIZENS BANCSHARES	AA	2	30.30%	3.31	31.50%	\$11,318	\$64,981	0.174	64.71%
FIRST MID-ILLINOIS BANCSHARES	AA	2.8	61.90%	3.84	18.20%	\$9,916	\$66,886	0.148	72.39%
INDEPENDENT ALLIANCE BANKS	AA	1.8	39.30%	2.13	15.30%	\$5,041	\$65,669	0.077	138.61%
HOME FEDERAL BANCORP	AA	1.9	83.30%	4	25.80%	\$10,730	\$82,406	0.13	59.06%
LSB FINANCIAL	AA	3.8	42.30%	5.62	17.70%	\$33,338	\$66,208	0.504	20.87%
TAMPA BANKING COMPANY	A	4.2	67.70%	2.03	58.00%	\$113,535	\$61,231	1.854	7.93%
PREMIER BANCSHARES	AAA	0.1	-171.40%	0.95	17.80%	\$11,772	\$72,095	0.163	54.82%
WOORI FINANCE HOLDINGS CO. LTD.	A	4.7	99.30%	2.5	0.90%	\$37,024	\$68,656	0.539	24.09%
VENTURE FINANCIAL GROUP	AAA	0.9	-216.10%	2.36	24.70%	\$19,234	\$72,923	0.264	39.61%
CITYWIDE BANKS OF COLORADO	AA	2.9	84.30%	1.4	33.00%	\$28,591	\$68,040	0.42	28.27%
WESTBANK	AAA	0.7	86.70%	4.61	25.90%	\$140,972	\$54,635	2.58	5.56%
FARMERS NATIONAL BANC CORP.	A	5.3	37.00%	4.86	14.60%	\$10,460	\$74,213	0.141	67.80%
PEOPLES BANCTRUST COMPANY	AA	3.3	-54.50%	3.01	20.60%	\$18,568	\$74,618	0.249	40.56%
FIRST WESTERN BANCORP	AAA	0.8	63.00%	2.42	23.10%	\$12,623	\$75,708	0.167	59.99%
FIRST BANCORP	AA	3	32.30%	2.99	24.90%	\$22,264	\$61,759	0.36	31.26%
LNB BANCORP	A	5	69.20%	2.95	23.10%	\$4,567	\$63,082	0.072	138.64%
FIRST FARMERS AND MERCHANTS	AA	2.3	57.30%	4.96	16.90%	\$85,709	\$98,366	0.871	8.71%
PACIFIC CONTINENTAL	AAA	0.2	-418.20%	3.34	26.90%	\$19,185	\$68,213	0.281	44.50%
EASTERN VIRGINIA BANKSHARES	AA	3.8	38.20%	4.43	16.10%	\$27,697	\$62,609	0.442	21.61%

## Basel II by the Numbers: Q1 2006

<b>MICRO HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income, YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
PACIFIC FINANCIAL	\$499,644	\$1,723	1.38%	13.07%	\$401,908	\$100	\$0	n/a
MIDSTATE BANCORP	\$497,721	\$2,762	2.22%	24.33%	\$397,694	\$30	\$386	0.08:1
DNB FINANCIAL	\$496,661	\$641	0.52%	6.51%	\$308,863	\$129	\$0	n/a
FARMERS ENTERPRISES	\$496,448	\$2,197	1.77%	19.08%	\$240,287	\$15	\$0	n/a
PSB GROUP	\$495,426	\$761	0.61%	7.03%	\$373,008	\$208	\$188	1.11:1
PLATTE VALLEY FINANCIAL	\$494,361	\$1,242	1.00%	10.75%	\$422,434	\$328	\$262	1.25:1
PARAGON COMMERCIAL	\$494,032	\$1,465	1.19%	14.97%	\$398,406	\$15	\$426	0.04:1
SABINE BANCSHARES	\$493,830	\$1,842	1.49%	20.66%	\$329,991	\$204	\$225	0.91:1
SECURITY NATIONAL	\$493,667	\$2,244	1.82%	21.90%	\$367,103	\$307	\$81	3.79:1
BEACH COMMUNITY BANCSHARES	\$492,089	\$1,578	1.28%	16.48%	\$393,961	\$0	\$512	0.00:1
FIRST NATIONAL	\$491,922	\$1,620	1.32%	17.17%	\$393,812	\$59	\$85	0.69:1
CENTRAL BANK	\$490,772	\$3,420	2.79%	16.23%	\$303,811	\$101	\$450	0.22:1
SHINHAN FINANCIAL GROUP	\$490,631	\$890	0.73%	5.73%	\$375,484	\$0	\$150	0.00:1
MAGNOLIA BANKING	\$490,615	\$2,229	1.82%	18.70%	\$307,409	\$333	\$204	1.63:1
SOURN BANCORP INC	\$490,415	\$1,281	1.04%	9.97%	\$239,533	\$113	\$60	1.88:1
STOCKMENS FINANCIAL	\$489,915	\$1,507	1.23%	12.07%	\$354,754	\$78	\$138	0.57:1
HERITAGE OAKS BANCORP	\$489,438	\$1,801	1.47%	13.86%	\$380,188	\$0	\$120	0.00:1
PEOPLES BAN	\$489,173	\$1,248	1.02%	12.42%	\$381,546	\$71	\$237	0.30:1
NATIONAL BANCSHARES	\$488,938	\$1,319	1.08%	10.70%	\$374,183	\$775	\$390	1.99:1
NATIONAL MERCANTILE BANCORP	\$488,852	\$1,570	1.28%	12.85%	\$353,499	\$0	\$32	0.00:1
FIDELITY COMPANY	\$488,817	\$1,041	0.85%	9.50%	\$389,232	\$56	\$10	5.60:1
INDEPENDENT HOLDINGS INC	\$488,436	\$365	0.30%	3.14%	\$423,354	\$508	\$452	1.12:1
BLUE RIDGE BANCSHARES	\$488,143	\$823	0.67%	7.86%	\$337,854	\$292	\$190	1.54:1

## Basel II by the Numbers: Q1 2006

MICRO HOLDING COMPANY	Total Assets (000)	Net Income, YTD	ROA %	ROE %	Loans and Leases	Gross Losses	Loss Provisions	Provisions/ Defaults Ratio
SOUTHCOAST FINANCIAL	\$487,475	\$1,245	1.02%	10.82%	\$375,299	\$64	\$222	0.29:1
MID ILLINOIS BANCORP	\$487,371	\$1,398	1.15%	10.96%	\$319,521	\$21	\$105	0.20:1
NEXTIER INCORPORATED	\$486,322	\$902	0.74%	6.30%	\$325,149	\$17	\$150	0.11:1
FIRST COMMUNITY	\$486,049	\$1,116	0.92%	7.11%	\$229,621	\$45	\$120	0.38:1
CAPITAL BANCORP	\$484,846	\$1,132	0.93%	12.06%	\$408,790	\$77	\$428	0.18:1
CITIZENS BANCSHARES OF BATESVILLE	\$484,584	\$1,055	0.87%	10.37%	\$302,127	\$576	\$100	5.76:1
BANKERS' BANCORP	\$484,266	\$763	0.63%	7.70%	\$167,373	\$1	\$30	0.03:1
CODORUS VALLEY BANCORP	\$483,735	\$1,438	1.19%	15.07%	\$375,834	\$7	\$210	0.03:1
COMMUNITY CENTRAL BANK	\$483,320	\$972	0.80%	9.02%	\$356,140	\$38	\$50	0.76:1
PULASKI INVESTMENT WHITCORP FINANCIAL COMPANY	\$482,851	\$632	0.52%	6.57%	\$351,319	\$114	\$0	n/a
	\$482,661	\$2,100	1.74%	16.28%	\$322,731	\$110	\$0	n/a
BCB BANCORP	\$482,526	\$1,390	1.15%	11.32%	\$313,066	\$67	\$250	0.27:1
BRANNEN BANKS OF FLORIDA	\$481,986	\$2,187	1.81%	31.72%	\$312,322	\$2	(\$7)	-0.29:1
OXFORD FINANCIAL	\$481,897	\$1,719	1.43%	16.16%	\$385,384	\$6	\$0	n/a
CONNECTICUT MUTUAL HOLDING COMPANY	\$481,830	\$475	0.39%	4.48%	\$262,911	\$4	\$11	0.36:1
FIRST FARMERS FINANCIAL	\$481,691	\$1,713	1.42%	12.89%	\$365,624	\$172	\$535	0.32:1
COMMUNITY BANC-CORP OF SHEBOYGAN	\$481,645	\$455	0.38%	4.70%	\$364,774	\$475	\$369	1.29:1
FCB BANCORP	\$480,702	\$1,112	0.93%	7.88%	\$353,573	\$0	\$153	0.00:1
1ST CENTENNIAL BANCORP	\$480,280	\$2,073	1.73%	15.94%	\$397,624	\$119	\$465	0.26:1
GUARANTY FEDERAL BANCSHARES	\$479,016	\$1,864	1.56%	13.08%	\$446,307	\$32	\$225	0.14:1
COMMERCIAL HOLDING COMPANY	\$478,232	\$2,018	1.69%	19.38%	\$322,229	\$76	\$231	0.33:1
S.B.C.P. BANCORP	\$478,105	\$1,082	0.91%	10.65%	\$377,521	\$48	\$200	0.24:1
FAUQUIER BANKSHARES	\$477,249	\$1,528	1.28%	15.24%	\$401,405	\$74	\$120	0.62:1

## Basel II by the Numbers: Q1 2006

MICRO HOLDING COMPANY	Total Assets (000)	Net Income, YTD	ROA %	ROE %	Loans and Leases	Gross Losses	Loss Provisions	Provisions/ Defaults Ratio
PLANTERS HOLDING COMPANY	\$477,076	\$1,640	1.38%	15.41%	\$277,999	\$103	\$127	0.81:1
WEST TENNESSEE BANCSHARES	\$477,069	\$1,190	1.00%	14.31%	\$277,971	\$131	\$447	0.29:1
UNION NATIONAL FINANCIAL	\$476,869	\$922	0.77%	10.18%	\$304,905	\$21	\$30	0.70:1
HERSHENHORN BAN	\$476,623	\$5,169	4.34%	25.06%	\$318,508	\$0	(\$272)	0.00:1
EAGLE FINANCIAL SERVICES	\$475,123	\$1,587	1.34%	15.75%	\$361,270	\$53	\$75	0.71:1
INDEPENDENT SOU RN BANCSHARES ESOT	\$474,783	\$1,439	1.21%	12.70%	\$352,659	\$201	\$215	0.93:1
CENTRAL VALLEY COMMUNITY BANCORP	\$474,035	\$1,570	1.32%	14.40%	\$293,618	\$572	\$400	1.43:1
MID-MISSOURI BANCSHARES	\$473,512	\$1,008	0.85%	9.01%	\$359,718	\$100	\$30	3.33:1
JEFF DAVIS BANCSHARES	\$473,266	\$1,447	1.22%	14.76%	\$227,839	\$139	\$240	0.58:1
BANK OF EAST ASIA LIMITED	\$472,358	\$775	0.66%	4.36%	\$394,580	\$0	\$0	n/a
RED RIVER BANCSHARES	\$471,524	\$1,268	1.08%	13.64%	\$323,278	\$86	\$345	0.25:1
STEWARDSHIP FINANCIAL	\$471,135	\$1,187	1.01%	13.05%	\$346,283	\$0	\$50	0.00:1
PLUMAS BANCORP	\$470,533	\$1,374	1.17%	13.92%	\$323,687	\$175	\$300	0.58:1
NEIGHBOR INSURANCE AGENCY	\$470,306	\$1,460	1.24%	10.44%	\$323,857	\$8	\$50	0.16:1
FARMERS STATE	\$468,782	\$1,681	1.43%	14.44%	\$334,343	\$10	\$125	0.08:1
HABERSHAM BANCORP	\$468,281	\$1,470	1.26%	12.26%	\$320,054	\$65	\$0	n/a
STARION BAN	\$468,152	\$1,949	1.67%	19.69%	\$326,937	\$64	\$99	0.65:1
SUMITOMO TRUST & BANKING CO. LTD	\$467,812	\$3,671	3.14%	15.43%	\$0	\$0	\$0	n/a
FNBH BANCORP	\$467,806	\$1,633	1.40%	13.10%	\$371,820	\$478	\$600	0.80:1
BRYAN FAMILY MANAGEMENT TRUST	\$466,979	\$1,671	1.43%	14.52%	\$304,235	\$17	\$135	0.13:1
BANCMIDWEST	\$466,689	\$2,012	1.72%	21.43%	\$391,412	\$175	\$268	0.65:1
SOLVAY BANK CORP.	\$465,355	\$1,229	1.06%	11.19%	\$326,972	\$126	\$126	1.00:1
FIRST COMMUNITY	\$465,311	\$860	0.74%	10.12%	\$389,756	\$102	\$140	0.73:1

## Basel II by the Numbers: Q1 2006

MICRO HOLDING COMPANY	Total Assets (000)	Net Income, YTD	ROA %	ROE %	Loans and Leases	Gross Losses	Loss Provisions	Provisions/ Defaults Ratio
BANCSHARES								
INDUSTRY BANCSHARES	\$465,086	\$1,423	1.22%	13.75%	\$194,184	\$364	\$55	6.62:1
HOMESTAR FINANCIAL GROUP	\$464,821	\$691	0.59%	9.03%	\$324,807	\$10	\$0	n/a
WEST POINTE BANCORP	\$464,590	\$879	0.76%	10.14%	\$258,264	\$103	\$0	n/a
INTER-MOUNTAIN BANCORP.	\$464,396	\$2,528	2.18%	23.09%	\$291,243	\$2	\$0	n/a
PUTNAM-GREENE FINANCIAL	\$464,066	\$1,918	1.65%	17.11%	\$302,975	\$80	\$60	1.33:1
INTERNATIONAL BRO RHOOD OF BOILERMAKERS IRON SHIP BUILDERS BLACKSMITHS FORG	\$462,448	\$837	0.72%	7.59%	\$180,449	\$53	\$70	0.76:1
PUTNAM BANCSHARES	\$461,105	\$1,337	1.16%	9.20%	\$267,514	\$256	\$150	1.71:1
FIRST LITCHFIELD FINANCIAL	\$460,169	\$719	0.62%	10.01%	\$246,755	\$2	\$105	0.02:1
PALOS BANCSHARES	\$459,734	\$1,673	1.46%	19.14%	\$231,223	\$31	\$117	0.26:1
AMERICAN COMMUNITY BANCSHARES	\$458,895	\$1,320	1.15%	11.20%	\$350,511	\$76	\$272	0.28:1
ST. JOSEPH CAPITAL	\$458,516	\$656	0.57%	7.43%	\$345,953	\$0	\$0	n/a
WEST ALABAMA CAPITAL CORP.	\$458,246	\$1,392	1.22%	10.87%	\$255,227	\$185	\$165	1.12:1
CROGHAN BANCSHARES	\$455,999	\$1,432	1.26%	12.19%	\$338,298	\$165	\$35	4.71:1
B.P.C.	\$454,197	\$1,399	1.23%	17.89%	\$240,634	\$127	\$103	1.23:1
HAMPDEN BANCORP MHC	\$454,192	\$234	0.21%	2.95%	\$301,591	\$8	\$25	0.32:1
MESABA BANCSHARES	\$453,661	\$2,523	2.22%	27.47%	\$418,529	\$43	\$100	0.43:1
CORTLAND BANCORP	\$453,575	\$1,183	1.04%	11.14%	\$189,731	\$63	\$66	0.95:1
HOME STATE BANCORP	\$452,821	\$1,186	1.05%	12.43%	\$333,110	\$476	\$175	2.72:1
WVS FINANCIAL CORP.	\$452,788	\$800	0.71%	11.60%	\$56,763	\$0	(\$39)	0.00:1
FIRST PULASKI NATIONAL	\$452,554	\$1,266	1.12%	11.61%	\$274,903	\$80	\$20	4.00:1
CITIZENS NATIONAL BANCORP	\$452,501	\$1,898	1.68%	18.25%	\$366,852	\$21	\$150	0.14:1
ALLIANCE BANCSHARES	\$452,375	\$846	0.75%	8.16%	\$292,054	\$175	\$65	2.69:1

## Basel II by the Numbers: Q1 2006

<b>MICRO HOLDING COMPANY</b>	<b>Total Assets (000)</b>	<b>Net Income, YTD</b>	<b>ROA %</b>	<b>ROE %</b>	<b>Loans and Leases</b>	<b>Gross Losses</b>	<b>Loss Provisions</b>	<b>Provisions/ Defaults Ratio</b>
CRETE BAN	\$452,063	\$1,025	0.91%	10.73%	\$333,702	\$0	\$90	0.00:1
PRUDENTIAL MUTUAL HOLDING COMPANY	\$450,635	\$1,028	0.91%	6.12%	\$194,957	\$0	\$0	n/a
SOUTHCREST FINANCIAL GROUP	\$450,191	\$1,515	1.35%	11.11%	\$280,129	\$102	\$108	0.94:1
OCONOMOWOC BANCSHARES	\$449,605	\$1,111	0.99%	11.91%	\$392,947	\$55	\$0	n/a
FRONT RANGE CAPITAL	\$449,501	\$540	0.48%	6.25%	\$322,729	\$239	\$255	0.94:1
HAPPY BANCSHARES	\$449,238	\$1,065	0.95%	10.60%	\$283,358	\$55	\$150	0.37:1
COMMUNITY WEST BANCSHARES	\$448,710	\$1,329	1.18%	13.38%	\$386,881	\$232	\$183	1.27:1
EVANS BANCORP	\$447,909	\$893	0.80%	10.18%	\$261,505	\$159	\$282	0.56:1
BLACKHAWK BANCORP	\$447,552	\$574	0.51%	6.06%	\$274,358	\$169	\$93	1.82:1

## Basel II by the Numbers: Q1 2006

MICRO HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD %	M (yrs)	EAD %	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC %
PACIFIC FINANCIAL	AA	2.5	94.00%	2.49	23.50%	\$13,131	\$41,006	0.32	36.62%
MIDSTATE BANCORP	AAA	0.8	-16.70%	1.28	16.20%	\$14,794	\$45,916	0.322	33.51%
DNB FINANCIAL	A	4.2	86.00%	3.82	16.20%	\$24,771	\$40,143	0.617	16.68%
FARMERS ENTERPRISES	AAA	0.6	33.30%	2.91	20.90%	\$3,822	\$44,188	0.086	128.65%
PSB GROUP	A	5.6	63.00%	3.08	17.10%	\$5,433	\$39,654	0.137	81.56%
PLATTE VALLEY FINANCIAL	A	7.8	83.50%	2.83	20.50%	\$11,609	\$44,734	0.26	33.78%
PARAGON COMMERCIAL	AAA	0.4	100.00%	1.24	26.10%	\$142	\$40,066	0.004	3432.59%
SABINE BANCSHARES	A	6.2	85.30%	1.72	29.90%	\$24,450	\$33,497	0.73	20.56%
SECURITY NATIONAL	A	8.4	83.70%	2.02	26.80%	\$9,246	\$42,199	0.219	47.02%
BEACH COMMUNITY	AAA	0	n/a	0.77	17.20%	\$1,064	\$39,216	0.027	487.31%
FIRST NATIONAL	AA	1.5	-96.60%	3.08	17.20%	\$1,248	\$38,380	0.033	347.83%
CENTRAL BANK	AA	3.3	78.20%	0.74	39.00%	\$9,248	\$84,010	0.11	100.33%
SHINHAN FINANCIAL GROUP	AAA	0	n/a	0.67	8.80%	\$35,634	\$62,617	0.569	12.25%
MAGNOLIA BANKING	A	10.8	70.00%	2.31	25.50%	\$16,260	\$41,729	0.39	31.81%
SOUTHERN BANCORP INC	A	4.7	53.10%	2.11	24.30%	\$13,977	\$39,342	0.355	34.03%
STOCKMENS FINANCIAL	AA	2.2	-189.70%	2.01	24.00%	\$14,364	\$39,415	0.364	27.66%
HERITAGE OAKS BANCORP	AAA	0	n/a	3.1	36.80%	\$1,072	\$45,903	0.023	521.74%
PEOPLES BANK	AA	1.9	93.00%	1.6	28.10%	\$12,466	\$40,927	0.305	26.10%
NATIONAL BANCSHARES	BBB	20.7	-2.70%	2.63	12.30%	\$7,637	\$46,219	0.165	66.76%
NATIONAL MERCANTILE	AAA	0	n/a	1.47	30.40%	\$36,191	\$45,369	0.798	16.26%
FIDELITY COMPANY	AA	1.4	33.90%	2.99	14.80%	\$3,207	\$36,921	0.087	116.82%
INDEPENDENT HOLDINGS	A	12	54.50%	4.75	12.30%	\$6,288	\$47,249	0.133	38.69%
BLUE RIDGE BANCSHARES	A	8.6	64.70%	1.64	34.50%	\$37,645	\$42,289	0.89	8.90%
SOUTHCOAST FINANCIAL	AA	1.7	100.00%	2.59	12.60%	\$1,189	\$46,439	0.026	333.52%
MID ILLINOIS BANCORP	AAA	0.7	23.80%	6.95	16.80%	\$2,676	\$51,528	0.052	160.19%
NEXTTIER INCORPORATED	AAA	0.5	-117.60%	3.86	38.90%	\$1,981	\$52,678	0.038	186.60%

## Basel II by the Numbers: Q1 2006

MICRO HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD %	M (yrs)	EAD %	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC %
FIRST COMMUNITY	AA	2	33.30%	1.97	17.50%	\$62,657	\$37,238	1.683	7.15%
CAPITAL BANCORP	AA	1.9	85.70%	1.94	26.10%	\$2,898	\$38,335	0.076	150.04%
CITIZENS BANCSHARES OF BATESVILLE	BBB	19.1	79.50%	3.8	3.40%	\$2,700	\$41,602	0.065	145.48%
BANKERS' BANCORP	AAA	0.1	100.00%	1.43	34.70%	\$91,766	\$39,143	2.344	4.89%
CODORUS VALLEY BANCORP	AAA	0.2	-214.30%	4.1	30.10%	\$8,227	\$38,240	0.215	53.81%
COMMUNITY CENTRAL BANK	AA	1.1	89.50%	2.71	24.20%	\$7,050	\$42,345	0.166	50.61%
PULASKI INVESTMENT	AA	3.2	92.10%	2.72	32.50%	\$2,644	\$38,318	0.069	120.38%
WHITCORP FINANCIAL COMPANY	AA	3.4	-102.70%	1.38	23.10%	\$16,046	\$50,448	0.318	35.73%
BCB BANCORP	AA	2.1	100.00%	9.05	10.70%	\$135,994	\$49,135	2.768	4.09%
BRANNEN BANKS OF FLORIDA	AAA	0.1	-2800.00%	10.13	20.10%	\$3,479	\$29,664	0.117	128.50%
OXFORD FINANCIAL	AAA	0.2	66.70%	2.72	36.50%	\$2,743	\$42,387	0.065	174.22%
CONNECTICUT MUTUAL HOLDING COMPANY	AAA	0.2	0.00%	9.73	18.20%	\$60,466	\$44,294	1.365	7.32%
FIRST FARMERS FINANCIAL	A	4.7	93.00%	1.75	20.80%	\$41,723	\$47,888	0.871	11.55%
COMMUNITY BANC-CORP OF SHEBOYGAN	BBB	13	96.80%	1.46	29.70%	\$11,249	\$38,766	0.29	30.38%
FCB BANCORP	AAA	0	n/a	1.86	21.40%	\$4,041	\$40,724	0.099	126.57%
1ST CENTENNIAL BANCORP	AA	3	-5.90%	2.43	54.20%	\$1,805	\$47,772	0.038	321.29%
GUARANTY FEDERAL BANCSHARES	AAA	0.7	18.80%	5.8	20.30%	\$1,955	\$55,216	0.035	212.29%
COMMERCIAL HOLDING COMPANY	AA	2.4	-7.90%	1.99	40.40%	\$2,878	\$37,717	0.076	149.70%
S.B.C.P. BANCORP	AA	1.3	79.20%	1.96	26.50%	\$29,978	\$39,544	0.758	12.85%
FAUQUIER BANKSHARES	AA	1.8	52.70%	6.25	29.10%	\$7,116	\$40,713	0.175	54.71%
PLANTERS HOLDING COMPANY	AA	3.7	79.60%	2.11	17.20%	\$10,870	\$43,810	0.248	41.27%
WEST TENNESSEE BANCSHARES	A	4.7	79.40%	1.85	37.50%	\$3,733	\$35,047	0.107	107.69%

## Basel II by the Numbers: Q1 2006

MICRO HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD %	M (yrs)	EAD %	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC %
UNION NATIONAL FINANCIAL	AAA	0.7	-114.30%	4.9	39.30%	\$25,964	\$36,743	0.707	14.26%
HERSHENHORN BAN	AAA	0	n/a	0.27	11.50%	\$57,831	\$82,539	0.701	12.36%
EAGLE FINANCIAL SERVICES	AA	1.5	32.10%	3.21	26.00%	\$26,667	\$40,757	0.654	16.02%
INDEPENDENT SOU RN BANCSHARES ESOT	A	5.7	28.40%	1.72	19.10%	\$4,039	\$46,230	0.087	112.22%
CENTRAL VALLEY COMMUNITY BANCORP	BBB	19.5	95.10%	1.95	47.70%	\$6,705	\$34,106	0.197	81.18%
MID-MISSOURI BANCSHARES	AA	2.8	80.00%	1.36	15.40%	\$3,057	\$39,560	0.077	108.31%
JEFF DAVIS BANCSHARES	A	6.1	74.10%	2.46	15.50%	\$1,686	\$38,207	0.044	260.35%
BANK OF EAST ASIA LIMITED	AAA	0	n/a	1.92	16.70%	\$14,513	\$58,012	0.25	30.02%
RED RIVER BANCSHARES	AA	2.7	47.70%	3.25	18.60%	\$19,532	\$38,229	0.511	20.51%
STEWARDSHIP FINANCIAL	AAA	0	n/a	7.57	35.00%	\$34,054	\$37,184	0.916	12.24%
PLUMAS BANCORP	A	5.4	68.00%	3.51	32.90%	\$22,710	\$39,103	0.581	23.45%
NEIGHBOR INSURANCE AGENCY	AAA	0.2	-137.50%	2.54	27.30%	\$1,956	\$57,078	0.034	220.38%
FARMERS STATE	AAA	0.3	50.00%	1.65	20.50%	\$4,856	\$37,097	0.131	89.92%
HABERSHAM BANCORP	AA	2	7.70%	0.63	28.00%	\$6,486	\$44,838	0.145	74.16%
STARION BAN	AA	2	95.30%	4.03	16.90%	\$1,830	\$40,770	0.045	258.76%
SUMITOMO TRUST & BANKING CO. LTD	AAA	0	n/a	0	n/a	\$65	\$95,574	0.001	- 4601.85%
FNBH BANCORP	BBB	12.9	76.60%	2.12	18.70%	\$20,431	\$50,530	0.404	24.27%
BRYAN FAMILY MANAGEMENT TRUST	AAA	0.6	58.80%	3.48	8.60%	\$29,549	\$45,541	0.649	15.40%
BANCMIDWEST	A	4.5	51.40%	1.62	18.40%	\$7,184	\$36,286	0.198	61.75%
SOLVAY BANK CORP.	AA	3.9	73.00%	8.19	19.10%	\$22,812	\$44,631	0.511	17.96%
FIRST COMMUNITY BANCSHARES	AA	2.6	89.20%	2.34	14.70%	\$1,161	\$33,894	0.034	314.09%
INDUSTRY BANCSHARES	BBB	18.7	98.40%	3.88	14.80%	\$2,356	\$37,637	0.063	194.00%
HOMESTAR FINANCIAL GROUP	AAA	0.3	60.00%	6.42	14.80%	\$10,037	\$32,031	0.313	32.09%

## Basel II by the Numbers: Q1 2006

<b>MICRO HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
WEST POINTE BANCORP	AA	4	66.00%	1.5	22.00%	\$2,324	\$36,307	0.064	173.76%
INTER-MOUNTAIN BANCORP.	AAA	0.1	0.00%	1.69	31.60%	\$27,623	\$37,611	0.734	18.93%
PUTNAM-GREENE FINANCIAL	AA	2.6	-26.30%	1.24	9.40%	\$9,803	\$42,760	0.229	55.62%
INTERNATIONAL BRO RHOOD OF BOILERMAKERS IRON SHIP BUILDERS BLACKSMITHS FORG	AA	2.9	62.30%	4.58	33.40%	\$6,361	\$41,596	0.153	79.18%
PUTNAM BANCSHARES	A	9.6	44.50%	8.16	10.00%	\$43,504	\$58,868	0.739	10.51%
FIRST LITCHFIELD FINANCIAL	AAA	0.1	-150.00%	8.51	32.40%	\$9,231	\$32,619	0.283	46.39%
PALOS BANCSHARES	AA	1.3	93.50%	2.02	59.70%	\$36,775	\$38,545	0.954	14.50%
AMERICAN COMMUNITY BANCSHARES	AA	2.2	98.70%	1.5	22.20%	\$4,533	\$37,631	0.12	92.99%
ST. JOSEPH CAPITAL	AAA	0	n/a	3.34	30.20%	\$0	\$36,368	0	0.00%
WEST ALABAMA CAPITAL CORP.	A	7.2	67.00%	2.85	2.20%	\$7,409	\$43,716	0.169	60.91%
CROGHAN BANCSHARES	A	4.9	73.90%	3.66	23.20%	\$2,987	\$36,680	0.081	143.66%
B.P.C.	A	5.3	74.00%	3.6	13.80%	\$9,749	\$32,495	0.3	36.95%
HAMPDEN BANCORP MHC	AAA	0.3	50.00%	5.3	17.60%	\$32,217	\$33,487	0.962	10.18%
MESABA BANCSHARES	AA	1	9.30%	1.92	19.20%	\$8,521	\$36,912	0.231	51.30%
CORTLAND BANCORP	AA	3.3	50.80%	5.23	25.70%	\$138,996	\$43,554	3.191	4.16%
HOME STATE BANCORP	BBB	14.3	96.00%	3.64	22.90%	\$484	\$39,439	0.012	822.79%
WVS FINANCIAL CORP.	AAA	0	n/a	7.1	34.10%	\$341,194	\$27,532	12.393	1.91%
FIRST PULASKI NATIONAL	AA	2.9	-31.30%	1.74	15.30%	\$11,371	\$45,003	0.253	38.36%
CITIZENS NATIONAL BANCORP	AAA	0.6	-323.80%	1.93	18.10%	\$2,193	\$41,815	0.052	182.85%
ALLIANCE BANCSHARES	A	6	66.90%	8.39	15.20%	\$21,744	\$37,677	0.577	15.41%
CRETE BAN	AAA	0	n/a	3.06	35.30%	\$4,097	\$38,759	0.106	88.05%
PRUDENTIAL MUTUAL HOLDING COMPANY	AAA	0	n/a	10.36	28.70%	\$207,510	\$66,905	3.102	2.59%

## Basel II by the Numbers: Q1 2006

<b>MICRO HOLDING COMPANY</b>	<b>Benchmark Rating</b>	<b>P(D) (bp)</b>	<b>LGD %</b>	<b>M (yrs)</b>	<b>EAD %</b>	<b>Economic Capital</b>	<b>Tier 1 RBC</b>	<b>EC to Tier 1 RBC</b>	<b>RAROC %</b>
SOUTHCREST FINANCIAL GROUP	AA	3.6	-39.20%	3.86	14.20%	\$72,047	\$48,378	1.489	7.01%
OCONOMOWOC BANCSHARES	AA	1.4	76.40%	1.69	17.50%	\$1,605	\$37,412	0.043	227.95%
FRONT RANGE CAPITAL	A	7.4	91.60%	1.84	21.90%	\$5,183	\$35,621	0.146	70.71%
HAPPY BANCSHARES	AA	1.9	25.50%	2.6	28.20%	\$3,203	\$34,388	0.093	128.96%
COMMUNITY WEST BANCSHARES	A	6	98.30%	4.86	15.10%	\$34,012	\$39,644	0.858	14.88%
EVANS BANCORP	A	6.1	81.10%	4.67	26.60%	\$5,145	\$35,642	0.144	82.33%
BLACKHAWK BANCORP	A	6.2	74.60%	3.15	18.10%	\$12,893	\$32,618	0.395	26.25%

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