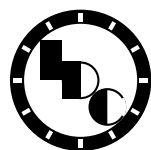


# Bank Management Review

First Quarter 2010 Report

Sample Bank  
City, ST



**IDC Financial  
Publishing, Inc.**



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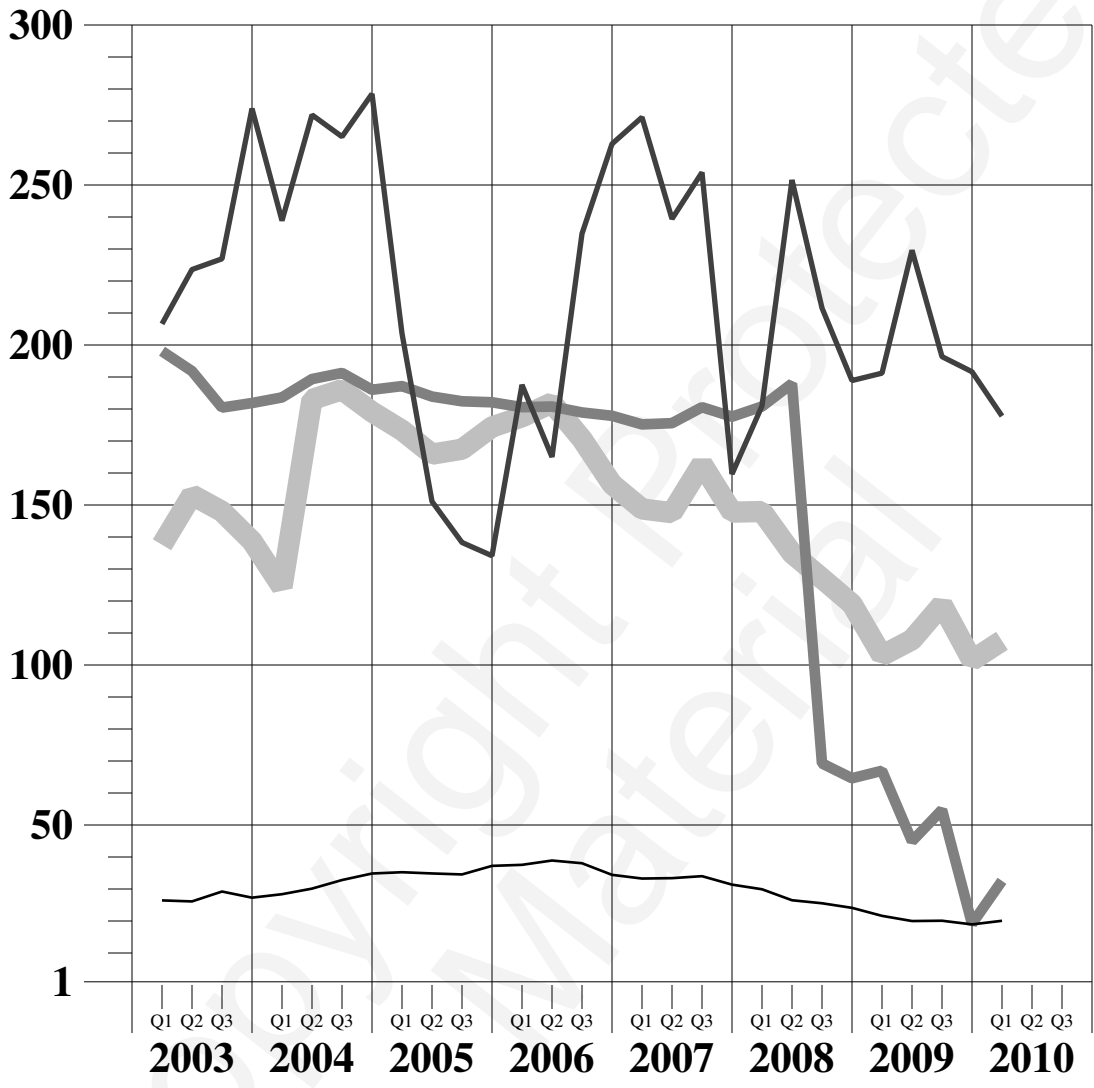


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### Sample Bank City, ST



- Rank of Financial Ratios**
- Loan Portfolio Performance Rank**
- Investment Portfolio Performance Rank**
- Operating Profit Margin**

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# IDC Management Review

**Sample Bank located in City, ST has an IDC rank of 108, which placed it in the "Below Average" group.**

*This bank is a subsidiary of the bank holding company Sample Bank Holding Company located in City, ST.*

*Information in this report is based on the bank's March 31, 2010 quarterly statement of Condition & Income as filed to the FDIC.*

IDC ranks are based on the bank's performance of financial ratios. Ranks range from 1 to 300 (the best).

## Categories of IDC Ratings

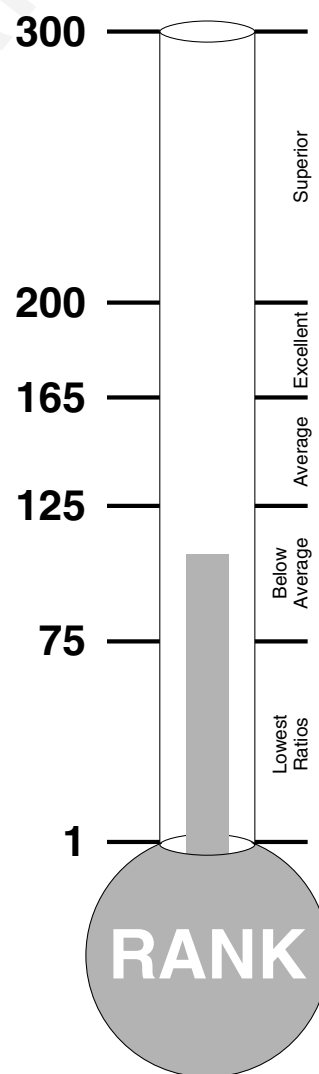
**Superior (200-300):** Banks rated Superior are simply the best by all measures. In addition to favorable capital ratios, most consistently generate a return on equity (ROE) above cost of equity (COE).

**Excellent (165-199):** Banks rated Excellent are strong institutions. Their ratios reflect quality management both from a balance sheet and income performance standpoint. Operating expenses and costs of funding are under control, producing a healthy return on equity (ROE).

**Average (125-164):** Banks rated Average meet industry capital standards. When compared to excellent and superior rated banks, most exhibit lower quality loans and narrower profit margins. The marginal problems of the average bank require shifts in policies and practices to raise asset quality or improve profits.

**Below Average (75-124):** Banks rated Below Average represent institutions under strain. Average loan delinquency is high. In many, excess nonperforming assets are above the loan loss reserve and threaten equity capital. Return on financial leverage is negligible, on average, due to narrow (or negative) leverage spreads. Banks are also rated Below Average if they are deemed "Adequately Capitalized" per FDIC capital definitions.

**Lowest Ratios (2-74):** The Lowest Ratios group contains some banks with less than the minimum capital required. In many, increasing loan loss provisions expand net losses on the income statement and, along with the excess of net charge-offs, reduce capital ratios. A high number of failed banks were rated Lowest Ratios prior to failure. Banks are also rated Lowest Ratios if they are deemed "Under Capitalized" or "Significantly Under Capitalized" per FDIC capital definitions. Banks are also rated



Lowest Ratios if they are deemed "Adequately Capitalized" and have excess delinquent, nonaccrual, and restructured loans, or repossessed assets significantly greater than loan loss reserve and capital or as a percent of loans.

**Rank of One (1):** Banks in the Rank of One group have the highest probability of failure. Loans 90-days past due and nonperforming assets, on average, exceed the loan loss reserve and equity capital by a wide margin. Without major balance sheet improvement, these banks will fail. Banks are also rated Rank of One if they are deemed "Critically Under Capitalized" per FDIC capital definitions.

*Since 1990, 98 percent of failed financial institutions were ranked below 75 by IDC prior to failure. The remaining 2 percent of financial institutions that failed with a rank of 75 or higher excludes those institutions involved in fraud. The vast majority of these failed banks were ranked one. Any future capital additions or losses or dramatic reductions or increases in nonperforming assets (delinquent loans) can change the bank's rank.*

## **Fundamentals of IDC's Analysis... IDC's CAMEL**

IDC has developed its own version of the commonly cited "CAMEL" approach to choose the financial ratios that have the greatest impact on the quality of an institution. CAMEL is an acronym that defines a number of areas in which the institution has to perform well in order to be profitable: Capital adequacy, Asset quality, Margins, Earning asset returns, and Leverage and Liquidity.

In the following summary, we quantify the performance of Sample Bank in each area and examine those figures in relationship to each other.

### **"C" - Capital Adequacy**

An institution must have enough capital (its own money, invested in the business) so that there is a solid cushion available in hard times -- for instance, if loan defaults increase. That's why we look at the percent of Equity Capital a bank has, relative to its total assets. Equity capital represents the amount that an institution's assets exceed what it owes to depositors and creditors. Other capital ratios include Tier 1 (Equity Capital) and Tier II (Equity Capital plus secondary capital, like long-term debt) as a percent of risk-adjusted assets. Federal regulations define risk-adjusted assets as a measure of potential safety or risk. Federal regulators consider these capital ratios important measurements and have set minimum levels that institutions must stay above.

Capital Adequacy ranges from best to worst as follows: Well Capitalized, Adequately Capitalized, Under Capitalized, and Significantly or Critically Under Capitalized. *Sample Bank is deemed to be "Well Capitalized." It has strong Tier I equity capital to assets ratio and a total risk-based capital ratio above regulatory requirements. The bank's strong capital position is sufficient to withstand economic risks.*

## "A" - Adequacy of Capital

Adequacy of Capital measures how effective an institution is at lending money to people who are willing and able to pay it back. To see if it's doing this well, we look at how many delinquent and **nonaccrual loans**, as well as, restructured loans and repossessed assets it has on its books, relative to its capital and to the **loan loss reserve**, which is the fund it has set aside to cover losses from bad loans. This measures the institution's asset quality, and consequently, the risk to its capital, given delinquent, nonaccrual, or restructured loans default or repossessed assets are charged off. Seldom do other rating services, relying only on capital adequacy, scrutinize this factor adequately.

Loans at risk are delinquent, nonaccrual, and restructured loans and leases, and all other real estate owned, including repossessed assets. That is, they are so troubled that the institution does not expect repayment in full. (IDC is not able to determine the underlying collateral value of nonperforming loans based on regulatory information available.)

Problem loans can have a major impact on both the institution's profitability and its capital adequacy. The regulators require that interest payments no longer can be accrued on nonaccrual loans. Because some of these loans don't pay interest, revenues are reduced. If the full amount of principal on these loans cannot be recovered, the institution must reserve for and then charge-off (or expense) these loans in addition to any legal and collection fees. Any time that too many bad loans force an institution to charge-off more money than it has provided for in the expense item called "loan loss provision," its cash net income is reduced by that amount -- what looked like a cash profit can turn into a loss.

If problem loans are greater than loan loss reserves, the institution may have to make up the difference out of its equity capital. If its capital or collateral value is not adequate for this task, the institution may be in danger of failure.

Asset quality ranges from best to worst as follows: High, Average, Limited, and Poor. ***Sample Bank has "High" asset quality. Nonperforming loans present little or no danger to its capital position. The limited level of bad loans relative to loan loss reserves confirms the conclusion about capital and its residual protection.***

## "M" - Margins

An institution must price its loans and services in addition to investment yields so that there is an adequate difference between what it earns on assets and what it pays savers in interest on deposits or borrowings. There must also be enough total revenues after interest costs to cover operating expenses. The money left over, after tax, should earn a fair rate of return on equity capital.

All of these differences between revenues and expenses are called **Margins**. And management is measured at the margins. Together, they determine the overall profitability of the institution. By looking at each of several margin measurements individually, we can learn a great deal about an institution's operating and financial strategies.

Here, we examine three kinds of margins: Operating Profit Margin, Leverage Spread, and Return on Equity as compared to Cost of Equity Capital. Margins range from best to worst as follows: Wide, Average, Narrow, and Negative.

First, we will review the Operating Profit Margin and Leverage Spread of Sample Bank.

**Operating Profit Margin** is defined as net operating revenue less operating costs (excluding the loan loss provision) divided by net operating revenues (net interest income plus noninterest income). This ratio allows us to focus on how well the institution is controlling its operating costs, which is key to profitability. *Sample Bank has an "Average" margin between operating profits and net operating revenues, demonstrating average efficiency. Sample Bank has a "High" standard deviation or volatility in the operating margin, indicating a complex or high risk profit structure.*

**Leverage Spread** is the difference between after-tax operating income relative to the cost of funding. *Sample Bank has a "Narrow" margin between after-tax operating returns and funding costs with leveraged funds adding very little to profit.*

The final kind of margin we examine is **Return on Equity** versus Cost of Equity Capital (ROE vs. COE). Return on equity measures the percent return the institution earns, overall, on its own equity investment -- it is the final measure of profitability. The cost of equity capital is the return a prudent investor would require for investments of comparable risk.

Return on equity can be measured in two ways: First is Book ROE, which simply divides net income by equity capital. The second way, developed by IDC, is the net operating profit ROE (NOPAT ROE) which divides the sum of net income plus loan loss provision minus net charge-offs by equity capital plus the loan loss reserve. This method adjusts ROE for the actual loan loss experience to the money the institution has set aside to cover it. If the provision exceeds actual losses, ROE is increased by that amount and vice versa. This method also excludes nonrecurring (one time) income or loss whereas Book ROE ignores these impacts, whether positive or negative.

We compare NOPAT ROE to cost of equity capital. An ROE above COE adds value to a financial institution. In comparison, an institution destroys value with an ROE below the cost of equity capital. *Sample Bank has a net operating profit ROE below estimated cost of equity capital. The ROE is positive and provides only limited profitability for growth in capital funds, while shareholder value is eroding.*

## "E" - Earning Asset Returns

An institution must control its operating (noninterest) expenses so that they do not consume a disproportionate part of its revenues. We can determine how well it's doing this by looking at how much money is left from all revenues (from loans, investments, and services) after both operating expenses and taxes have been paid, and a provision set aside for loan losses. This ratio measures the institution's "Return on Earning Assets."

Earning asset returns measure the institution's operating strategy. They measure what the bank's performance would have been if all the money lent or used to pay funding costs were its own (i.e., no interest had to be paid on savers' deposits or borrowings). By temporarily ignoring the role that leverage plays, we get a better picture of how well it's managing its operating business.

To do this, we calculate the bank's after-tax return on earning assets by subtracting operating expenses, loan loss provisions, and taxes from all revenues (including noninterest income and gains or losses on investments). We adjust this after-tax return to reflect the difference between the loan loss provision and the net charge-offs of loans. Return on earning assets consists of operating income less operating expense and income taxes, but excludes the cost of funding liabilities.

Return on earning assets ranges from best to worst as follows: High, Average, and Low. *Sample Bank has an "Average" after-tax return on earning assets (ROEA).*

Now, let's take a look at each of the components of return on earning assets and how the bank performed.

**Current yield on loans.** This includes interest income from loans divided by the average book value of loans. *Sample Bank earned a "Low" yield on loans.*

**Loan to Finance Commercial Real Estate** are total real estate loans less 1-4 family real estate loans. A high percentage of earning assets invested in loans to finance commercial real estate indicates risk in the loan portfolio. *> Loans to finance commercial real estate as a percent of earning assets is "Average" for this bank, indicating moderate loan risk.*

**Noninterest income.** This is revenue and income (or loss) from sources other than loans and investments, such as income from fees. *This bank's ratio of noninterest income as a percent of earning assets is "Average."*

**Noninterest expense.** The expense ratio equals operating costs divided by average earning assets. This allows us to focus on how well the bank is controlling its operating costs. *This bank's ratio of noninterest expense to earning assets is "Average."*

**Adjustment to net income.** In this measurement, we focus on how much of the loan loss provision was added to net income. *This bank's adjustment provides a modest addition to net income, as the loan loss provision exceeds net loan charge-offs.*

## "L" - Leverage and Liquidity

Leverage returns along with liquidity make up the "L" in IDC's CAMEL analysis. First, we will look at the institution's Return on Financial Leverage.

**Return on Financial Leverage - A Measure of the Financial Strategy.** Return on Financial Leverage measures the efficiency with which the institution uses deposits, borrowings, and other forms of debt to leverage its equity capital and reserves. Return on financial leverage is the product of **leverage spread** and **leverage multiplier**.

Leverage spread compares the after-tax return on earning assets (the measurement of the operating strategy) to the after-tax cost of funding these earning assets. Leverage multiplier is the amount of deposits and borrowings used in relationship to equity capital and loan loss reserves provided by the institution. Financial strategy determines how much to leverage capital and at what cost.

Ratios of Leverage Spread, Leverage Multiplier, and Return on Financial Leverage range from best to worst as follows: High, Average, Low, and Negative. ***Sample Bank has a "Low" return on financial leverage. The cost of funding is "Average," its leverage spread is "Low," and its leverage multiplier is "Above Average."***

**Liquidity measures (1) balance sheet cash flow as a percent of the Tier I capital and (2) illiquid loans as a percent of stable deposits and borrowings plus excess liquidity.** The large potential risk is the transfer of consumer deposits from stable low paying deposits to large deposits or borrowings. This can occur as consumers transfer deposits outside the banking system, requiring banks to attract new funds by increasing deposits over \$100,000 or borrowing funds. The loss of stable low-cost deposits or excessive lending is reflected as a lack of liquidity by an increase to over 100% in the percentage of illiquid loans to stable deposits and borrowings plus excess liquidity. Negative balance sheet cash flow indicates the inability of the change in retained earnings to finance the change in growth producing assets (plant and equipment, investments in unconsolidated subsidiaries, and other long term assets) or the change in liabilities (excluding retained earnings) is larger than the change in investments and loans. A negative balance sheet cash flow ratio of -66% to -100%, coupled with a high percentage of loans to earning assets, illustrates a lack of liquidity. A percentage more negative than -100% is a severe illiquid position, especially if nonperforming loans are in excess of 3% of total loans. ***The percentage of balance sheet cash flow to Tier I capital to greater than 66% illustrating excess liquidity. The percentage of illiquid loans to stable deposits and borrowings plus excess liquidity is less than 100% and illustrates ample liquidity.***

**In summary, Sample Bank received an IDC rank of 108, which placed it in the Below Average group.**

*The Federal Deposit Insurance Corporation (FDIC) and US Government insure all deposits up to \$250,000.*

*This report was prepared by IDC Financial Publishing, Inc., of Hartland, Wisconsin. For more information on this or other institutions, contact IDC at 1-800-525-5457 or by e-mail at idcjp@execpc.com.*

*Ranks provide IDC's opinion about the relative value of financial ratios, and are subject to limitations in their use. In IDC's opinion, the selected ratios provide an ample financial picture for rating a bank. However, the quality of individual banks can also be influenced by factors not taken into account in this analysis. The quality of a bank is not fixed over time; ranks may change with changes in management, strategy, or external conditions.*

*The data for calculations and ranks and other information found in this report is obtained from sources believed to be reliable and accurate.*

# Bank Financial Ratios



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BANK FINANCIAL QUARTERLY  
FDIC & FRS DATA ENDING 1st QTR, 2010

DISTRIBUTIONS BY PERCENTILE  
OF FINANCIAL RATIOS FOR  
1,024 LARGE BANKS

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**BankMap®**  
Rank of Quality

	RANK	SIZE	CAPITAL RATIOS			LOAN RISK % TIER I			LIQUIDITY			ROA	ROE VS COE			
	RANK OF FINANCIAL RATIOS	TOTAL ASSETS DOLLARS IN MILLIONS	TIER I CAPITAL AS A % OF ASSETS	TIER I & II CAPITAL % RISK-BASED ASSETS	TIER I CAPITAL AS A % OF RISK-BASED ASSETS	LOAN LOSS RESERVE	LOANS 90 DAYS OR MORE PAST DUE	LOANS NONACCRUAL & RESTRUCTURED + REO	BALANCE SHEET CASH FLOW % TIER I CAPITAL	ILLIQUID LOANS AS A % OF STABLE DEP & BOR	INT-BEARING LIAB AS A % OF EARNING ASSETS	NET INCOME AS A % OF ASSETS	STOCKHOLDER RETURN ON EQUITY	ESTIMATE OF COST OF EQUITY	NET OPERATING PROFIT (AFTER-TAX) RETURN ON EQUITY	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
HIGHEST QUALITY	300	1,674,523	99.9	479.8	479.8	0	0	0	999	0	0	14.56	148.4	6.4	108.0	132.2
98%	300	89,744	18.2	31.6	30.6	0	0	0	96	32	55	2.65	29.0	6.4	23.4	23.0
96%	294	22,865	14.8	24.8	23.3	4	0	1	58	46	64	1.98	21.0	6.4	18.6	18.2
94%	280	13,434	13.0	21.4	19.9	6	0	2	42	51	68	1.76	17.9	6.4	16.2	16.5
92%	268	10,135	12.0	19.2	17.4	7	0	4	32	54	70	1.54	15.4	6.6	15.0	15.4
90%	258	8,264	11.6	17.9	16.6	8	0	5	25	57	72	1.36	14.0	6.6	13.9	14.9
88%	250	5,559	11.2	17.4	16.1	8	0	6	21	59	73	1.26	13.4	6.6	13.3	14.5
86%	245	4,590	10.9	16.8	15.6	9	0	7	18	60	75	1.19	12.5	6.6	12.6	14.1
84%	237	3,779	10.6	16.5	15.1	9	0	8	16	61	76	1.11	11.7	6.6	12.0	13.6
82%	233	3,156	10.4	16.2	14.8	9	0	9	14	62	77	1.06	11.1	6.7	11.7	13.4
80%	228	2,837	10.1	15.9	14.5	10	0	10	13	64	77	1.01	10.4	6.8	11.2	13.0
78%	223	2,567	10.0	15.6	14.1	10	0	11	11	65	78	0.97	9.9	6.9	10.9	12.7
76%	218	2,340	9.9	15.3	13.8	10	0	12	10	66	79	0.93	9.3	7.0	10.5	12.5
74%	214	2,080	9.7	15.0	13.6	11	0	13	8	67	79	0.89	8.8	7.1	10.3	12.3
72%	210	1,903	9.6	14.8	13.3	11	0	14	7	67	80	0.85	8.5	7.1	9.9	11.9
70%	207	1,765	9.5	14.6	13.1	11	0	16	6	68	80	0.81	8.2	7.2	9.6	11.6
68%	203	1,653	9.3	14.4	13.0	12	0	16	5	69	81	0.78	8.0	7.2	9.2	11.4
66%	197	1,538	9.2	14.2	12.7	12	0	17	4	69	81	0.74	7.7	7.2	9.0	11.2
64%	193	1,438	9.1	14.0	12.6	12	0	19	3	70	82	0.70	7.0	7.2	8.7	11.0
62%	190	1,341	9.0	13.9	12.5	12	0	20	1	71	82	0.66	6.6	7.3	8.4	10.9
60%	187	1,288	9.0	13.7	12.3	13	0	21	0	71	82	0.61	6.1	7.3	8.1	10.6
58%	185	1,239	8.9	13.6	12.1	13	0	22	-1	72	83	0.57	5.6	7.3	7.6	10.5
56%	180	1,158	8.8	13.4	12.0	14	0	23	-2	72	83	0.53	5.2	7.3	7.3	10.3
54%	177	1,101	8.7	13.3	11.8	14	0	24	-3	73	84	0.50	4.7	7.3	6.9	9.9
52%	174	1,055	8.7	13.1	11.7	14	0	25	-4	74	84	0.45	4.4	7.3	6.5	9.7
50%	170	1,018	8.6	13.0	11.6	14	0	27	-5	74	84	0.40	4.0	7.3	6.2	9.4
48%	167	974	8.5	12.9	11.5	15	0	29	-7	75	85	0.36	3.6	7.3	6.0	9.2
46%	163	941	8.5	12.8	11.4	15	0	29	-8	75	85	0.31	3.2	7.3	5.7	9.1
44%	159	899	8.4	12.7	11.3	16	1	31	-10	76	85	0.27	2.6	7.3	5.4	9.0
42%	154	881	8.3	12.6	11.2	16	1	32	-11	76	86	0.23	2.4	7.3	5.0	8.8
40%	148	852	8.2	12.5	11.1	17	1	34	-13	77	86	0.18	1.8	7.4	4.7	8.6
38%	143	823	8.2	12.4	11.0	17	1	35	-14	78	86	0.13	1.2	7.4	4.3	8.5
36%	139	805	8.1	12.3	10.9	18	1	37	-17	78	87	0.07	0.6	7.5	4.0	8.1
34%	135	777	8.1	12.2	10.8	18	1	39	-19	79	87	-0.01	-0.1	7.6	3.4	7.9
32%	130	756	8.0	12.1	10.7	19	1	41	-21	80	88	-0.11	-1.1	7.6	2.9	7.5
30%	125	733	7.9	12.0	10.6	19	1	43	-23	81	88	-0.19	-2.0	7.6	2.5	7.4
28%	121	706	7.8	11.9	10.5	20	2	47	-25	81	88	-0.32	-3.2	7.6	2.0	7.2
26%	115	682	7.7	11.8	10.3	21	2	49	-28	82	89	-0.46	-4.4	7.6	1.7	6.8
24%	109	669	7.6	11.7	10.2	22	2	53	-30	83	89	-0.59	-5.8	7.6	1.2	6.5
22%	99	652	7.5	11.6	10.1	22	2	56	-32	84	90	-0.74	-7.4	7.6	0.8	6.0
20%	86	643	7.4	11.5	10.0	23	2	60	-37	85	90	-0.85	-9.0	8.6	-0.3	5.7
18%	74	631	7.3	11.3	9.8	24	3	64	-41	86	91	-1.01	-11.0	10.0	-1.6	5.3
16%	74	615	7.1	11.2	9.7	25	3	67	-46	87	91	-1.20	-13.0	10.0	-3.0	4.7
14%	57	606	7.0	11.0	9.5	27	4	75	-53	88	92	-1.49	-16.3	10.0	-4.8	4.3
12%	36	593	6.8	10.8	9.3	30	5	85	-61	90	92	-2.15	-21.7	10.0	-7.1	3.7
10%	22	580	6.5	10.6	9.1	33	5	99	-72	92	93	-2.42	-27.6	10.2	-9.3	3.0
8%	1	570	6.2	10.4	8.8	38	6	117	-86	94	94	-3.01	-36.2	10.6	-14.0	2.3
6%	1	556	5.6	9.8	7.8	49	8	148	-105	97	95	-3.96	-49.3	10.6	-21.3	0.6
4%	1	544	4.5	7.8	6.5	64	9	210	-141	101	96	-4.81	-62.4	10.6	-29.3	-2.8
2%	1	532	3.0	5.6	4.2	102	16	422	-239	128	99	-6.36	-90.9	10.6	-44.6	-6.5
LOWEST QUALITY	1	523	-1.6	-2.0	-2.0	787	72	999	-999	999	135	-12.88	-306.7	10.6	-175.4	-15.2

2010 Q1 108 911 8.0 11.1 10.1 10 0 28 74 84 89 0.36 4.5 7.6 4.5 6.7

2009 Q4 101 942 7.8 10.9 9.9 10 0 28 -34 84 92 0.35 4.5 7.3 4.4 6.9

DIFFERENCE 7 -31 0.2 0.2 0.2 0 0 0 108 0 -3 0.01 0.0 0.3 0.1 -0.2

Sample Bank  
City, ST

		LOAN PERFORMANCE						OPERATING PERFORMANCE % EARNING ASSETS						OP PROFIT MARGIN		PROFIT STRUCTURE						15 GROWTH													
CURRENT YIELD ON INVESTMENTS		LOANS AS A % OF EARNING ASSETS		CURRENT YIELD ON LOANS		LOANS NONCURRENT & RESTRUCTURED + REO		% CHG NONCURRENT & RESTRUCTURED + REO		LOANS TO FINANCE COMMERCIAL RE % LOANS		INC IN LOAN LOSS RES % EARNING ASSETS		NET INTEREST MARGIN		NONINTEREST INCOME		NONINTEREST EXPENSE		OPERATING PROFIT MARGIN		RISK (SD.) IN OP PROFIT MARGIN		RETURN ON EARNING ASSETS (AFTER TAX)		COST OF ADJUSTED DEBT (AFTER TAX)		LEVERAGE SPREAD		LEVERAGE MULTIPLIER		RETURN ON FINANCIAL LEVERAGE		INTERNAL GROWTH OF EQUITY OF CAPITAL	
1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR
18.6	17	99	27.5	0.0	-99.9	0.0	-0.67	26.02	23.21	63.95	81.16	0.01	0.06	99.7	0.1	14.56	29.74	0.00	0.00	14.56	0.0	95.9	73.1	31.4	14.56	0.0	95.9	73.1	31.4	14.56	0.0	95.9	73.1	31.4	
5.7	95	10.8	0.2	-58.7	0.0	0.00	6.58	6.43	8.92	9.04	1.12	0.93	73.8	0.9	3.90	5.04	0.17	0.88	2.93	2.3	20.2	19.0	14.0	2.93	2.3	20.2	19.0	14.0	2.93	2.3	20.2	19.0	14.0		
5.4	92	7.6	0.5	-44.0	1.8	0.02	5.16	5.33	4.34	4.67	1.53	1.44	60.5	1.1	3.20	3.93	0.34	0.99	2.09	3.9	15.3	15.1	12.3	2.09	3.9	15.3	15.1	12.3	2.09	3.9	15.3	15.1	12.3		
5.1	90	7.0	0.7	-34.0	12.8	0.05	4.91	5.09	3.19	3.37	1.82	1.71	56.1	1.2	2.89	3.59	0.45	1.11	1.81	4.3	13.4	13.3	11.5	1.81	4.3	13.4	13.3	11.5	1.81	4.3	13.4	13.3	11.5		
4.9	88	6.8	0.9	-26.6	19.0	0.06	4.75	4.84	2.47	2.50	1.99	1.85	52.8	1.4	2.76	3.40	0.51	1.18	1.65	4.7	12.3	12.2	11.0	1.65	4.7	12.3	12.2	11.0	1.65	4.7	12.3	12.2	11.0		
4.7	88	6.6	1.1	-20.0	22.7	0.08	4.64	4.71	2.17	2.07	2.05	1.97	51.2	1.6	2.61	3.29	0.56	1.25	1.50	5.0	11.4	11.6	10.5	1.50	5.0	11.4	11.6	10.5	1.50	5.0	11.4	11.6	10.5		
4.6	87	6.6	1.2	-14.8	26.5	0.10	4.52	4.59	1.98	1.84	2.13	2.04	49.4	1.7	2.50	3.21	0.62	1.32	1.39	5.3	10.7	10.7	9.8	1.39	5.3	10.7	10.7	9.8	1.39	5.3	10.7	10.7	9.8		
4.5	86	6.4	1.2	-11.0	28.2	0.11	4.41	4.53	1.86	1.74	2.20	2.14	48.1	1.8	2.45	3.14	0.65	1.38	1.32	5.5	10.1	10.0	9.5	1.32	5.5	10.1	10.0	9.5	1.32	5.5	10.1	10.0	9.5		
4.5	85	6.4	1.4	-7.2	29.9	0.12	4.34	4.45	1.67	1.65	2.27	2.20	47.0	1.9	2.39	3.10	0.69	1.41	1.28	5.8	9.7	9.5	9.1	1.28	5.8	9.7	9.5	9.1	1.28	5.8	9.7	9.5	9.1		
4.4	84	6.3	1.5	-2.9	32.1	0.13	4.31	4.40	1.59	1.59	2.33	2.24	46.3	2.0	2.36	3.04	0.72	1.46	1.22	6.0	9.4	9.1	8.9	1.22	6.0	9.4	9.1	8.9	1.22	6.0	9.4	9.1	8.9		
4.3	84	6.3	1.6	-0.2	33.6	0.15	4.27	4.33	1.51	1.51	2.39	2.32	45.4	2.1	2.30	3.01	0.76	1.50	1.17	6.2	9.0	8.6	8.6	1.17	6.2	9.0	8.6	8.6	1.17	6.2	9.0	8.6	8.6		
4.2	83	6.2	1.8	2.9	35.2	0.16	4.20	4.28	1.44	1.43	2.45	2.37	44.4	2.3	2.26	2.98	0.79	1.52	1.14	6.3	8.7	8.3	8.4	1.14	6.3	8.7	8.3	8.4	1.14	6.3	8.7	8.3	8.4		
4.1	83	6.2	1.9	5.8	36.2	0.16	4.16	4.24	1.39	1.36	2.51	2.43	43.4	2.4	2.21	2.94	0.82	1.54	1.10	6.4	8.4	7.9	8.1	1.10	6.4	8.4	7.9	8.1	1.10	6.4	8.4	7.9	8.1		
4.1	82	6.2	2.0	8.2	37.5	0.18	4.12	4.18	1.31	1.30	2.56	2.47	42.9	2.5	2.18	2.91	0.85	1.56	1.07	6.5	8.1	7.5	7.9	1.07	6.5	8.1	7.5	7.9	1.07	6.5	8.1	7.5	7.9		
4.0	82	6.1	2.2	12.1	39.0	0.19	4.08	4.15	1.26	1.26	2.61	2.51	42.0	2.6	2.14	2.90	0.88	1.58	1.03	6.6	7.7	7.1	7.7	1.03	6.6	7.7	7.1	7.7	1.03	6.6	7.7	7.1	7.7		
4.0	81	6.1	2.3	14.9	40.2	0.21	4.04	4.12	1.21	1.21	2.66	2.56	41.7	2.7	2.10	2.88	0.91	1.61	0.99	6.8	7.4	6.9	7.5	0.99	6.8	7.4	6.9	7.5	0.99	6.8	7.4	6.9	7.5		
3.9	80	6.0	2.5	18.1	41.1	0.22	3.99	4.09	1.16	1.17	2.68	2.60	41.1	2.8	2.08	2.86	0.95	1.64	0.96	6.9	7.1	6.4	7.3	0.96	6.9	7.1	6.4	7.3	0.96	6.9	7.1	6.4	7.3		
3.9	80	6.0	2.6	21.9	42.2	0.23	3.96	4.06	1.11	1.15	2.71	2.62	40.2	3.0	2.05	2.84	0.97	1.65	0.93	7.0	7.0	6.2	7.1	0.93	7.0	7.0	6.2	7.1	0.93	7.0	7.0	6.2	7.1		
3.8	79	6.0	2.7	24.6	43.2	0.24	3.91	4.02	1.08	1.11	2.76	2.70	39.6	3.1	2.01	2.82	1.00	1.67	0.90	7.1	6.7	5.9	6.8	0.90	7.1	6.7	5.9	6.8	0.90	7.1	6.7	5.9	6.8		
3.7	79	6.0	2.8	26.9	44.2	0.25	3.88	3.99	1.04	1.07	2.81	2.74	39.0	3.2	1.97	2.79	1.02	1.69	0.86	7.2	6.4	5.6	6.6	0.86	7.2	6.4	5.6	6.6	0.86	7.2	6.4	5.6	6.6		
3.7	78	5.9	3.0	29.4	45.1	0.27	3.84	3.95	1.01	1.05	2.84	2.76	38.5	3.3	1.94	2.75	1.04	1.71	0.81	7.3	6.1	5.3	6.4	0.81	7.3	6.1	5.3	6.4	0.81	7.3	6.1	5.3	6.4		
3.6	78	5.9	3.1	31.7	46.0	0.28	3.80	3.91	0.98	1.01	2.87	2.80	38.0	3.5	1.91	2.73	1.06	1.72	0.78	7.4	5.8	5.1	6.2	0.78	7.4	5.8	5.1	6.2	0.78	7.4	5.8	5.1	6.2		
3.5	77	5.9	3.3	36.1	46.7	0.30	3.76	3.88	0.94	0.99	2.90	2.83	37.2	3.6	1.85	2.71	1.08	1.74	0.74	7.5	5.4	4.8	6.0	0.74	7.5	5.4	4.8	6.0	0.74	7.5	5.4	4.8	6.0		
3.5	76	5.8	3.4	39.7	47.4	0.31	3.72	3.84	0.91	0.97	2.94	2.86	36.4	3.7	1.82	2.70	1.10	1.76	0.72	7.6	5.1	4.7	5.9	0.72	7.6	5.1	4.7	5.9	0.72	7.6	5.1	4.7	5.9		
3.4	75	5.8	3.6	43.2	48.0	0.33	3.68	3.82	0.88	0.94	2.98	2.90	36.1	3.9	1.77	2.67	1.12	1.78	0.68	7.7	4.7	4.3	5.7	0.68	7.7	4.7	4.3	5.7	0.68	7.7	4.7	4.3	5.7		
3.4	75	5.8	3.7	46.7	49.0	0.34	3.65	3.79	0.86	0.92	3.02	2.94	35.4	4.0	1.74	2.66	1.15	1.81	0.64	7.8	4.5	4.1	5.5	0.64	7.8	4.5	4.1	5.5	0.64	7.8	4.5	4.1	5.5		
3.3	74	5.8	3.9	49.8	49.8	0.36	3.62	3.76	0.83	0.89	3.04	2.98	34.5	4.1	1.71	2.64	1.17	1.84	0.61	7.9	4.2	3.8	5.3	0.61	7.9	4.2	3.8	5.3	0.61	7.9	4.2	3.8	5.3		
3.3	74	5.7	4.1	53.4	50.6	0.39	3.57	3.71	0.81	0.87	3.08	3.01	33.8	4.4	1.66	2.62	1.19	1.86	0.56	8.0	4.0	3.5	5.1	0.56	8.0	4.0	3.5	5.1	0.56	8.0	4.0	3.5	5.1		
3.2	73	5.7	4.3	58.5	51.3	0.41	3.54	3.69	0.77	0.85	3.12	3.06	33.2	4.5	1.63	2.61	1.21	1.87	0.53	8.1	3.6	3.3	5.0	0.53	8.1	3.6	3.3	5.0	0.53	8.1	3.6	3.3	5.0		
3.1	72	5.7	4.5	63.1	51.7	0.43	3.51	3.66	0.74	0.82	3.16	3.09	32.8	4.8	1.59	2.59	1.23	1.90	0.48	8.2	3.4	2.9	4.8	0.48	8.2	3.4	2.9	4.8	0.48	8.2	3.4	2.9	4.8		
3.1	72	5.6	4.7	67.1	52.6	0.46	3.48	3.64	0.72	0.79	3.20	3.13	32.0	5.1	1.56	2.57	1.25	1.92	0.43	8.3	3.1	2.6	4.5	0.43	8.3	3.1	2.6	4.5	0.43	8.3	3.1	2.6	4.5		
3.0	71	5.6	4.9	71.4	54.0	0.48	3.45	3.60	0.69	0.77	3.25	3.18	31.4	5.2	1.49	2.54	1.27	1.94	0.39	8.4	2.8	2.4	4.4	0.39	8.4	2.8	2.4	4.4	0.39	8.4	2.8	2.4	4.4		
2.9	71	5.6	5.1	76.1	54.8	0.50	3.42	3.56	0.65	0.74	3.30	3.21	30.3	5.4	1.45	2.51	1.30	1.96	0.35	8.5	2.3	2.1	4.2	0.35	8.5	2.3	2.1	4.2	0.35	8.5	2.3	2.1	4.2		
2.9	70	5.5	5.4	81.4	55.7	0.53	3.39	3.52	0.62	0.71	3.34	3.24	29.1	5.7	1.39	2.49	1.32	1.99	0.30	8.5	1.9	1.8	4.0	0.30	8.5	1.9	1.8	4.0	0.30	8.5	1.9	1.8	4.0		
2.8	69	5.5	5.7	88.3	56.7	0.56	3.35	3.49	0.59	0.69	3.39	3.27	27.9	6.0	1.33	2.47	1.35	2.01	0.24	8.6	1.5	1.5	3.8	0.24	8.6	1.5	1.5	3.8	0.24	8.6	1.5	1.5	3.8		
2.7	69	5.5	6.0	93.8	57.8	0.60	3.31	3.45	0.56	0.66	3.45	3.33	26.9	6.3	1.28	2.44	1.37	2.03	0.16	8.7	1.2	1.1	3.6	0.16	8.7	1.2	1.1	3.6	0.16	8.7	1.2	1.1	3.6		
2.6	68	5.4	6.3	101.0	58.8	0.63	3.28	3.41	0.54	0.64	3.51	3.38	26.1	6.7	1.24	2.42	1.39	2.05	0.11	8.8	0.8	0.7	3.3	0.11	8.8	0.8	0.7	3.3	0.11	8.8	0.8	0.7	3.3		
2.5	67	5.4	6.6	107.0	60.0	0.67	3.23	3.37	0.50	0.61	3.56	3.44	25.1	7.0	1.17	2.39	1.41	2.08	0.05	9.0	0.4	0.3	3.1	0.05	9.0	0.4	0.3	3.1	0.05	9.0	0.4	0.3	3.1		
2.4	66	5.3	6.9	113.1	60.8	0.72	3.18	3.34	0.46	0.57	3.64	3.52	24.2	7.5	1.05	2.35	1.43	2.10	0.00	9.1	0.0	-0.3	2.8	0.00	9.1	0.0	-0.3	2.8	0.00	9.1	0.0	-0.3	2.8		
2.3	65	5.3	7.2	121.8	61.9	0.77	3.14	3.30	0.42	0.54	3.68	3.58	22.8	7.9																					

# Glossary

Each bank in the **Bank Financial Quarterly** has a one-line analysis of financial ratios and a one-number summary rank. IDC's unique CAMEL analysis utilizes financial ratios that have a significant impact on the quality of banks:

**C**apital risk is determined by Tier I capital as a percent of assets and as a percent of risk-based assets. Tier I & II capital as a percent of risk-based assets (risk-based capital ratio) measures credit and interest rate risk as well as estimates risk in the asset base.

**A**dequacy of Capital and reserves measures the levels of delinquent loans, nonaccrual loans, restructured and foreclosed assets relative to loan loss reserves and capital. Risk-adjusted assets as part of the risk-based capital ratio further define the quality of assets.

**M**argins are the best measurement of management's financial controls. Margins represent the spreads between 1) operating profit and net operating revenues, 2) after-tax return on earning assets and cost of funding, and 3) the return on equity compared to estimated cost of equity capital.

**E**arning returns measure the success of the bank's operating strategy. Ratios of revenue yields from investments, loans, and noninterest income with comparison to operating costs, loan loss provision, net loan charge-offs, and net nonoperating income ratios are the major components of the net operating after-tax return on earning assets (ROEA). Earnings from financial leverage measure the level of leverage and after-tax cost of funding compared to the after-tax return on earning assets (ROEA). Leverage returns measure the efficiency of the bank's financial strategy. Operating assets are financed with the leverage of deposits and borrowings to Tier I capital and its comparative cost. The leverage multiplier illustrates the degree of leverage, while the leverage spread measures its cost relative to operating returns (ROEA).

**L**iquidity measures (1) balance sheet cash flow as a percent of Tier I capital and (2) loans compared to stable deposits and borrowings plus estimated unused lines of credit at the Federal Home Loan Bank.

## Asset/Rank Matrix for Banks in 2010 Q1

*U.S. Bank Holding Companies and U.S. Commercial Banks Reporting to the FDIC*


Range of Rank	Bank Hold Co's	Total Banks	By Asset Size (Dollars in Millions)						
			\$2,000 or More	\$500 to \$2,000	\$200 to \$500	\$100 to \$200	\$50 to \$100	\$30 to \$50	\$30 or Less
200 - 300 Superior	299	2,069	108	253	487	497	402	173	149
165 - 199 Excellent	170	1,252	65	143	275	317	260	111	81
125 - 164 Average	192	1,443	40	150	295	353	329	165	111
75 - 124 Below Average	134	1,021	22	93	197	251	246	123	89
2 - 74 Lowest Ratios	111	581	20	89	148	144	110	44	26
1 Rank of One	137	455	21	74	139	128	69	14	10
NC Not Calculated	0	0	0	0	0	0	0	0	0
<b>Totals:</b>	<b>1,043</b>	<b>6,821</b>	<b>276</b>	<b>802</b>	<b>1,541</b>	<b>1,690</b>	<b>1,416</b>	<b>630</b>	<b>466</b>

## RANK

Ranks are the opinion of IDC Financial Publishing, Inc. Ranks range from 1 (the lowest) to 300 (the highest) and fall into one of the following six groups. **Descriptions reflect the average ratios of each group listed at the top of the following two pages.**

<b>Superior</b> (200-300)	Banks rated Superior are simply the best by all measures. In addition to favorable capital ratios, most consistently generate an ROE above COE.
<b>Excellent</b> (165-199)	Banks rated Excellent are strong institutions. Their ratios reflect quality management both from a balance sheet and income performance standpoint. Operating expenses and costs of funding are under control, producing a healthy return on equity (ROE).
<b>Average</b> (125-164)	Banks rated Average meet industry capital standards. When compared to excellent and superior rated banks, most exhibit lower quality loans and narrower profit margins. A specific problem is a low operating profit margin, and/or a large standard deviation in the operating profit margin. The marginal problems of the average bank require shifts in policies and practices to raise asset quality or improve profits.
<b>Below Average</b> (75-124)	Banks rated Below Average represent institutions under strain. Average loan delinquency is high. In some banks, liquidity ratios demonstrated risk. In many, excess high risk loans or assets are above the loan loss reserve and threaten equity capital. A specific problem is a low operating profit margin, and/or a large standard deviation in the operating profit margin. Return on financial leverage is negligible, on average, due to narrow (or negative) leverage spreads. Banks are also rated Below Average if they are deemed "Adequately Capitalized" per FDIC capital definitions.
<b>Lowest Ratios</b> (2-74)	This Lowest Ratios group contains some banks with less than minimum capital required. In some banks, liquidity ratios demonstrated risk. In many, increasing loan loss provisions expand net losses on the income statement and, along with the excess of net charge-offs, reduce capital ratios. A specific problem is a low operating profit margin, and/or a large standard deviation in the operating profit margin. A high number of failed banks were rated Lowest Ratios prior to failure. Banks are also rated Lowest Ratios if they are deemed "Under Capitalized" or "Significantly Under Capitalized" per FDIC capital definitions. Banks may also be rated Below Average if they are deemed "Adequately Capitalized" and have a high volatility in operating profit margins.
<b>Rank of One</b> (1)	Banks in the Rank of One group have the highest probability of failure. Loans 90-days past due, nonaccrual loans, restructured loans, and other real estate owned, on average, exceed the loan loss reserve and equity capital by a wide margin. Liquidity ratios demonstrated risk. Without major balance sheet improvement, these banks will fail. Banks are also rated Rank of One if they are deemed "Critically Under Capitalized" per FDIC capital definitions.

## RATIOS

Ratios are defined on the following five pages. Ratios that impact the IDC rank are identified with this symbol: 

BANK FINANCIAL QUARTERLY  
FDIC & FRS DATA ENDING 1st QTR, 2010  
Deposits up to \$250,000 Insured by the FDIC  
On Jan. 1, 2014, coverage will return to \$100,000

## Glossary

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	NUMBER OF BANKS	RANK OF FINANCIAL RATIOS	TOTAL ASSETS DOLLARS IN MILLIONS	TIER I CAPITAL AS A % OF ASSETS	TIER I & II CAPITAL % RISK-BASED ASSETS	TIER I CAPITAL AS A % OF RISK-BASED ASSETS	LOAN LOSS RESERVE	LOANS 90 DAYS OR MORE PAST DUE	LOANS NONACCRUAL & RESTRUCTURED + REO	BALANCE SHEET CASH FLOW % TIER I CAPITAL	ILLIQUID LOANS AS A % OF STABLE DEP. & BOR	INT-BEARING LIAB AS A % OF EARNING ASSETS	NET INCOME AS A % OF ASSETS	STOCKHOLDER RETURN ON EQUITY	ESTIMATE OF COST OF EQUITY	NET OPERATING PROFIT (AFTER-TAX) RETURN ON EQUITY
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>BANKS RANKED &gt; 200</b>	2069	227	6,144,351	9.4	16.1	13.1	28	12	21	4	110	80	0.65	6.1	7.2	7.5
<b>BANKS RANKED 165 TO 199</b>	1252	176	4,010,877	7.6	14.8	11.9	22	10	24	-21	88	82	0.17	2.5	8.4	4.1
<b>BANKS RANKED 125 TO 164</b>	1443	146	1,030,865	8.1	14.4	11.9	18	2	33	-21	71	83	-0.33	-2.8	7.6	1.0
<b>BANKS RANKED 75 TO 124</b>	1021	106	346,762	8.7	13.8	12.0	20	1	43	-29	74	84	-0.99	-9.4	7.9	-2.4
<b>BANKS RANKED 2 TO 74</b>	581	59	324,540	8.0	13.6	12.1	27	6	85	-31	78	85	-0.57	-5.8	9.9	1.6
<b>BANKS RANKED 1</b>	455	1	249,122	5.0	20.8	19.5	80	7	281	-154	73	89	-4.06	-58.7	10.3	-26.9
<b>ALL BANK AVERAGES</b>	6821	191	12,106,517	8.5	15.5	12.7	26	10	31	-18	97	81	0.23	2.0	7.8	4.7

## SIZE

### 2. Total Assets

Total assets (in millions of dollars). The banks analyzed in this publication include multi-bank holding companies reporting to the Federal Reserve with the Y-9C and all banks reporting to the FDIC with the Consolidated Reports of Condition and Income. The largest bank holding companies are listed by specific financial ratios in the BHC Special Listings Section.

## CAPITAL RATIOS

### 3. Tier I Capital as % of Assets

*The Tier I Capital Ratio is provided by bank and bank holding company call reports.*

Computations of Tier I Capital Ratios are based on Tier I capital and average assets as filed by banks on FDIC call reports and by bank holding companies on Y-9C reports. Prior to banks and BHCs reporting Tier I Capital components, total equity capital, including minority interests in the equity of consolidated subsidiaries but excluding noncumulation perpetual preferred stock and related surplus and nonqualifying intangibles, is divided by average assets less all assets deducted from Tier I, as a percentage. Tier I equity capital is used for evaluation and computation of rank rather than primary or secondary capital. Primary capital includes the loan loss reserve in addition to equity capital. The value of adding in the loan loss reserve to compute capital ratios is suspect since, in most cases, loan delinquency exceeds the value of the loan loss reserve.

### 4. Tier I & II Capital as % of Risk-based Assets

*The Risk-based Capital Ratio is provided by bank and bank holding company call reports.*

Computations of risk-based capital ratios are based on qualifying capital and risk-adjusted assets as filed by banks on FDIC call reports and by bank holding companies on Y-9C reports (1999 rules).

## Capital Category Distribution

Financial institution provides capital ratios in financial report. Capital categories defined below, but can be superseded by higher capital requirements issued in consent orders.

	Column 3 Tier 1 Leverage	Column 4 Total Risk-Based Capital*	Column 5 Tier 1 Risk-Based Capital*	# BHCs	# Banks
Well Capitalized	≥5	≥10	≥6	920	6,443
Adequately Capitalized	≥4	≥8	≥4	42	206
Under-Capitalized	≥3	≥6	≥3	25	77
Significantly Under-Capitalized	<3	<6	<3	22	57
Critically Under-Capitalized	<2	---	---	34	38

\* Tier I and II capital percent risk-based assets.

### 5. Tier I Capital as % of Risk-based Assets

*The Tier I Risk-based Capital Ratio is provided by bank and bank holding company call reports.*

Tier I capital is divided by risk-based assets (as provided by banks and BHCs), and is shown as a percentage.

## LOAN RISK % TIER I

### 6. Loan Loss Reserve as % of Tier I Capital

The loan loss allowance is divided by Tier I capital (as defined in Column 3), and is shown as a percentage.

### 7. & 8. Loan Risk as % of Tier I Capital

Loan risk to Tier I capital is defined as the level of loan delinquency not provided for by the loan loss reserve. The two categories of loan delinquency—loans 90-days past due and accruing (Column 7) and nonaccrual, a portion of

CURRENT YIELD ON INVESTMENTS		LOAN PERFORMANCE					OPERATING PERFORMANCE % EARNING ASSETS					OP PROFIT MARGIN		PROFIT STRUCTURE					19 GROWTH				
1YR	LOANS AS A % OF EARNING ASSETS	CURRENT YIELD ON LOANS	LOANS NONCURRENT & RESTRUCTURED + REO	% CHG NONCURRENT & RESTRUCTURED + REO	LOANS TO FINANCE COMMERCIAL RE % LOANS	INC IN LOAN LOSS RES % EARNING ASSETS	NET INTEREST MARGIN		NONINTEREST INCOME		NONINTEREST EXPENSE		OPERATING PROFIT MARGIN	RISK (SD.) IN OP PROFIT MARGIN	RETURN ON EARNING ASSETS (AFTER TAX)		COST OF ADJUSTED DEBT (AFTER TAX)		LEVERAGE SPREAD	LEVERAGE MULTIPLIER	RETURN ON FINANCIAL LEVERAGE	INTERNAL GROWTH OF EQUITY CAPITAL	
17	18	19	20	21	22	23	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	
3.4	67	5.9	4.8	82.8	18.5	0.50	4.26	5.03	2.70	4.36	3.48	4.41	48.3	5.4	1.69	3.75	0.70	1.94	0.99	5.5	5.9	7.3	5.8
2.6	44	6.0	5.8	38.0	16.3	0.41	3.06	3.25	1.60	1.32	2.95	2.94	37.6	5.0	1.14	2.48	0.78	1.90	0.36	7.0	2.9	0.7	5.0
2.9	65	5.0	4.5	61.0	32.3	0.62	3.18	3.23	1.81	2.09	3.37	3.38	33.0	4.6	0.84	2.37	0.90	1.62	-0.06	7.0	0.1	-0.2	3.2
3.0	74	5.5	5.6	74.3	49.5	0.66	3.31	3.59	0.74	0.87	3.19	3.08	16.9	9.0	0.69	2.15	1.20	1.87	-0.51	7.7	-3.1	-3.2	2.2
2.5	78	5.8	9.8	118.5	40.9	0.77	3.50	3.56	0.65	0.75	2.87	2.69	29.1	8.7	1.25	2.85	1.36	2.31	-0.12	8.2	0.3	-0.3	4.5
2.8	78	5.4	15.9	90.0	61.9	1.50	2.59	3.42	0.47	0.70	3.15	2.89	-6.0	18.8	-1.25	2.11	1.65	2.33	-2.90	11.4	-24.6	-27.6	-1.8
3.0	60	5.8	5.5	66.9	21.3	0.51	3.69	3.98	2.10	2.56	3.26	3.58	40.9	5.8	1.34	2.95	0.79	1.91	0.54	6.4	3.4	3.3	4.6

restructured loans, and other real estate owned (Column 8) less loans and repossessed assets guaranteed by U.S. Government or Rebooked "GNMA Loans" repurchased,— are divided by Tier I capital (as defined in Column 3). An excess of high risk loans or assets over loan loss reserves indicates capital risk, especially if the charge-off rate is significant.

with poor loan quality or risky investments experiences asset write-offs or write-downs, and at the same time, deposits are increased or new borrowings incurred to finance the asset base. Balance sheet cash flow recognizes the shortfall and the risk to net capital of the institution.

## LIQUIDITY

### 9. Balance Sheet Cash Flow % Tier I Net Worth

Balance sheet cash flow measures the profit return on physical assets in computing operating cash flow. Balance sheet cash flow separates cash and equivalents (cash and balances due from depository institutions) from investments and loans when computing financial cash flow. The end result is balance sheet cash flow, which equals operating cash flow less financial cash flow.

Operating cash flow for a financial institution measures the liquidity demand from growth. Operating cash flow equals changes in retained earnings adjusted for changes in goodwill minus the quarterly changes in growth producing assets (property, equipment, other long term assets and other real estate owned). The purpose of operating cash flow is to determine the ability to finance internally the change in growth producing assets.

Financial cash flow isolates the sources and uses of funds, other than the changes in retained earnings, growth producing assets and cash and equivalents. Financial cash flow equals the change in liabilities (excluding retained earnings) less the change in loans and investments and other non-cash and equivalent current assets. Balance sheet cash flow subtracts the financial cash flow from operating cash flow. If a financial institution finances its growth with increases in retained earnings equal to increases in growth producing assets, but the financial cash flow was positive, then the balance sheet cash flow would be negative, reflecting the change in liabilities (excluding retained earnings) is in excess of the change in loans and investments. An institution

### 10. Illiquid Loans as % of Stable Deposits and Borrowings Plus Excess Liquidity

Another measure of liquidity is the match between illiquid loans and stable deposits and borrowings plus available lines of credit at the Federal Home Loan Bank.

Illiquid loans are defined as loans and leases (net of unearned income allowance, and reserves for loan losses) less loans and leases held for sale. Stable deposits and borrowings are total domestic deposits less total time deposits greater than \$100,000 (less brokered deposits over \$100,000 which are insured) and other borrowed money with remaining maturity of one year or less plus excess of 80% of loans secured by 1-4 family 1st lien mortgages, 5 or more family mortgages and home equity loans, if greater than FHLBank advances. The latter is added to deposits due to the ability to finance 80% of single family first mortgage, 5 or more family mortgages and home equity loans at the Federal Home Loan Bank.

### 11. Interest-Bearing Liabilities as % of Earning Assets (Burden Ratio)

The latest quarterly average of interest-bearing liabilities is divided by average earning assets, as a percentage. A high level of liabilities requiring interest relative to earning assets paying interest creates a burden to the bank.

## RETURN ON ASSETS (ROA)

All financial ratios in this section are four quarter ratios to eliminate seasonal impact.

### 12. Net Income as % of Average Assets (1 year)

Net income for the last 12 months, as reported, is divided by last year's average assets, as a percentage.

BANK FINANCIAL QUARTERLY  
FDIC & FRS DATA ENDING 1st QTR, 2010  
Deposits up to \$250,000 Insured by the FDIC  
On Jan. 1, 2014, coverage will return to \$100,000

## Glossary

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	NUMBER OF BANK HOLDING COS	RANK OF FINANCIAL RATIOS	SIZE TOTAL ASSETS DOLLARS IN MILLIONS	CAPITAL RATIOS			LOAN RISK % TIER I			LIQUIDITY			ROA	ROE VS COE			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
			TIER I CAPITAL AS A % OF ASSETS	TIER I & II CAPITAL % RISK-BASED ASSETS	TIER I CAPITAL AS A % OF RISK-BASED ASSETS	LOAN LOSS RESERVE	LOANS 90 DAYS OR MORE PAST DUE	LOANS NONACCRUAL & RESTRUCTURED + REO	BALANCE SHEET CASH FLOW % TIER I CAPITAL	ILLIQUID LOANS AS A % OF STABLE DEP & BOR	INT-BEARING LIAB AS A % OF EARNING ASSETS	NET INCOME AS A % OF ASSETS	STOCKHOLDER RETURN ON EQUITY	ESTIMATE OF COST OF EQUITY	1YR PROFIT (AFTER-TAX) RETURN ON EQUITY	5YR RETURN ON EQUITY	
<b>BANK HOLDING COS RANKED &gt; 200</b>	299	243	7,509,644	8.3	15.7	12.2	24	11	21	26	81	81	0.66	7.2	7.1	10.0	11.0
<b>BANK HOLDING COS RANKED 165 TO 199</b>	170	190	4,090,303	7.2	15.0	11.9	21	9	22	-18	73	85	0.20	2.6	7.1	5.9	10.4
<b>BANK HOLDING COS RANKED 125 TO 164</b>	192	155	2,599,248	6.7	15.1	11.7	34	5	28	6	163	88	-0.11	-0.7	7.4	3.0	7.7
<b>BANK HOLDING COS RANKED 75 TO 124</b>	134	121	710,962	6.2	10.6	9.9	6	0	16	-178	486	32	-0.19	-1.9	7.5	0.9	8.1
<b>BANK HOLDING COS RANKED 2 TO 74</b>	111	38	324,751	6.0	9.7	8.0	35	3	80	-16	90	88	-1.38	-16.8	9.9	-6.0	4.8
<b>BANK HOLDING COS RANKED 1</b>	137	1	1,000,161	0.7	2.1	0.4	43	11	128	70	59	94	-0.55	29.1	9.4	42.5	-8.8
<b>ALL BANK HOLDING COS</b>	1043	191	16,235,069	7.2	14.2	11.2	25	9	28	5	109	82	0.27	5.3	7.4	9.1	8.3

### ROE vs. COE

All financial ratios in this section are four quarter totals in order to limit the seasonal impact.

Banks electing sub chapter S tax status reduce the reports tax rate to zero overstating profitability (ROE) relative to banks not electing sub chapter S tax status. For comparative purposes, IDC restates net operating after-tax ROE (Columns 15 & 16, and the components of ROE, columns 32 through 38) imputing a 34% tax rate. Book return on equity (Column 13) is unadjusted and reflects the reported return in equity with the zero or low tax rate for a bank electing sub chapter S status.

#### 13. Stockholder ROE (1 Year)

The traditional ROE, calculated as return on stockholder's equity, equals net income divided by average total equity capital.

This traditional ROE tends to overstate profitability for banks with loan loss reserves in excess of 10% of equity capital. Therefore, the stockholder's ROE (without the change in the loan loss reserve in the numerator and loan loss reserves in the denominator) is less useful in measuring return on equity and its components than the NOPAT ROE as calculated by the **Bank Financial Quarterly** (Columns 15 & 16).

Net income for NOPAT ROE adds back the loan loss expense, but subtracts the difference between charge-offs and recoveries to reflect cash accounting. In addition, the after-tax effect of unusual, one-time noninterest expense is added to net income, while the after-tax effect of unusual, one-time noninterest income is subtracted from net income. An example of a nonrecurring noninterest expense is downsizing costs if they exceeded 10% of total noninterest expense. A sale of a credit card division is an example of nonrecurring noninterest income if it exceeded 10% of total noninterest income.

#### 14. Estimated Cost of Equity Capital (COE)

The measure of a financial institution's cost of capital is the price at which the institution raises additional

equity capital. In appraising firms that are not public or subsidiaries of publicly-traded holding companies, IDC uses general risk, demonstrated by the 30-year T-Bond yield and the risk premium for financial equities. The risk premium is then adjusted for an institution's specific risk.

The specific COE for an individual financial institution is determined by asset size, loan delinquency risk to capital, and pretax coverage of net loan charge-offs. In order to quantify specific risk, a risk multiplier incorporates the following:

- The risk multiplier is set in a range of 0.8 to 1.2 based on pretax income (adjusted for nonrecurring noninterest income or expense) plus the loan loss provision, together covering net charge-offs.
- The risk multiplier is multiplied by 0.9x for institutions with assets over \$1 billion, 1.0x for assets between \$500 million and \$1 billion, 1.1x for assets \$200 million to \$500 million, 1.2x for assets \$100 to \$200 million, and 1.3x for assets less than \$100 million.
- Financial institutions with loan delinquency (Col.7) plus nonperforming loans (Col. 8) greater than loan loss reserve (Col. 6), all stated as a percent of equity, are evaluated to measure potential loan loss risk to Tier 1 capital. If this risk-adjusted Tier 1 equity ratio is below 5%, the institution is assigned a risk ratio of 2.0. All other institutions with adequate risk-adjusted Tier 1 capital above 5% use a risk ratio of 1.0.

The combined risk multiplier is then multiplied by the financial institution's equity risk premium (2.5%) and the result is added to the yield on 30-year T-Bonds (4.7% as of 3/31/10). As an example, a large institution with low coverage of net charge-offs coupled with moderate loan delinquency above the loan loss reserve would compute as follows: (1.2 x 0.9 x 1.0) which equals 1.08 times the equity premium of 2.5% equals 2.7% added to 4.7% yield on bonds provides an estimate of 7.4% for the cost of equity capital.

LOAN PERFORMANCE							OPERATING PERFORMANCE % EARNING ASSETS						OP PROFIT MARGIN						PROFIT STRUCTURE																
CURRENT YIELD ON INVESTMENTS		LOANS AS A % OF EARNING ASSETS		CURRENT YIELD ON LOANS		LOANS NONCURRENT & RESTRUCTURED + REO		% CHG NONCURRENT & RESTRUCTURED + REO		LOANS TO FINANCE COMMERCIAL RE % LOANS		INC IN LOAN LOSS RES % EARNING ASSETS		NET INTEREST MARGIN		NONINTEREST INCOME		NONINTEREST EXPENSE		OPERATING PROFIT MARGIN		RISK (SD.) IN OP PROFIT MARGIN		RETURN ON EARNING ASSETS (AFTER TAX)		COST OF ADJUSTED DEBT (AFTER TAX)		LEVERAGE SPREAD		LEVERAGE MULTIPLIER		RETURN ON FINANCIAL LEVERAGE		INTERNAL GROWTH OF EQUITY OF CAPITAL	
1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR		
3.2	53	5.2	5.2	26.7	16.9	0.42	3.22	3.02	3.35	2.72	3.68	3.27	44.4	5.9	1.81	2.81	0.76	1.74	1.05	1.83	0.56	7.4	4.2	8.2	8.0	7.3	8.0	7.3							
2.6	44	4.8	5.5	8.1	13.6	0.42	2.00	2.73	3.14	2.28	3.39	2.77	33.7	3.9	1.61	2.79	1.05	1.83	0.56	7.4	4.2	8.2	8.0	7.3	8.0	7.3	8.0	7.3							
4.2	44	4.0	5.4	22.1	8.1	0.43	2.84	2.82	2.10	1.77	3.09	3.14	36.9	16.8	1.23	2.55	1.04	2.05	0.19	8.0	1.8	1.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8			
4.3	26	5.7	3.9	-40.8	66.5	0.25	2.88	3.00	4.76	5.65	7.36	7.61	5.3	5.0	0.42	1.11	0.42	0.62	-0.01	13.1	0.5	-0.9	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2			
3.3	70	5.4	7.6	57.3	44.9	0.87	2.81	2.97	0.73	1.15	2.60	2.66	29.0	9.0	0.82	2.77	1.60	2.49	-0.78	10.0	-6.9	-6.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0			
2.0	19	5.9	12.2	68.5	29.1	0.40	1.39	1.13	1.73	0.65	2.57	1.58	16.9	17.3	0.65	2.43	0.87	2.54	-0.22	60.0	-6.5	36.8	-3.4	-3.4	-3.4	-3.4	-3.4	-3.4	-3.4	-3.4	-3.4	-3.4			
3.2	46	5.0	5.7	21.7	18.1	0.42	2.72	2.75	3.01	2.38	3.59	3.21	36.8	8.2	1.52	2.62	0.89	1.84	0.63	11.1	4.6	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			

**15. & 16. NOPAT Return on Equity (1 and 5-Year)**

The net operating profit after-tax (NOPAT) return on equity is the sum of return on earning assets (before funding) and return on financial leverage (ROEA + ROFL).

Note: Last 1-year and 5-year periods are calculated for the NOPAT ROE and its components. Banks filing data are included in 5-year analyses from 03/31/05. Banks filing before 03/31/07 have 5-year ratios reflecting data available. Those filing after 03/31/07 have 5-year ratios not calculated (NC).

**INVESTMENT YIELD**

All financial ratios in this section are four quarter totals in order to limit the seasonal impact.

**17. Current Yield on Investments (1 Year)**

Investment and tax-equivalent income for the last four quarters is divided by the quarterly average book value of investments, as a percentage.

**LOAN PERFORMANCE**

Yield and expense financial ratios in this section are four quarter totals in order to limit the seasonal impact.

**18. Loans as % of Earning Assets**

The latest quarterly average of loans and lease finance receivables is divided by the average of earning assets, as a percentage. Institutions with a ratio below 1% are not evaluated by the Bank Financial Quarterly.

**19. Current Yield on Loans (1 Year)**

Loan and tax-equivalent lease income for the last four quarters is divided by the quarterly average of loans and leases, as a percentage.

**20. Loans Noncurrent + Restructured + Other Real Estate Owned as a % of Loans**

High risk loans and assets, which include loans 90-days past due, nonaccrual and a portion of restructured loans plus other real estate owned are divided by total loans plus other real estate owned.

**21. Percent Change in 90 days past due, Nonaccrual Loans, Restructured Loans, and Other Real Estate Owned**

High risk loans and assets, as defined in Column 20, are compared to the year-earlier values, as a percentage.

**22. Loans to Finance Commercial Real Estate as a % of Loans**

Loans to Finance Commercial Real Estate Loans are defined as loans secured by nonfarm real estate less those secured by 1-4 family properties, plus real estate loans not secured by real estate.

**23. Increase in the Loan Loss Reserve as % of Earning Assets (1 Year)**

The increase in the loan loss reserve equals the amount of the provision for loan loss in excess of net loan charge-offs. The increase in the loan loss reserve can not exceed the provision for loan losses. Other income adjustments include adding back extraordinary losses or subtracting extraordinary gains (after tax).

**OPERATING PERFORMANCE**

All financial ratios in this section are four quarter totals in order to limit the seasonal impact.

**24. & 25. Net Interest Margin (1 and 5-Year)**

Interest income from loans and investments less interest expense is divided by average earning assets, as a percentage.

**26. & 27. Noninterest Income (1 and 5-Year)**

Noninterest income from foreign currency or security trading, service charges on deposits, credit card fee income, and income from fiduciary activities provides additional revenue sources to a bank. Unusual, one-time noninterest income greater than 10% of total noninterest income is excluded from noninterest income. Gains and losses on financial assets carried at fair value and bargain purchase income are excluded.

**28. & 29. Noninterest Expense (1 and 5-Year)**

The operating expense measures a bank's operating efficiency, especially in relation to the net adjusted

revenues and noninterest income listed above. Noninterest expense includes salaries and employee benefits, expenses of premises and fixed assets, and other noninterest expenses. Unusual, one-time noninterest expense above 10% of total noninterest expense is excluded from noninterest expense.

## OPERATING PROFIT MARGIN

*All financial ratios in this section are four quarter totals in order to limit the seasonal impact.*

### 30. Operating Profit Margin: ✍

Net operating revenues less salaries, employee benefits, expenses of premises and fixed assets, and other operating expenses (excluding loan loss provision and losses on the sale of nonloan assets and amortization expense of intangible assets) are divided by net operating revenue, as a percentage. Net operating revenue is defined as interest income from loans and investments less interest expense plus noninterest operating income (excluding gains on the sale of nonloan assets, gains and losses on financial assets carried at fair market value, and bargain purchase income).

### 31. Risk (SD) to the Operating Profit Margin: ✍

One standard deviation of the operating profit margin over five years (but not less than five quarters) measures risk or volatility in profit margins. The risk level is also a measure of a bank's complexity.

## PROFIT STRUCTURE

*All financial ratios in this section are four quarter totals in order to limit the seasonal impact.*

*Return on Equity (ROE) is the sum of return on earning assets (before funding costs) and return on financial leverage. The components of ROE are analyzed separately in order to focus on two individual sets of management decisions: the operating strategy and financial structure.*

*A bank's return on earning assets (ROEA) measures the results of its operations as if they are financed entirely with equity funds. Pretax ROEA is the sum of revenues from loans and investments, plus the noninterest income, less the loan loss provision and operating expenses. The after-tax ROEA is the product of pretax ROEA and the preinterest tax multiplier, plus the change in the loan loss reserve in order to derive after-tax operating profit returns.*

*The second component of the NOPAT ROE Equation measures the impact to return on equity from the amount and cost of deposits and debt funds raised to finance earning assets. ROFL is calculated by multiplying the leverage spread by the leverage multiplier.*

*Banks electing sub chapter S tax status reduce the reports tax rate to zero overstating profitability (ROE) relative to banks not electing sub chapter S tax status. For comparative purposes, IDC restates net operating after-tax ROE (Columns 15 & 16, and the components of ROE, columns 32 through 38) imputing a 34% tax rate. Book return on equity (Column 13) is unadjusted and reflects the reported return in equity with the zero or low tax rate for a bank electing sub chapter S status.*

### 32. & 33. Return on Earning Assets (1 and 5-Year) ✍

The interest income from loans and investments plus noninterest income less operating and loan loss expenses (excluding gain or loss on the sale of nonloan assets) less the applicable tax rate amount is divided by average earning assets, as a percentage. Net income for NOPAT ROE adds back the increase in the loan loss expense, but subtracts the difference between charge-offs and recoveries to reflect cash accounting.

### 34. & 35. Cost of Adjusted Debt (1 & 5-Year) ✍

The interest expense, when multiplied by the tax multiplier (1.0 minus the marginal federal tax rate), provides the after-tax cost of funds. The tax rate is not applied to nondeductible interest. Adjusted debt, as the denominator, is defined as earning assets less equity capital and the loan loss reserve.

### 36. Leverage Spread (1 Year) ✍

The leverage spread equals the NOPAT return on earning assets less the cost of adjusted debt, both after tax. The leverage spread is multiplied by leverage to calculate ROFL.

### 37. Leverage Multiplier (1 Year)

The leverage multiplier is defined as the ratio of adjusted debt to adjusted equity. Adjusted debt equals earning assets (which include the loan loss reserve) less equity capital and the loan loss reserve. Adjusted equity equals equity capital plus the loan loss reserve.

### 38. Return on Financial Leverage (1 Year)

The second component of ROE is the bank's return on financial leverage (ROFL). It reflects both the degree to which a bank uses debt and deposit funds to finance its operating strategy and the after-tax cost of these debt funds.

## GROWTH

### 39. & 40. Internal Growth of Equity Capital (1 and 5-Year) ✍

The internal growth of equity capital is the reinvestment rate of retained earnings after dividends plus the change in the loan loss reserve as a percentage of previous period of equity capital and loan loss reserve. The internal growth rate of equity can indicate sustainable future growth.

**One-year income ratios** — New banks or merged banks within one year have one-year income and expense ratios calculated based on the latest quarter's information.

**NC = Not Calculated**

# **Bank Components of Rank with Instructions for Calculating Rank**

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BANK FINANCIAL QUARTERLY  
FDIC & FRS DATA ENDING 1st QTR, 2010

DISTRIBUTIONS BY PERCENTILE  
OF FINANCIAL RATIOS FOR  
6,821 BANKS

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		RANK	SIZE	CAPITAL RATIOS			LOAN RISK % TIER I			LIQUIDITY			ROA	ROE VS COE				
		RANK OF FINANCIAL RATIOS	TOTAL ASSETS DOLLARS IN MILLIONS	TIER I CAPITAL AS A % OF ASSETS	TIER I & II CAPITAL % RISK-BASED ASSETS	TIER I CAPITAL AS A % OF RISK-BASED ASSETS	LOAN LOSS RESERVE	LOANS 90 DAYS OR MORE PAST DUE	LOANS NONACCRUAL & RESTRUCTURED + REO	BALANCE SHEET CASH FLOW % TIER I CAPITAL	ILLIQUID LOANS AS A % OF STABLE DEP & BOR	INT-BEARING LIAB AS A % OF EARNING ASSETS	NET INCOME AS A % OF ASSETS	STOCKHOLDER RETURN ON EQUITY	ESTIMATE OF COST OF EQUITY	NET OPERATING PROFIT (AFTER-TAX) RETURN ON EQUITY		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
		HIGHEST QUALITY	300	1,674.523	99.9	999.9	999.9	0	0	0	999	0	82.79	148.4	6.4	108.0	132.2	
Plus Multiplier	Contra Multiplier	98%	300	5,041	26.9	59.6	59.2	0	0	0	71	27	43	2.44	23.5	6.6	18.7	18.2
9	0	96%	282	2,019	19.2	37.0	35.9	2	0	0	47	35	61	1.99	19.8	6.8	15.8	15.6
		94%	269	1,294	16.7	31.0	30.1	3	0	0	36	40	66	1.80	17.8	6.8	14.3	14.6
		92%	258	949	15.5	28.2	27.1	4	0	0	29	44	68	1.66	16.3	6.8	13.4	13.8
		90%	249	772	14.6	25.9	24.9	4	0	0	24	46	70	1.54	14.9	7.0	12.7	13.3
		88%	243	643	13.8	24.3	23.1	5	0	1	20	48	72	1.45	13.9	7.0	12.2	12.8
8	1	86%	236	561	13.1	23.0	21.8	5	0	1	18	50	73	1.37	13.2	7.0	11.7	12.3
		84%	231	495	12.7	21.9	20.7	6	0	2	16	52	74	1.29	12.6	7.0	11.2	11.9
		82%	226	442	12.3	20.9	19.8	6	0	2	14	53	75	1.23	11.9	7.1	10.8	11.5
		80%	221	396	12.0	20.1	19.0	6	0	3	12	55	76	1.17	11.3	7.2	10.5	11.2
7	2	78%	216	358	11.7	19.4	18.2	7	0	3	11	56	76	1.11	10.7	7.2	10.1	10.9
		76%	212	326	11.4	18.7	17.5	7	0	4	9	57	77	1.06	10.2	7.2	9.8	10.6
		74%	207	302	11.2	18.3	17.1	7	0	5	8	58	78	1.02	9.7	7.2	9.4	10.4
		72%	203	278	10.9	17.8	16.6	7	0	5	7	59	78	0.98	9.3	7.2	9.1	10.1
6	3	70%	200	259	10.7	17.4	16.2	8	0	6	6	60	79	0.94	8.8	7.2	8.9	9.9
		68%	196	244	10.5	17.0	15.8	8	0	7	5	61	79	0.89	8.4	7.2	8.6	9.7
		66%	192	229	10.4	16.7	15.5	8	0	7	4	62	80	0.86	8.1	7.2	8.3	9.4
		64%	188	217	10.2	16.3	15.2	9	0	8	3	63	80	0.82	7.7	7.3	8.0	9.2
5	4	62%	185	202	10.1	16.0	14.8	9	0	9	2	64	80	0.78	7.3	7.3	7.8	9.1
		60%	181	191	10.0	15.8	14.6	9	0	10	0	65	81	0.74	6.9	7.4	7.5	8.8
		58%	177	180	9.8	15.5	14.3	9	0	11	-1	66	81	0.70	6.6	7.5	7.2	8.7
		56%	173	169	9.7	15.2	14.0	10	0	12	-2	67	82	0.66	6.2	7.5	7.0	8.5
4	5	54%	169	160	9.6	15.0	13.8	10	0	13	-3	67	82	0.62	5.8	7.6	6.7	8.2
		52%	166	151	9.5	14.8	13.6	10	0	14	-4	68	83	0.59	5.5	7.6	6.4	8.0
		50%	162	143	9.3	14.5	13.3	10	0	15	-5	69	83	0.54	5.1	7.7	6.1	7.8
		48%	159	135	9.3	14.3	13.1	11	0	16	-6	69	83	0.51	4.7	7.8	5.9	7.6
3	6	46%	155	128	9.2	14.1	12.9	11	0	17	-7	70	84	0.47	4.3	7.8	5.6	7.4
		44%	152	121	9.1	13.9	12.7	11	0	18	-8	71	84	0.43	3.9	7.9	5.3	7.2
		42%	148	114	9.0	13.7	12.5	12	0	20	-10	71	84	0.38	3.5	7.9	5.0	7.0
		40%	144	109	8.9	13.5	12.3	12	1	21	-11	72	85	0.33	3.0	7.9	4.7	6.8
2	7	38%	140	102	8.8	13.4	12.2	12	1	22	-13	73	85	0.27	2.6	8.0	4.3	6.6
		36%	136	97	8.7	13.2	12.0	13	1	24	-14	74	85	0.23	2.1	8.1	4.0	6.3
		34%	132	92	8.6	13.1	11.8	13	1	26	-16	75	86	0.17	1.6	8.2	3.7	6.1
		32%	128	87	8.5	12.9	11.7	13	1	28	-18	75	86	0.11	1.0	8.2	3.3	5.8
1	8	30%	124	82	8.4	12.8	11.5	14	1	30	-20	76	87	0.03	0.3	8.2	2.9	5.6
		28%	120	77	8.3	12.6	11.4	14	1	32	-22	77	87	-0.06	-0.5	8.2	2.5	5.3
		26%	115	72	8.3	12.4	11.2	15	2	34	-25	78	87	-0.15	-1.4	8.3	1.9	5.0
		24%	110	67	8.2	12.3	11.1	15	2	36	-27	79	88	-0.28	-2.6	8.4	1.5	4.7
0	9	22%	104	62	8.1	12.1	10.9	16	2	39	-31	80	88	-0.43	-3.9	8.5	0.8	4.4
		20%	98	58	8.0	12.0	10.7	17	3	43	-35	81	89	-0.57	-5.3	8.5	-0.1	4.0
		18%	90	54	7.8	11.8	10.6	18	3	48	-39	82	89	-0.75	-7.2	8.5	-0.8	3.6
		16%	79	49	7.7	11.7	10.4	19	4	53	-44	83	90	-0.98	-9.2	8.5	-2.0	3.1
0	9	14%	74	45	7.6	11.5	10.2	20	4	59	-51	85	90	-1.22	-11.2	10.0	-3.4	2.6
		12%	65	41	7.4	11.3	10.1	22	5	66	-57	86	91	-1.51	-14.0	10.6	-5.3	2.1
		10%	47	36	7.2	11.1	9.8	24	6	76	-66	88	92	-1.93	-18.3	11.2	-7.6	1.2
		8%	22	32	7.0	10.8	9.5	27	8	91	-78	90	93	-2.41	-23.7	11.2	-10.3	0.2
0	9	6%	1	27	6.6	10.4	9.1	31	10	112	-95	93	94	-3.05	-32.2	11.8	-14.7	-1.6
		4%	1	22	5.9	9.4	8.0	40	13	158	-120	96	96	-3.94	-44.6	11.8	-21.2	-4.1
		2%	1	16	4.3	7.2	5.8	63	19	277	-200	103	98	-5.52	-71.2	12.4	-33.5	-7.5
		LOWEST QUALITY	1	1	-4.2	-7.1	-7.1	999	999	999	-999	999	999	-64.63	-323.8	12.4	-175.4	-49.3

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Value</b>	108	911	8.0	11.1	10.1	10	0	28	74	84	89	0.36	4.5	7.6	4.5	6.7
<b>Quality Level Multiplier</b>		9		1												
<b>Weight</b>		☆3	☆	☆1	NA	☆	NA	NA	☆	☆	☆	NA	NA	NA	☆	NA
<b>Cap</b>	☆	☆	+200	☆		☆			-100	-25	☆				+60	
<b>Score</b>			27.9	80.0	1.0				NC	NC	11.1				NC	
<b>Summation</b>	107.6	27.9	108	109.0		105					117					

☆ Refer to Instructions for Calculating Your Rank

**Sample Bank**  
City, ST

		LOAN PERFORMANCE										OPERATING PERFORMANCE % EARNING ASSETS						OP PROFIT MARGIN		PROFIT STRUCTURE						25 GROWTH									
CURRENT YIELD ON INVESTMENTS		LOANS AS A % OF EARNING ASSETS		CURRENT YIELD ON LOANS		LOANS NONCURRENT & RESTRUCTURED + REO		% CHG NONCURRENT & RESTRUCTURED + REO		LOANS TO FINANCE COMMERCIAL RE % LOANS		INC IN LOAN LOSS RES % EARNING ASSETS		NET INTEREST MARGIN		NONINTEREST INCOME		NONINTEREST EXPENSE		OPERATING PROFIT MARGIN		RISK (SD.) IN OP PROFIT MARGIN		RETURN ON EARNING ASSETS (AFTER TAX)		COST OF ADJUSTED DEBT (AFTER TAX)		LEVERAGE SPREAD		LEVERAGE MULTIPLIER		RETURN ON FINANCIAL LEVERAGE		INTERNAL GROWTH OF EQUITY OF CAPITAL	
17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40												
18.6	99	67.4	0.0	-99.9	0.0	-1.12	26.02	23.46	606.45	602.95	-0.67	-0.99	99.7	0.1	82.79	69.61	0.00	0.00	82.79	0.0	95.9	126.4	31.4												
5.6	94	8.6	0.0	-96.4	1.0	0.00	5.67	5.86	6.74	4.12	1.62	1.59	60.0	1.1	3.38	3.72	0.25	0.77	2.17	1.8	15.4	15.7	12.4												
5.2	92	8.0	0.0	-77.3	2.9	0.00	5.27	5.42	2.52	2.21	1.90	1.85	54.6	1.4	2.92	3.39	0.45	0.95	1.73	3.2	12.9	13.0	11.0												
5.0	90	7.7	0.0	-64.9	4.8	0.00	5.05	5.21	1.91	1.78	2.06	2.02	51.7	1.6	2.73	3.26	0.53	1.04	1.57	3.8	11.7	11.6	10.1												
4.8	89	7.5	0.1	-55.4	6.5	0.00	4.93	5.05	1.65	1.58	2.18	2.15	49.4	1.8	2.62	3.16	0.60	1.11	1.46	4.2	10.9	10.7	9.5												
4.7	87	7.4	0.3	-47.5	7.9	0.00	4.81	4.94	1.48	1.46	2.27	2.24	47.7	1.9	2.55	3.10	0.65	1.17	1.37	4.5	10.3	9.8	8.9												
4.6	87	7.3	0.4	-40.7	9.3	0.01	4.73	4.86	1.37	1.36	2.36	2.31	46.3	2.0	2.49	3.04	0.70	1.22	1.31	4.8	9.7	9.2	8.5												
4.5	86	7.2	0.5	-35.9	10.6	0.02	4.65	4.78	1.29	1.28	2.43	2.38	45.0	2.1	2.43	2.99	0.74	1.26	1.25	5.1	9.3	8.7	8.1												
4.4	85	7.1	0.6	-31.2	12.2	0.03	4.59	4.72	1.21	1.22	2.50	2.45	43.8	2.2	2.38	2.95	0.78	1.31	1.21	5.3	8.9	8.3	7.7												
4.3	84	7.0	0.7	-26.7	13.6	0.04	4.53	4.66	1.14	1.16	2.56	2.51	42.8	2.4	2.34	2.91	0.81	1.35	1.16	5.5	8.5	7.9	7.4												
4.2	83	7.0	0.8	-22.3	15.0	0.05	4.48	4.60	1.08	1.11	2.61	2.56	41.7	2.5	2.30	2.88	0.84	1.38	1.12	5.7	8.2	7.5	7.1												
4.2	83	6.9	0.9	-18.1	16.4	0.06	4.43	4.55	1.03	1.06	2.67	2.61	40.7	2.6	2.26	2.85	0.87	1.41	1.08	5.8	7.8	7.1	6.9												
4.1	82	6.9	1.0	-14.2	17.8	0.07	4.39	4.51	0.99	1.02	2.72	2.66	39.9	2.7	2.22	2.82	0.90	1.44	1.05	6.0	7.5	6.8	6.6												
4.0	81	6.8	1.1	-10.7	19.3	0.08	4.35	4.47	0.95	0.99	2.77	2.71	39.1	2.8	2.19	2.78	0.93	1.47	1.01	6.2	7.3	6.5	6.4												
4.0	81	6.8	1.2	-7.4	20.8	0.09	4.30	4.43	0.92	0.96	2.82	2.76	38.3	2.9	2.15	2.76	0.95	1.50	0.98	6.3	7.0	6.2	6.2												
3.9	80	6.7	1.3	-4.1	22.3	0.10	4.26	4.39	0.88	0.92	2.86	2.80	37.6	3.0	2.11	2.73	0.98	1.52	0.95	6.4	6.7	6.0	6.0												
3.9	79	6.7	1.5	-0.8	23.8	0.11	4.22	4.35	0.85	0.89	2.90	2.84	36.8	3.2	2.08	2.70	1.00	1.55	0.91	6.6	6.5	5.7	5.8												
3.8	78	6.6	1.6	2.1	25.2	0.12	4.18	4.31	0.82	0.87	2.94	2.89	36.0	3.3	2.05	2.68	1.02	1.57	0.88	6.7	6.2	5.5	5.6												
3.7	78	6.6	1.7	5.8	26.8	0.14	4.15	4.27	0.80	0.84	2.98	2.93	35.3	3.4	2.01	2.66	1.04	1.60	0.85	6.8	6.0	5.2	5.4												
3.7	77	6.5	1.8	9.6	28.1	0.14	4.11	4.23	0.77	0.81	3.03	2.97	34.4	3.5	1.98	2.63	1.06	1.62	0.82	6.9	5.7	5.0	5.2												
3.6	76	6.5	1.9	13.1	29.2	0.16	4.07	4.19	0.74	0.79	3.07	3.02	33.7	3.7	1.95	2.60	1.08	1.65	0.78	7.0	5.5	4.7	5.0												
3.6	75	6.5	2.1	16.5	30.5	0.17	4.04	4.16	0.71	0.76	3.11	3.06	32.9	3.8	1.92	2.58	1.11	1.67	0.75	7.1	5.2	4.5	4.8												
3.5	75	6.4	2.2	20.7	32.0	0.18	4.01	4.13	0.69	0.74	3.16	3.10	32.1	3.9	1.88	2.55	1.13	1.69	0.72	7.2	5.0	4.3	4.6												
3.4	74	6.4	2.3	24.2	33.3	0.19	3.98	4.10	0.66	0.71	3.20	3.14	31.2	4.1	1.85	2.53	1.15	1.71	0.69	7.3	4.7	4.1	4.4												
3.4	73	6.4	2.5	28.0	34.7	0.20	3.94	4.07	0.64	0.69	3.24	3.18	30.3	4.2	1.82	2.50	1.17	1.73	0.65	7.4	4.5	3.8	4.3												
3.3	72	6.3	2.6	32.2	36.0	0.22	3.91	4.03	0.61	0.67	3.28	3.23	29.4	4.4	1.78	2.47	1.19	1.75	0.62	7.5	4.2	3.6	4.1												
3.2	72	6.3	2.8	36.7	37.5	0.23	3.87	4.00	0.59	0.65	3.33	3.27	28.4	4.5	1.75	2.45	1.21	1.77	0.58	7.6	4.0	3.4	3.9												
3.2	71	6.3	3.0	40.7	38.9	0.25	3.84	3.97	0.57	0.63	3.37	3.31	27.5	4.7	1.71	2.42	1.23	1.79	0.55	7.7	3.7	3.2	3.8												
3.1	70	6.2	3.1	45.6	40.2	0.26	3.80	3.94	0.55	0.61	3.41	3.35	26.7	4.9	1.67	2.39	1.24	1.81	0.52	7.8	3.5	2.9	3.6												
3.0	69	6.2	3.3	50.6	41.4	0.28	3.76	3.91	0.53	0.59	3.46	3.40	25.6	5.1	1.63	2.37	1.26	1.83	0.48	7.9	3.2	2.7	3.4												
3.0	68	6.2	3.5	55.8	42.8	0.30	3.72	3.88	0.51	0.57	3.51	3.44	24.8	5.3	1.59	2.34	1.28	1.85	0.44	8.0	3.0	2.4	3.2												
2.9	67	6.1	3.7	62.1	44.0	0.32	3.68	3.85	0.49	0.55	3.57	3.49	23.9	5.5	1.55	2.31	1.30	1.87	0.40	8.1	2.7	2.1	3.0												
2.8	66	6.1	3.9	68.0	45.3	0.34	3.64	3.82	0.47	0.53	3.62	3.54	22.9	5.7	1.51	2.28	1.33	1.89	0.36	8.2	2.4	1.8	2.8												
2.8	65	6.1	4.2	74.4	46.6	0.36	3.60	3.78	0.44	0.51	3.68	3.59	21.8	6.0	1.46	2.25	1.35	1.91	0.32	8.3	2.1	1.5	2.6												
2.7	64	6.0	4.4	81.4	48.0	0.39	3.56	3.75	0.42	0.49	3.73	3.65	20.6	6.3	1.41	2.22	1.37	1.93	0.28	8.4	1.7	1.2	2.4												
2.6	63	6.0	4.6	89.2	49.3	0.42	3.52	3.71	0.40	0.47	3.80	3.70	19.4	6.6	1.36	2.19	1.39	1.95	0.23	8.5	1.4	0.8	2.2												
2.5	62	5.9	4.9	96.9	50.7	0.45	3.47	3.68	0.38	0.45	3.86	3.76	18.1	6.9	1.30	2.15	1.42	1.98	0.17	8.6	1.0	0.5	2.0												
2.4	61	5.9	5.2	105.9	52.0	0.48	3.43	3.64	0.36	0.43	3.92	3.82	16.6	7.3	1.24	2.10	1.45	2.00	0.10	8.7	0.6	0.1	1.8												
2.3	59	5.9	5.6	117.7	53.6	0.52	3.38	3.60	0.33	0.41	4.00	3.89	15.1	7.7	1.16	2.05	1.47	2.03	0.02	8.8	0.1	-0.4	1.6												
2.2	58	5.8	6.0	131.7	55.0	0.55	3.33	3.55	0.31	0.39	4.09	3.97	13.4	8.2	1.08	2.01	1.49	2.05	-0.06	8.9	-0.3	-0.9	1.3												
2.1	56	5.8	6.4	147.2	56.7	0.60	3.27	3.51	0.28	0.37	4.17	4.06	11.5	8.7	0.99	1.96	1.52	2.09	-0.17	9.0	-1.0	-1.8	1.0												
2.0	54	5.7	7.0	164.9	58.4	0.65	3.21	3.46	0.26	0.35	4.27	4.16	9.6	9.4	0.89	1.92	1.56	2.12	-0.29	9.1	-1.7	-2.7	0.7												
1.9	52	5.7	7.6	188.6	60.2	0.71	3.13	3.41	0.23	0.32	4.39	4.25	6.8	10.1	0.77	1.86	1.59	2.15	-0.43	9.3	-2.7	-3.9	0.3												
1.7	50	5.6	8.2	217.4	61.9	0.79	3.05	3.35	0.20	0.30	4.52	4.36	3.9	11.0	0.59	1.79	1.62	2.18	-0.61	9.5	-4.0	-5.3	-0.1												
1.6	48	5.5	9.1	261.9	63.8	0.88	2.95	3.29	0.18	0.27	4.66	4.50	0.1	12.2	0.41	1.71	1.66	2.22	-0.88	9.6	-5.5	-7.1	-0.7												
1.4	46	5.5	10.0	307.9	66.0	1.00	2.84	3.21	0.14	0.23	4.86	4.67	-5.1	13.7	0.13	1.61	1.71	2.27	-1.20	9.8	-7.5	-9.3	-1.5												
1.2	42	5.4	11.3	390.6	68.5	1.15	2.68	3.11	0.10	0.20	5.09	4.86	-12.3	15.5	-0.23	1.51	1.76	2.32	-1.60	10.0	-9.7	-12.5	-2.4												
1.0	38	5.2	13.2	559.7	71.5	1.37	2.49	2.98	0.06	0.17	5.52	5.17	-22.0	18.3	-0.74	1.35	1.81	2.38	-2.12	10.3	-14.0	-17.3	-4.0												
0.7	33	5.1	15.4	999.9	75.3	1.66	2.17	2.83	0.01	0.12	6.30	5.70	-37.6	22.5	-1.37	1.05	1.91	2.47	-2.83	10.7	-19.6	-23.8	-6.0												
0.4	23	4.8	20.0	999.9	81.3	2.46	1.42	2.47	-0.18	0.06	8.71	7.26	-63.1	32.7	-2.61	0.41	2.07	2.60	-4.04	11.5	-30.9	-35.8	-9.0												
0.0	0	0.0	99.9	999.9	100.0	9.99	-1.85	0.01	-0.99	-0.99	606.50	99.99	-512.9	99.9	-42.35	-17.87	3.62	4.32	-44.50	99.9	-95.7	-172.4	-42.6												

17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
1.8	88	5.6	2.8	78.1	47.4	0.16	3.25	3.34	0.53	0.50	3.02	2.76	20.1	6.8	1.66	2.60	1.36	2.18	0.30	9.7	2.9	2.0	1.4
1		1							4		3				4		6					3	
1	NA	1	NA	☆	☆	NA	NA	NA	2	NA	-2	NA	☆	☆	3	NA	-1	NA	☆	NA	NA	2	NA
				-20	-25				☆				±15	-25					±30				
1.0		1.0		-7.8	NC				8.0		-6.0		-14.9	-6.8	12.0			-6.0					

# Instructions for Calculating a Rank of a Bank

There are four steps to follow when calculating a rank:

- 1) In the lower boxes on the following pages, fill-in the calculated value for each ratio (Columns 2 through 40) for the bank or bank holding company you are ranking in the row titled "value".
- 2) Find the location of the ratio in the column above the chart and select the proper multiplier from the left-hand scale where noted. As an example, a bank with \$140 million in assets (or a bank holding company with \$950 million in assets) (Column 2) uses a level 5 plus multiplier. Write the multipliers in the quality level row of boxes for each calculation.
- 3) Multiply the weight times the quality level multiplier to determine column score.
- 4) Add together each column score to derive the rank. *Note: If an institution's value being used to calculate the score does not meet the criteria in the instructions, a score is not calculated and you should proceed to the next column.*

If the Tier I Capital Ratio (Column 3) is greater than 40% after adjusting for 90 day loan delinquencies, nonaccrual loans, restructured loans, and other real estate owned in excess of the loan loss reserve, the rank is set to 300.

If the rank is less than 200 and the Tier I Capital Ratio (Column 3) is greater than 20%, after adjusting for 90 day loan delinquencies, nonaccrual loans, restructured loans, and other real estate owned in excess of the loan loss reserve, the rank is set to 200.

If the rank is greater than 74, and the reported Tier I Capital Ratio is less than 13% and Tier II Capital Ratio is less than 20%, and the Adjusted Tier I Capital Ratio (Column 3) is less than 4%, after adjusting for 90 day loan delinquencies, nonaccrual loans, restructured loans, and other real estate owned in excess of the loan loss reserve, the rank is set to 74.

**Rank Caps Based on Capital Categories (Cols 3-5):** IDC caps rankings under the following conditions:

Category	Tier 1 Capital (Column 3)	Total RB Cap'l (Col. 4)	Tier 1 RB Cap'l (Col. 5)	Rank Cap
Well Capitalized	≥ 5%	& ≥ 10%	& ≥ 6%	None
Adequately Capitalized*	≥ 4%	& ≥ 8%	& ≥ 4%	124
Under Capitalized	≥ 3%	& ≥ 6%	& ≥ 3%	74
Significantly Under Capitalized	< 3%	or < 6%	or < 3%	2
Critically Under Capitalized	< 2%			1

Consent Orders Alter Capital Requirements

\* Rank is capped at 74 for banks "Adequately Capitalized" if the standard deviation of operating profit margin (Column 31) is greater than 10.

The rank is also capped at 74, given:

- 1) 90 days past due, nonaccrual loans, restructured loans, and other real estate owned, as a percent of total loans (Column 20), are greater than 6%, **and**
- 2) 90 days past due, nonaccrual and restructured loans, plus other real estate owned as a percent of earning assets are greater than 3% (Column 20 times Column 18 divided by 100), **and**
- 3) Risk-based capital percentage (Column 4) is less than 14% and Tier I capital percentage (Column 3) is less than 9%.

## Column 2 - Total Assets

Column 2 has a weight of 3 and uses the plus multiplier. An additional point is added to the score for each \$1 billion in assets, up to a maximum of 30 points. Holding companies score an additional 10 points for their relative starting size and access to financial markets.

## Column 3 - Tier I Capital as % of Assets

Column 3 is multiplied by 10 with the score capped at +150. The multipliers are not used.

In addition, if Column 3 > 15%, add one point for each percent of difference (up to a total of 50 points) to the column score (eg. if Column 3 = 28%, add 13 points). The column score is capped at 200 (150 +50).

## Column 4 - Tier I & II Capital as % of Risk-based Assets (Risk-based Capital)

If Column 4 is less than 8%, the score equals 20 times the value of the difference [(Column 4 - 8%) × 20].

The column score is capped at -40. If Column 4 is 8% or more, the column weight is 1 and uses the plus multiplier.

## Columns 6, 7, & 8 - Loan Risk % Tier I

If Column 6 is greater than delinquencies (Column 7 + Column 8), the difference [Column 6 - (Column 7 + Column 8)] is added to the rank. The multipliers are not used and the column score is capped at +30.

If Column 6 is less than loan risk, the score equals Column 6 less ½ of (Column 7 + Column 8). The multipliers are not used and the column score is capped at -150 (-90 prior to 1992).

## Column 9 - Balance Sheet Cash Flow % Tier I capital

*All of the following must be true to calculate a score for column 9; otherwise skip to column 10:*

- 1) Column 9 is negative, **and**
- 2) Column 20 is greater than 4%, **and**
- 3) [(Column 20 × Column 18) ÷ 100] is greater than 3%, **and**
- 4) Column 4 is less than 14%, **and**
- 5) Column 3 is less than 9%.

The value from column 9 is entered as the column score. The column score is capped at -100.

## Column 10 - Illiquid Loans as a % of Stable Deposits & Borrowings Plus Excess Liquidity

If Column 10 is greater than 125, subtract Column 10 from 125, multiply the difference by Column 18, then divide by 100. The column score is capped at -25. The multipliers are not used.

**Column 11 - Interest-Bearing Liabilities as % of Earning Assets**

The value of Column 11 is subtracted from 100.

- 1) A positive result is entered as the column score and capped at +30: **OR**
- 2) A negative result is multiplied by 10 and compared to the value in Column 9. Enter the negative number closest to zero as the column score for Column 11. The negative column score is capped at -100: **OR**
- 3) Column 20 is greater than 4%, **and**
- 4)  $[(\text{Column 20} \times \text{Column 18}) \div 100]$  is greater than 3%, **and**
- 5) If a negative result and the value in Column 9 is positive, enter 0 for the column score.

**Columns 14 & 15 - Return on Equity (Last 12 Months) vs. Cost of Equity**

Compute risk-adjusted capital according to COE definition in the Glossary.

*All of the following must be true to calculate a score; otherwise skip to column 17:*

- 1) Column 3 is greater than 3%, **and**
  - 2) Column 13 is greater than Column 14, **and**
  - 3) Column 15 is greater than Column 14.
- Step 1 — Calculate the surplus/deficit of the loan loss reserve (LLR) vs. delinquencies.  
Col. 6 - [Col. 7 + Col. 8] = Surplus/Deficit. **If surplus, proceed to Step 4.**
  - Step 2 — Multiply Tier I Capital (Column 3) by the result of Step 1 (stated as a percent).  
Col. 3 × Deficit divided by 100 = Adjustment
  - Step 3 — Reduce Tier I Capital by the Adjustment to compute risk-adjusted capital.  
Col. 3 + (- Adjustment) = Risk-adjusted Capital.  
**If this risk-adjusted capital is greater than 2%, proceed to Step 4.**
  - Step 4 — Multiply the difference (NOPAT ROE minus COE) by 5. Cap at +60. The multipliers are not used. (Eg. If NOPAT ROE = 17.5 and COE = 12.6; then the score equals 24.5.)

**Column 17 - Current Yield on Investments**

Column 17 has a weight of 1 and uses the plus multiplier.

**Column 19 - Current Yield on Loans**

Column 19 has a weight of 1 and uses the plus multiplier.

**Column 21 - Percent Change in 90 days past due, nonaccrual loans, restructured loans, and other real estate owned % total loans**

If Column 21 is positive and Column 20 is greater than 2%, then divide Column 21 by 10. Enter the result as a negative value in the column score. The column score is capped at -20.

**Column 22 - Loans to Finance Commercial Real Estate as a % of Loans**

If Column 22 is greater than 50%, take the value greater than 50 and multiply it by Column 18, then divide by 100. Enter the negative value of the result in the column score. (Eg. If the result = 23.4, the score becomes -23.4.) The column score is capped at -25.

**Column 26 - Noninterest Income (Last 12 Months)**

Column 26 has a weight of 2 and uses the plus multiplier.

**Column 28 - Noninterest Expense (Last 12 Months)**

Column 28 has a weight of -2 and uses the contra multiplier.

**Column 30 - Operating Profit Margin (Last 12 Months)**

Subtract 35 from value in Column 30 and enter the result in the column score. The column score is capped at ±15.

**Column 31 - Risk (SD) in Operating Profit Margin**

The negative value of Column 31 is entered in the column score. The column score is capped at -25. (Eg. If Column 31 = 1.9, the column score becomes -1.9.)

**Column 32 - Return on Earning Assets (Last 12 Months)**

Column 32 has a weight of 3 and uses the plus multiplier.

**Column 34 - Cost of Adjusted Debt (Last 12 Months)**

Column 34 has a weight of -1 and uses the contra multiplier.

**Column 36 - Leverage Spread (Last 12 Months)**

Column 36 is multiplied by 15, with the column score capped at ±30. The multipliers are not used.

If the leverage spread is negative **and** risk-adjusted capital (as computed in the calculation for Column 14 & 15 above) is greater than 2%, the column score is 0.

**Column 39 - Internal Growth in Equity Capital (Last 1 Year or for Period Measured)**

Column 39 has a weight of 2 and uses the plus multiplier.

**If the rank that you have calculated differs from IDC's published rank**

If your score is within a few points, the difference is often due to rounding errors. Check to see that you have chosen the proper PLUS (add to score) or CONTRA (subtract from score) multiplier for the component you are calculating. Verify that you have restricted a scores for those columns that are capped.

If you still have questions, call IDC at 1-800-525-5457 for assistance.

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# Cost Ratio Analysis

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BANK COST RATIO ANALYSIS  
FDIC & FRS DATA ENDING 1st QTR, 2010

DISTRIBUTIONS BY PERCENTILE  
OF COST RATIOS FOR  
1,024 LARGE BANKS

IDC Financial Publishing, Inc.  
(800)525-5457

BankMap®  
Cost Ratio Analysis

	RANK	LOAN RISK	OPERATING EXP % NET OP REVENUE	TAX RATE	EMPLOYEE RATIOS							
	RANK OF FINANCIAL RATIOS	LOANS TO FINANCE COMMERCIAL REAL ESTATE % TIER I CAPITAL	CLASSIFIED, INCL REO NONRESIDENTIAL LOANS % NONRESIDENTIAL LOANS	LOAN RISK ADJUSTED TIER I CAPITAL RATIO	PERSONNEL EXPENSE	OFFICE EXPENSE	OTHER NONINTEREST EXPENSE	ADJUSTED TAX RATE - ONE YEAR	ADJUSTED TAX RATE - FIVE YEAR	EMPLOYEES PER \$ MILLION ASSETS	EMPLOYEES PER \$ MILLIONS OF NET OP REVENUE	PRETAX COVERAGE OF NET CHARGE-OFFS - ONE YEAR
	1	2	3	4	5	6	7	8	9	10	11	12
HIGHEST QUALITY	300	0.0	0.0	125.5	0.0	0.0	0.2	0.0	0.0	0.00	0.00	999.9
98%	300	0.0	0.0	18.9	2.5	0.2	9.8	0.0	6.9	0.01	0.25	999.9
96%	294	0.4	0.3	14.7	10.4	1.2	12.7	0.0	27.0	0.06	1.08	65.9
94%	280	29.6	0.4	12.0	15.0	3.0	13.8	0.0	28.1	0.08	1.82	33.9
92%	268	102.8	0.7	11.2	19.4	3.6	14.9	0.0	28.8	0.09	2.39	23.9
90%	258	138.1	0.9	10.8	20.5	4.5	15.4	4.0	29.4	0.11	2.66	17.9
88%	250	162.4	1.1	10.4	21.5	4.9	16.1	11.8	29.8	0.12	2.93	14.5
86%	245	182.8	1.4	10.1	22.3	5.3	16.5	16.9	30.3	0.12	3.05	11.1
84%	237	200.4	1.6	9.7	23.2	5.6	16.9	21.5	30.7	0.13	3.34	9.8
82%	233	215.0	1.8	9.6	24.3	5.8	17.5	23.5	30.9	0.14	3.46	8.5
80%	228	228.5	1.9	9.2	25.2	6.0	17.7	24.7	31.2	0.14	3.59	7.6
78%	223	243.0	2.0	9.1	25.9	6.2	18.0	25.9	31.5	0.15	3.69	6.9
76%	218	253.0	2.2	8.9	26.7	6.4	18.4	26.6	31.7	0.15	3.80	5.8
74%	214	265.6	2.4	8.8	27.3	6.7	18.6	27.3	31.8	0.16	3.94	5.4
72%	210	278.3	2.6	8.6	27.8	6.8	19.0	28.0	32.0	0.16	4.05	4.8
70%	207	286.2	2.7	8.5	28.3	7.1	19.3	28.5	32.2	0.17	4.14	4.4
68%	203	297.2	2.9	8.4	28.8	7.2	19.8	29.2	32.4	0.17	4.24	4.1
66%	197	307.7	3.2	8.3	29.2	7.3	20.1	29.6	32.7	0.18	4.29	3.7
64%	193	312.9	3.4	8.1	29.7	7.5	20.5	30.0	32.8	0.18	4.43	3.4
62%	190	320.9	3.6	8.0	30.1	7.7	20.9	30.4	32.9	0.19	4.53	3.2
60%	187	331.8	3.7	7.9	30.5	7.8	21.2	30.7	33.1	0.19	4.63	2.9
58%	185	336.3	3.9	7.9	30.9	8.0	21.4	31.2	33.2	0.19	4.71	2.7
56%	180	344.3	4.1	7.7	31.4	8.1	21.7	31.5	33.3	0.20	4.80	2.5
54%	177	354.9	4.3	7.6	31.7	8.2	22.0	31.9	33.5	0.20	4.90	2.4
52%	174	365.3	4.5	7.5	32.3	8.3	22.4	32.2	33.6	0.21	5.02	2.2
50%	170	374.1	4.8	7.4	32.6	8.6	22.6	32.4	33.8	0.21	5.12	2.1
48%	167	381.2	5.0	7.3	33.0	8.7	22.9	32.7	33.9	0.21	5.21	1.9
46%	163	390.7	5.2	7.2	33.4	8.8	23.1	33.0	34.0	0.22	5.25	1.7
44%	159	400.2	5.4	7.1	33.8	8.9	23.4	33.3	34.0	0.22	5.33	1.6
42%	154	407.0	5.7	7.0	34.2	9.1	23.9	33.6	34.0	0.23	5.44	1.5
40%	148	413.8	6.1	6.8	34.5	9.2	24.2	33.9	34.0	0.23	5.55	1.4
38%	143	421.2	6.3	6.7	34.9	9.4	24.8	34.0	34.0	0.24	5.63	1.3
36%	139	428.9	6.5	6.6	35.3	9.6	25.2	34.0	34.0	0.24	5.69	1.2
34%	135	442.0	6.8	6.4	35.7	9.8	25.7	34.0	34.0	0.25	5.77	1.1
32%	130	461.7	7.1	6.3	36.1	9.9	26.1	34.0	34.0	0.25	5.83	0.9
30%	125	471.2	7.6	6.1	36.5	10.2	26.6	34.0	34.1	0.25	5.91	0.9
28%	121	481.8	8.0	6.0	36.9	10.5	27.2	34.0	34.3	0.26	5.98	0.8
26%	115	498.0	8.3	5.8	37.4	10.7	27.8	34.0	34.4	0.27	6.08	0.7
24%	109	510.1	8.7	5.6	38.1	10.9	28.6	34.0	34.6	0.27	6.17	0.6
22%	99	521.0	9.2	5.2	38.6	11.2	29.9	34.3	34.7	0.27	6.27	0.6
20%	86	535.3	9.7	4.9	39.1	11.4	30.6	34.7	35.0	0.28	6.39	0.5
18%	74	552.7	10.4	4.4	39.7	11.8	31.6	35.1	35.2	0.29	6.55	0.3
16%	74	564.9	11.2	4.1	40.4	12.2	32.9	35.6	35.4	0.29	6.69	0.2
14%	57	586.8	12.2	3.6	41.2	12.7	34.6	36.0	36.0	0.30	6.83	0.1
12%	36	607.8	13.3	2.6	42.0	13.2	36.9	37.4	36.5	0.31	6.99	0.0
10%	22	634.9	15.0	1.8	43.2	13.8	38.9	39.7	37.2	0.32	7.16	0.0
8%	1	673.4	17.4	0.7	44.7	14.6	41.5	42.6	40.1	0.33	7.33	0.0
6%	1	749.9	19.3	-0.6	46.6	15.5	45.4	49.6	44.0	0.36	7.60	0.0
4%	1	884.1	22.1	-3.6	50.2	17.1	53.1	61.2	52.7	0.38	7.94	0.0
2%	1	999.9	28.5	-8.3	54.8	20.9	68.5	99.9	74.6	0.43	8.93	0.0
LOWEST QUALITY	1	999.9	999.9	-31.1	77.9	47.7	339.3	99.9	99.9	2.22	99.99	0.0
2010 Q1	108	471.2	1.6	6.6	41.0	15.9	23.0	34.0	34.0	0.25	6.82	2.1
2009 Q4	101	468.6	2.0	6.4	42.4	15.9	22.8	34.0	34.0	0.25	7.15	1.9
DIFFERENCE	7	2.6	-0.4	0.2	-1.4	0.0	0.2	0.0	0.0	0.00	-0.33	0.2

Sample Bank  
City, ST

DISTRIBUTION OF DOMESTIC DEPOSITS						CHANGE IN DEPOSIT CONCENTRATION						INTEREST RATE ON DEPOSITS						TOTAL ASSETS DOLLARS IN MILLIONS		
TIME DEP > \$100,000 RETIRE DEP > \$250,000	TIME DEP < \$100,000 RETIRE DEP < \$250,000	TRANSACTION ACCOUNTS	MMDA	OTHER SAVINGS (PASSBOOKS)	DEMAND DEPOSITS	LARGE DEPOSITS & LIABILITIES % DEP AND BORROWINGS	TIME DEP > \$100,000 RETIRE DEP > \$250,000	TIME DEP < \$100,000 RETIRE DEP < \$250,000	TRANSACTION ACCOUNTS	MMDA	OTHER SAVINGS (PASSBOOKS)	DEMAND DEPOSITS	LARGE LIABILITIES	TIME DEPOSITS GREATER THAN \$100,000	TIME DEPOSITS LESS THAN \$100,000	TRANSACTION ACCOUNTS	MMDA		INSURED DEPOSITS % EARNING ASSETS LESS FHLB ADV & PROBLEM LOANS	FHLB ADVANCES % EARNING ASSETS LESS PROBLEM LOANS
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
100.0	99.9	51.0	98.4	100.0	100.0	0.0	49.1	61.3	45.8	41.6	100.0	96.0	44.2	0.00	0.00	0.00	0.00	190.6	59.8	1,674,523
50.4	64.1	20.3	73.3	52.3	32.3	6.7	12.3	9.4	5.9	19.6	14.4	7.8	13.2	0.66	0.94	0.05	0.15	104.5	19.7	89,744
42.2	51.2	14.4	65.6	44.2	21.4	10.8	9.3	4.6	4.2	12.7	9.6	5.2	8.9	1.00	1.24	0.08	0.21	97.3	17.1	22,865
38.1	46.3	11.9	61.2	40.8	18.5	13.6	7.6	3.3	3.3	10.4	7.5	3.8	6.5	1.22	1.51	0.11	0.25	93.9	15.2	13,434
35.3	42.4	10.5	57.1	38.0	16.2	15.2	6.3	2.1	2.6	9.4	6.3	2.6	5.4	1.38	1.66	0.13	0.28	91.4	13.8	10,135
32.4	39.9	9.4	54.2	36.7	14.7	16.5	5.8	1.0	2.2	8.6	5.6	2.1	4.3	1.47	1.75	0.15	0.30	89.7	12.9	8,264
31.3	37.6	8.7	51.2	34.9	13.6	17.3	4.9	0.5	2.0	7.5	4.9	1.8	3.7	1.57	1.82	0.17	0.34	88.2	12.0	5,559
30.0	36.2	7.6	49.1	33.3	12.4	18.1	4.4	0.1	1.7	7.1	4.5	1.6	3.0	1.63	1.89	0.18	0.36	86.9	11.3	4,590
28.8	34.6	7.1	46.5	31.8	11.7	18.9	3.9	0.0	1.4	6.5	4.0	1.4	2.4	1.70	1.97	0.20	0.38	85.9	10.8	3,779
27.8	33.4	6.4	44.4	30.3	11.2	19.6	3.4	-0.1	1.1	5.7	3.6	1.2	1.9	1.78	2.01	0.22	0.41	84.9	10.1	3,156
27.1	32.3	6.1	43.3	29.0	10.7	20.2	2.9	-0.3	1.0	5.3	3.3	1.1	1.6	1.83	2.08	0.24	0.42	83.9	9.5	2,837
26.5	31.6	5.7	41.7	28.1	10.4	20.7	2.6	-0.5	0.9	4.8	2.9	0.9	1.1	1.89	2.10	0.25	0.45	83.1	9.0	2,567
25.9	30.5	5.4	39.6	26.9	10.0	21.3	2.3	-0.7	0.8	4.5	2.5	0.8	0.8	1.94	2.14	0.26	0.46	82.3	8.8	2,340
25.2	29.8	5.1	38.0	25.5	9.6	21.9	1.9	-0.8	0.7	4.2	2.2	0.7	0.5	1.98	2.19	0.27	0.48	81.6	8.5	2,080
24.2	29.1	4.9	36.8	24.4	9.2	22.3	1.7	-1.0	0.6	3.8	2.0	0.6	0.3	2.01	2.21	0.29	0.49	80.9	7.9	1,903
23.7	28.3	4.7	35.4	23.4	8.9	22.7	1.4	-1.1	0.6	3.5	1.7	0.6	0.1	2.07	2.25	0.31	0.51	80.4	7.6	1,765
23.0	27.7	4.5	34.1	22.0	8.4	23.4	1.1	-1.3	0.5	3.3	1.5	0.5	0.0	2.10	2.28	0.32	0.53	79.7	7.1	1,653
22.3	27.0	4.2	33.3	20.6	8.0	24.1	0.9	-1.4	0.4	3.0	1.3	0.4	-0.2	2.13	2.31	0.34	0.55	78.9	6.8	1,538
21.7	26.4	4.0	32.6	19.6	7.6	24.8	0.8	-1.5	0.4	2.7	1.1	0.4	-0.4	2.17	2.37	0.35	0.57	78.4	6.4	1,438
21.3	26.0	3.9	30.8	18.4	7.3	25.5	0.6	-1.6	0.3	2.6	0.9	0.3	-0.7	2.20	2.40	0.37	0.59	77.7	6.0	1,341
20.8	25.3	3.7	29.5	17.0	7.1	26.0	0.4	-1.8	0.3	2.3	0.8	0.3	-0.9	2.24	2.42	0.39	0.61	76.8	5.6	1,288
20.3	24.6	3.5	28.7	15.8	6.9	26.5	0.2	-1.9	0.2	2.1	0.7	0.2	-1.1	2.28	2.45	0.41	0.62	76.3	5.3	1,239
19.7	24.1	3.4	27.3	14.5	6.6	27.2	0.0	-2.1	0.2	1.9	0.6	0.2	-1.4	2.31	2.49	0.42	0.64	75.7	5.0	1,158
19.3	23.5	3.2	26.5	13.3	6.4	27.7	0.0	-2.3	0.2	1.7	0.5	0.1	-1.6	2.35	2.50	0.45	0.66	75.5	4.6	1,101
18.8	23.1	3.0	25.5	11.8	6.1	28.3	-0.2	-2.4	0.1	1.4	0.4	0.1	-1.8	2.38	2.53	0.47	0.68	74.9	4.3	1,055
18.3	22.4	2.9	24.8	10.6	5.9	28.8	-0.4	-2.6	0.1	1.1	0.3	0.0	-2.1	2.41	2.57	0.50	0.69	74.5	4.0	1,018
17.8	21.8	2.8	23.6	10.1	5.8	29.5	-0.5	-2.7	0.1	0.8	0.3	0.0	-2.4	2.44	2.59	0.53	0.72	73.7	3.8	974
17.4	21.3	2.6	22.8	9.2	5.6	29.9	-0.7	-2.9	0.0	0.7	0.2	0.0	-2.6	2.47	2.61	0.56	0.75	72.8	3.4	941
17.0	20.8	2.5	21.6	8.5	5.4	30.5	-0.9	-3.1	0.0	0.5	0.2	-0.1	-2.8	2.50	2.64	0.58	0.77	71.9	3.2	899
16.7	19.9	2.5	20.6	7.9	5.1	31.0	-1.1	-3.4	0.0	0.4	0.1	-0.1	-3.1	2.53	2.67	0.61	0.78	70.9	2.9	881
16.3	19.0	2.3	19.9	7.2	5.0	31.5	-1.3	-3.6	0.0	0.2	0.1	-0.2	-3.3	2.56	2.70	0.63	0.81	70.2	2.7	852
15.8	18.3	2.2	19.0	6.7	4.8	31.9	-1.5	-3.9	0.0	0.0	0.1	-0.3	-3.5	2.58	2.72	0.66	0.84	69.3	2.4	823
15.3	17.6	2.1	18.1	6.2	4.7	32.2	-1.7	-4.1	0.0	0.0	0.0	-0.3	-3.8	2.60	2.75	0.68	0.87	68.8	2.1	805
15.0	16.9	2.0	17.1	5.8	4.6	33.1	-1.9	-4.3	-0.1	0.0	0.0	-0.4	-4.1	2.63	2.78	0.71	0.90	67.7	1.9	777
14.5	15.9	1.9	16.4	5.2	4.4	33.8	-2.1	-4.6	-0.1	-0.2	0.0	-0.4	-4.3	2.67	2.80	0.74	0.93	66.9	1.6	756
13.9	15.3	1.7	15.6	4.8	4.3	34.4	-2.3	-4.8	-0.1	-0.4	0.0	-0.5	-4.7	2.71	2.83	0.78	0.96	66.1	1.3	733
13.5	14.7	1.6	14.9	4.5	4.1	35.2	-2.5	-5.0	-0.2	-0.6	-0.1	-0.5	-5.0	2.75	2.86	0.83	0.99	64.4	1.1	706
13.1	13.9	1.5	14.0	4.1	3.9	36.0	-2.8	-5.3	-0.2	-0.8	-0.1	-0.6	-5.4	2.79	2.89	0.88	1.04	62.8	0.8	682
12.5	12.9	1.4	12.9	3.7	3.7	36.9	-3.0	-5.7	-0.3	-1.1	-0.2	-0.7	-5.9	2.82	2.93	0.94	1.08	61.7	0.5	669
12.1	12.2	1.3	12.2	3.3	3.5	37.5	-3.3	-5.9	-0.3	-1.3	-0.3	-0.9	-6.2	2.85	2.98	0.99	1.11	60.7	0.2	652
11.4	11.4	1.2	11.2	2.9	3.4	38.2	-3.5	-6.4	-0.4	-1.4	-0.3	-1.0	-6.8	2.90	3.02	1.04	1.15	59.3	0.0	643
10.9	10.5	1.1	10.1	2.5	3.2	39.2	-3.7	-6.9	-0.5	-1.8	-0.5	-1.0	-7.2	2.94	3.05	1.13	1.19	57.9	0.0	631
9.8	9.6	0.9	8.8	2.1	3.1	40.3	-4.2	-7.3	-0.6	-1.9	-0.6	-1.2	-7.8	2.99	3.12	1.20	1.24	56.4	0.0	615
9.3	8.5	0.8	7.8	1.7	2.8	41.2	-4.7	-7.9	-0.7	-2.3	-0.7	-1.4	-8.3	3.03	3.19	1.31	1.28	53.8	0.0	606
8.8	7.8	0.7	6.4	1.2	2.6	42.8	-5.5	-8.6	-0.8	-2.7	-1.0	-1.6	-9.4	3.08	3.27	1.40	1.33	50.7	0.0	593
7.9	6.8	0.6	5.3	0.9	2.4	45.8	-6.3	-9.3	-1.0	-3.1	-1.3	-1.9	-10.2	3.14	3.39	1.52	1.40	48.2	0.0	580
6.9	5.0	0.4	4.5	0.4	2.0	47.6	-7.1	-10.2	-1.2	-4.1	-1.8	-2.3	-11.2	3.23	3.45	1.67	1.53	44.8	0.0	570
6.0	3.1	0.2	2.9	0.2	1.8	50.7	-8.0	-11.5	-1.7	-5.4	-2.8	-2.9	-12.7	3.35	3.55	1.90	1.63	37.1	0.0	556
4.4	1.5	0.0	1.0	0.0	0.9	55.3	-9.1	-13.6	-2.9	-6.8	-3.8	-3.8	-14.5	3.58	3.73	2.19	1.71	27.8	0.0	544
0.0	0.0	0.0	0.0	0.0	0.0	72.9	-14.4	-15.9	-4.8	-11.7	-6.9	-6.5	-17.7	3.89	3.92	2.74	1.93	3.5	0.0	532
0.0	0.0	0.0	0.0	0.0	0.0	99.9	-99.9	-28.5	-38.3	-39.2	-44.1	-94.4	-64.2	6.00	5.31	8.73	5.50	0.0	0.0	523
8.8	11.0	5.6	39.5	31.1	4.0	18.0	-14.1	-1.9	2.0	7.2	5.3	1.5	-19.4	3.35	2.48	1.28	1.19	88.2	7.8	911
6.8	10.7	5.2	42.1	30.4	4.8	20.5	-22.1	-4.0	2.3	11.9	10.1	1.9	-22.2	3.50	2.80	1.07	1.30	94.6	9.9	942
2.0	0.3	0.4	-2.6	0.7	-0.8	-2.5	8.0	2.1	-0.3	-4.7	-4.8	-0.4	2.8	-0.15	-0.32	0.21	-0.11	-6.4	-2.1	-31

## Glossary

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	NUMBER OF BANKS	RANK OF FINANCIAL RATIOS	LOANS TO FINANCE COMMERCIAL REAL ESTATE % TIER I CAPITAL	CLASSIFIED, INCL REO NONRESIDENTIAL LOANS % NONRESIDENTIAL LOANS	LOAN RISK ADJUSTED TIER I CAPITAL RATIO	PERSONNEL EXPENSE	OFFICE EXPENSE	OTHER NONINTEREST EXPENSE	ADJUSTED TAX RATE - ONE YEAR	ADJUSTED TAX RATE - FIVE YEAR	EMPLOYEES PER \$ MILLION ASSETS	EMPLOYEES PER \$ MILLIONS OF NET OP REVENUE	PRETAX COVERAGE OF NET CHARGE-OFFS - ONE YEAR
	1	2	3	4	5	6	7	8	9	10	11	12	
<b>BANKS RANKED &gt; 200</b>	2069	227	132.3	9.0	9.0	23.7	6.3	20.0	31.5	34.1	0.15	2.84	34.5
<b>BANKS RANKED 165 TO 199</b>	1252	176	110.3	3.7	6.7	28.9	8.5	24.5	22.7	28.8	0.13	5.13	6.0
<b>BANKS RANKED 125 TO 164</b>	1443	146	261.8	6.6	6.7	32.7	9.1	23.9	47.1	39.8	0.20	4.50	12.1
<b>BANKS RANKED 75 TO 124</b>	1021	106	390.7	7.3	6.5	36.7	10.5	38.7	33.1	35.4	0.21	5.57	22.5
<b>BANKS RANKED 2 TO 74</b>	581	59	370.9	11.7	2.8	27.3	8.9	33.4	29.8	29.7	0.18	4.54	3.2
<b>BANKS RANKED 1</b>	455	1	757.7	17.8	-3.4	42.2	14.4	52.5	16.3	41.3	0.19	7.01	26.8
<b>ALL BANK AVERAGES</b>	6821	191	162.6	7.1	7.5	27.0	7.6	23.3	29.6	33.4	0.15	3.95	21.8

### 1. Rank of Financial Ratios

Summary rank of financial ratios which determines the overall quality of a bank based on IDC's version of the CAMEL analysis.

## LOAN RISK

### 2. Loans to Finance Commercial Real Estate

#### % Tier I Capital

Loans to finance commercial real estate (including construction and land development loans, non-farm and non-residential property loans, multi-family residential loans, and loans to finance land for commercial real estate, construction and limited development) divided by Tier I capital.

### 3. Classified, including REO Nonresidential Loans

#### % Nonresidential Loans

Classified nonresidential loans, including 5 or more family real estate loans, which are 90 days or more delinquent, nonaccrual, restructured, or in other real estate owned, as a percent of total nonresidential loans, including 5 or more family real estate loans.

### 4. Loan Risk Adjusted Tier I Capital Ratio

Adjust the Tier I Capital Ratio (Column 3 in the Bank Financial Quarterly) by the percentage of 90 day past due loans (Column 7) plus the percentage of nonaccrual, restructured and repossessed loans (Column 8) less the percentage of the loan loss reserve (Column 6). The adjusted Tier I capital ratio assumes a total loss of 90 day past due, nonaccrual, restructured and repossessed loans less the loan loss reserve.

## THE EFFICIENCY RATIO — OPERATING EXPENSE AS A % OF NET OPERATING REVENUES

A bank needs to control operating expenses in order to adapt to changing economic environments, compete in the marketplace, and insure long-term success. Operating expenses are shown as a percentage of net operating revenues to illustrate the marginal efficiency in earning a profit.

Net operating revenue is defined as interest income less interest expense plus noninterest income.

### 5. Personnel Expense

Total personnel expense includes all salaries and benefits for full-time and part-time employees.

### 6. Office Expense

Office expenses include the expenses of premises and fixed assets (net of rental income and excluding mortgage interest).

### 7. Other Noninterest Expenses

These expenses include the amortization of intangible assets, tax expenses based on the bank's gross revenues, and credits resulting from capitalization of imputed interest from internal financing of construction.

## TAX RATE

### 8 & 9. Adjusted Tax Rate (1 and 5-Year Periods)

The tax rate is the rate at which the bank would be taxed if its interest expenses were not deductible, given that taxable revenues are calculated to reflect the grossing-up of nontaxable interest.

## EMPLOYEE RATIOS

Employee expenses usually comprise the largest single expense of a commercial bank. The total number of employees for a given level of assets indicates the degree of labor intensiveness, and when viewed as a percent of net operating revenues, the efficiency of those workers.

### 10. Employees per \$1 Million Dollar of Assets

The number of employees is divided by total assets, expressed as the number of employees for each \$1 million of assets.

### 11. Employees per \$1 Million Dollar of Net Operating Revenues

The number of employees is divided by net operating revenue, expressed as the number of employees for each \$1 million of net operating revenues.

### 12. Pre-tax Coverage of Net Charge-offs

DISTRIBUTION OF DOMESTIC DEPOSITS						CHANGE IN DEPOSIT CONCENTRATION						INTEREST RATE ON DEPOSITS						33		
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
TIME DEP > \$100,000 RETIRE DEP > \$250,000	TIME DEP < \$100,000 RETIRE DEP < \$250,000	TRANSACTION ACCOUNTS	MMDA	OTHER SAVINGS (PASSBOOKS)	DEMAND DEPOSITS	LARGE DEPOSITS & LIABILITIES % DEP AND BORROWINGS	TIME DEP > \$100,000 RETIRE DEP > \$250,000	TIME DEP < \$100,000 RETIRE DEP < \$250,000	TRANSACTION ACCOUNTS	MMDA	OTHER SAVINGS (PASSBOOKS)	DEMAND DEPOSITS	LARGE LIABILITIES	TIME DEPOSITS GREATER THAN \$100,000	TIME DEPOSITS LESS THAN \$100,000	TRANSACTION ACCOUNTS	MMDA	INSURED DEPOSITS % EARNING ASSETS LESS FHLB ADV & PROBLEM LOANS	FHLB ADVANCES % EARNING ASSETS LESS PROBLEM LOANS	TOTAL ASSETS DOLLARS IN MILLIONS
12.4	13.2	2.2	44.8	17.6	9.8	36.7	-2.7	-2.0	0.2	6.0	1.9	-3.3	-3.8	1.63	1.95	0.46	0.41	47.7	3.1	6,144,351
11.7	9.3	3.1	59.5	6.7	9.6	47.5	-3.1	-3.1	0.4	7.1	-0.3	-1.0	-1.1	1.65	2.38	0.61	0.47	31.0	2.5	4,010,877
19.4	16.5	4.1	35.7	11.1	13.1	35.3	-4.5	-2.4	0.1	3.5	2.7	0.5	-4.7	2.14	2.22	0.78	0.55	57.5	3.1	1,030,865
18.0	24.4	6.1	30.2	13.3	8.0	27.6	-1.8	-4.0	1.2	2.7	1.8	0.1	-4.6	2.51	2.65	0.72	0.82	69.9	5.6	346,762
26.7	25.2	5.4	18.8	16.3	7.6	38.0	0.8	-2.8	0.5	5.7	-4.4	0.1	-0.3	2.60	2.82	0.74	0.93	72.2	15.5	324,540
22.8	36.5	4.1	19.6	10.8	6.2	33.8	1.1	-3.4	0.5	0.4	0.9	0.4	-1.7	2.91	2.94	0.90	1.05	86.0	8.0	249,122
13.5	13.3	2.9	47.3	13.1	9.8	39.9	-2.8	-2.5	0.3	5.9	1.1	-2.0	-2.9	1.76	2.19	0.56	0.48	45.1	3.4	12,106,517

## DISTRIBUTION OF DOMESTIC DEPOSITS

Each type of deposit described below is expressed as a percentage of the bank's total deposits.

- 13. Domestic Time Deposits of \$100,000 or more
- 14. Domestic Time Deposits of less than \$100,000
- 15. Transaction Accounts
- 16. Money Market Deposit Accounts
- 17. Other Savings Deposits (such as Passbook Accounts)
- 18. Demand Deposits
- 19. Large Liabilities as a % of Deposits & Borrowings

## DEPOSIT GROWTH — % CHANGE IN CONCENTRATION

The change in percent concentration by type of deposit from percent concentration a year earlier indicates alteration of a bank's funding strategy.

- 20. Domestic Time Deposits of \$100,000 or more
- 21. Domestic Time Deposits of less than \$100,000
- 22. Transaction Accounts
- 23. Money Market Deposit Accounts
- 24. Other Savings Deposits (such as Passbook Accounts)
- 25. Demand Deposits
- 26. Large Liabilities

## INTEREST RATE ON DEPOSITS

The interest rate paid on deposits is presented for each of the following deposit types.

- 27. Domestic Time Deposits of \$100,000 or more
- 28. Domestic Time Deposits of less than \$100,000

- 29. Transaction Accounts

- 30. Money Market Deposit Accounts

## INSURED DEPOSITS AND FHLB ADVANCES

FHLB Advances require pledged investments and loans, which are not available to cover insured deposits. Problem loans include loans 90 days past due, nonaccrual or restructured.

- 31. Insured Deposits as a Percent of Earning Assets Less FHLB Advances and Problem Loans
- 32. FHLB Advances as a Percent of Earning Assets Less Problem Loans

## TOTAL ASSETS

- 33. Total Assets, Dollars in Millions

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# Loan Performance Ratios



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LOAN PERFORMANCE DIGEST  
FDIC DATA ENDING - 1st QTR, 2010

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OF LOAN RATIOS FOR  
1,057 LARGE BANKS

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Rank of Loan Performance

	RANK	LOANS & CAPITAL					LOAN SPREAD LAST 5 YEARS				LOAN SPREAD LAST 4 QTRS			TOTAL LOANS		
	RANK OF LOAN ACTIVITY	TOTAL LOANS \$ IN MILLIONS	TIER 1 CAPITAL + LLR LESS PROBLEM LOANS % TOTAL LOANS	LOAN LOSS RESERVE % PROBLEM LOANS	EARNINGS COVERAGE OF PROJECTED CHARGE-OFFS	TOTAL LOANS % EARNING ASSETS	LOAN YIELD TO COST OF FUNDING DEBT	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO 3 MO T-BILL	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO INT-BEARING LIAB	COST OF DEBT 4 QTRS % 5 YR AVG	TOTAL LOANS % EARNING ASSETS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
HIGHEST QUALITY	300	741,621	99.9	999	99.9	99	28.2	23.9	21.4	26.1	26.1	6	99	27.5	0.1	
98%	233	46,356	31.6	425	22.8	95	6.9	5.5	5.1	4.9	4.9	28	95	9.3	0.1	
96%	215	13,687	22.4	299	13.3	93	5.7	5.2	4.6	4.6	4.6	35	93	7.2	0.2	
94%	205	8,403	18.9	242	9.4	92	5.4	4.8	4.4	4.3	4.3	41	92	6.9	0.3	
92%	199	6,040	17.9	178	7.7	91	5.2	4.7	4.3	4.1	4.1	45	90	6.7	0.3	
90%	192	4,631	16.7	147	6.3	90	5.0	4.6	4.2	4.0	3.9	48	89	6.6	0.4	
88%	186	3,488	16.1	128	5.4	89	4.9	4.5	4.1	3.8	3.9	50	88	6.5	0.4	
86%	176	2,993	15.6	118	4.9	88	4.8	4.4	4.0	3.8	3.8	51	87	6.4	0.5	
84%	164	2,575	14.8	111	4.4	88	4.8	4.3	3.9	3.7	3.7	53	86	6.4	0.5	
82%	154	2,184	14.3	103	4.0	87	4.7	4.2	3.9	3.6	3.6	54	86	6.3	0.6	
80%	144	1,944	13.9	95	3.7	87	4.6	4.2	3.8	3.5	3.5	56	85	6.3	0.6	
78%	134	1,795	13.6	90	3.4	86	4.5	4.1	3.8	3.5	3.4	57	85	6.2	0.7	
76%	124	1,565	13.3	84	3.2	85	4.5	4.0	3.8	3.4	3.4	58	84	6.2	0.7	
74%	114	1,449	12.9	79	3.0	85	4.4	4.0	3.7	3.3	3.3	59	83	6.1	0.8	
72%	110	1,361	12.7	75	2.7	84	4.4	3.9	3.7	3.3	3.2	60	83	6.1	0.8	
70%	100	1,202	12.4	73	2.6	84	4.3	3.8	3.6	3.2	3.2	61	83	6.0	0.9	
68%	91	1,152	12.1	70	2.4	83	4.3	3.8	3.6	3.1	3.1	61	82	6.0	1.0	
66%	85	1,066	11.9	65	2.3	83	4.2	3.8	3.6	3.1	3.1	62	82	6.0	1.0	
64%	78	1,007	11.7	63	2.1	82	4.2	3.7	3.5	3.0	3.0	63	81	5.9	1.1	
62%	71	950	11.5	61	2.0	82	4.1	3.7	3.5	2.9	2.9	64	80	5.9	1.1	
60%	65	908	11.2	59	1.9	82	4.1	3.6	3.4	2.8	2.8	64	80	5.9	1.2	
58%	59	859	11.1	57	1.8	81	4.1	3.6	3.4	2.8	2.8	65	80	5.9	1.2	
56%	52	805	10.9	55	1.7	81	4.0	3.5	3.4	2.7	2.7	65	79	5.8	1.3	
54%	45	764	10.6	52	1.6	80	4.0	3.5	3.3	2.6	2.6	65	78	5.8	1.4	
52%	38	731	10.5	50	1.5	80	3.9	3.4	3.3	2.5	2.5	66	78	5.8	1.4	
50%	32	706	10.3	49	1.4	79	3.9	3.4	3.3	2.5	2.5	67	77	5.7	1.5	
48%	28	674	10.1	48	1.3	79	3.9	3.3	3.2	2.4	2.4	67	76	5.7	1.6	
46%	23	650	10.0	46	1.3	79	3.8	3.3	3.2	2.3	2.3	68	76	5.7	1.7	
44%	16	633	9.8	45	1.1	78	3.8	3.2	3.2	2.2	2.2	68	75	5.7	1.7	
42%	11	615	9.6	44	1.1	78	3.8	3.1	3.1	2.1	2.1	69	74	5.6	1.8	
40%	6	597	9.4	42	1.0	77	3.7	3.1	3.1	2.0	2.0	69	74	5.6	1.9	
38%	1	586	9.2	41	1.0	77	3.7	3.1	3.0	1.9	1.9	70	73	5.6	2.0	
36%	1	569	8.9	40	0.9	76	3.7	3.0	3.0	1.8	1.8	70	73	5.5	2.1	
34%	1	555	8.7	39	0.8	75	3.6	3.0	3.0	1.7	1.7	71	72	5.5	2.2	
32%	1	541	8.5	38	0.8	75	3.6	2.9	2.9	1.6	1.6	72	71	5.5	2.3	
30%	1	525	8.2	36	0.7	74	3.5	2.9	2.9	1.4	1.4	72	71	5.4	2.4	
28%	1	511	7.9	35	0.7	73	3.5	2.8	2.8	1.3	1.3	73	70	5.4	2.6	
26%	1	496	7.7	33	0.6	72	3.4	2.8	2.8	1.2	1.2	73	69	5.4	2.7	
24%	1	483	7.3	32	0.5	71	3.4	2.7	2.7	1.0	1.0	74	69	5.3	2.9	
22%	1	475	7.0	30	0.5	70	3.3	2.6	2.6	0.8	0.9	75	68	5.3	3.0	
20%	1	463	6.3	29	0.4	70	3.3	2.6	2.6	0.6	0.7	75	67	5.3	3.2	
18%	1	450	5.8	28	0.3	68	3.2	2.5	2.5	0.4	0.4	76	66	5.2	3.5	
16%	1	439	5.3	26	0.3	67	3.2	2.4	2.4	0.1	0.2	77	65	5.2	3.9	
14%	1	432	4.2	25	0.2	66	3.1	2.3	2.3	-0.2	-0.1	78	64	5.1	4.0	
12%	1	423	3.4	23	0.1	65	3.0	2.2	2.2	-0.7	-0.7	78	62	5.1	4.4	
10%	1	413	2.3	21	0.1	63	3.0	2.0	2.1	-1.3	-1.1	79	59	4.9	4.9	
8%	1	406	1.0	19	0.0	60	2.9	1.8	1.8	-1.7	-1.7	81	58	4.9	5.6	
6%	1	401	-2.0	17	0.0	57	2.8	1.6	1.6	-2.7	-2.7	83	55	4.6	6.4	
4%	1	393	-6.2	15	0.0	53	2.7	1.3	1.4	-3.8	-3.6	85	51	4.4	7.6	
2%	1	385	-13.2	12	0.0	44	2.3	0.8	0.9	-6.4	-6.2	87	39	3.9	9.6	
LOWEST QUALITY	1	380	-45.6	0	0.0	3	0.5	-1.5	0.0	-9.5	-9.3	107	4	1.6	9.9	
2010 Q1	33	731	8.2	38	1.3	83	3.5	3.1	3.5	2.7	2.9	62	88	5.6	0.8	
2009 Q4	19	732	8.1	36	1.0	83	3.5	3.1	3.4	2.3	2.5	68	88	5.7	1.0	
DIFFERENCE	14	-1	0.1	2	0.3	0	0.0	0.0	0.1	0.4	0.4	-6	0	-0.1	-0.2	

Sample Bank  
City, ST

TOTAL LOANS					REAL ESTATE					C & I LOANS					PERSONAL LOANS					37				
WEIGHTED AVERAGE RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % TOTAL LOANS	LOAN GROWTH % YEAR OVER YEAR	REAL ESTATE LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % REAL ESTATE LOANS	LOAN GROWTH % YEAR OVER YEAR	COMMERCIAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % C & I LOANS	LOAN GROWTH % YEAR OVER YEAR	PERSONAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % PERSONAL LOANS	LOAN GROWTH % YEAR OVER YEAR
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
26.8	-99	0.0	979	102	16.9	0.0	14.4	-99	0.0	999	100	23.7	0.0	16.4	-99	0.0	999	100	25.0	0.0	16.2	-99	0.0	999
6.2	-58	0.3	45	99	7.2	0.1	5.8	-52	0.4	36	53	10.5	0.0	8.9	-99	0.0	62	88	14.9	0.0	9.6	-99	0.0	287
5.7	-44	0.5	27	97	6.8	0.2	5.5	-34	0.6	25	38	9.6	0.0	8.0	-96	0.0	37	36	13.2	0.2	9.0	-99	0.0	87
5.5	-30	0.7	19	96	6.7	0.2	5.4	-26	0.9	19	33	8.7	0.0	7.5	-87	0.0	26	25	11.9	0.3	8.2	-91	0.0	50
5.3	-24	0.9	15	95	6.5	0.3	5.3	-19	1.2	16	30	8.1	0.0	7.0	-83	0.1	21	21	11.2	0.4	7.9	-87	0.0	31
5.2	-18	1.0	13	93	6.4	0.4	5.1	-15	1.4	13	27	7.7	0.1	6.6	-79	0.1	16	18	10.6	0.5	7.6	-78	0.0	24
5.1	-13	1.1	10	92	6.3	0.4	5.1	-9	1.5	11	25	7.4	0.1	6.3	-73	0.2	14	16	10.0	0.5	7.3	-72	0.0	17
5.1	-9	1.2	8	91	6.3	0.5	5.0	-3	1.7	10	24	7.2	0.1	6.2	-66	0.3	11	14	9.5	0.5	7.1	-66	0.0	13
5.0	-5	1.4	7	90	6.2	0.5	4.9	2	1.9	9	23	7.0	0.1	6.0	-63	0.3	9	13	9.3	0.6	7.0	-62	0.1	11
4.9	-2	1.5	6	89	6.2	0.6	4.8	4	2.1	8	22	6.9	0.1	5.9	-58	0.4	8	12	9.1	0.7	6.8	-57	0.1	8
4.8	2	1.6	5	88	6.1	0.6	4.8	8	2.2	7	21	6.8	0.2	5.7	-51	0.4	6	11	8.9	0.7	6.7	-53	0.1	7
4.7	4	1.7	5	88	6.1	0.7	4.6	12	2.4	6	21	6.7	0.2	5.6	-47	0.5	5	9	8.8	0.8	6.5	-47	0.1	5
4.7	7	1.8	4	87	6.1	0.7	4.6	15	2.5	5	20	6.6	0.2	5.5	-44	0.5	4	9	8.6	0.9	6.4	-43	0.1	4
4.6	10	2.0	4	86	6.0	0.8	4.5	18	2.7	5	19	6.5	0.2	5.4	-39	0.6	3	8	8.5	0.9	6.3	-42	0.2	3
4.6	13	2.1	3	86	6.0	0.9	4.5	21	2.9	4	18	6.4	0.2	5.4	-35	0.7	2	7	8.4	1.0	6.1	-40	0.2	2
4.5	17	2.2	2	85	6.0	0.9	4.4	25	3.1	4	17	6.3	0.3	5.3	-29	0.8	1	6	8.4	1.0	6.0	-38	0.2	0
4.5	21	2.4	2	85	5.9	1.0	4.3	30	3.2	3	17	6.2	0.3	5.2	-25	0.8	0	6	8.2	1.1	5.9	-35	0.2	-1
4.4	23	2.5	1	84	5.9	1.1	4.2	33	3.5	3	17	6.2	0.3	5.1	-20	0.9	-1	5	8.1	1.1	5.8	-32	0.2	-2
4.3	26	2.6	1	83	5.9	1.1	4.2	38	3.6	2	16	6.1	0.4	5.1	-16	1.0	-2	5	8.0	1.2	5.7	-29	0.3	-2
4.3	28	2.8	0	83	5.8	1.2	4.1	40	3.8	2	16	6.0	0.4	5.0	-11	1.1	-3	5	8.0	1.2	5.6	-26	0.3	-3
4.2	31	2.9	0	82	5.8	1.3	4.0	43	4.1	1	15	6.0	0.4	4.9	-8	1.2	-4	5	7.9	1.3	5.6	-23	0.3	-4
4.2	34	3.1	-1	82	5.8	1.4	3.9	46	4.3	1	15	5.9	0.5	4.8	-6	1.3	-5	4	7.8	1.4	5.5	-20	0.3	-4
4.1	37	3.2	-1	81	5.7	1.5	3.9	49	4.5	0	14	5.9	0.5	4.8	-2	1.4	-6	4	7.8	1.4	5.4	-16	0.3	-5
4.0	40	3.4	-1	81	5.7	1.5	3.8	52	4.7	-1	14	5.8	0.5	4.7	3	1.5	-7	4	7.7	1.5	5.3	-13	0.4	-6
3.9	43	3.5	-2	80	5.7	1.6	3.7	56	4.9	-1	13	5.8	0.6	4.6	10	1.6	-7	4	7.6	1.6	5.2	-9	0.4	-7
3.8	46	3.7	-2	79	5.7	1.7	3.6	60	5.1	-1	13	5.7	0.6	4.6	17	1.7	-8	4	7.5	1.6	5.1	-6	0.4	-7
3.7	50	3.8	-3	78	5.6	1.8	3.5	64	5.4	-2	13	5.7	0.6	4.5	22	1.8	-9	4	7.4	1.7	5.0	-4	0.4	-8
3.6	54	4.0	-3	78	5.6	1.9	3.4	67	5.6	-2	12	5.6	0.7	4.4	27	1.9	-10	3	7.3	1.8	4.9	0	0.5	-9
3.5	57	4.2	-4	77	5.6	1.9	3.3	71	5.9	-3	12	5.6	0.7	4.4	32	2.0	-10	3	7.2	1.9	4.7	1	0.5	-10
3.4	61	4.3	-4	76	5.5	2.0	3.2	75	6.2	-3	11	5.5	0.8	4.3	38	2.1	-11	3	7.1	2.0	4.7	4	0.5	-11
3.3	65	4.6	-4	76	5.5	2.1	3.1	81	6.5	-4	11	5.5	0.8	4.2	45	2.2	-12	3	7.1	2.1	4.5	8	0.6	-12
3.3	68	4.8	-5	75	5.5	2.2	3.0	86	6.6	-4	11	5.4	0.9	4.2	58	2.3	-13	3	7.0	2.3	4.4	11	0.6	-13
3.1	73	5.0	-5	74	5.5	2.4	2.9	91	7.0	-4	10	5.4	0.9	4.1	66	2.5	-13	3	6.9	2.4	4.3	16	0.7	-13
3.0	78	5.3	-6	73	5.4	2.5	2.7	99	7.3	-5	10	5.3	1.0	4.0	77	2.6	-14	3	6.8	2.4	4.2	20	0.7	-14
2.9	84	5.6	-6	72	5.4	2.6	2.5	104	7.7	-6	10	5.3	1.0	3.9	85	2.8	-14	3	6.8	2.7	4.0	26	0.8	-15
2.8	93	5.8	-7	71	5.4	2.7	2.4	112	8.1	-6	9	5.2	1.1	3.9	100	3.0	-16	2	6.7	2.9	3.9	32	0.8	-16
2.7	99	6.2	-8	70	5.3	2.9	2.2	120	8.5	-7	9	5.2	1.2	3.8	115	3.2	-17	2	6.6	3.1	3.7	42	0.9	-17
2.5	106	6.5	-8	69	5.3	3.0	2.0	125	8.8	-8	8	5.1	1.2	3.6	135	3.4	-18	2	6.5	3.3	3.5	49	0.9	-18
2.4	112	6.8	-9	68	5.2	3.3	1.9	135	9.3	-8	8	5.0	1.3	3.5	155	3.7	-18	2	6.4	3.5	3.3	57	1.0	-20
2.2	119	7.1	-10	67	5.2	3.4	1.6	144	9.8	-9	8	5.0	1.4	3.4	170	3.8	-19	2	6.3	3.7	3.1	66	1.1	-21
2.0	130	7.6	-10	65	5.2	3.6	1.4	155	10.3	-10	7	4.9	1.5	3.3	186	4.1	-20	2	6.3	4.0	2.9	75	1.2	-22
1.8	141	8.1	-11	64	5.1	3.9	1.2	164	10.9	-11	7	4.9	1.6	3.2	209	4.3	-22	2	6.2	4.3	2.6	91	1.3	-24
1.6	152	8.9	-12	62	5.1	4.1	0.8	174	11.7	-12	6	4.8	1.7	3.1	272	4.9	-23	2	6.0	4.7	2.2	113	1.5	-26
1.3	164	9.5	-13	60	5.0	4.5	0.4	193	12.9	-13	6	4.7	1.9	3.0	315	5.2	-25	2	5.9	5.4	2.0	140	1.6	-27
0.9	180	10.5	-14	58	5.0	4.8	0.1	222	13.9	-13	6	4.6	2.1	2.7	393	5.7	-27	1	5.8	5.9	1.7	152	1.9	-29
0.7	211	11.3	-16	55	4.9	5.4	-0.5	257	15.7	-15	5	4.5	2.4	2.6	473	6.7	-29	1	5.4	7.2	1.4	192	2.1	-33
0.1	240	12.9	-17	52	4.8	6.1	-1.1	295	17.0	-16	4	4.4	2.7	2.2	573	7.4	-33	1	5.2	8.1	0.6	286	2.5	-35
-1.0	284	14.6	-19	49	4.6	6.8	-2.0	346	19.5	-17	4	4.2	3.1	1.9	794	8.4	-37	1	4.6	9.1	-0.5	418	2.9	-39
-1.8	354	17.2	-21	41	4.4	8.3	-3.5	418	22.9	-20	3	4.0	3.6	1.4	999	9.6	-41	1	3.9	10.9	-2.3	718	3.6	-45
-4.1	589	22.3	-27	29	4.1	10.8	-6.2	616	27.4	-26	2	3.4	5.0	0.3	999	13.8	-50	1	3.1	15.9	-4.6	999	4.8	-55
-6.6	999	50.6	-56	1	2.4	38.9	-32.2	999	88.5	-52	1	1.9	15.1	-7.8	999	73.7	-85	1	1.6	20.0	-16.9	999	26.7	-89
4.4	78	2.8	-1	59	6.1	1.0	4.7	75	4.4	-24	17	5.6	0.3	4.9	181	0.7	3	2	7.7	10.3	-3.0	219	1.2	-24
4.2	72	2.8	2	75	5.8	1.1	4.2	70	3.5	17	16	5.7	0.2	4.9	728	0.6	-3	2	7.8	10.8	-3.5	-43	0.3	-24

# Bank Glossary

Each bank in the **Loan Performance Digest** (LPD) has a one-line analysis and a one-number summary rank of quality. Ranks are the opinion of IDC Financial Publishing, Inc., and reflect the efficiency of each bank's lending activities.

Ranks reflect the coverage of problem loans by loan loss reserves and of net charge-offs by earnings. Also, historic net charge-off rates (expected losses) and their standard deviation (unexpected losses) risk adjust the yield spreads between loan income and cost of funds or U.S. T-Bill yields — in total and by type of loan. Levels and growth in no problem loans are reflected in ranks.

Ranks range from 1 (the lowest) to 300 and are categorized into six groups. The table below presents a breakdown of loan portfolio quality by portfolio size.

## Bank Type/Rank Matrix of Loan Performance in 2010 Q1

*U.S. Bank Holding Companies, U.S. Commercial Banks, & Savings Banks Reporting to the FDIC*

<u>Range of Rank</u>		<u>Bank Hold Co's</u>	<u>Total Banks</u>	<u>Assets In Foreign Offices</u>	<u>Assets In Domestic Offices</u>
200 - 300	Superior	87	1,657	8	1,649
165 - 199	Excellent	60	621	4	617
125 - 164	Average	66	688	5	683
75 - 124	Below Average	107	889	13	876
2 - 74	Lowest Ratios	217	1,354	32	1,322
1	Rank of One	413	1,841	44	1,797
NC	Not Calculated	83	3	0	3
<b>Totals:</b>		<b>1,033</b>	<b>7,053</b>	<b>106</b>	<b>6,947</b>


**NC = Not Calculated**

## RANK

Ranks are the opinion of IDC Financial Publishing, Inc. Ranks range from 1 (the lowest) to 300 (the highest) and fall into one of the following six groups. **Descriptions reflect the average ratios of each group listed at the top of the following two pages.**

<b>Superior</b> (200-300)	These bank loan portfolios exhibit excess-coverage of potential loan losses, wide risk-adjusted spreads to cost of funds, and risk-adjusted loan yields more than T-Bill yields over the last 12 months.
<b>Excellent</b> (165-199)	Banks ranked excellent have equity capital more than adequately covering problem assets, generating a wide risk-adjusted loan spread to cost of funds, and earning more than T-Bill yields during the past 5 years and 12 months.
<b>Average</b> (125-164)	Reasonable coverage of problem loans and a minimum risk-adjusted loan yield premium to T-Bills over 5 years highlights the bank loan portfolios ranked average.
<b>Below Average</b> (75-124)	Banks with below average loan ranks have loan loss reserves of almost one-half of problem loans, a minimum earnings coverage, and generally inefficient risk-adjusted loan yields to cost of funds and T-Bill yields. Risk-adjusted loan yields over funding costs and over the alternative investment in T-Bills, experienced during the last year, are uneconomical. Risk adjusted capital as a percent of loans is minimal.
<b>Lowest Ratios</b> (2-74)	The lowest ranked bank loan portfolios have narrow risk-adjusted yield spreads to cost of funds over five years and over the last 12 months. Risk-adjusted loan yields over the last year were quite low, raising questions as to asset allocation and profitability.
<b>Banks with a Rank of One</b> (1)	Banks with a Rank of One (1) have narrow risk-adjusted yield spreads, limited capital and reserves to problem loans, narrow earnings coverage of projected loan losses, and highest risk of loan comparisons.

## RATIOS

Ratios are defined on the following three pages. Ratios that impact the IDC rank are identified with this symbol: 

Instructions for calculating the rank follow the Glossary.

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	NUMBER OF BANKS	RANK OF LOAN ACTIVITY	TOTAL LOANS \$ IN MILLIONS	TIER I CAPITAL + LLR LESS PROBLEM LOANS % TOTAL LOANS	LOAN LOSS RESERVE % PROBLEM LOANS	EARNINGS COVERAGE OF PROJECTED CHARGE-OFFS	TOTAL LOANS % EARNING ASSETS	LOAN YIELD TO COST OF FUNDING DEBT	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO 3 MO T-BILL	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO INT-BEARING LIAB	COST OF DEBT QTRS % 5 YR AVG	TOTAL LOANS % EARNING ASSETS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>BANKS RANKED &gt; 200</b>	1657	228	227,983	20.4	327	13.9	69	5.4	4.7	4.3	4.8	4.8	63	66	7.7	1.2
<b>BANKS RANKED 165 TO 199</b>	621	183	157,483	16.4	148	7.8	71	4.2	3.9	3.7	3.6	66	70	6.0	0.6	
<b>BANKS RANKED 125 TO 164</b>	688	140	298,849	17.1	183	5.0	71	4.7	3.0	3.1	3.0	3.1	58	71	7.4	2.5
<b>BANKS RANKED 75 TO 124</b>	889	97	680,759	17.7	193	2.4	82	6.2	2.4	2.4	2.7	3.0	44	79	9.3	5.2
<b>BANKS RANKED &lt; 75</b>	3195	17	5,513,369	11.5	67	1.5	69	3.9	2.6	2.2	1.4	1.5	49	66	5.7	3.0
<b>ALL BANKS</b>	7050	41	6,878,442	12.8	94	2.3	70	4.2	2.7	2.3	1.7	1.9	49	67	6.2	3.1

## RANK

### 1. Rank of Loan Activity

The summary rank of loan activity is an evaluation of the economic value of lending. The loan ratios analyzed include loan loss reserves to problem loans, earnings coverage of net charge-offs, risk-adjusted loan yield spreads to costs of funds and 90-day T-Bill yields, growth in problem loans, and problem loans to total loans.

## LOANS AND CAPITAL

### 2. Total Loans in Millions of Dollars

Total loans and leases including loan loss reserves and unearned income (in millions of dollars).

### 3. Equity Capital and Loan Loss Reserve (LLR) Less Problem Loans as a % of Loans

Equity capital (Tier I) and loan loss reserve less problem loans are divided by total loans, as a percentage. Problem loans include loans 90-days past due and accruing, nonaccrual loans, restructured loans, and repossessed property. A ratio below 6% indicates a potential lack of capital to support future loan delinquency in recessionary periods.

### 4. Loan Loss Reserve % Problem Loans

The reserve for loan and lease losses is divided by problem loans which include loans 90-days past due, nonaccrual and restructured loans (excluding restructured loans to foreign governments), and repossessed property, as a percentage.

### 5. Earnings Coverage of Projected Net Charge-offs

Earnings before taxes plus the loan loss provision are divided by projected net charge-offs.

## LOAN SPREADS-LAST 5 YEARS

### 6. Total Loans % Earning Assets

The last 5-year quarterly averages of total loans and leases are divided by earning assets, as a percentage. Earning assets are defined as loans and leases, interest-bearing balances, securities, trading account plus the net of federal funds sold, and securities purchased for resale.

### 7. Loan Yield to Cost of Funding Debt

The last 5-year loan and tax-equivalent lease income is divided by average quarterly loans and leases, as a percentage. Interest costs for the last five years, as a percentage of quarterly average adjusted debt, are subtracted from the loan yield, providing the spread. Adjusted debt is defined as earning assets less equity capital and loan loss reserves, or the deposits and borrowings required to fund these net earning assets.

### 8. Risk-adjusted Yield to Cost of Debt

Loan income and cost of debt, as calculated in Column 7, with the spread differential reduced by the 5-year average of the historic charge-off rate.

### 9. Risk-adjusted Yield to 3-month T-Bill Yield

The 5-year yield on loans and leases less the same period's weighted average of the historic net charge-off rate and the 3-month T-Bill yield, provides the risk-adjusted spread.

TOTAL LOANS					REAL ESTATE					C & I LOANS					PERSONAL LOANS									
WEIGHTED AVERAGE RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % TOTAL LOANS	LOAN GROWTH % YEAR OVER YEAR	REAL ESTATE LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % REAL ESTATE LOANS	LOAN GROWTH % YEAR OVER YEAR	COMMERCIAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % C & I LOANS	LOAN GROWTH % YEAR OVER YEAR	PERSONAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % PERSONAL LOANS	LOAN GROWTH % YEAR OVER YEAR
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
6.0	77	0.8	25	65	6.3	0.3	5.6	77	1.2	8	19	6.6	0.2	6.0	52	0.6	13	23	9.1	2.5	6.2	48	0.6	22
5.0	74	1.1	14	69	5.9	0.5	4.9	69	1.7	7	17	6.2	0.3	5.4	62	1.0	1	10	7.5	1.8	5.2	61	0.6	8
4.5	99	1.7	32	60	5.6	0.8	4.4	83	2.5	79	19	5.2	0.6	4.4	56	1.6	95	36	8.7	3.9	4.4	47	1.1	69
3.7	62	3.1	29	66	5.5	1.8	3.9	84	5.3	2	13	7.5	1.3	5.8	27	3.4	-5	55	10.1	9.4	0.3	46	2.5	46
2.2	74	6.2	-5	64	5.1	3.3	1.4	84	10.2	0	16	5.3	1.3	3.6	60	3.5	-18	16	6.9	5.6	0.9	42	2.0	15
2.7	74	5.4	2	64	5.2	2.9	1.8	83	9.1	3	16	5.6	1.2	3.9	57	3.2	-10	20	7.4	5.7	1.3	43	2.0	20

## LOAN SPREADS-LAST 4 QTRS

The risk-adjusted loan yield is compared to the cost of debt (or that portion of deposits and borrowings funding earning assets, less equity capital and loan loss reserves). This yield is also compared to the interest cost of interest-bearing liabilities. The latter spread ignores any funding of earning assets by demand deposits. If interest-bearing liabilities are greater than net adjusted debt (earning assets less equity capital and the loan loss reserve), then these deposits or borrowings fund nonearning assets.

### 10. Risk-adjusted Yield to Cost of Debt

This risk-adjusted loan yield is the ratio of loan and tax-equivalent lease income (over 4 quarters) to average loans and leases, less the weighted average of the projected net charge-off rate to loans and the interest cost of adjusted debt, as defined in Column 7.

### 11. Risk-adjusted Yield to Cost of Interest-bearing Liabilities

This risk-adjusted loan yield is the ratio of loan and tax-equivalent lease income (over four quarters) to average loans and leases, less the weighted average of projected net charge-off rate to loans and the interest cost of interest-bearing liabilities.

### 12. Interest Costs % Adjusted Debt-Last 4 Quarters to Last 5-year Annual Average

The comparison of interest costs as a percent of adjusted debt over the last four quarters is divided by the 5-year average. This ratio demonstrates the degree of deposit cost pressure experienced over the past year.

## RISK-ADJUSTED LOAN YIELDS BY TYPE OF LOAN

The combination of problem loan growth greater than 100% at quarter end, and problem loans greater than 2% of average loans outstanding indicates the potential for excessive loan delinquency.

### 13. Total Loans % Earning Assets

The quarterly average of total loans is divided by earning assets, as a percentage.

### 14. Yield on Total Loans — Last 4 Quarters

Loan and tax-equivalent lease income for the last four quarters is divided by the quarterly average of loans and leases, as a percentage.

### 15. Projected Net Charge-offs % Loans

The projected net charge-off rate (net of loan recoveries) is a weighted average of NCO and its standard deviation by the level of loan type.

## Projected Loan Net Charge-offs

The changing mix of loans concentrated in real estate lending requires a projection of net loan charge-offs grounded in recent economic performance at financial institutions. Good bank examiners would argue that provisions should also reflect changes in economic cycles and potential loan losses that might occur over more than one year.

After all, what happens when the economy declines into recession and a financial institution suddenly receives through foreclosure a large group of properties than can only be resold at a significant loss?

This is why three-, four-, or five-year trends should be examined for a base projection of expected loss. IDC estimates projected charge-offs from a five-year (to only a

LOAN PERFORMANCE DIGEST  
FDIC DATA ENDING - 1st QTR, 2010

AVERAGES OF  
LOAN QUALITY RATIOS  
GROUPED BY RANK

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	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	NUMBER OF HOLDING COMPANIES	RANK OF LOAN ACTIVITY	TOTAL LOANS \$ IN MILLIONS	TIER 1 CAPITAL + LLR LESS PROBLEM LOANS % TOTAL LOANS	LOAN LOSS RESERVE % PROBLEM LOANS	EARNINGS COVERAGE OF PROJECTED CHARGE-OFFS	TOTAL LOANS % EARNING ASSETS	LOAN YIELD TO COST OF FUNDING DEBT	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO 3 MO T-BILL	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO INT-BEARING LIAB	COST OF DEBT 4 QTRS % 5 YR AVG	TOTAL LOANS % EARNING ASSETS	YIELD ON LOANS LAST 4 QTRS	PROI CHARGE-OFFS % LOANS
<b>HOLDING COMPANIES RANKED &gt; 200</b>	87	226	66,536	21.2	238	14.2	61	5.1	4.4	3.7	5.1	5.0	59	58	6.6	0.5
<b>HOLDING COMPANIES RANKED 165 TO 199</b>	60	182	78,359	14.5	124	5.7	70	4.1	3.9	3.5	3.7	3.6	63	69	5.9	0.6
<b>HOLDING COMPANIES RANKED 125 TO 164</b>	66	141	124,821	16.3	91	5.5	65	3.5	3.2	2.8	3.1	3.0	52	64	5.1	0.7
<b>HOLDING COMPANIES RANKED 75 TO 124</b>	107	95	199,356	22.7	73	4.2	75	3.9	3.5	3.0	2.8	2.8	59	64	5.3	1.0
<b>HOLDING COMPANIES RANKED &lt; 75</b>	630	9	6,078,196	13.2	74	1.9	62	3.7	2.1	1.8	0.2	0.1	52	59	5.1	3.5
<b>ALL HOLDING COMPANIES</b>	950	18	6,547,268	13.7	76	2.2	62	3.8	2.2	1.9	0.4	0.3	52	60	5.1	3.3

**Given Problem Loans Are Greater Than 2% of Total Loans**

Type of Loan	Limit on Projected Net Charge-offs Equals
I. Real Estate Loans	
a) Construction	40% of Constr. RE loans 90-days PD + Nonaccr. + REO
b) Nonresidential	40% of Nonres. RE Loans 90-days PD + Nonaccr. + REO
c) Farm	10% of Farm RE Loans 90-days PD + Nonaccr. + REO
d) 5 + Family	30% of 5+ RE 90-days PD + Nonaccr. + REO
e) 1-4 Family	20% of 1-4 RE 90-days PD + Nonaccr. + REO
	Max. 40% and min. 20% of 90-day past due, nonaccrual and REO.
II. Personal Loans (incl. credit card)	If rate of last 12 mos. exceeds 5-yr. avg. plus 1 SD, use recent experience w/a minimum of 40% 90-day PD plus nonaccrual.
III. Commercial & Industrial	Max. 40% and min. 20% of 90-day past due nonaccrual.
IV. Farm Loans	
V. Foreign Loans	
VI. All Other Loans	

three-year) average experience (expected loss) plus one standard deviation around the mean (to account for unexpected loss) given problem assets are below levels noted in the table at left.

High problem assets require special projections to reflect a cross section analysis of current charge-offs versus problem loans for all banks in the country.

The minimum standards for individual types of non-real estate loans were established by analyzing all bank data. Net charge-off rates for each type of loan were compared to their level of problem by type.

**16. Risk-adjusted Loan Yield — Last 4 Qtrs.**

The T-Bill yield and net charge-offs are subtracted from the loan income yield, providing the risk-adjusted yield spread. The 3-month T-Bill total yield is used for comparison as a risk-free asset alternative.

**17. Problem Loan Growth — Year To Year % Change**

Problem loans, which include loans 90-days past due, nonaccrual and restructured loans (excluding restructured loans to foreign governments) and repossessed assets (repossessed assets are only included in real estate and total problem loans) are compared to the year-earlier values, as a percentage.

**18. Problem Loans % Total Loans**

Problem loans, as defined in Column 17, are divided by the quarter's average of loans.

TOTAL LOANS				REAL ESTATE				C & I LOANS				PERSONAL LOANS												
WEIGHTED AVERAGE RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % TOTAL LOANS	LOAN GROWTH % YEAR OVER YEAR	REAL ESTATE LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % REAL ESTATE LOANS	LOAN GROWTH % YEAR OVER YEAR	COMMERCIAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % C & I LOANS	LOAN GROWTH % YEAR OVER YEAR	PERSONAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % PERSONAL LOANS	LOAN GROWTH % YEAR OVER YEAR
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
5.9	74	0.9	2	71	5.9	0.3	5.3	87	1.3	8	20	5.9	0.3	5.5	90	0.7	6	13	7.6	2.9	4.6	46	0.5	9
5.1	48	1.4	3	73	5.9	0.6	5.1	73	2.0	9	14	6.1	0.5	5.4	140	1.5	4	9	7.7	1.6	6.0	5	0.2	-7
4.3	57	1.7	2	67	5.3	1.0	4.1	142	3.0	12	17	5.1	0.4	4.5	56	1.2	-2	10	6.2	1.9	4.1	133	0.7	7
4.1	52	2.8	3	65	5.1	3.8	1.2	79	10.4	8	20	5.1	0.8	4.2	45	2.2	2	9	6.4	1.6	4.5	39	0.5	33
1.5	37	6.1	-1	52	5.0	3.3	1.7	46	11.3	-3	14	5.3	2.4	2.7	36	6.7	-7	19	8.8	7.4	1.2	53	2.2	9
1.7	38	5.8	-1	53	5.1	3.2	1.8	50	10.9	-3	14	5.3	2.2	2.8	38	6.3	-7	18	8.7	7.1	1.4	54	2.1	10

**19. Loan Growth — Year To Year % Change**

The quarter's average loan balance is compared to the year-earlier levels, as a percentage.

The last seven calculations for total loans (Columns 13 through 19) are repeated for each type of loan:

- Real Estate Loans** — Columns 20-26
- C&I Loans** — Columns 27-33
- Personal Loans (Including Credit Card)** — Columns 34-40

**SPECIAL REPORTS - FARM, FOREIGN, ALL OTHER, AND SMALL COMMUNITY BANKS**

The seven loan calculations (Columns 13 - 19) are found in Columns 9 - 15 of the special reports (see colored pages). The first eight columns for these special reports match Columns 1-8, as defined in this Glossary.

**Why can't I find a bank?**

The **Loan Performance Digest** lists subsidiary banks directly beneath their holding companies.

Refer to the **Bank Holding Company Subsidiary Directory** in Appendix A to find subsidiaries which are owned by a holding company located within their state or located in a different state.

**NC = Not Calculated**

Why an "NC" may appear where a financial ratio would normally be:

- Unavailable data or ratio not calculated.
- IDC establishes filters to preserve the integrity of the analysis. An institution that reported a figure which was clearly erroneous will not show a value in that column.

**Three-Month Treasury Bill Yield (Trailing Four Quarters)**

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Q1 4.98	Q1 5.44	Q1 5.17	Q1 5.18	Q1 4.72	Q1 5.05	Q1 5.79	Q1 2.67
Q2 5.41	Q2 5.29	Q2 5.17	Q2 5.16	Q2 4.59	Q2 5.37	Q2 5.25	Q2 2.17
Q3 5.64	Q3 5.22	Q3 5.16	Q3 5.11	Q3 4.54	Q3 5.73	Q3 4.53	Q3 1.77
Q4 5.64	Q4 5.14	Q4 5.18	Q4 4.89	Q4 4.75	Q4 5.97	Q4 3.47	Q4 1.62
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Q1 1.48	Q1 0.96	Q1 1.80	Q1 3.68	Q1 4.99	Q1 3.71	Q1 1.01	Q1 0.42
Q2 1.31	Q2 0.97	Q2 2.26	Q2 4.15	Q2 5.00	Q2 2.91	Q2 0.73	
Q3 1.13	Q3 1.11	Q3 2.74	Q3 4.56	Q3 4.85	Q3 2.19	Q3 0.44	
Q4 1.02	Q4 1.39	Q4 3.20	Q4 4.84	Q4 4.46	Q4 1.40	Q4 0.46	

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# **Loan Components of Rank with Instructions for Calculating Rank**

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LOAN PERFORMANCE DIGEST  
FDIC DATA ENDING - 1st QTR, 2010

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		RANK	LOANS & CAPITAL					LOAN SPREAD LAST 5 YEARS				LOAN SPREAD LAST 4 QTRS			TOTAL LOANS		
		RANK OF LOAN ACTIVITY	TOTAL LOANS \$ IN MILLIONS	TIER 1 CAPITAL + LLR LESS PROBLEM LOANS % TOTAL LOANS	LOAN LOSS RESERVE % PROBLEM LOANS	EARNINGS COVERAGE OF PROJECTED CHARGE-OFFS	TOTAL LOANS % EARNING ASSETS	LOAN YIELD TO COST OF FUNDING DEBT	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO 3 MO T-BILL	RISK-ADJUSTED YIELD TO COST OF DEBT	RISK-ADJUSTED YIELD TO INT-BEARING LIAB	COST OF DEBT 4 QTRS % 5 YR AVG	TOTAL LOANS % EARNING ASSETS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	
		HIGHEST QUALITY	300	741,621	99.9	999	99.9	99	28.2	23.9	21.4	26.1	26.1	0	100	27.5	0.1
9	0	98%	279	3,114	54.9	999	32.1	93	7.0	6.6	5.9	6.2	6.1	39	94	8.5	0.1
		96%	265	1,429	40.1	662	23.5	91	6.5	6.2	5.5	5.8	5.5	46	91	7.9	0.1
		94%	254	908	33.3	450	17.5	90	6.2	5.9	5.2	5.4	5.2	49	90	7.7	0.1
		92%	246	654	29.1	346	14.1	89	6.0	5.7	5.1	5.2	5.1	52	89	7.5	0.1
		90%	240	550	26.8	273	12.0	88	5.8	5.5	4.9	5.1	4.9	53	88	7.4	0.2
8	1	88%	235	463	24.7	227	10.1	87	5.7	5.4	4.8	5.0	4.8	55	87	7.3	0.2
		86%	228	403	23.1	192	8.9	86	5.6	5.3	4.8	4.8	4.7	57	86	7.2	0.2
		84%	223	357	22.0	167	7.8	85	5.5	5.2	4.7	4.7	4.6	58	85	7.1	0.3
		82%	217	317	20.8	149	6.8	84	5.4	5.1	4.6	4.6	4.5	59	84	7.0	0.3
		80%	210	287	19.8	135	6.0	84	5.3	5.0	4.6	4.6	4.4	60	83	6.9	0.3
7	2	78%	204	259	19.0	122	5.3	83	5.2	4.9	4.5	4.5	4.3	61	83	6.9	0.4
		76%	198	233	18.4	112	4.8	82	5.2	4.8	4.5	4.4	4.3	62	82	6.8	0.4
		74%	190	215	17.6	103	4.3	82	5.1	4.7	4.4	4.3	4.2	62	81	6.8	0.5
		72%	182	199	16.9	97	4.0	81	5.0	4.7	4.4	4.2	4.1	63	81	6.7	0.5
		70%	174	183	16.4	91	3.7	80	4.9	4.6	4.3	4.2	4.0	64	80	6.7	0.5
6	3	68%	166	170	15.8	84	3.4	80	4.9	4.6	4.3	4.1	3.9	65	79	6.6	0.6
		66%	157	160	15.4	80	3.2	79	4.8	4.5	4.2	4.0	3.9	65	79	6.6	0.6
		64%	149	148	14.9	75	2.9	78	4.8	4.4	4.2	3.9	3.8	66	78	6.5	0.7
		62%	141	140	14.5	72	2.7	78	4.7	4.4	4.1	3.9	3.7	66	77	6.5	0.7
		60%	133	132	14.1	68	2.5	77	4.7	4.3	4.1	3.8	3.7	67	76	6.5	0.8
5	4	58%	125	124	13.8	65	2.3	76	4.6	4.3	4.0	3.7	3.6	67	76	6.4	0.8
		56%	116	116	13.5	62	2.1	76	4.6	4.2	4.0	3.6	3.5	68	75	6.4	0.9
		54%	109	110	13.2	59	2.0	75	4.6	4.2	4.0	3.6	3.4	69	74	6.4	0.9
		52%	100	103	12.9	56	1.9	74	4.5	4.1	3.9	3.5	3.4	69	73	6.3	1.0
		50%	92	98	12.6	54	1.7	74	4.5	4.1	3.9	3.4	3.3	69	73	6.3	1.0
4	5	48%	85	92	12.3	52	1.6	73	4.4	4.0	3.8	3.3	3.2	70	72	6.3	1.1
		46%	77	86	12.0	49	1.5	72	4.4	4.0	3.8	3.2	3.1	71	71	6.2	1.1
		44%	69	81	11.8	47	1.4	71	4.3	3.9	3.8	3.2	3.1	71	71	6.2	1.2
		42%	62	76	11.5	45	1.3	70	4.3	3.9	3.7	3.1	3.0	72	70	6.2	1.3
		40%	55	72	11.3	44	1.1	70	4.2	3.8	3.7	3.0	2.9	72	69	6.1	1.4
3	6	38%	46	68	11.0	42	1.1	69	4.2	3.8	3.6	2.9	2.8	73	68	6.1	1.4
		36%	39	64	10.7	40	1.0	68	4.1	3.7	3.6	2.8	2.7	73	67	6.0	1.5
		34%	31	60	10.4	39	0.9	67	4.1	3.6	3.6	2.7	2.6	74	66	6.0	1.6
		32%	24	57	10.2	37	0.8	66	4.0	3.6	3.5	2.6	2.5	74	65	6.0	1.7
		30%	16	53	9.9	35	0.7	65	4.0	3.5	3.5	2.5	2.4	75	64	5.9	1.8
2	7	28%	8	49	9.6	33	0.6	64	3.9	3.5	3.4	2.3	2.3	75	63	5.9	1.9
		26%	1	46	9.3	32	0.5	63	3.9	3.4	3.3	2.2	2.1	76	62	5.9	2.1
		24%	1	42	9.0	30	0.5	62	3.8	3.3	3.3	2.0	2.0	77	60	5.8	2.2
		22%	1	39	8.7	29	0.4	60	3.8	3.2	3.2	1.9	1.8	77	59	5.8	2.4
		20%	1	36	8.3	28	0.3	59	3.7	3.2	3.2	1.7	1.6	78	57	5.7	2.5
1	8	18%	1	33	7.7	26	0.2	57	3.7	3.1	3.1	1.4	1.3	78	56	5.7	2.7
		16%	1	29	7.2	25	0.2	55	3.6	3.0	3.0	1.1	1.1	79	54	5.6	2.9
		14%	1	26	6.4	23	0.1	53	3.5	2.9	2.9	0.8	0.8	80	52	5.6	3.2
		12%	1	24	5.5	21	0.0	51	3.4	2.8	2.8	0.4	0.4	81	50	5.5	3.6
		10%	1	21	4.4	20	0.0	49	3.3	2.6	2.7	0.0	-0.1	82	47	5.4	4.0
0	9	8%	1	18	2.8	18	0.0	46	3.2	2.5	2.5	-0.6	-0.7	84	44	5.4	4.5
		6%	1	15	0.6	16	0.0	43	3.1	2.3	2.3	-1.5	-1.5	85	40	5.2	5.2
		4%	1	12	-3.0	14	0.0	37	2.9	2.0	2.0	-2.6	-2.6	88	35	5.1	6.2
		2%	1	8	-9.1	12	0.0	30	2.7	1.5	1.5	-4.6	-4.6	91	29	4.8	8.0
		LOWEST QUALITY	1	2	-45.6	0	0.0	2	-0.8	-6.7	0.0	-9.6	-9.3	169	2	1.3	9.9

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Value</b>	33	731	8.2	38	1.3	83	3.5	3.1	3.5	2.7	2.9	62	88	5.6	0.8
<b>Quality Level Multiplier</b>															
<b>Weight</b>	NA	☆	☆	☆	NA	NA	NA	NA	☆	NA	NA	NA	☆	NA	
<b>Cap</b>			±60	-70	+60					±150				+30	
<b>Score</b>			8.2	-62.4	12.7					54.7				11.2	
<b>Summation</b>	32.5		8.2	-54.2	-41					13.2				24.4	

☆ Refer to Instructions for Calculating Your Rank

**Sample Bank**  
City, ST

TOTAL LOANS

REAL ESTATE

C & I LOANS

PERSONAL LOANS

WEIGHTED AVERAGE RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % TOTAL LOANS	LOAN GROWTH % YEAR OVER YEAR	REAL ESTATE LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % REAL ESTATE LOANS	LOAN GROWTH % YEAR OVER YEAR	COMMERCIAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % C & I LOANS	LOAN GROWTH % YEAR OVER YEAR	PERSONAL LOANS % TOTAL LOANS	YIELD ON LOANS LAST 4 QTRS	PROJ CHARGE-OFFS % LOANS	RISK-ADJUSTED LOAN YIELD - 4 QTR	PROBLEM LOAN GROWTH % YEAR OVER YEAR	PROBLEM LOANS % PERSONAL LOANS	LOAN GROWTH % YEAR OVER YEAR
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
26.8	-99	0.0	999	137	25.2	0.0	22.2	-99	0.0	999	100	29.5	0.0	29.1	-99	0.0	999	100	29.9	0.0	29.1	-99	0.0	999
7.2	-94	0.0	69	98	8.4	0.0	7.3	-99	0.0	82	42	11.4	0.0	10.4	-99	0.0	123	33	13.5	0.0	10.9	-99	0.0	100
6.7	-73	0.0	39	96	7.8	0.0	6.8	-77	0.0	49	35	10.0	0.0	9.1	-99	0.0	68	24	12.2	0.0	9.9	-99	0.0	52
6.5	-60	0.1	26	94	7.5	0.0	6.5	-61	0.0	35	31	9.4	0.0	8.4	-99	0.0	49	21	11.4	0.0	9.3	-99	0.0	33
6.3	-51	0.2	20	93	7.4	0.0	6.3	-50	0.1	27	28	8.9	0.0	7.9	-99	0.0	39	19	11.0	0.0	8.9	-99	0.0	26
6.2	-44	0.3	17	91	7.2	0.1	6.2	-42	0.3	22	26	8.5	0.0	7.6	-99	0.0	32	17	10.6	0.1	8.6	-99	0.0	20
6.1	-37	0.4	14	90	7.1	0.1	6.1	-36	0.4	20	25	8.2	0.0	7.3	-99	0.0	26	16	10.3	0.1	8.3	-99	0.0	17
6.0	-32	0.5	13	89	7.0	0.2	6.0	-30	0.6	17	23	8.0	0.0	7.1	-99	0.0	23	14	10.0	0.2	8.1	-99	0.0	15
6.0	-27	0.6	11	88	7.0	0.2	5.9	-25	0.7	15	22	7.8	0.0	7.0	-95	0.0	19	13	9.8	0.3	8.0	-93	0.0	13
5.9	-23	0.7	10	87	6.9	0.2	5.8	-20	0.9	14	21	7.6	0.0	6.8	-90	0.0	17	12	9.6	0.3	7.8	-88	0.0	11
5.8	-19	0.8	9	86	6.8	0.3	5.7	-16	1.0	12	20	7.5	0.0	6.7	-86	0.0	15	12	9.5	0.4	7.7	-83	0.0	9
5.7	-15	0.9	8	85	6.8	0.3	5.7	-12	1.2	11	20	7.4	0.0	6.6	-81	0.0	13	11	9.3	0.4	7.5	-77	0.0	8
5.7	-11	1.1	8	85	6.7	0.4	5.6	-9	1.3	10	19	7.3	0.0	6.4	-76	0.0	11	10	9.2	0.5	7.4	-73	0.0	7
5.6	-8	1.2	7	84	6.7	0.4	5.5	-5	1.5	9	18	7.2	0.0	6.3	-71	0.0	9	10	9.1	0.5	7.3	-68	0.0	5
5.5	-4	1.3	6	83	6.6	0.5	5.5	-1	1.6	9	18	7.1	0.0	6.2	-66	0.0	8	9	9.0	0.6	7.2	-63	0.0	4
5.5	-1	1.4	6	82	6.6	0.5	5.4	2	1.8	8	17	7.0	0.0	6.2	-62	0.0	6	9	8.9	0.6	7.1	-59	0.0	3
5.4	2	1.5	5	82	6.5	0.6	5.3	5	2.0	7	17	6.9	0.0	6.1	-57	0.1	5	8	8.8	0.7	7.0	-55	0.1	2
5.4	6	1.6	4	81	6.5	0.6	5.3	9	2.1	6	16	6.9	0.0	6.0	-53	0.1	4	8	8.7	0.7	6.9	-51	0.1	2
5.3	9	1.7	4	80	6.5	0.7	5.2	13	2.3	6	16	6.8	0.1	5.9	-48	0.2	3	7	8.6	0.8	6.8	-47	0.1	1
5.2	13	1.8	3	79	6.4	0.7	5.1	17	2.5	5	15	6.7	0.1	5.8	-44	0.3	2	7	8.5	0.9	6.7	-43	0.1	0
5.2	16	2.0	3	78	6.4	0.8	5.0	20	2.6	4	15	6.7	0.1	5.8	-39	0.3	1	7	8.4	0.9	6.6	-40	0.2	-1
5.1	20	2.1	2	77	6.3	0.8	5.0	25	2.8	4	14	6.6	0.1	5.7	-35	0.4	0	6	8.4	1.0	6.5	-36	0.2	-2
5.1	24	2.2	2	77	6.3	0.9	4.9	29	3.0	3	14	6.5	0.2	5.6	-30	0.5	-1	6	8.3	1.0	6.4	-32	0.2	-2
5.0	28	2.4	2	76	6.3	1.0	4.8	34	3.2	3	13	6.5	0.2	5.6	-24	0.6	-2	6	8.2	1.1	6.4	-28	0.2	-3
4.9	32	2.5	1	75	6.2	1.0	4.8	38	3.4	2	13	6.4	0.2	5.5	-20	0.7	-3	6	8.1	1.2	6.3	-24	0.3	-4
4.8	36	2.7	1	74	6.2	1.1	4.7	42	3.6	2	12	6.4	0.3	5.4	-14	0.8	-4	5	8.1	1.2	6.2	-20	0.3	-4
4.8	40	2.8	0	73	6.2	1.2	4.6	47	3.8	1	12	6.3	0.3	5.4	-9	0.9	-5	5	8.0	1.3	6.1	-15	0.4	-5
4.7	44	3.0	0	72	6.1	1.2	4.5	51	4.1	1	12	6.3	0.3	5.3	-5	1.0	-6	5	7.9	1.4	6.0	-9	0.4	-6
4.6	49	3.1	-1	71	6.1	1.3	4.4	56	4.4	0	11	6.2	0.4	5.2	0	1.2	-7	5	7.8	1.5	5.9	-4	0.4	-7
4.5	54	3.3	-1	70	6.1	1.4	4.3	62	4.7	-1	11	6.1	0.4	5.1	5	1.3	-8	5	7.8	1.6	5.8	0	0.5	-7
4.5	59	3.5	-2	69	6.0	1.5	4.2	67	4.9	-1	11	6.1	0.5	5.1	14	1.5	-9	4	7.7	1.6	5.7	2	0.5	-8
4.4	64	3.7	-2	68	6.0	1.6	4.1	72	5.2	-2	10	6.0	0.6	5.0	21	1.6	-10	4	7.6	1.7	5.6	9	0.6	-9
4.3	70	3.9	-2	67	6.0	1.7	4.0	79	5.5	-2	10	6.0	0.6	4.9	30	1.8	-11	4	7.5	1.8	5.4	15	0.6	-10
4.2	77	4.2	-3	66	5.9	1.8	3.9	87	5.8	-3	9	5.9	0.7	4.8	40	2.0	-12	4	7.5	2.0	5.3	21	0.7	-11
4.1	84	4.4	-3	65	5.9	1.9	3.8	95	6.2	-3	9	5.9	0.8	4.7	50	2.2	-13	4	7.4	2.1	5.2	29	0.8	-12
4.0	93	4.6	-4	63	5.9	2.1	3.6	104	6.6	-4	9	5.8	0.8	4.7	64	2.4	-15	3	7.3	2.2	5.1	38	0.8	-13
3.8	101	4.9	-4	62	5.8	2.2	3.5	113	6.9	-4	8	5.8	0.9	4.6	81	2.6	-16	3	7.2	2.4	4.9	47	0.9	-13
3.7	110	5.2	-5	61	5.8	2.4	3.3	123	7.3	-5	8	5.7	1.0	4.5	101	2.9	-17	3	7.1	2.5	4.7	57	1.0	-14
3.5	121	5.6	-6	59	5.7	2.6	3.1	137	7.9	-6	8	5.6	1.1	4.4	122	3.2	-18	3	7.1	2.7	4.6	70	1.1	-16
3.4	136	6.0	-6	58	5.7	2.7	2.9	149	8.4	-6	7	5.6	1.2	4.3	150	3.5	-20	3	7.0	2.9	4.3	86	1.2	-17
3.2	151	6.4	-7	56	5.6	2.9	2.7	165	8.9	-7	7	5.5	1.3	4.1	179	3.9	-21	2	6.9	3.2	4.1	100	1.3	-18
2.9	169	7.0	-8	54	5.6	3.2	2.4	182	9.6	-8	6	5.4	1.5	4.0	219	4.3	-23	2	6.7	3.4	3.9	121	1.4	-19
2.6	196	7.6	-9	52	5.5	3.4	2.1	206	10.4	-9	6	5.3	1.6	3.8	277	4.8	-25	2	6.6	3.8	3.7	147	1.6	-21
2.4	226	8.3	-10	49	5.5	3.8	1.7	238	11.2	-10	6	5.2	1.8	3.6	343	5.3	-27	2	6.5	4.1	3.3	174	1.8	-23
2.1	270	9.1	-11	47	5.4	4.1	1.3	277	12.3	-11	5	5.2	2.0	3.4	447	6.0	-29	2	6.3	4.6	2.9	208	2.0	-25
1.6	319	10.0	-12	44	5.3	4.6	0.8	325	13.5	-12	5	5.0	2.3	3.2	576	6.9	-32	2	6.1	5.2	2.3	260	2.3	-28
1.0	414	11.3	-13	41	5.3	5.2	0.2	390	15.1	-14	4	4.9	2.7	2.8	782	7.7	-36	2	5.9	6.0	1.6	357	2.8	-32
0.4	600	13.3	-15	37	5.1	6.0	-0.7	506	17.3	-16	4	4.8	3.2	2.3	999	9.5	-40	1	5.5	7.3	0.5	483	3.3	-37
-0.7	999	15.7	-18	32	5.0	7.2	-1.9	731	20.7	-19	3	4.6	3.9	1.5	999	11.9	-46	1	5.1	9.0	-1.5	769	4.0	-43
-2.7	999	19.9	-23	25	4.7	9.4	-4.5	999	26.3	-24	2	4.2	5.4	0.3	999	16.8	-57	1	4.3	13.3	-4.8	999	5.7	-53
-6.9	999	51.2	-67	1	1.9	56.4	-50.8	999	88.5	-74	1	0.7	16.0	-12.3	999	80.0	-96	1	0.8	20.0	-17.9	999	74.9	-96

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
4.4	78	2.8	-1	59																				

## Instructions for Calculating Your Rank

- Fill-in the calculated value for each ratio for the institution you are ranking in the row titled “value.”
- Select the proper multiplier from the left-hand scale where noted and write in the quality level row of boxes.
- Multiply the weight times the quality level multiplier to determine the score where noted.
- Add together the result of each individual score to derive the rank.

### ***Banks and Bank Holding Companies***

#### **Column 3 - Equity Capital & LLR less Problem Assets as a % of Loans**

The value of Column 3 is multiplied by 10.0. Cap at  $\pm 60$ . The multipliers are not used.

#### **Column 4 - Loan Loss Reserve % Problem Assets**

If the value of Column 4 is less than 100, the score is Column 4 minus 100. Cap at -70. The multipliers are not used.

#### **Column 5 - Earnings Coverage of Net Charge-offs - *See Above***

#### **Column 10 - Risk-adjusted Yield to Cost of Debt - Last Year**

The value of Column 10 is multiplied by 20 with the score capped at  $\pm 150$ . The multipliers are not used.

#### **Column 14 - Yield on Loans**

The value of Column 14 is multiplied by 2 with the score capped at +30. The multipliers are not used.

#### **Column 16 - Weighted Average Risk-adjusted Loan Yield - 4 Qtrs**

The value of Column 16 is multiplied by 10 with the score capped at  $\pm 60$ . The multipliers are not used.

#### **Column 17 - Problem Loan Growth - Year Over Year**

If the Year Over Year percent change is positive, then divide it by -10 to compute the score. Cap at -20. The multipliers are not used.

#### **Column 18 - Problem Loans as a % of Total Loans**

If the percentage of nonperforming loans to total loans is positive, then multiply it by -10 to compute the score. Cap at -50. The multipliers are not used.

#### **If the rank that you have manually calculated differs from IDC's published rank;**

- There are a number of possibilities - if your estimation is within a few points, the difference is often due to rounding errors. IDC calculates the rank using raw (unrounded) figures.
- Check to see that you have chosen the proper PLUS (add to score) or CONTRA (subtract from score) multiplier for the component you are calculating.
- Verify that you have restricted a score that has a CAP to its weighting.
- If you still have questions, or the difference between your calculation of a rank and IDC's rank appears too large for rounding errors, call IDC for assistance at 1-800-525-5457.

# Investment Performance Ratios



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INVESTMENT PERFORMANCE DIGEST  
FDIC & FRS DATA ENDING 1st QTR, 2010

DISTRIBUTIONS BY PERCENTILE  
OF INVESTMENT RATIOS FOR  
1,270 MEDIUM BANKS

IDC Financial Publishing, Inc.  
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BankMap®  
Rank of Investment Performance

	RANK	RISK	REWARD			TOTAL RETURN ALL INVESTMENTS MARKED-TO-MKT				SPREADS			
	RANK OF PERFORMANCE	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 1 YEAR PERIOD	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 3 YEAR PERIOD	VALUE-ADDED OVER 1YR TO CONSTANT MATURITY US TREASURY (COL2)	VALUE-ADDED OVER 3YRS TO CONSTANT MATURITY US TREASURY (COL3)	VALUE-ADDED OVER 5YRS TO CONSTANT MATURITY US TREASURY	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	REALIZED RETURN LAST 5 YEARS	REALIZATION RATIO	REALIZED RETURN % COST OF FUNDING ADJUSTED DEBT	INVESTMENT SPREAD % OVERALL
	1	2	3	4	5	6	7	8	9	10	11	12	13
HIGHEST QUALITY	292	0.33	0.51	2843	1283	734	22.2	19.5	12.6	12.8	60	9.95	233
98%	245	0.85	0.65	1360	227	187	11.0	6.5	6.2	5.9	80	3.55	94
96%	232	1.08	0.71	1001	205	168	9.2	6.3	5.9	5.6	82	3.16	82
94%	226	1.28	0.74	822	194	158	8.0	6.1	5.8	5.4	83	3.00	77
92%	221	1.42	0.78	696	181	152	7.5	6.0	5.7	5.2	84	2.84	74
90%	216	1.55	0.81	642	174	145	6.9	5.9	5.6	5.1	85	2.72	72
88%	210	1.71	0.83	593	166	142	6.6	5.9	5.5	5.0	85	2.62	71
86%	207	1.80	0.86	545	161	138	6.4	5.8	5.5	5.0	86	2.53	69
84%	203	1.90	0.88	515	156	135	6.2	5.7	5.4	4.9	86	2.48	67
82%	199	1.98	0.90	489	152	131	6.0	5.7	5.4	4.9	86	2.42	66
80%	196	2.05	0.92	471	145	127	5.8	5.6	5.3	4.8	86	2.38	64
78%	191	2.14	0.94	448	141	123	5.7	5.6	5.3	4.8	87	2.34	63
76%	187	2.22	0.95	430	135	121	5.5	5.5	5.3	4.8	87	2.29	61
74%	184	2.28	0.98	413	130	117	5.4	5.5	5.2	4.7	88	2.24	60
72%	180	2.35	0.99	404	127	115	5.3	5.4	5.2	4.7	88	2.19	59
70%	176	2.41	1.02	392	123	111	5.2	5.4	5.1	4.7	88	2.16	58
68%	174	2.46	1.06	376	116	108	5.1	5.3	5.1	4.6	88	2.12	57
66%	170	2.52	1.09	361	112	105	4.9	5.3	5.1	4.6	89	2.08	57
64%	166	2.57	1.14	348	108	102	4.8	5.3	5.1	4.5	89	2.04	56
62%	163	2.63	1.17	336	104	100	4.7	5.2	5.0	4.5	89	2.00	55
60%	160	2.71	1.22	322	100	97	4.6	5.2	5.0	4.5	90	1.96	54
58%	157	2.78	1.25	311	94	93	4.5	5.1	4.9	4.4	90	1.91	53
56%	153	2.86	1.29	299	89	91	4.5	5.1	4.9	4.4	90	1.86	52
54%	150	2.91	1.32	291	84	88	4.4	5.0	4.9	4.4	90	1.83	52
52%	146	2.96	1.35	284	78	85	4.3	4.9	4.8	4.4	91	1.79	51
50%	143	3.01	1.39	276	71	81	4.2	4.9	4.8	4.3	91	1.75	49
48%	140	3.05	1.43	269	69	77	4.1	4.8	4.8	4.3	91	1.72	48
46%	138	3.08	1.47	262	64	74	4.1	4.8	4.7	4.3	92	1.68	48
44%	133	3.11	1.50	254	60	70	4.0	4.7	4.7	4.2	92	1.65	47
42%	130	3.15	1.54	248	56	67	3.9	4.7	4.6	4.2	92	1.60	46
40%	128	3.18	1.57	239	51	65	3.9	4.6	4.6	4.2	92	1.56	45
38%	125	3.21	1.60	231	46	63	3.8	4.5	4.6	4.2	93	1.52	44
36%	122	3.27	1.65	224	40	59	3.7	4.5	4.5	4.1	93	1.46	43
34%	120	3.31	1.68	212	35	56	3.6	4.4	4.5	4.1	94	1.43	41
32%	116	3.35	1.71	204	28	51	3.5	4.3	4.4	4.1	94	1.37	40
30%	112	3.39	1.76	193	22	48	3.4	4.3	4.4	4.0	95	1.33	39
28%	108	3.46	1.83	183	15	43	3.3	4.2	4.3	4.0	95	1.29	37
26%	105	3.51	1.89	175	6	37	3.2	4.2	4.3	4.0	96	1.23	36
24%	101	3.55	1.94	163	-2	32	3.0	4.1	4.2	3.9	96	1.19	34
22%	97	3.60	2.01	150	-15	25	2.9	4.0	4.2	3.9	97	1.12	33
20%	95	3.69	2.09	138	-30	15	2.8	3.9	4.1	3.8	97	1.03	30
18%	89	3.76	2.15	129	-42	8	2.7	3.8	4.0	3.8	98	0.94	28
16%	84	3.82	2.24	116	-61	-5	2.5	3.7	4.0	3.7	98	0.85	27
14%	78	3.96	2.34	107	-77	-15	2.4	3.5	3.9	3.6	99	0.77	24
12%	73	4.14	2.46	93	-103	-25	2.2	3.4	3.8	3.5	100	0.65	20
10%	67	4.38	2.62	81	-127	-38	2.1	3.2	3.6	3.4	101	0.53	17
8%	59	4.69	2.87	64	-165	-58	1.8	2.9	3.5	3.3	102	0.44	13
6%	52	5.16	3.24	46	-228	-90	1.6	2.7	3.3	3.2	105	0.22	7
4%	42	6.36	3.74	26	-289	-122	1.4	2.4	3.1	3.0	109	-0.05	-1
2%	26	9.00	4.45	-6	-514	-224	0.9	1.4	2.6	2.7	122	-0.46	-13
LOWEST QUALITY	1	10.00	30.00	-247	-810	-383	-4.0	-1.8	1.3	1.4	326	-4.28	-91
2010 Q1	178	3.18	1.11	250	98	115	4.1	4.8	5.0	4.7	94	1.40	46
2009 Q4	192	1.18	1.07	441	97	80	5.2	5.0	4.8	4.8	100	1.43	47
DIFFERENCE	-14	2.00	0.04	-191	1	35	-1.1	-0.2	0.2	-0.1	-6	-0.03	-1

Sample Bank  
City, ST

SECURITY PORTFOLIO RISK			SECURITY PORTFOLIO REWARD			SECURITY PORTFOLIO TOT RETURN			TAX-EX INCOME % TOTAL			PORTFOLIO SIZE		% INVESTMENTS DISTRIBUTION						% MATURITY DISTRIBUTION BY TYPE						
AVERAGE LIFE OVER 1 YEAR PERIOD	AVERAGE LIFE OVER 3 YEAR PERIOD	AVERAGE LIFE OVER 5 YEAR PERIOD	VALUE ADDED OVER 1 YEAR PERIOD	VALUE ADDED OVER 3 YEAR PERIOD	VALUE ADDED OVER 5 YEAR PERIOD	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	TAX-EXEMPT INCOME % TOT INC (1 YEAR)	TAX-EXEMPT INCOME % TOT INC (3 YEAR)	TAX-EXEMPT INCOME % TOT INC (5 YEAR)	INVESTMENTS QTRLY AVERAGE IN MILLIONS \$	INVESTMENTS % EARNING ASSETS	FIXED INCOME SEC AVAIL FOR SALE % TOTAL SEC	FED FUNDS & INT-BEARING DEP	US TREASURY SECURITIES	MORTGAGE-BACKED SECURITIES	STATE & LOCAL TAX-EXEMPT SECURITIES	OTHER US GOVT AGENCY SECURITIES	ALL OTHER SECURITIES	INVESTMENTS (EX CMO) LESS THAN 1 YEAR	SECURITIES (EX CMO) 1 - 5 YEARS	SECURITIES (EX MBS) OVER 5 YEARS	MBS (EX CMO) OVER 5 YEARS	CMOS LESS THAN 3 YEARS AVERAGE LIFE	CMOS GREATER THAN 3 YEARS AVERAGE LIFE
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
0.69	0.47	0.55	3257	7278	6016	26.4	79.9	65.8	99	99	98	144	100	100	96	96	96	91	97	84	97	89	99	89	64	68
1.31	0.75	0.81	1671	259	207	12.5	7.1	6.5	75	68	65	140	75	100	76	21	80	62	75	30	86	63	81	59	37	34
1.53	0.82	0.87	1290	237	190	10.7	6.6	6.2	68	59	60	138	66	100	67	11	73	51	67	20	78	56	71	51	29	25
1.64	0.86	0.93	1039	223	177	9.5	6.5	6.1	62	56	54	134	61	99	60	8	68	46	62	16	72	50	64	48	23	19
1.84	0.90	0.96	941	210	170	8.5	6.4	6.0	59	53	51	131	56	99	55	5	65	42	58	13	65	44	58	43	20	15
2.04	0.93	0.99	805	202	164	8.0	6.4	5.9	56	50	49	128	54	99	51	4	62	39	53	12	61	42	54	40	18	12
2.15	0.96	1.07	726	194	158	7.5	6.3	5.8	53	48	46	126	52	99	47	3	60	37	50	10	57	38	51	36	16	10
2.23	0.99	1.12	672	187	153	7.2	6.2	5.8	50	45	44	122	50	99	44	2	58	36	47	9	55	36	49	33	14	9
2.33	1.01	1.17	633	181	150	7.0	6.2	5.7	49	44	43	121	49	99	41	1	55	34	45	8	52	34	47	31	13	8
2.41	1.07	1.23	595	177	146	6.7	6.1	5.7	47	41	41	118	47	99	39	0	53	32	43	8	50	32	44	29	12	7
2.49	1.12	1.28	569	171	143	6.6	6.1	5.7	44	39	39	115	45	98	37	0	51	30	42	7	48	31	42	28	10	6
2.55	1.16	1.33	547	167	140	6.4	6.0	5.6	43	38	37	112	44	98	35	0	49	29	39	7	47	29	40	26	9	5
2.62	1.21	1.36	521	161	136	6.3	6.0	5.6	41	37	36	110	42	98	33	0	47	28	37	6	45	27	38	24	8	4
2.68	1.24	1.41	504	157	132	6.2	5.9	5.5	40	35	35	107	41	98	30	0	45	27	35	5	42	26	37	22	7	4
2.76	1.28	1.46	493	152	128	6.1	5.9	5.5	39	34	34	105	40	98	29	0	43	26	33	5	41	25	35	21	5	4
2.81	1.33	1.50	480	147	126	5.9	5.9	5.5	37	33	33	104	39	98	28	0	41	25	32	5	39	24	34	20	5	3
2.89	1.35	1.52	467	142	124	5.8	5.8	5.4	36	32	31	101	38	98	27	0	40	24	30	4	37	22	33	19	4	3
2.94	1.39	1.57	455	138	120	5.7	5.8	5.4	34	31	30	100	37	97	25	0	38	23	29	4	37	21	31	18	3	2
3.00	1.44	1.60	439	134	118	5.6	5.7	5.4	33	29	29	98	37	97	24	0	37	22	28	4	35	20	30	17	3	2
3.04	1.47	1.64	431	128	115	5.5	5.7	5.4	32	29	29	96	36	97	23	0	36	22	26	4	34	19	29	16	2	2
3.07	1.51	1.68	418	124	113	5.5	5.7	5.3	31	28	27	94	34	97	21	0	34	21	25	4	33	18	28	15	2	1
3.10	1.55	1.71	406	121	110	5.4	5.6	5.3	30	27	26	93	34	97	20	0	32	20	24	3	31	17	27	14	2	1
3.14	1.57	1.74	396	116	107	5.3	5.6	5.3	29	26	25	92	33	96	19	0	31	18	23	3	30	16	25	12	1	1
3.17	1.61	1.78	384	111	105	5.2	5.6	5.2	27	25	25	90	32	96	18	0	29	17	22	3	29	16	24	11	1	0
3.20	1.65	1.81	375	107	102	5.1	5.5	5.2	26	24	24	88	31	96	17	0	28	16	21	3	28	15	23	10	1	0
3.22	1.68	1.85	368	102	98	5.1	5.5	5.2	25	23	23	87	30	95	17	0	26	15	20	3	26	14	22	10	1	0
3.25	1.71	1.89	356	96	95	5.0	5.4	5.2	24	21	21	86	30	95	16	0	24	14	19	2	25	13	21	9	0	0
3.31	1.75	1.92	351	90	92	4.9	5.4	5.1	22	20	20	85	29	95	15	0	23	13	18	2	24	12	21	8	0	0
3.35	1.79	1.97	346	86	90	4.9	5.3	5.1	21	19	19	83	28	94	14	0	22	12	17	2	23	12	20	7	0	0
3.39	1.82	2.01	339	81	88	4.8	5.3	5.0	20	17	18	81	27	94	14	0	20	11	16	2	22	11	19	7	0	0
3.42	1.85	2.05	331	78	84	4.7	5.3	5.0	18	16	16	79	27	93	13	0	19	10	15	2	21	10	18	5	0	0
3.47	1.90	2.08	320	73	81	4.6	5.2	5.0	16	15	15	78	26	93	12	0	18	9	14	2	20	9	17	5	0	0
3.52	1.95	2.12	310	65	77	4.5	5.1	4.9	15	14	13	77	26	92	11	0	16	8	13	2	19	9	16	4	0	0
3.57	1.99	2.15	298	60	73	4.4	5.1	4.9	14	12	12	76	25	92	11	0	15	7	12	2	19	8	15	3	0	0
3.60	2.03	2.19	290	54	70	4.4	5.0	4.9	11	11	11	74	24	90	10	0	13	6	10	2	17	8	13	2	0	0
3.64	2.08	2.22	278	49	65	4.3	5.0	4.8	10	9	9	73	24	89	9	0	12	6	9	1	17	7	12	2	0	0
3.69	2.13	2.27	271	43	62	4.1	4.9	4.8	8	8	8	73	23	87	9	0	10	5	8	1	16	6	12	1	0	0
3.76	2.17	2.32	259	36	58	4.1	4.8	4.7	7	6	7	71	22	86	8	0	9	4	7	1	15	6	11	1	0	0
3.82	2.22	2.37	249	29	54	4.0	4.8	4.7	5	5	5	70	21	83	8	0	7	3	6	1	14	5	10	1	0	0
3.87	2.28	2.42	235	17	46	3.9	4.7	4.7	4	4	4	69	21	80	7	0	6	3	5	1	13	4	9	0	0	0
3.96	2.36	2.48	222	3	38	3.7	4.6	4.6	2	3	3	68	20	77	6	0	4	2	4	1	12	4	8	0	0	0
4.06	2.42	2.56	210	-17	31	3.5	4.5	4.5	2	2	2	67	19	72	5	0	3	1	3	1	11	3	7	0	0	0
4.19	2.52	2.66	194	-35	18	3.4	4.4	4.5	1	1	1	66	19	68	5	0	2	1	2	1	10	3	6	0	0	0
4.37	2.62	2.80	184	-53	8	3.3	4.3	4.4	0	0	1	66	18	64	4	0	1	0	2	1	9	2	6	0	0	0
4.51	2.82	2.93	172	-86	-3	3.1	4.1	4.3	0	0	0	65	17	57	4	0	0	0	1	1	8	2	5	0	0	0
4.88	2.97	3.10	158	-118	-22	2.9	4.0	4.2	0	0	0	64	16	49	3	0	0	0	0	1	7	1	4	0	0	0
5.31	3.34	3.42	140	-167	-46	2.7	3.7	4.0	0	0	0	63	15	40	2	0	0	0	0	0	6	1	3	0	0	0
6.42	3.80	3.85	117	-231	-74	2.5	3.3	3.8	0	0	0	63	14	26	1	0	0	0	0	0	4	0	2	0	0	0
8.01	4.24	4.26	78	-292	-126	2.0	2.8	3.5	0	0	0	62	13	7	0	0	0	0	0	0	3	0	1	0	0	0
10.00	5.42	5.04	27	-530	-232	1.3	1.4	2.8	0	0	0	61	11	0	0	0	0	0	0	0	2	0	1	0	0	0
10.00	30.00	30.00	-403	-965	-504	-10.2	-3.1	0.4	0	0	0	60	1	0	0	0	0	0	0	0	0	0	0	0	0	0
4.89	2.15	2.23	623	56	103	6.2	5.7	5.6	8	3	2	105	12	90	29	0	1	2	60	7	30	60	8	1	0	0
2.80	2.11	2.49	736	54	90	8.3	5.9	5.3	6	2	2	100	12	88	37	0	0	2	53	8	36	55	9	0	0	0
2.09	0.04	-0.26	-113	2	13	-2.1	-0.2	0.3	2	1	0	5	0	2	-8	0	1	0	7	-1	-6	5	-1	1	0	0

Sample Bank  
City, ST

# Glossary


IDC'S INVESTMENT PERFORMANCE DIGEST PROVIDES THE ONLY COMPLETE RISK AND RETURN ANALYSIS OF BANK INVESTMENT PERFORMANCE UTILIZING TOTAL RETURN.

Total return has long been the accepted measure of performance in most investment applications. When applied to interest-bearing instruments, it is defined as the cumulative dollar return from an investment in a given period. Total return for bank investment portfolios encompasses all interest income on a tax-equivalent basis, together with capital gains or losses, whether realized or unrealized.

Beginning in 1984, banks were required to file market value of securities on their quarterly call and income reports, as well as book value. IDC Financial Publishing, Inc., has compiled, analyzed, and stored all reported data since June of 1984 (or as available) for each of these banks. Savings banks are analyzed since 1988.

Holding company ranks of investment performance are based on holding company ratios extracted from Y-9C filings. Holding company performance for securities portfolios (Columns 14 - 23) reflect those subsidiaries with 20 quarters of data, or limited to periods determined by large subsidiary banks. Banks with more than 12 quarters of data but less than 20 quarters, will be listed and ranked; however, they will not be represented in the holding company summation. Banks with 12 quarters or less of required data will be listed but not ranked ("NC" in Column 1).

THE INVESTMENT PERFORMANCE DIGEST CALCULATES TOTAL RETURN BY DIVIDING THE VALUE OF THE BANK'S RETURN ON INVESTMENTS (MEASURED IN DOLLARS) BY ITS TOTAL INVESTMENTS (IN DOLLARS) AS SHOWN BELOW.

The following pages define the ratios used in IDC's analysis. Ratios that impact the rank are noted with this symbol: 

Instructions for calculating a rank follow the Glossary.

$$\text{Total Return (\%)} = \text{Return (\$)} \text{ Divided by Total Investments (\$)}$$

## Total Return Dollars for Quarter

### Interest income from:

- interest-bearing balances due
- taxable securities
- tax-exempt securities adjusted to pretax levels
- federal funds sold and securities purchased under agreements to resell

### Capital gain (loss) realized from:

- securities not held in trading accounts

### Capital gain (loss) unrealized from:

- change in market value from previous quarter market value, adjusted for changes in the book value (amortized cost after 9/30/93) of securities



## Total Investment Dollars Beginning or Average for Quarter

- Market value of securities beginning of quarter adjusted for book value (amortized cost after 9/30/93) change during the quarter
- Interest-bearing balances due (quarterly average)
- Federal funds sold and securities repurchased under agreements to resell (quarterly averages)

## RANK

Ranks are the opinion of IDC Financial Publishing, Inc. Ranks range from one (the lowest) to 300 (the highest) and fall into one of the following six peer groups. **Descriptions reflect the average ratios of each peer group with five years of portfolio data, as listed on pages 8-9.**

### Superior (200-300)

Bank portfolios ranked superior added performance when compared to U.S. Treasury securities with similar average life, generally over 100 basis points. Given adequate cost controls, these portfolios could enhance the bank's worth from the investment portfolio performance.

### Excellent (165-199)

Investment portfolios ranked Excellent earn strong realized returns with wide spreads to funding costs. The total returns over 1, 3, and 5 years are less than those ranked superior. These portfolios, however, generally added some value (50 basis points or more) to U.S. Treasury securities with similar average life.

### Average (125-164)

Average ranked investment portfolios produce minimum acceptable total returns over U.S. Treasury securities with similar average life. These portfolios have heavier concentrations in U.S. Treasury and agency securities and lower concentrations in tax-exempt securities than higher rated performing bank portfolios.

### Below Average (100-124)

The bank portfolios ranked Below Average contribute unacceptable returns over U.S. Treasury securities. The total return earned in the last year was generally below the total return of U.S. Treasury securities with similar average life.

### Lowest Returns (1-99)

Bank portfolios with the Lowest Returns provide a minimal spread over the cost of funding and a poor total return when compared to U.S. Treasury securities. These portfolios tend to destroy the bank's net worth rather than add value, due to their low earning power.

## Size/Rank Matrix of Investment Performance in 2010 Q1

*U.S. Bank Holding Companies, U.S. Commercial Banks, & Savings Banks Reporting to the FDIC*

Range of Rank	Bank Hold Co's	Banks w/ < 20 Qtrs	Banks w/ > 20 Qtrs	By Investment Size (Dollars in Millions)						
				\$500 or More	\$100 to \$500	\$50 to \$100	\$25 to \$50	\$10 to \$25	\$5 to \$10	\$5 or Less
200 - 300 Superior	110	22	902	73	214	210	210	160	41	16
165 - 199 Excellent	118	49	1,029	45	208	212	285	247	61	20
125 - 164 Average	191	76	1,419	50	258	316	379	343	109	40
75 - 124 Below Average	215	116	1,671	57	309	300	435	450	158	78
2 - 74 Lowest Ratios	122	38	988	24	134	175	212	312	108	61
1 Rank of One	6	0	36	7	6	3	6	9	3	2
NC Not Calculated	0	0	0	0	0	0	0	0	0	0
<b>Totals:</b>	<b>762</b>	<b>301</b>	<b>6,045</b>	<b>256</b>	<b>1,129</b>	<b>1,216</b>	<b>1,527</b>	<b>1,521</b>	<b>480</b>	<b>217</b>

# Glossary

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	RANK		RISK		REWARD			TOTAL RETURN ALL INVESTMENTS MARKED-TO-MKT			SPREADS			
	NUMBER OF BANKS	RANK OF PERFORMANCE	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 1 YEAR PERIOD	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 3 YEAR PERIOD	VALUE-ADDED OVER 1YR TO CONSTANT MATURITY US TREASURY (COL2)	VALUE-ADDED OVER 3YRS TO CONSTANT MATURITY US TREASURY (COL3)	VALUE-ADDED OVER 5YRS TO CONSTANT MATURITY US TREASURY	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	REALIZED RETURN LAST 5 YEARS	REALIZATION RATIO	REALIZED RETURN % COST OF FUNDING ADJUSTED DEBT	INVESTMENT SPREAD % OVERALL
	1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>BANKS RANKED &gt; 200</b>	902	<b>219</b>	3.47	<b>1.96</b>	599	88	<b>107</b>	7.1	5.6	<b>5.5</b>	5.0	91	<b>2.62</b>	70
<b>BANKS RANKED 165 TO 199</b>	1029	<b>183</b>	3.04	<b>1.63</b>	367	104	<b>92</b>	5.1	5.4	<b>5.1</b>	4.7	91	<b>2.18</b>	66
<b>BANKS RANKED 125 TO 164</b>	1419	<b>142</b>	2.67	<b>1.13</b>	377	19	<b>34</b>	5.0	3.8	<b>4.0</b>	3.8	96	<b>1.32</b>	47
<b>BANKS RANKED 100 TO 124</b>	895	<b>120</b>	2.30	<b>1.04</b>	222	43	<b>-48</b>	3.7	4.0	<b>4.2</b>	4.0	95	<b>1.43</b>	59
<b>BANKS RANKED 1 TO 99</b>	1800	<b>66</b>	2.45	<b>1.58</b>	189	-193	<b>-114</b>	3.1	2.3	<b>2.9</b>	2.7	97	<b>0.48</b>	12
<b>ALL BANK AVERAGES</b>	6045	<b>143</b>	2.70	<b>1.29</b>	358	19	<b>16</b>	4.8	4.0	<b>4.2</b>	3.9	95	<b>1.48</b>	50

## RISK VS. REWARD FOR TOTAL INVESTMENT PORTFOLIO

### 2., & 3. Risk

IDC measures risk by estimating the average life of the bank's investment portfolio. Average life is derived from the standard deviation (volatility) of the portfolio's total return as compared to the standard deviation of U.S. Treasury securities. As an example, a standard deviation (SD) of 1.80 over a 3-year period is half the distance between a 1-year T-Bill yield (1.41 SD) and a 2-year T-Note (2.39 SD), and creates an average portfolio life of 1-½ years. Average life is provided for 1-year and 3-year periods.

### 4., 5., & 6. Reward

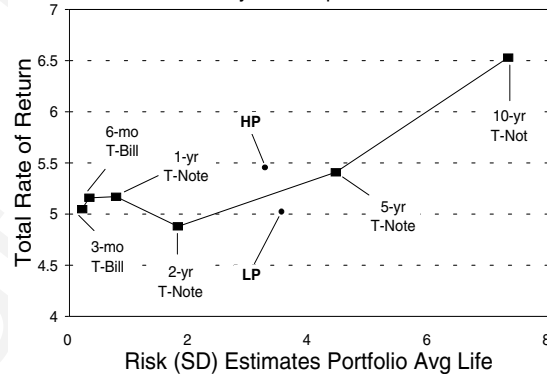
Value added total return above a comparable constant maturity U.S. Treasury security measures reward. If average life is estimated to be 1 ½-years, value-added equals portfolio total return less the total return of the 1 ½-year U.S. Treasury (as interpolated from the yield curve). Value-added total return is calculated over 1-year, 3-year, and 5-year time horizons.

### High Performance vs. Low Performance

The risk and reward of a bank's investment performance is illustrated when compared to U.S. Treasury securities (see graphs). The sample low performing portfolio (LP) experienced more risk and earned lower total returns than its high performing (HP) counterpart, over 3-year and 5-year periods.

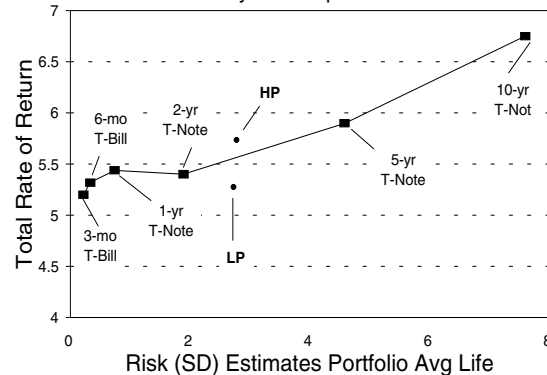
**Risk (SD) vs. Reward**

Over 3-year Sample Period



**Risk (SD) vs. Reward**

Over 5-year Sample Period



SECURITY PORTFOLIO RISK			SECURITY PORTFOLIO REWARD			SECURITY PORTFOLIO TOT RETURN			TAX-EX INCOME % TOTAL			PORTFOLIO SIZE		% INVESTMENTS DISTRIBUTION						% MATURITY DISTRIBUTION BY TYPE							
AVERAGE LIFE OVER 1 YEAR PERIOD	AVERAGE LIFE OVER 3 YEAR PERIOD	AVERAGE LIFE OVER 5 YEAR PERIOD	VALUE ADDED OVER 1 YEAR PERIOD	VALUE ADDED OVER 3 YEAR PERIOD	VALUE ADDED OVER 5 YEAR PERIOD	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	TAX-EXEMPT INCOME % TOT INC (1 YEAR)	TAX-EXEMPT INCOME % TOT INC (3 YEAR)	TAX-EXEMPT INCOME % TOT INC (5 YEAR)	INVESTMENTS QTRLY AVERAGE IN MILLIONS \$	INVESTMENTS % EARNING ASSETS	FIXED INCOME SEC AVAIL FOR SALE % TOTAL SEC	FED FUNDS & INT-BEARING DEP	US TREASURY SECURITIES	MORTGAGE-BACKED SECURITIES	STATE & LOCAL TAX-EXEMPT SECURITIES	OTHER US GOVT AGENCY SECURITIES	ALL OTHER SECURITIES	INVESTMENTS (EX CMO) LESS THAN 1 YEAR	SECURITIES (EX CMO) 1 - 5 YEARS	SECURITIES (EX MBS) OVER 5 YEARS	MBS (EX CMO) OVER 5 YEARS	CMOS LESS THAN 3 YEARS	CMOS GREATER THAN 3 YEARS	AVERAGE LIFE
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	
3.82	2.43	2.63	770	129	149	8.6	6.4	6.1	9	9	9	516,485	28	90	16	1	61	7	4	11	23	8	14	33	10	12	
3.24	1.96	2.22	454	130	109	5.9	6.0	5.5	19	17	16	172,691	32	87	14	1	46	13	15	11	23	20	20	25	6	6	
4.17	2.02	2.20	750	9	47	7.8	4.9	4.9	7	6	6	1,948,805	60	90	37	4	27	3	6	23	47	17	10	15	3	8	
3.43	1.96	3.71	528	77	17	6.6	5.6	5.3	7	6	5	786,388	45	94	42	7	39	3	3	6	40	6	14	27	2	12	
3.35	2.95	2.95	424	-342	-187	5.2	2.0	2.8	15	12	11	334,464	55	85	44	5	24	6	13	8	53	20	9	7	7	5	
3.85	2.14	2.64	664	14	36	7.3	5.0	5.0	8	8	7	3,758,832	51	90	35	4	35	4	6	16	42	14	12	20	4	9	

## RETURN ON INVESTMENT

Banks vary their concentration of investments between Federal funds, interest-bearing balances, and security holdings. All investments are evaluated as to total return in Columns 7, 8, and 9. Investments, excluding Fed funds and interest-bearing balances, or security holdings are evaluated as to total return in Columns 20, 21, and 22. Total return includes interest income, realized capital gains or losses, and estimated unrealized capital gains or losses, but excludes trading account income or capital gains or losses.

Banks with more than 2% in equity securities with readily determined air market values are re-calculated to evaluate the performance of fixed-income securities only (see Tan section). Total return for fixed-income securities includes interest income, realized and unrealized capital gains and losses, but excludes those amounts from mutual funds, marketable common stock holdings, and non-marketable equity securities.

### 7., 8., & 9. Total Return

Total return (see definition on page 6) is measured for the last twelve months (Column 7), the last 3 years (Column 8), and the last 5 years (Column 9). Banks with less than 5 years of portfolio data but more than 12 quarters have 5-year total return set equal to the length of period calculated. Banks with more than 2% of investment portfolio in marketable common stocks are analyzed in the tan section, providing total return for fixed-income securities only. Banks with less than one year of data will show an "NC" in Columns 7 & 8 (1-and 3-year returns).

### 10. Realized Return on Book Value, Last 5 Years

Realized returns are the sum of income yields plus realized gains or losses (reported on the income statement each quarter) divided by the book value of investments (mutual funds and equity securities at market value),

stated as a percentage. Banks with less than one year of data will have returns that reflect the data available in Columns 9 and 10.

## SPREADS

### 11. Realization Ratio

The realization ratio indicates the percent of available total return that was translated into book income on a tax-equivalent basis.

### 12. Realized Return % of Cost of Funding Adjusted Debt

The realized returns from investments are compared to the interest cost of funding adjusted debt (net investment spread). The ratios of interest costs divided by earning assets less equity capital and loan loss reserves were averaged over the same period that realized investment returns were measured. Investment policies impact the income return on the net worth of an institution. This impact can only be gauged by analyzing the contribution of investments relative to loans in the net interest margin.

### 13. Investment Spreads as a % of Overall Spreads

The investment spread is compared to the bank's overall spread of both income yield and realized gains on earning assets to cost of funding. These ratios illustrate the relative contribution of the investment portfolio.

## TOTAL RETURN ON INVESTMENT FOR SECURITY PORTFOLIO ONLY

BHC data reflects sum of subsidiary banks.

### Risk vs. Reward

### 14., 15., & 16. Risk

IDC measures risk by estimating the average life of the

## Glossary

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	RANK		RISK		REWARD			TOTAL RETURN ALL INVESTMENTS MARKED-TO-MKT				SPREADS		
	NUMBER OF HOLDING CO'S	RANK OF PERFORMANCE	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 1 YEAR PERIOD	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 3 YEAR PERIOD	VALUE-ADDED OVER 1YR TO CONSTANT MATURITY US TREASURY (COL2)	VALUE-ADDED OVER 3YRS TO CONSTANT MATURITY US TREASURY (COL3)	VALUE-ADDED OVER 5YRS TO CONSTANT MATURITY US TREASURY	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	REALIZED RETURN LAST 5 YEARS	REALIZATION RATIO	REALIZED RETURN % COST OF FUNDING ADJUSTED DEBT	INVESTMENT SPREAD % OVERALL
	1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>BANK HOLDING CO's RANKED &gt; 200</b>	110	<b>239</b>	3.25	<b>1.21</b>	705	316	<b>267</b>	8.5	6.9	<b>6.4</b>	6.1	95	<b>3.18</b>	117
<b>BANK HOLDING CO's RANKED 165 TO 199</b>	118	<b>186</b>	3.03	<b>1.47</b>	350	101	<b>105</b>	4.9	5.2	<b>5.2</b>	4.9	94	<b>2.10</b>	70
<b>BANK HOLDING CO's RANKED 125 TO 164</b>	191	<b>154</b>	2.61	<b>1.61</b>	479	25	<b>19</b>	5.8	4.4	<b>4.4</b>	4.2	96	<b>1.76</b>	66
<b>BANK HOLDING CO's RANKED 100 TO 124</b>	119	<b>115</b>	2.62	<b>2.10</b>	267	-34	<b>22</b>	3.9	4.6	<b>4.6</b>	4.4	96	<b>1.11</b>	55
<b>BANK HOLDING CO's RANKED 1 TO 99</b>	224	<b>54</b>	2.14	<b>1.30</b>	176	-173	<b>-108</b>	3.0	2.1	<b>2.7</b>	2.6	97	<b>0.36</b>	11
<b>ALL BANK HOLDING CO's</b>	762	<b>174</b>	2.79	<b>1.47</b>	520	102	<b>89</b>	6.4	5.0	<b>5.0</b>	4.7	96	<b>2.10</b>	78

bank's securities portfolio. Average life is derived from the standard deviation (volatility) of the portfolio's total return as compared to the standard deviation of U.S. Treasury securities. As an example, a standard deviation (SD) of 2.28 over a 3-year period is 90% of the distance between a 1-year T-Bill yield (1.41 SD) and a 2-year T-Note (2.39 SD), and creates an average portfolio life of 1.90 years. Average life is provided for 1-year, 3-year, and 5-year periods for the securities portfolio only (excluding net federal funds and interest-bearing deposits).

## TOTAL RETURN FOR SECURITY PORTFOLIO ONLY (CONTINUED)

### 17., 18., & 19. Reward

Value added total return above a comparable constant maturity U.S. Treasury security measures reward. If average life is estimated to be 1.9 years, value-added total return equals portfolio total return less the total return of the 1.90 year U.S. Treasury (as interpolated total return equals portfolio total return less the total return of the 1.90 year U.S. Treasury (as interpolated from the yield curve). Value-added total return is calculated over 1-year, 3-year, and 5-year time horizons.

### 20., 21., & 22. Total Return

Total return (see definition above and on page 6) is measured over the past twelve months (Column 20), the last 3 years (Column 21), and the last 5 years (Column 22). Banks with less than 5 years of portfolio data but more than 12 quarters have 5-year total return set equal to the length of period calculated.

### 23., 24., & 25. Tax-exempt Income as a % of Total Income

Total return from the securities' portfolio is separated into tax-exempt coupon income on a tax-equivalent basis as a percent of the total interest income, over 1, 3, and 5-year periods.

## INVESTMENT PORTFOLIO CHARACTERISTICS

*Investments are characterized by size, type of security, and maturity structure.*

### Size

#### 26., & 27. Investments in Total Dollars and as a % of Earning Assets

Investments for individual banks equal the sum of the book value of securities, interest-bearing balances, federal funds sold, securities purchased under agreements to resell if greater than federal funds sold, and securities sold under agreements to repurchase. Investments for bank holding companies are the sum of the book value of securities, interest-bearing balances, federal funds sold, and securities repurchased under agreements to resell.

Average investments for banks and bank holding companies are divided by average earning assets, as a percentage.

#### 28. Fixed-Income Securities Available for Sale as a % of Total Security Portfolio

Fair market value of securities classified as available for sale are divided by the total value of securities, as a percentage. The total value of securities is the sum of the fair market value of securities available for sale and the amortized cost of securities classified as held to maturity.

SECURITY PORTFOLIO RISK			SECURITY PORTFOLIO REWARD			SECURITY PORTFOLIO TOT RETURN			TAX-EX INCOME % TOTAL			PORTFOLIO SIZE			% INVESTMENTS DISTRIBUTION				% MATURITY DISTRIBUTION BY TYPE							
AVERAGE LIFE OVER 1 YEAR PERIOD	AVERAGE LIFE OVER 3 YEAR PERIOD	AVERAGE LIFE OVER 5 YEAR PERIOD	VALUE ADDED OVER 1 YEAR PERIOD	VALUE ADDED OVER 3 YEAR PERIOD	VALUE ADDED OVER 5 YEAR PERIOD	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	TAX-EXEMPT INCOME % TOT INC (1 YEAR)	TAX-EXEMPT INCOME % TOT INC (3 YEAR)	TAX-EXEMPT INCOME % TOT INC (5 YEAR)	INVESTMENTS QTRLY AVERAGE IN MILLIONS \$	INVESTMENTS % EARNING ASSETS	FIXED INCOME SEC AVAIL FOR SALE % TOTAL SEC	FED FUNDS & INT-BEARING DEP	US TREASURY SECURITIES	MORTGAGE-BACKED SECURITIES	STATE & LOCAL TAX-EXEMPT SECURITIES	OTHER US GOVT AGENCY SECURITIES	ALL OTHER SECURITIES	INVESTMENTS (EX CMO) LESS THAN 1 YEAR	SECURITIES (EX CMO) 1 - 5 YEARS	SECURITIES (EX MBS) OVER 5 YEARS	MBS (EX CMO) OVER 5 YEARS	CMOs LESS THAN 3 YEARS AVERAGE LIFE	CMOs GREATER THAN 3 YEARS AVERAGE LIFE
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
6.03	2.88	<b>2.84</b>	1184	-40	<b>39</b>	10.3	5.3	<b>5.3</b>	9	10	10	<b>1,602,860</b>	48	82	33	5	27	4	5	25	<b>43</b>	20	12	<b>13</b>	3	9
3.32	1.66	<b>1.89</b>	428	133	<b>126</b>	5.6	5.8	<b>5.5</b>	13	13	13	<b>180,175</b>	28	91	14	1	64	9	7	5	<b>20</b>	12	13	<b>30</b>	13	11
3.06	1.86	<b>2.90</b>	532	46	<b>28</b>	6.8	5.1	<b>5.0</b>	4	3	3	<b>3,080,620</b>	57	92	38	5	39	2	3	14	<b>42</b>	9	10	<b>24</b>	5	10
3.37	1.87	<b>2.05</b>	370	36	<b>62</b>	5.0	5.0	<b>5.0</b>	15	17	16	<b>97,532</b>	41	88	17	1	54	9	10	9	<b>25</b>	9	16	<b>25</b>	20	5
2.98	2.81	<b>2.80</b>	406	-349	<b>-193</b>	5.1	1.7	<b>2.6</b>	20	14	13	<b>331,434</b>	54	87	50	5	21	5	10	9	<b>57</b>	18	9	<b>4</b>	7	4
3.97	2.22	<b>2.82</b>	715	-2	<b>22</b>	7.7	5.0	<b>5.0</b>	7	7	6	<b>5,292,620</b>	53	89	36	5	35	3	4	16	<b>42</b>	13	11	<b>20</b>	5	10

### Percent Investments by Type

The portfolio of investments is separated into its component types, each stated as a percentage of the total book value.

#### 29. Federal Funds Sold and Securities Purchased Under Agreement to Resell Plus Interest-Bearing Deposits

#### 30. U.S. Treasury Securities

#### 31. Mortgage-backed Securities

#### 32. State & Local Tax-Exempt Securities

#### 33. Other U.S. Government Agency Securities

#### 34. All Other Securities

All other securities include asset-backed securities, corporate bonds, foreign securities, common stocks, or other securities (includes pass-through securities not included in mortgage-backed securities).

### Percent Maturity Distribution

The maturity of securities with interest-bearing balances grouped separately is divided by the sum of all securities and interest-bearing balances (including net federal funds sold), each stated as a percentage.

#### 35. Investments (Excluding CMOs) with Maturities Less than 1 Year as a % of Investments

These investments include interest bearing balance, fed funds sold, securities purchased under agreement to resell, and all other securities with maturities of less than one year (excluding CMOs).

#### 36. Securities (Excluding CMOs) Maturing or Repricing in 1-5 Years as a % of Investments

Securities maturing in 1-5 years including mortgage-backed securities, but excluding CMOs.

#### 37. Securities (Excluding MBS) Maturing or Repricing in over 5 Years as a % of Investments

Securities excluding mortgage-backed securities and CMOs maturing in over 5 years. Excludes equities and mutual funds for fixed-income portfolios.

#### 38. Mortgage-Backed Securities (Excluding CMOs) over 5 Years as a % of Investments

Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with remaining maturity or repricing frequency of over 5 years.

#### 39. CMOs with Less Than 3 Years Average Life as a % of Investments

Other mortgage-backed securities (including CMOs, REMICs, and stripped MBS; excluding mortgage pass-through securities) with an expected average life of 3 years or less.

#### 40. CMOs with Greater Than 3 Years Average Life as a % of Investments

Other mortgage-backed securities (including CMOs, REMICs, and stripped MBS; excluding mortgage pass-through securities) with an expected average life of over 3 years.

## Glossary, *Continued*

### Why can't I find a bank?

The **Investment Performance Digest** lists subsidiary banks directly beneath their holding companies.

Refer to the *Bank Holding Company Subsidiary Directory* in Appendix B to locate subsidiaries which are owned by a holding company located within their state or located in a different state.

#### NC = Not Calculated

Why an "NC" may appear where a financial ratio would normally be:

- Unavailable data or ratio not calculated.
- IDC establishes filters to preserve the integrity of the analysis.

# **Investment Components of Rank with Instructions for Calculating Rank**

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INVESTMENT PERFORMANCE DIGEST  
FDIC & FRS DATA ENDING 1st QTR, 2010

DISTRIBUTIONS BY PERCENTILE  
OF INVESTMENT RATIOS FOR  
6,346 BANKS

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		RANK	RISK	REWARD			TOTAL RETURN ALL INVESTMENTS MARKED-TO-MKT				SPREADS				
		RANK OF PERFORMANCE	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 1 YEAR PERIOD	AVERAGE LIFE FROM SD OF TOTAL RETURN OVER 3 YEAR PERIOD	VALUE-ADDED OVER 1YR TO CONSTANT MATURITY US TREASURY (COL2)	VALUE-ADDED OVER 3YRS TO CONSTANT MATURITY US TREASURY (COL3)	VALUE-ADDED OVER 5YRS TO CONSTANT MATURITY US TREASURY	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	REALIZED RETURN LAST 5 YEARS	REALIZATION RATIO	REALIZED RETURN % COST OF FUNDING ADJUSTED DEBT	INVESTMENT SPREAD % OVERALL	
		1	2	3	4	5	6	7	8	9	10	11	12	13	
		HIGHEST QUALITY	300	0.29	0.34	4266	1283	734	36.5	19.5	12.6	12.8	53	12.51	233
Plus Multiplier <b>9</b>	Contra Multiplier <b>0</b>	98%	244	0.66	0.60	1121	228	185	10.0	6.4	6.0	5.7	80	3.36	89
		96%	231	0.84	0.65	836	206	168	8.3	6.2	5.8	5.4	82	3.07	79
		94%	223	0.97	0.67	690	192	158	7.4	6.1	5.7	5.2	83	2.90	74
		92%	218	1.10	0.71	608	181	151	6.8	5.9	5.6	5.1	84	2.75	72
		90%	212	1.20	0.73	551	174	145	6.4	5.8	5.5	5.0	85	2.64	69
<b>8</b>	<b>1</b>	88%	206	1.29	0.76	508	166	139	6.2	5.8	5.4	4.9	85	2.55	67
		86%	201	1.40	0.78	484	159	135	5.9	5.7	5.4	4.9	86	2.48	65
		84%	196	1.49	0.80	457	153	130	5.7	5.6	5.3	4.8	86	2.42	64
		82%	192	1.59	0.82	432	148	125	5.5	5.6	5.3	4.8	87	2.36	62
		80%	188	1.70	0.84	413	142	121	5.4	5.5	5.2	4.7	87	2.29	60
<b>7</b>	<b>2</b>	78%	183	1.79	0.86	397	136	118	5.2	5.4	5.2	4.7	87	2.24	59
		76%	179	1.87	0.88	381	131	115	5.1	5.4	5.1	4.6	88	2.20	58
		74%	175	1.95	0.90	365	127	110	5.0	5.3	5.1	4.6	88	2.14	57
		72%	171	2.02	0.92	351	121	107	4.8	5.3	5.1	4.6	88	2.10	56
		70%	167	2.09	0.93	337	116	105	4.7	5.2	5.0	4.5	89	2.05	55
<b>6</b>	<b>3</b>	68%	164	2.16	0.95	322	111	101	4.6	5.2	5.0	4.5	89	2.01	54
		66%	160	2.23	0.97	309	107	98	4.5	5.1	4.9	4.5	89	1.97	53
		64%	156	2.29	0.99	298	102	95	4.4	5.1	4.9	4.4	90	1.93	52
		62%	152	2.37	1.00	288	97	93	4.3	5.0	4.9	4.4	90	1.89	51
		60%	149	2.43	1.04	278	93	90	4.2	5.0	4.8	4.4	90	1.85	50
<b>5</b>	<b>4</b>	58%	145	2.50	1.08	269	89	87	4.1	4.9	4.8	4.4	91	1.81	49
		56%	142	2.56	1.11	260	84	84	4.0	4.8	4.8	4.3	91	1.77	48
		54%	140	2.63	1.15	250	80	81	3.9	4.8	4.7	4.3	91	1.73	47
		52%	136	2.69	1.18	241	74	78	3.9	4.7	4.7	4.3	91	1.69	46
		50%	133	2.76	1.22	233	70	75	3.8	4.7	4.6	4.2	92	1.65	45
<b>4</b>	<b>5</b>	48%	130	2.83	1.25	224	65	71	3.7	4.6	4.6	4.2	92	1.61	44
		46%	127	2.90	1.29	215	60	68	3.6	4.6	4.5	4.2	92	1.57	43
		44%	123	2.97	1.32	207	56	65	3.5	4.5	4.5	4.1	93	1.53	42
		42%	120	3.02	1.37	198	51	62	3.4	4.4	4.5	4.1	93	1.48	41
		40%	116	3.06	1.41	190	46	59	3.3	4.4	4.4	4.1	93	1.43	40
<b>3</b>	<b>6</b>	38%	113	3.10	1.44	181	41	56	3.2	4.3	4.4	4.0	94	1.39	39
		36%	110	3.14	1.48	173	35	52	3.1	4.3	4.3	4.0	94	1.34	37
		34%	107	3.18	1.53	164	29	49	3.0	4.2	4.3	4.0	94	1.30	36
		32%	103	3.22	1.57	154	24	45	2.9	4.1	4.3	3.9	95	1.25	35
		30%	100	3.28	1.61	145	18	41	2.8	4.1	4.2	3.9	95	1.19	33
<b>2</b>	<b>7</b>	28%	96	3.33	1.67	137	11	37	2.7	4.0	4.2	3.9	95	1.13	32
		26%	92	3.38	1.72	129	2	32	2.6	3.9	4.1	3.8	96	1.08	30
		24%	88	3.44	1.78	119	-5	27	2.5	3.8	4.1	3.8	96	1.02	29
		22%	85	3.50	1.84	110	-13	22	2.4	3.7	4.0	3.7	97	0.96	27
		20%	81	3.57	1.91	101	-22	15	2.3	3.6	3.9	3.7	97	0.88	26
<b>1</b>	<b>8</b>	18%	77	3.65	1.99	92	-34	8	2.2	3.6	3.9	3.6	98	0.81	23
		16%	73	3.73	2.06	82	-46	-2	2.1	3.4	3.8	3.6	98	0.72	21
		14%	68	3.82	2.15	72	-61	-11	1.9	3.3	3.7	3.5	99	0.64	18
		12%	63	3.94	2.25	62	-81	-21	1.7	3.2	3.6	3.4	99	0.53	16
		10%	57	4.08	2.39	48	-102	-35	1.6	3.0	3.5	3.3	100	0.42	13
<b>0</b>	<b>9</b>	8%	51	4.31	2.59	36	-133	-56	1.4	2.8	3.4	3.2	101	0.28	9
		6%	43	4.57	2.84	19	-188	-84	1.2	2.6	3.2	3.1	103	0.11	3
		4%	35	5.16	3.33	1	-259	-119	1.0	2.3	3.0	2.9	107	-0.15	-4
		2%	21	7.76	4.30	-21	-416	-190	0.6	1.7	2.6	2.6	116	-0.55	-17
		LOWEST QUALITY	1	10.00	30.00	-598	-950	-433	-12.2	-3.1	1.1	0.9	379	-6.66	-97

	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Value</b>	178	3.18	1.11	250	98	115	4.1	4.8	5.0	4.7	94	1.40	46
<b>Quality Level Multiplier</b>				5	6	7	5						
<b>Weight</b>		NA	NA	4	4	4	4	☆	☆	☆	NA	☆	NA
<b>Cap</b>				☆	☆	☆	☆	+40	+40	+40		+20	
<b>Score</b>				20.0	24.0	28.0	20.0	14.3	15.0	9.4		7.0	
<b>Summation</b>	177.8			20.0	44.0	72.0	92.0	106.3	121.3	130.7		137.7	

☆ Refer to Instructions for Calculating Your Rank

**Sample Bank**  
**City, ST**

SECURITY PORTFOLIO RISK			SECURITY PORTFOLIO REWARD			SECURITY PORTFOLIO TOT RETURN			TAX-EX INCOME % TOTAL			PORTFOLIO SIZE			% INVESTMENTS DISTRIBUTION						% MATURITY DISTRIBUTION BY TYPE						
AVERAGE LIFE OVER 1 YEAR PERIOD	AVERAGE LIFE OVER 3 YEAR PERIOD	AVERAGE LIFE OVER 5 YEAR PERIOD	VALUE ADDED OVER 1 YEAR PERIOD	VALUE ADDED OVER 3 YEAR PERIOD	VALUE ADDED OVER 5 YEAR PERIOD	TOTAL RETURN LATEST YEAR	TOTAL RETURN LAST 3 YEARS	TOTAL RETURN LAST 5 YEARS	TAX-EXEMPT INCOME % TOT INC (1 YEAR)	TAX-EXEMPT INCOME % TOT INC (3 YEAR)	TAX-EXEMPT INCOME % TOT INC (5 YEAR)	INVESTMENTS QTRLY AVERAGE IN MILLIONS \$	INVESTMENTS % EARNING ASSETS	FIXED INCOME SEC AVAIL FOR SALE % TOTAL SEC	FED FUNDS & INT-BEARING DEP	US TREASURY SECURITIES	MORTGAGE-BACKED SECURITIES	STATE & LOCAL TAX-EXEMPT SECURITIES	OTHER US GOVT AGENCY SECURITIES	ALL OTHER SECURITIES	INVESTMENTS (EX CMO) LESS THAN 1 YEAR	SECURITIES (EX CMO) 1 - 5 YEARS	SECURITIES (EX MBS) OVER 5 YEARS	MBS (EX CMO) OVER 5 YEARS	CMOS LESS THAN 3 YEARS	CMOS GREATER THAN 3 YEARS	AVERAGE LIFE
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	
0.25	0.26	0.44	5201	7278	6016	45.8	79.9	65.8	20.0	99.9	99.9	931,190	100	100	100	100	100	96	100	100	100	94	100	98	79	92	
0.98	0.69	0.76	1396	269	214	11.7	7.0	6.4	83	74	71	1,214	77	100	87	26	81	63	81	32	93	64	78	61	36	31	
1.21	0.76	0.83	1068	249	193	9.9	6.7	6.2	73	65	61	502	67	100	78	12	74	53	73	22	87	57	69	51	27	21	
1.42	0.81	0.87	902	229	182	8.6	6.6	6.0	67	58	57	344	62	100	71	8	68	48	68	17	81	52	62	46	22	16	
1.53	0.85	0.91	780	218	172	8.0	6.4	5.9	62	55	53	266	58	99	65	5	64	44	63	14	76	48	56	41	18	13	
1.66	0.88	0.94	696	209	165	7.5	6.4	5.9	59	52	50	217	54	99	60	3	60	41	58	12	72	45	53	37	16	11	
1.79	0.91	0.97	646	199	159	7.2	6.3	5.8	56	49	48	177	52	99	57	2	57	38	55	11	68	42	49	34	13	9	
1.90	0.94	1.01	607	191	155	6.9	6.2	5.7	53	47	45	154	50	99	53	1	55	36	51	9	66	39	47	31	11	7	
2.01	0.96	1.07	574	185	150	6.6	6.2	5.7	51	44	43	136	48	99	50	0	52	34	48	8	63	37	44	28	9	6	
2.10	0.99	1.12	549	180	145	6.4	6.1	5.6	49	42	41	121	46	99	47	0	50	32	46	8	60	35	42	26	8	5	
2.19	1.01	1.17	523	174	141	6.3	6.1	5.6	47	40	39	108	44	98	44	0	47	30	43	7	57	33	40	24	7	4	
2.27	1.06	1.22	503	169	138	6.1	6.0	5.6	45	39	37	99	42	98	42	0	45	29	42	7	55	31	38	22	6	3	
2.34	1.10	1.26	489	165	134	6.0	6.0	5.5	43	37	36	91	41	98	40	0	43	28	40	6	53	30	36	21	5	3	
2.43	1.14	1.30	472	159	131	5.9	5.9	5.5	41	35	34	84	40	98	38	0	40	26	38	6	51	28	34	19	4	2	
2.49	1.17	1.34	457	154	127	5.7	5.9	5.5	39	34	33	76	38	98	36	0	38	25	36	5	49	27	33	18	3	2	
2.55	1.21	1.38	441	149	124	5.6	5.8	5.4	37	32	31	71	37	98	34	0	36	24	34	5	47	26	31	16	2	1	
2.62	1.25	1.42	428	144	120	5.5	5.8	5.4	36	31	30	66	36	97	33	0	34	22	32	5	45	25	30	15	2	1	
2.69	1.29	1.45	416	139	117	5.4	5.7	5.3	34	29	29	62	35	97	31	0	33	21	31	4	43	24	28	14	1	0	
2.77	1.32	1.48	403	134	114	5.3	5.7	5.3	32	28	27	58	34	97	29	0	31	20	29	4	42	22	27	12	1	0	
2.83	1.35	1.52	392	129	111	5.2	5.7	5.3	31	27	26	54	33	97	28	0	29	19	28	4	40	21	26	11	1	0	
2.91	1.39	1.56	379	125	108	5.1	5.6	5.2	29	25	25	51	32	96	27	0	27	18	27	4	39	20	25	10	0	0	
2.98	1.43	1.60	371	121	106	5.1	5.6	5.2	28	24	24	48	31	96	25	0	25	17	25	3	37	19	23	9	0	0	
3.02	1.46	1.64	360	115	102	5.0	5.5	5.2	27	23	22	46	30	96	24	0	23	16	24	3	36	18	22	8	0	0	
3.05	1.50	1.68	350	111	100	4.9	5.5	5.2	25	22	21	43	30	96	23	0	21	15	23	3	35	17	21	7	0	0	
3.09	1.53	1.71	342	106	97	4.8	5.4	5.1	23	20	20	41	29	95	21	0	20	13	22	3	33	16	20	6	0	0	
3.13	1.57	1.75	332	101	95	4.7	5.4	5.1	22	19	19	39	28	95	20	0	18	12	20	3	32	15	19	5	0	0	
3.17	1.60	1.79	323	96	91	4.6	5.3	5.1	20	17	17	37	27	94	19	0	16	11	19	2	31	14	18	4	0	0	
3.21	1.63	1.82	311	91	88	4.5	5.3	5.0	18	16	16	34	27	94	18	0	14	10	18	2	29	14	17	4	0	0	
3.24	1.67	1.86	301	87	85	4.4	5.2	5.0	17	14	15	33	26	94	17	0	13	9	17	2	28	13	16	3	0	0	
3.28	1.71	1.91	292	82	82	4.3	5.2	4.9	15	13	13	31	25	93	16	0	12	9	16	2	27	12	15	2	0	0	
3.32	1.75	1.95	283	77	79	4.2	5.1	4.9	14	12	12	29	24	92	15	0	10	8	15	2	25	11	14	2	0	0	
3.36	1.80	1.99	274	71	75	4.2	5.1	4.9	12	10	10	27	24	92	14	0	8	7	13	2	24	11	13	1	0	0	
3.41	1.84	2.03	265	65	72	4.1	5.0	4.8	10	9	9	26	23	91	13	0	7	6	12	2	23	10	12	1	0	0	
3.47	1.88	2.08	256	60	68	4.0	5.0	4.8	8	7	8	24	22	90	12	0	6	5	11	2	22	9	11	0	0	0	
3.52	1.93	2.12	246	52	64	3.9	4.9	4.7	7	6	6	23	22	88	12	0	4	4	9	1	21	8	11	0	0	0	
3.57	1.99	2.16	233	46	60	3.8	4.9	4.7	5	5	5	21	21	87	11	0	3	3	8	1	20	8	10	0	0	0	
3.63	2.04	2.20	224	38	56	3.6	4.8	4.7	4	4	4	20	20	85	10	0	2	3	7	1	19	7	9	0	0	0	
3.67	2.09	2.25	214	31	52	3.5	4.7	4.6	2	3	3	19	19	82	9	0	1	2	6	1	18	6	8	0	0	0	
3.74	2.14	2.30	203	22	47	3.4	4.6	4.6	1	2	2	18	19	79	8	0	1	2	5	1	17	5	7	0	0	0	
3.81	2.20	2.35	190	13	41	3.3	4.6	4.5	0	1	1	16	18	76	8	0	0	1	4	1	15	5	7	0	0	0	
3.88	2.26	2.42	179	0	35	3.1	4.5	4.4	0	0	0	15	17	71	7	0	0	1	3	1	14	4	6	0	0	0	
3.97	2.33	2.49	167	-9	28	3.0	4.4	4.4	0	0	0	14	17	67	6	0	0	0	2	1	13	4	5	0	0	0	
4.08	2.42	2.57	153	-23	19	2.9	4.2	4.3	0	0	0	13	16	61	5	0	0	0	1	1	12	3	4	0	0	0	
4.20	2.54	2.69	141	-43	9	2.7	4.1	4.2	0	0	0	11	15	54	5	0	0	0	0	1	11	3	4	0	0	0	
4.35	2.67	2.83	126	-67	-3	2.6	4.0	4.1	0	0	0	10	14	44	4	0	0	0	0	0	9	2	3	0	0	0	
4.52	2.85	3.00	111	-94	-20	2.4	3.8	4.0	0	0	0	9	13	33	3	0	0	0	0	0	8	1	3	0	0	0	
4.79	3.07	3.20	93	-134	-42	2.1	3.6	3.9	0	0	0	8	12	17	2	0	0	0	0	0	7	1	2	0	0	0	
5.41	3.39	3.54	69	-192	-77	1.9	3.3	3.7	0	0	0	7	11	0	1	0	0	0	0	0	5	0	1	0	0	0	
6.76	4.02	4.01	38	-270	-120	1.5	2.8	3.3	0	0	0	5	9	0	0	0	0	0	0	0	3	0	1	0	0	0	
10.00	5.64	5.39	-3	-452	-219	0.9	1.8	2.8	0	0	0	4	7	0	0	0	0	0	0	0	2	0	0	0	0	0	
10.00	30.00	30.00	-770	-3847	-2061	-12.9	-31.3	-15.0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
4.89	2.15	2.23	623	56	103	6.2	5.7	5.6	8	3	2	105	12	90	29	0	1	2	60	7	30	60	8	1	0	0
			8	3	5																					
NA	NA	NA	3	3	3	NA	☆	NA	☆	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
			☆	☆	☆																					
			24.0	9.0	15.0		-20																			
			161.7	170.7	185.7							178														

☆ Refer to Instructions for Calculating Your Rank

# Instructions for Calculating a Rank

There are four simple steps to follow when calculating your institution's rank:

- ✓ In the lower boxes on the following pages, fill-in the calculated value for each ratio (Columns 2 through 40) for the institution you are ranking in the row titled "value."
- ✓ Find the location of the ratio in the column above the chart and select the proper multiplier from the left-hand scale where noted. As an example, a 6.0% total return (Column 7) uses a level 9 plus multiplier. Write the multipliers in the quality level row of boxes for each calculation.
- ✓ Multiply the weight times the quality level multiplier to calculate the score.
- ✓ Add together the result of each individual score to derive the rank.

**Column 4 - Value-Added Total Return (in Basis Points) vs. Same Mix of U.S. Treasury securities Over 1 Year** has a weight of 4 and utilizes the plus multiplier. If ratio equals NC, the score is set to 20.

**Column 5 - Value-Added Total Return (in Basis Points) vs. Same Mix of U.S. Treasury securities Over 3 Years** has a weight of 4 and utilizes the plus multiplier. If ratio equals NC, the score is set to 20.

**Column 6 - Value-Added Total Return (in Basis Points) vs. Same Mix of U.S. Treasury securities Over 5 Years** has a weight of 4 and utilizes the plus multiplier. If ratio equals NC, the score is set to 20.

**Column 7 - Total Return Over Latest Year** has a weight of 4 and utilizes the plus multiplier. If ratio equals NC, the score is set to 20.

**Column 8 - Total Return Over Last 3 Years** is multiplied by 3. The score is capped at 40. The multipliers are not used.

**Column 9 - Total Return Over Last 5 Years** is multiplied by 3. The score is capped at 40. The multipliers are not used. If ratio equals NC, use the score computed for Column 8.

**Column 10 - Realized Return on Book Value of Investments** is multiplied by 2. The score is capped at 40. The multipliers are not used.

**Column 12 - Net Investment Spread** is multiplied by 5. The score is capped at  $\pm 20$ . The multipliers are not used.

**Column 17 - Value-Added Security Portfolio Total Return (BP) vs. Same Mix of U.S. Treasury securities Over 1 Year** has a weight of 3 and utilizes the plus multiplier. If ratio equals NC, the score is set to 15.

**Column 18 - Value-Added Security Portfolio Total Return (BP) vs. Same Mix of U.S. Treasury securities Over 3 Years** has a weight of 3 and utilizes the plus multiplier. If ratio equals NC, the score is set to 15.

**Column 19 - Value-Added Security Portfolio Total Return (BP) vs. Same Mix of U.S. Treasury securities Over 5 Years** has a weight of 3 and utilizes the plus multiplier. If ratio equals NC, the score is set to 15.

**Column 23 - Tax-Exempt Income % Total Income (Latest Year)** is subtracted from the rank. The score is capped at -50. (Eg. If the ratio equals 20, the score becomes -20.)

## If the rank that you have manually calculated differs from IDC's published rank;

- There are a number of possibilities - if your estimation is within a few points, the difference is often due to rounding errors. IDC calculates the rank using raw (unrounded) figures.
- Check to see that you have chosen the proper PLUS (add to score) or CONTRA (subtract from score) multiplier for the component you are calculating.
- Verify that you have restricted a score that has a CAP to its weighting.
- If you still have questions, or the difference between your calculation of a rank and IDC's rank appears too large for rounding errors, call IDC for assistance at 1-800-525-5457.



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- S&L-Savings Bank Financial Quarterly
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- Loan Performance Digest
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<input type="checkbox"/> \$ 235.00	<input type="checkbox"/> \$ 595.00
<input type="checkbox"/> \$ 420.00	<input type="checkbox"/> \$1,195.00
<input type="checkbox"/> \$ 235.00	<input type="checkbox"/> \$ 595.00
<input type="checkbox"/> \$ 235.00	<input type="checkbox"/> \$ 595.00
<input type="checkbox"/> \$ 235.00	<input type="checkbox"/> \$ 595.00
<input type="checkbox"/> \$ 235.00	<input type="checkbox"/> \$ 595.00
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*For Management Reviews, Historical Analysis, or Research Reports Indicate:*

\_\_\_\_\_  
Institution Name, City, State

**ALSO AVAILABLE:**

- Data -** IDC has all of the data that goes into publishing each of our books available in an Excel format. A copy of the print publication is included with your data subscription
- Advance Rating Report including annual subscription to select publications**
- Ranks given over the phone per institution**  
\$25 for first institution  
\$15 for each additional institution requested during the same phone call
- Fax of one-line analysis including summary rank for one institution**  
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- Proforma Rank** (requires annual publication subscription)
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Exp: \_\_\_\_\_ Card ID#: \_\_\_\_\_  
(See examples on right)

Billing Address: \_\_\_\_\_  
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Signature: \_\_\_\_\_

*Prices subject to change without notice.*



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