

Institutional Risk Analytics

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March 23, 2007

FEDERAL DEPOSIT INSURANCE CORPORATION
12 CFR Part 325/RIN 3064-AC73

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429.

Dear Sirs:

Below please find our comments on the proposed new risk-based capital adequacy framework known as “Basel II,” [RIN 3064-AC73].

Comments on Methodology

First, as a general matter, we take issue with the opening statement made by regulators in the NRP: “The framework outlined in this proposal (IRB framework) is intended to produce risk-based capital requirements that are more *risk-sensitive than the existing risk-based capital rules of the agencies (general risk-based capital rules).*” We believe that this statement is inaccurate for the reasons below.

1. While it is true that the NPR seeks to utilize contemporary risk management tools such as “value at risk” or VaR models that are currently used by large banks, we dispute the notion that such methodologies actually enhance the risk management process. VaR models do not measure specific risks and thus do not enhance current regulatory measures of capital adequacy as a function of risk. At their essence, VaR models assume a high degree of consistency and regularity in financial events and, consequently, that such events have a relatively normal statistical distribution over time and do not individually contribute significantly to overall losses, allowing financial institutions to rely upon generalizations about the behavior of portfolios (and thus, indirectly, about the behavior of individual obligors) to manage risk.
2. However, IRA and many other market participants and academic researchers believe the opposite; namely, a) that financial events tend not to be normally distributed and b) that these events individually contribute significantly to

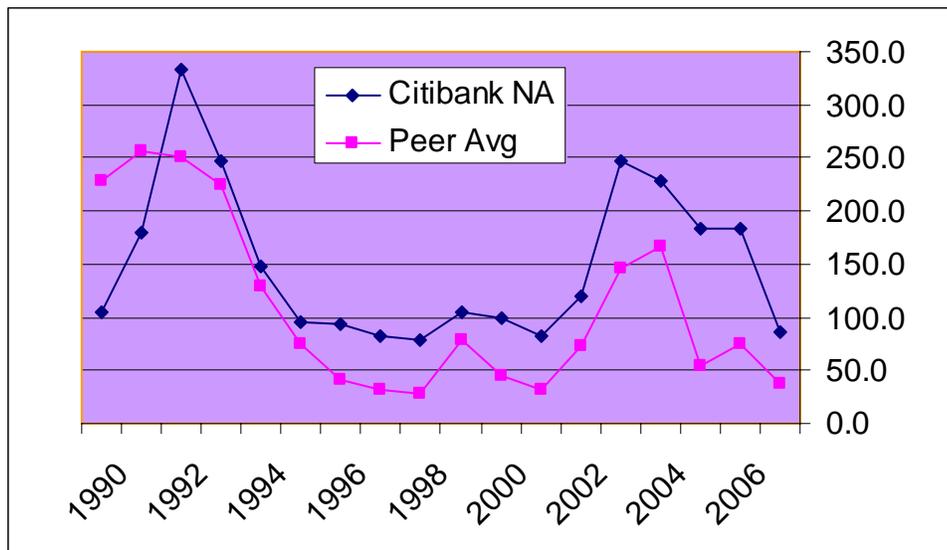
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- financial loss. By relying upon the false assumption that financial market events tend to follow a random, normally distributed pattern, the FDIC and other regulators are about to adopt into regulation one of the most specious, dangerous and widely held misconceptions in the financial world.¹
3. By explicitly blessing the use of VaR models as the primary means to quantify credit risk and thus calculate capital adequacy, the FDIC and other regulators will assure that US banks do not have sufficient capital to support the risks which they take. VaR models may have some applicability in understanding the boundaries of market risk, but using such methods to quantify credit risk factors is, in our view, reckless and a violation of the intent of Congress.
 4. Indeed, the regulators have apparently spent so much time and effort to accommodate and imitate the contemporary risk management practices of the banks which they regulate that the entire risk-based capital framework has been rendered moot. Why not simply accept the banks' own internal models as the defining regulatory benchmark and dispense with this costly exercise of trying to imitate those very same systems? For example, the regulators might simply require the banks to publish their benchmarks and internal assumptions each year and submit same to peer review by the academic, financial analyst, regulatory and investment communities.
 5. For example, the NPR has as one of its core assumptions that banks estimate the level of unexpected loss in their portfolios up to a 99.9% confidence level over a period of one year. The NPR states: "If capital is available to cover losses up to and including this percentile level, then the bank will remain solvent in the face of actual losses of that magnitude." The NPR also states: "Typically, the choice of confidence level or soundness standard reflects a very high percentile level, so

¹ The book, A Random Walk Down Wall Street, (1996) by Burton Malkiel argues that stock price changes follow a "Brownian motion" and are thus normally distributed. Virtually every textbook on advanced finance takes the Brownian motion description as its starting point. The celebrated Black-Scholes formula for option prices as well as VaR models depend upon a Brownian world view. However, researchers starting with Benoit Mandelbrot in the 1960s have demonstrated that market price movements and other financial events are not random or normally distributed, and that these departures from normality may be accounted for by using distribution functions with infinite variance, that is, "fat tails." For example, IRA has verified this reality in our own research on financial restatements filed with the Securities and Exchange Commission. Covering the period 2000-2005, we observed that just < 1% of listed companies actually reported significant financial anomalies. Extreme financial default events such as Enron, Long Term Capital Management and Parmalat also illustrate the fact that significant financial events tend to be large in size and rare in terms of frequency. Most recently, the failure of the hedge fund Amaranth in September 2006 illustrates the specific dangers of using risk management tools such as employ VaR models and other types of statistical methods to understand market risk and other risks in the real-world risks of finance. See also Taleb, Nassim Nicholas, Foiled by Randomness (2001) and Kay, John, "The odds of finding a formula to foretell disaster" *Financial Times*, January 18, 2005. Professor Kay makes an amusing reference to the fact that the equations discovered by Myron Scholes (and others, more significantly, such as Robert Merton at Harvard and the late Fisher Black) "to value complex derivatives securities also describe how bath salts disperse in the tub."

that there is a very low estimated probability that actual losses would exceed the unexpected loss amount associated with that confidence level or soundness standard.” Even a slight error in the VaR models used to generate such a probability analysis, however, could mean that the bank’s capital levels would be inadequate to cover the actual losses, that the institution would become undercapitalized or even insolvent, and the that Deposit Insurance Fund would experience a loss.

- Given the considerable debate within the risk management and academic communities regarding the effectiveness of VaR models and similar statistical methods, we believe that the FDIC and other agencies should reconsider their heavy emphasis on these methods for measuring capital adequacy. While the current proposal relies upon a number of academic sources in justifying its reliance upon VaR models, it needs to be said that all of these studies were conducted during a period of relatively benign credit market conditions, begging the question as to whether VaR models employed widely in the banking industry today accurately detect risk – or simply had little risk to detect. For example, to illustrate this point, the chart below shows the gross charge off experience in basis points of Citibank NA from 1989 to present using data from the FDIC and calculations by the IRA Bank Monitor:



- Although the NPR acknowledges that “bank risk measurement practices are both continually evolving and subject to model and other errors,” we question whether the current proposal, given the heavy weight placed upon the use of VaR models and similar statistical methods, actually advances the statutory requirement set by the Congress that the FDIC and other regulators adopt regulations that support the safety and soundness of US financial institutions.

Recommendation: Given the lack of effectiveness of VaR models for describing and pricing risk, we respectfully suggest that the cause of ensuring the safety and soundness of US financial institutions is best served by not adopting the current Basel II proposal. We believe that this proposal should be modified, as discussed below.

The Advanced Internal Ratings-Based Approach

The current Basel II proposal represents an unfortunate retreat from the obligor-specific risk measurement regime that was envisioned in the original BIS proposal.² Specifically, the original BIS proposal envisioned requiring that banks adopting the Advanced Internal Ratings-Based (“IRB”) approach of Basel II would calculate “the probability of default (PD), loss given default (LGD), the exposure at default (EAD), and effective maturity (M). In some cases, banks may be required to use a supervisory value as opposed to an internal estimate for one or more of the risk components.”³

The explicit and implicit quid pro quo from the FDIC and other regulators, particularly the Federal Reserve Board, of the original BIS framework was that banks which demonstrated competency at measuring the specific risk of a given exposure via the Advanced IRB approach would be allowed to lessen the capital required for certain types of activities. This was and remains today, a sound public policy approach to allowing larger, internationally active banks to earn the right to use greater leverage in certain business activities in return for enhancing risk management processes, but unfortunately this is not the deal presented for public comment in the current Basel II proposal.

For example, on Page 55 of the NPR, it states that a bank using the IRB approach must implement “[a] risk rating and segmentation system that assigns ratings to individual wholesale obligors and exposures and assigns individual retail exposures to segments.” However, if such credit default ratings are merely the result of a VaR-type analysis, where the PD of one obligor is assigned based upon with those of “like” obligors, then we question whether such ratings have any real value, either for credit risk management of capital adequacy purposes. Indeed, given the way in which the current proposal encourages banks to assess risk in general terms and not specifically, we argue that the current proposal may conflict with the requirements of the Sarbanes-Oxley Act requiring bank directors to be vigilant regarding specific risks to their corporations!

In our view, only ratings based upon a specific examination of the credit risk factors pertaining to a given obligor should be accepted for the IRB approach. Indeed, given the requirement that banks maintain “[o]versight and control mechanisms that ensure the advanced IRB systems are functioning effectively and producing accurate results,” we believe that the FDIC and other agencies need immediately require a “mark to actual”

² “International Convergence of Capital Measurement and Capital Standards: A Revised Framework,” *Bank for International Settlements*, (June 2004) <http://www.bis.org/publ/bcbs107.pdf>

³ *Ibid*, Section III(A)(211).

approach for validating Advanced IRB methods that includes some type of non-VaR analysis to benchmark the efficacy of these internal systems. Or put another way, using a VaR model to validate another VaR model should not be considered adequate under the proposed rule.

What is to be done? We believe that the FDIC and other regulators need revisit the concept of requiring that banks wishing to earn a reduction in capital requirements to first demonstrate competency in measuring the risks of specific exposures using non-VaR, non-Merton methods. Specifically, we believe that banks which are able to demonstrate the ability to estimate PD, LGD, EAD and M for specific exposures and obligors using non-statistical, fundamental analytical methods, should be rewarded with a commensurate reduction in capital requirements. Because VaR models and other portfolio-based contemporary risk measurement methodologies are so baldly flawed, any bank which expends the time and resources needed to improve its risk management capabilities and achieve the goals of the Advanced IRB method outlined in the original BIS proposal deserves a tangible reward.

We believe that making further modifications in the Basel II proposal is a matter of national interest for the United States. As the NPR notes: “The vast majority of large, internationally-active banks based outside of the United States plan to employ an internal ratings-based approach in the calculation of credit risk capital requirements.”⁴

Recommendation: We believe that the current Basel II proposal should be modified to explicitly offer banks which are able to internally model the risks of specific exposures using fundamental, non-statistical analytical methods a reduction in required capital. Those banks which cannot or will not pursue the modified Advanced IRB approach, in our view, should not be allowed any reduction in capital requirements but should be required to adopt the Standardized approach to Basel II.

The Standardized Approach

For all US banks which do not opt for the Advanced IRB approach outlined above, we believe that the current Basel II proposal should be modified to require adoption of a Standardized approach based upon publicly-available portfolio data. Using the data gathered by the FDIC on behalf of the Federal Financial Institutions Examination Council (“FFIEC”), it is possible to greatly enhance the risk-weighted capital adequacy framework without creating an undue burden on the banks themselves. As and when the FFIEC expands reporting for the Shared National Credit survey, the additional data also could be used to enhance the risk-weighted capital adequacy framework.

To illustrate the practicality of this proposal, we refer to our Basel II simulation, “Basel II by the Numbers,” a copy of which is attached to this letter. The Basel II simulation we have constructed is part of the analytical tools in our IRA Bank Monitor product and uses

⁴ Basel II NPR, Page 42, Footnote 20.

structured, “as filed” data from the FDIC’s Research Information Service to calculate PD, LGD, EAD and M for all US banks and thrifts, both in aggregate and on a portfolio level perspective. The IRA Basel II simulation also calculates economic capital requirements for all US banks and thrifts using three activity silos derived from the FDIC data: trading, investing and lending,

Our simulation is intentionally quite harsh and asks: How much capital would a bank holding company require to keep its external rating stable after experiencing a catastrophic loss on its trading book? This approach is not intended to estimate actual capital requirements but instead is designed to illustrate the business model differences between banks as part of a larger risk management process.

Of interest, while some of the larger, more complex US banks are shown to require more economic capital in the IRA simulation than required under current, Basel I regulations, the vast majority of US banks are shown to require less risk-based capital under the IRA simulation than under the Basel I framework – even with the relatively harsh assumptions in the IRA economic capital model.

By using publicly available data, we believe that the FDIC and other regulators can greatly enhance the Standardized approach to Basel II, making the framework more risk sensitive and providing regulators with a more informed basis for assessing capital adequacy for each institution based upon Basel II factors such as PD, LGD, EAD and M. Indeed, we believe that requiring all US banks to model their Standardized profiles under Basel II using publicly available regulatory data would greatly enhance the transparency of the process and serve the public interest.

Recommendation: We recommend that the FDIC and other regulators modify the proposed Basel II framework to require that all banks not opting for the Advanced IRB approach adopt the Standardized approach as described above. We also recommend that the FFIEC expand the financial statement data collected from all US banks and thrifts to enhance the performance and risk management benchmarking possible under the revised Standardized approach.

General Comments

Below are some specific comments regarding the proposal and responses to some of the questions posed in the NPR:.

Loss Given Default

In the current proposal, LGD is defined as “a percentage and is an estimate of the economic loss rate *if a default occurs during economic downturn conditions.*” **Economic Loss Given Default** is defined as “a percentage and is an estimate of the economic loss rate if a default occurs.”

It is unclear to us why the proposal requires two similar definitions, one which includes an economic scenario bias. Adding such a bias to the definition of LGD is confusing and, to us, bad analytics methodology. The change to the definition of LGD also smacks of political window dressing by the regulators in an attempt to evidence attention to rising concerns about loan quality. We suggest using the original definition of LGD, without an economic scenario bias, and deleting the ELDG definition from the final rule.

Guarantees and Credit Derivatives That Cover Wholesale/Retail Exposures

On Page 55876 of the *Federal Register* notice, “the agencies request comment on the appropriateness of these criteria in determining whether the risk mitigation effects of a credit derivative should be recognized for risk-based capital purposes.”

The simple answer is that a guarantee is only as good as the guarantor. That is, the risk mitigation effects of a credit derivative should be subject to a regulatory haircut according to the credit standing of the obligor. Thus in the case of a credit derivative swap issued by a AAA rated counterparty, the regulators could allow 80% of the face value of the transaction for risk mitigation for risk-based capital purposes, with 20% subtracted to account for market and/or liquidity risk. The amount allowed should decline sharply from there depending on the rating of the obligor, perhaps using the rating risk weights in Table G as a general guideline. In those cases where the obligor in the derivative transaction is unrated or is of questionable financial substance, we would recommend allowing no weight for risk-based capital purposes.

The same comment applies to guarantees for retail exposures on Page 55879.

Securitization Exposure

The NPR spends a great deal of time attempting to rationalize the approach to calculating risk based capital requirements for securitized assets. While we applaud the use of internal and comparative methods to discern the risk of the underlying assets in a securitized structure, we do not believe that the regulators should place any significant weight on the use of methods which attempt to mimic “criteria used by an NRSRO for evaluating the credit risk of the underlying exposures.”

The reason for our objection, very simply, is that the NRSROs have in recent years become so intimately involved in the pricing and structuring of many securitized transactions that we believe that the independence and objective analytical value of such ratings has been greatly diminished. Specifically, we would recommend against allowing banks to use NRSRO ratings or methodologies based upon such ratings processes as the sole or even a significant rationale for risk based capital calculations for any securitized asset. Instead, the banks should be required to decompose the securitized asset into its constituent parts and construct a risk-based capital rating based on a sum-of-the-parts analysis.

We would be pleased to answer any questions you may have regarding these comments.

Yours truly,

A handwritten signature in black ink, appearing to read 'C. Whalen', with a long horizontal flourish extending to the right.

Christopher Whalen
Managing Director
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Attachment

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Basel II by the Numbers: Q2 2006 Survey of US Bank Holding Companies

This report presents public data Basel II credit benchmarks from the IRA Bank Monitor for all US bank holding companies (“BHC”). The analysis is derived from the IRA Bank Monitor analytics tool, which provides detailed, portfolio level profiles for these and other depository institutions which operated in the US market as of June 30, 2006.

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

- Large Bank Holding Companies Over \$10 Billion Assets Page 6
- Mid-Size Bank Holding Companies \$1B to \$10B Assets Page 12
- Small Holding Bank Companies \$500M to \$1B Assets Page 20
- Micro Holding Bank Companies Under \$500M Assets Page 28

As with our previous report, we have chosen a test methodology that sets a very high hurdle in terms of testing risk-based capital adequacy. We have deliberately chosen to present an Economic Capital adequacy simulation that is the apparent opposite of that selected in the Quantitative Impact Survey conducted by US regulators during 2005. Specifically, this Basel II simulation poses a key question: How much Economic Capital does a given banking organization need in order to sustain severe losses on its risk bearing trading book but keep its external credit ratings stable?

The point of the simulation presented in this report is not to test compliance with the notional rules or reporting schedules of Basel II, details which are still not finalized at this writing, but instead to examine the safety and soundness of an institution compared with its peers. This is, after all, what the risk management process is really about; understanding individual subject behavior, not to auto correlate to a notional target point as seems to have been the result of the QIS 4 survey.

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Basel II by the Numbers: Q2 2006

We are overly generous in our assumptions regarding the treatment of risk-free exposure for assets such as GSE obligations and harshly prudish in the way we approach trading risks, but we also allow expected loan losses to be defined by recent loan default experience, an assumption we feel is quite liberal. With default rates on high yield debt at all time lows, market indicators must be taken with caution for assessing future risk.

We continue to believe that bank loan default rates reflected in the FDIC RIS understate the economic reality by at least two full letter default rating grades. Thus an exploration of the possible Economic Capital requirements for banks during a future period of above-normal loan default rates seems both timely and of great significance to the risk community, regulators and the banking public.

Comments on the Basel II NPR

This edition of *Basel II by the Numbers* is published as the comment period for the Basel II proposal began on September 25, 2006, with the *Federal Register* notice of the proposal and the draft reporting schedules. Here are some of our top-level comments:

Transparency & Pillar III

- The draft proposal includes reporting categories for credit risk exposures such as corporate, bank, sovereign, residential mortgages and securitizations which are similar to the Basel I measures. Only the aggregate, top level schedule for these exposures will be made public, meaning that most of the disclosure for Basel II will be kept between the banks and the regulators. Likewise disclosure for operational risks is limited. Moreover, there will be no disclosure regarding the methodology used to determine even the top-level aggregate metrics which are publicly disclosed.
- We continue to believe that this bias in favor of nondisclosure in the Basel II proposal weakens the Pillar III standard for market discipline. Indeed, as one senior bank supervisor told us last week, it remains to be seen whether even the limited public disclosure contemplated in the current Basel II proposal, much less additional disclosure, will ever be adopted over the continued opposition of the larger banks. Part of the issue is that the regulatory metrics have little connection to the way in which banks, in fact, measure risk, and thus must be produced specially and solely for the use of regulators. As one practitioner told us this week, the banks want the least expensive version of Basel II and thus the least complex disclosure requirement because the data generated for regulatory purposes cannot be used to actually manage the business.

Methodology:

- The draft Basel II proposal explicitly embraces VaR models and Monte Carlo simulations as the key tools for determining metrics such as Loss Given Default, Exposure at Default and Expected Loss. VaR models are statistical

Basel II by the Numbers: Q2 2006

generalizations meant to detect market risk, while Monte Carlo simulations are, as their name suggests, methods derived from the world of game theory. These approaches provide useful boundaries for understanding a portfolio's *possible* performance. Such estimates may prove helpful for the analyst or the regulator, but they do little to help banks understand specific obligor credit behavior – the ostensive goal of Basel II. Moreover, because these statistical models are currently calibrated using assumptions about Expected Loss which reflect recent historic lows in default experience, the assumptions used to set prospective Economic Capital levels must almost surely be incorrect.

- We believe that the regulators and the banks need to either revisit the issue of calculating obligor specific default probabilities or admit publicly that contemporary risk analysis methods such as VaR models and Monte Carlo simulations do not support the calculation of true obligor-specific measures of credit risk. If Basel II is to truly advance the goal of helping banks better measure credit risk, then more powerful data sources and consistent benchmarking metrics need be developed for measuring the default risk of specific counterparties. Part of the issue we see with the latest Basel II Notice of Potential Rulemaking is that, like the draft 2004 document it so closely resembles, there are few hard definitions to guide bankers regarding precisely what the regulators want in terms of benchmarks.
- In terms of definitions, in addition to the general need to provide additional information as to how key Basel II metrics are derived, we differ with the regulators about the definition of Loss Given Default. In the proposal, “LGD is an estimate of the economic loss that would be incurred on an exposure, relative to the exposure’s EAD, if the exposure were to default within a one-year horizon during economic downturn conditions.” Meanwhile, Economic Loss Given Default or ELGD is defined as being the baseline measure of post-default loss. The proposal states that “the estimate of LGD can be thought of as the ELGD plus an increase if appropriate to reflect the impact of economic downturn conditions.” We respectfully suggest that these labels are confusing and should be reversed: LGD should be used as the general definition of losses post-default in any economic scenario and ELGD or some other definition should be used to stress this measure for measuring LGD during periods of economic stress.

Dennis Santiago
Christopher Whalen

October 3, 2006

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Description of the Metrics

The measures in the following table are in thousands of US dollars unless otherwise indicated, are for the quarter ended June 2006 and include:

- **Total Assets:** The total assets of the subsidiary banks in a given BHC. As reported in CALL/TFR.
- **Net Income:** Net income of the subsidiary banks in a given BHC. This benchmark figure is computed by IRA for all institutions.
- **ROA/ROE:** Return on assets and return on equity. This is an annualized measurement. Data is computed by IRA for BHC roll up's using a straight line annual factoring method. Unit level ROA/ROE data reported as computed by FDIC using RIS annual factoring formulae.
- **Loss Provisions Analysis:** Total defaults suffered, loss provisions allocated, and the ratio of provisions to defaults. As reported in CALL/TFR.
- **Basel II Rating:** Actual default rate for current quarter expressed as bond rating equivalent using industry break points. Computed and assigned by IRA. This figure should generally align with the "internal target rating" for the bank's credit operations business model.
- **Defaults:** Observed loan and lease defaults in basis points versus the reported loan and lease base.
- **Loss Given Default ("LGD"):** Percent loss after default per dollar lent.
- **WAM:** Weighed average maturity in years for the aggregate lending portfolio. Note: The Office of Thrift Supervision does not release portfolio or aggregate maturity data for thrifts to the FDIC.
- **Exposure at Default ("EAD")** = Amount in aggregate which obligors could borrow immediately prior to default expressed as % of existing credit available. Computed by analyzing as-reported unused lending commitments.
- **Economic Capital:** EC is a way to measure the amount of capital needed to meet the losses from the risks which a bank assumes. In this report, standardized, fully-stressed EC is computed by IRA to enable direct comparisons between institution risk management strategies. Includes separate calculations and risk weightings for lending, trading and investment activities for each BHC or thrift.

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- **Tier-One Risk-Based Capital:** The regulatory capital measure as reported by the institution to regulators. Tier One RBC is based on a regulated formula and in the case of BHCs is reported in Schedule RC-R of the CALL/TFR for their subsidiary banks.
- **EC to Tier One RBC:** Ratio of Economic Capital to Tier 1 RBC.
- **RAROC:** Risk Adjusted Return On Capital. Also known as Return On Economic Capital (ROEC). Computed using IRA's EC estimate.

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

For more information, please contact:

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LARGE HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
BANK OF AMERICA CORPORATION	\$1,343,945,503	\$10,340,327	1.5%	13.8%	\$2,519,586	\$2,258,683	1.12:1
JPMORGAN CHASE & CO.	\$1,221,600,699	\$5,527,527	0.9%	9.7%	\$1,726,807	\$1,372,381	1.26:1
CITIGROUP INC.	\$1,071,086,161	\$8,279,051	1.6%	16.2%	\$3,948,989	\$2,142,923	1.84:1
WACHOVIA CORPORATION	\$507,755,714	\$3,136,375	1.2%	12.0%	\$266,882	\$154,955	1.72:1
WELLS FARGO & COMPANY	\$441,156,565	\$3,403,583	1.5%	17.1%	\$643,405	\$578,339	1.11:1
U.S. BANCORP	\$217,590,069	\$2,287,550	2.1%	21.5%	\$350,438	\$241,270	1.45:1
SUNTRUST BANKS INC.	\$181,442,168	\$1,100,384	1.2%	11.8%	\$109,386	\$85,162	1.28:1
HSBC HOLDINGS PLC	\$171,044,062	\$840,972	1.0%	12.3%	\$469,504	\$378,768	1.24:1
ROYAL BANK OF SCOTLAND GROUP PLC	\$167,108,147	\$817,429	1.0%	7.2%	\$197,310	\$109,329	1.80:1
NATIONAL CITY CORPORATION	\$146,498,573	\$913,954	1.3%	13.3%	\$306,488	\$96,861	3.16:1
BB&T CORPORATION	\$120,923,937	\$888,217	1.5%	14.4%	\$84,331	\$62,020	1.36:1
ABN AMRO HOLDING N.V.	\$115,250,164	\$540,091	0.9%	8.5%	\$31,850	\$147,340	0.22:1
FIFTH THIRD BANCORP	\$108,105,094	\$774,423	1.4%	14.1%	\$193,275	\$149,618	1.29:1
BANK OF NEW YORK COMPANY INC.	\$94,925,339	\$710,714	1.5%	15.9%	\$21,839	\$5,492	3.98:1
KEYCORP	\$90,548,334	\$584,015	1.3%	16.8%	\$124,413	\$63,386	1.96:1
STATE STREET CORPORATION	\$89,736,770	\$464,814	1.0%	15.0%	\$0	\$0	n/a
PNC FINANCIAL SERVICES GROUP INC.	\$89,412,201	\$527,446	1.2%	15.9%	\$71,901	\$66,361	1.08:1
COUNTRYWIDE FINANCIAL CORPORATION	\$89,030,996	\$494,114	1.1%	16.5%	\$15,543	\$63,393	0.25:1
REGIONS FINANCIAL CORPORATION	\$81,954,710	\$603,408	1.5%	11.2%	\$116,807	\$69,031	1.69:1
CAPITAL ONE FINANCIAL CORPORATION	\$72,938,530	\$1,253,024	3.4%	22.1%	\$701,397	\$378,077	1.86:1
BNP PARIBAS	\$67,473,031	\$397,259	1.2%	7.5%	\$54,560	\$26,400	2.07:1
NORTH FORK BANCORPORATION INC.	\$59,714,778	\$465,169	1.6%	9.4%	\$18,548	\$18,000	1.03:1
COMERICA INCORPORATED	\$57,667,021	\$393,799	1.4%	14.1%	\$50,278	\$0	n/a
ALLIED IRISH BANKS P.L.C.	\$56,528,420	\$432,695	1.5%	13.1%	\$43,553	\$35,000	1.24:1
NOR RN TRUST CORPORATION	\$55,858,141	\$364,937	1.3%	17.7%	\$617	\$7,740	0.08:1
MITSUBISHI UFJ FINANCIAL GROUP INC.	\$55,228,348	\$378,122	1.4%	13.2%	\$25,579	\$2,864	8.93:1
AMSOUTH BANCORPORATION	\$53,899,220	\$369,993	1.4%	19.5%	\$76,497	\$51,300	1.49:1
MARSHALL & ILSLEY CORPORATION	\$51,559,245	\$304,553	1.2%	12.3%	\$24,136	\$21,748	1.11:1
TORONTO-DOMINION BANK	\$50,156,282	\$218,532	0.9%	4.6%	\$26,062	\$15,630	1.67:1
ZIONS BANCORPORATION	\$45,415,702	\$307,989	1.4%	12.3%	\$31,690	\$31,535	1.00:1
COMMERCE BANCORP INC.	\$43,623,236	\$159,634	0.7%	12.7%	\$11,162	\$14,001	0.80:1
MELLON FINANCIAL CORPORATION	\$41,583,837	\$357,734	1.7%	21.8%	\$327	(\$337)	-0.97:1

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LARGE HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
BANK OF MONTREAL	\$38,838,884	\$95,659	0.5%	5.8%	\$31,959	\$11,305	2.83:1
POPULAR INC.	\$38,024,730	\$217,611	1.1%	15.2%	\$87,926	\$77,243	1.14:1
DEUTSCHE BANK AKTIENGESELLSCHAFT	\$37,583,942	\$178,993	1.0%	4.2%	\$0	(\$123)	0.00:1
FIRST HORIZON NATIONAL CORPORATION	\$37,155,405	\$342,147	1.8%	23.3%	\$32,309	\$36,452	0.89:1
HUNTINGTON BANCSHARES INCORPORATED	\$35,886,969	\$204,829	1.1%	19.1%	\$56,092	\$31,851	1.76:1
COMPASS BANCSHARES INC.	\$33,706,246	\$231,100	1.4%	16.3%	\$48,381	\$44,434	1.09:1
SYNOVUS FINANCIAL CORP.	\$31,766,165	\$321,737	2.0%	16.7%	\$29,248	\$39,582	0.74:1
NEW YORK COMMUNITY BANCORP INC.	\$29,608,558	\$135,737	0.9%	6.4%	\$152	\$0	n/a
COLONIAL BANCGROUP INC.	\$22,962,845	\$137,007	1.2%	12.9%	\$17,669	\$17,292	1.02:1
ASSOCIATED BANC-CORP	\$20,851,140	\$151,937	1.5%	12.7%	\$12,535	\$6,967	1.80:1
ROYAL BANK OF CANADA	\$20,782,554	\$54,118	0.5%	3.3%	\$14,216	\$10,339	1.37:1
FIRST BANCORP	\$20,145,861	\$33,270	0.3%	4.9%	\$38,200	\$26,330	1.45:1
CHARLES SCHWAB CORPORATION	\$19,571,462	\$116,023	1.2%	12.6%	\$165	\$715	0.23:1
UBS AG	\$18,916,174	\$137,861	1.5%	12.7%	\$0	\$216	0.00:1
WEBSTER FINANCIAL CORPORATION	\$17,757,171	\$95,987	1.1%	11.0%	\$5,145	\$5,076	1.01:1
MERCANTILE BANKSHARES CORPORATION	\$17,363,107	\$138,936	1.6%	13.7%	\$2,229	(\$2,240)	-1.00:1
BOK FINANCIAL CORPORATION	\$17,203,524	\$109,646	1.3%	14.1%	\$10,029	\$6,029	1.66:1
W HOLDING COMPANY INC.	\$16,580,730	\$56,547	0.7%	9.9%	\$12,092	\$25,250	0.48:1
SKY FINANCIAL GROUP INC.	\$15,560,982	\$95,114	1.2%	12.3%	\$22,345	\$16,441	1.36:1
FIRST CITIZENS BANCSHARES INC.	\$15,365,116	\$67,412	0.9%	10.1%	\$11,970	\$9,710	1.23:1
FULTON FINANCIAL CORPORATION	\$15,297,063	\$92,737	1.2%	11.9%	\$3,181	\$1,875	1.70:1
SOUTH FINANCIAL GROUP	\$14,772,204	\$62,457	0.9%	7.9%	\$20,746	\$17,656	1.18:1
TCF FINANCIAL CORPORATION	\$14,306,751	\$125,129	1.8%	26.7%	\$6,920	\$4,604	1.50:1
CITY NATIONAL CORPORATION	\$14,281,004	\$110,515	1.6%	15.8%	\$1,941	(\$610)	-3.18:1
LAURITZEN CORPORATION	\$14,269,577	\$77,608	1.1%	12.2%	\$31,917	\$27,792	1.15:1
COMMERCE BANCSHARES INC.	\$14,186,499	\$106,511	1.5%	20.4%	\$18,568	\$10,104	1.84:1
NEW YORK PRIVATE BANK & TRUST CORPORATION	\$13,846,822	\$123,847	1.8%	23.2%	\$452	\$3,498	0.13:1
FBOP CORPORATION	\$13,494,981	\$98,842	1.5%	12.3%	\$827	\$230	3.60:1
VALLEY NATIONAL BANCORP	\$12,399,079	\$85,751	1.4%	16.4%	\$5,239	\$4,412	1.19:1
INVESTORS FINANCIAL SERVICES CORP.	\$12,380,426	\$83,224	1.3%	19.4%	\$0	\$0	n/a
BANCORPSOUTH INC.	\$11,815,287	\$78,252	1.3%	14.0%	\$6,834	(\$274)	-24.94:1
CULLEN/FROST BANKERS INC.	\$11,455,216	\$98,735	1.7%	19.1%	\$10,360	\$9,039	1.15:1

Basel II by the Numbers: Q2 2006

LARGE HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
DORAL FINANCIAL CORPORATION	\$11,270,726	\$43,098	0.8%	15.6%	\$2,302	\$10,025	0.23:1
R&G FINANCIAL CORPORATION	\$11,263,628	\$28,993	0.5%	6.4%	\$4,487	\$9,134	0.49:1
BANCO BILBAO VIZCAYA ARGENTARIA S.A.	\$11,083,040	\$23,450	0.4%	3.4%	\$31,608	\$22,248	1.42:1
PEOPLE'S MUTUAL HOLDINGS	\$11,006,955	\$67,649	1.2%	10.2%	\$2,589	(\$2)	-
							1,294.50:1
WILMINGTON TRUST CORPORATION	\$10,819,368	\$87,641	1.6%	18.5%	\$8,883	\$8,232	1.08:1
INTERNATIONAL BANCSHARES CORPORATION	\$10,620,855	\$63,729	1.2%	13.0%	\$11,607	\$678	17.12:1
WHITNEY HOLDING CORPORATION	\$10,466,908	\$74,259	1.4%	14.8%	\$17,143	\$3,000	5.71:1
BANK OF HAWAII CORPORATION	\$10,373,300	\$86,618	1.7%	25.9%	\$10,059	\$4,775	2.11:1
FIRSTMERIT CORPORATION	\$10,245,829	\$57,642	1.1%	16.3%	\$32,947	\$19,313	1.71:1
EAST WEST BANCORP INC.	\$10,013,253	\$72,349	1.5%	14.0%	\$355	\$3,386	0.10:1

Basel II by the Numbers: Q2 2006

LARGE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
BANK OF AMERICA CORPORATION	BBB	34.8	73.1%	6.18	172.5%	\$162,324,314	\$95,821,545	1.694	12.0%
JPMORGAN CHASE & CO.	BBB	38.2	76.7%	3.19	211.5%	\$393,650,871	\$74,394,247	5.291	2.0%
CITIGROUP INC.	BB	58.2	71.0%	1.59	241.6%	\$251,687,281	\$80,025,736	3.145	4.6%
WACHOVIA CORPORATION	A	9.2	46.9%	5.95	78.9%	\$67,661,634	\$33,035,582	2.048	11.8%
WELLS FARGO & COMPANY	BBB	21.4	70.3%	2.82	61.8%	\$24,589,968	\$29,589,644	0.831	29.7%
U.S. BANCORP	BBB	24.3	68.4%	4.04	91.8%	\$7,445,590	\$12,988,752	0.573	42.4%
SUNTRUST BANKS, INC.	A	8.3	47.0%	4.8	74.4%	\$8,108,264	\$12,289,507	0.66	30.1%
HSBC HOLDINGS PLC	BB	51.6	74.6%	2.9	265.4%	\$38,278,094	\$10,829,589	3.535	2.5%
ROYAL BANK OF SCOTLAND GROUP PLC, THE	BBB	18.5	66.3%	6.7	43.1%	\$6,307,490	\$10,091,357	0.625	36.3%
NATIONAL CITY CORPORATION	BBB	26.8	65.4%	4.52	52.1%	\$3,459,324	\$10,329,185	0.335	45.0%
BB&T CORPORATION	A	10.8	68.3%	4.53	37.8%	\$1,482,799	\$8,023,097	0.185	116.0%
ABN AMRO HOLDING N.V.	A	4.4	35.8%	4.89	57.7%	\$4,683,443	\$9,817,882	0.477	36.8%
FIFTH THIRD BANCORP	BBB	26.3	72.4%	3.39	59.5%	\$3,842,267	\$10,575,079	0.363	32.6%
BANK OF NEW YORK COMPANY, INC., THE	A	5.9	39.3%	4.36	103.8%	\$29,465,508	\$6,366,830	4.628	2.1%
KEYCORP	BBB	17.4	59.1%	3.48	55.2%	\$2,985,477	\$6,815,479	0.438	34.4%
STATE STREET CORPORATION	AAA	0	n/a	4.95	491.5%	\$39,141,584	\$5,002,519	7.824	3.4%
PNC FINANCIAL SERVICES GROUP, INC., THE	BBB	13.5	69.4%	4.43	78.0%	\$16,327,018	\$6,192,087	2.637	6.8%
COUNTRYWIDE FINANCIAL CORPORATION	AA	1.9	92.3%	2.95	14.5%	\$3,789,738	\$6,105,239	0.621	22.3%
REGIONS FINANCIAL CORPORATION	BBB	19	64.0%	2.25	35.7%	\$1,483,906	\$6,880,693	0.216	91.6%
CAPITAL ONE FINANCIAL CORPORATION	BB	159	63.5%	2.58	366.0%	\$6,811,843	\$7,518,118	0.906	0.5%
BNP PARIBAS	BBB	12.3	58.4%	7.68	27.9%	\$2,781,374	\$5,436,724	0.512	38.0%
NORTH FORK BANCORPORATION, INC.	A	4.5	61.3%	5.99	15.2%	\$3,761,455	\$4,102,707	0.917	27.1%
COMERICA INCORPORATED	A	10.8	69.4%	2.6	54.9%	\$618,108	\$5,594,593	0.11	117.4%
ALLIED IRISH BANKS, P.L.C.	A	10.5	61.6%	6.03	37.6%	\$4,626,437	\$3,485,213	1.327	19.7%
NORTHERN TRUST CORPORATION	AAA	0.3	-63.4%	3.26	87.3%	\$2,362,089	\$3,500,196	0.675	14.4%
MITSUBISHI UFJ FINANCIAL GROUP, INC.	A	7.1	54.1%	3.72	73.7%	\$3,697,269	\$5,409,094	0.684	25.3%
AMSOUTH BANCORPORATION	BBB	20.2	77.0%	4.01	55.9%	\$6,158,985	\$3,735,951	1.649	14.0%
MARSHALL & ILSLEY CORPORATION	A	6	65.0%	1.87	45.5%	\$939,014	\$3,627,604	0.259	67.6%
TORONTO-DOMINION BANK, THE	A	10	57.0%	3.56	40.7%	\$7,677,312	\$3,026,827	2.536	10.8%
ZIONS BANCORPORATION	A	9.7	67.7%	2.48	65.9%	\$2,337,488	\$3,072,110	0.761	32.6%
COMMERCE BANCORP, INC.	A	7.8	63.4%	5.83	43.9%	\$18,887,619	\$2,532,344	7.459	5.6%
MELLON FINANCIAL CORPORATION	AAA	0.5	-144.0%	1.59	178.8%	\$7,149,272	\$3,061,217	2.335	4.2%

Basel II by the Numbers: Q2 2006

LARGE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
BANK OF MONTREAL	BBB	12.3	52.5%	3.3	53.7%	\$665,632	\$3,229,083	0.206	57.6%
POPULAR, INC.	BBB	36.8	66.8%	5.95	31.6%	\$1,016,396	\$2,627,114	0.387	60.1%
DEUTSCHE BANK AKTIENGESELLSCHAFT	AAA	0	n/a	0.85	72.2%	\$11,547,387	\$8,241,264	1.401	14.0%
FIRST HORIZON NATIONAL CORPORATION	BBB	12.9	77.8%	2.01	69.1%	\$1,179,660	\$2,526,694	0.467	36.9%
HUNTINGTON BANCSHARES INCORPORATED	BBB	21.2	65.1%	3.08	35.4%	\$2,868,289	\$2,060,637	1.392	15.8%
COMPASS BANCSHARES, INC.	BBB	20	69.5%	3	44.2%	\$2,605,549	\$2,197,014	1.186	19.6%
SYNOVUS FINANCIAL CORP.	BBB	12.3	81.8%	1.54	32.0%	\$151,570	\$3,476,410	0.044	120.6%
NEW YORK COMMUNITY BANCORP, INC.	AAA	0.1	100.0%	4.17	5.3%	\$3,476,446	\$2,283,477	1.522	11.1%
COLONIAL BANCGROUP, INC., THE	A	10.1	63.4%	2.64	36.1%	\$1,245,680	\$1,562,220	0.797	32.5%
ASSOCIATED BANC-CORP	A	8.2	59.2%	2.49	36.8%	\$332,658	\$1,498,198	0.222	94.6%
ROYAL BANK OF CANADA	A	10.9	61.3%	3.13	42.1%	\$2,707,402	\$1,829,970	1.479	11.4%
FIRST BANCORP	BBB	35.3	85.5%	6.23	17.0%	\$3,481,734	\$1,326,299	2.625	10.0%
CHARLES SCHWAB CORPORATION, THE	AAA	0.2	91.5%	4.77	36.0%	\$4,543,151	\$1,379,588	3.293	6.8%
UBS AG	AAA	0	n/a	0.51	0.4%	\$40,321	\$2,171,501	0.019	1205.8%
WEBSTER FINANCIAL CORPORATION	AA	4	80.9%	8.57	39.1%	\$2,112,983	\$1,150,297	1.837	14.2%
MERCANTILE BANKSHARES CORPORATION	AA	1.8	8.5%	4.02	40.5%	\$109,868	\$1,361,183	0.081	268.8%
BOK FINANCIAL CORPORATION	A	10.2	53.6%	2.41	49.5%	\$2,053,591	\$1,414,187	1.452	14.1%
W HOLDING COMPANY, INC.	BBB	14.6	76.0%	4.38	14.2%	\$6,282,780	\$1,138,119	5.52	4.3%
SKY FINANCIAL GROUP, INC.	BBB	19.9	73.0%	1.82	31.1%	\$384,325	\$1,233,013	0.312	70.4%
FIRST CITIZENS BANCSHARES, INC.	A	11.9	69.8%	3.46	43.5%	\$437,331	\$1,280,747	0.341	50.8%
FULTON FINANCIAL CORPORATION	AA	3	36.7%	3.11	40.5%	\$131,236	\$1,029,178	0.128	157.5%
SOUTH FINANCIAL GROUP, THE	BBB	21.6	79.2%	2.43	22.8%	\$224,149	\$1,000,041	0.224	86.0%
TCF FINANCIAL CORPORATION	A	6.2	83.2%	8.3	25.3%	\$75,758	\$839,852	0.09	289.5%
CITY NATIONAL CORPORATION	AA	2	-0.2%	5.57	49.2%	\$480,711	\$1,321,882	0.364	69.9%
LAURITZEN CORPORATION	BBB	33	62.2%	2.16	363.2%	\$1,643,529	\$1,120,246	1.467	8.8%
COMMERCE BANCSHARES, INC.	BBB	19.8	54.4%	2.21	75.1%	\$894,624	\$1,043,110	0.858	21.1%
NEW YORK PRIVATE BANK & TRUST CORPORATION	AAA	0.7	80.8%	5.19	21.5%	\$1,682,504	\$1,067,181	1.577	14.8%
FBOP CORPORATION	AAA	0.9	18.0%	3.11	34.0%	\$926,325	\$1,458,477	0.635	34.5%
VALLEY NATIONAL BANCORP	A	6.3	74.5%	7.42	32.0%	\$1,465,272	\$893,913	1.639	17.3%
INVESTORS FINANCIAL SERVICES CORP.	AAA	0	n/a	0.25	302.7%	\$6,121,967	\$808,935	7.568	4.2%
BANCORPSOUTH, INC.	A	9	72.6%	1.09	27.4%	\$1,575,699	\$965,090	1.633	13.4%
CULLEN/FROST BANKERS, INC.	BBB	15.7	59.7%	1.98	51.4%	\$46,373	\$850,263	0.055	538.7%
DORAL FINANCIAL CORPORATION	A	5.5	91.4%	11.99	9.5%	\$1,753,684	\$800,106	2.192	13.0%

Basel II by the Numbers: Q2 2006

LARGE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
R&G FINANCIAL CORPORATION	A	6	71.7%	10.69	22.3%	\$523,310	\$838,267	0.624	30.0%
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	BB	51.8	53.3%	3.22	13.5%	\$476,468	\$695,508	0.685	36.7%
PEOPLE'S MUTUAL HOLDINGS	AA	2.9	0.0%	2.69	34.6%	\$145,256	\$1,245,067	0.117	120.8%
WILMINGTON TRUST CORPORATION	A	11	59.1%	1.94	39.1%	\$455,708	\$971,397	0.469	42.7%
INTERNATIONAL BANCSHARES CORPORATION	BBB	24.1	94.2%	2.3	38.4%	\$34,096	\$721,106	0.047	556.8%
WHITNEY HOLDING CORPORATION	BBB	24.9	88.8%	1.88	44.0%	\$901,231	\$795,885	1.132	25.2%
BANK OF HAWAII CORPORATION	BBB	15.6	48.0%	7.19	42.5%	\$1,173,657	\$703,774	1.668	20.0%
FIRSTMERIT CORPORATION	BBB	48.1	67.4%	4.16	43.6%	\$213,334	\$739,647	0.288	65.9%
EAST WEST BANCORP, INC.	AAA	0.5	72.7%	2.39	27.5%	\$260,421	\$779,960	0.334	66.2%

Basel II by the Numbers: Q2 2006

MID-SIZED HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
FIRST BANKS, INC.	\$9,587,461	\$61,651	1.3%	12.3%	\$6,341	\$5,421	1.17:1
CORUS BANKSHARES, INC.	\$9,369,988	\$96,280	2.1%	19.9%	\$664	\$3,000	0.22:1
WINTRUST FINANCIAL CORPORATION	\$9,253,640	\$39,683	0.9%	7.9%	\$3,516	\$3,279	1.07:1
ISRAEL DISCOUNT BANK LIMITED	\$9,074,155	\$9,366	0.2%	3.5%	\$2,652	\$3,241	0.82:1
FIRST MIDWEST BANCORP, INC.	\$8,648,933	\$62,886	1.5%	14.3%	\$4,671	\$3,649	1.28:1
ARVEST BANK GROUP, INC.	\$8,534,191	\$48,702	1.1%	12.8%	\$5,209	\$5,299	0.98:1
UCBH HOLDINGS, INC.	\$8,280,022	\$52,352	1.3%	13.7%	\$5,482	(\$266)	-20.61:1
TRUSTMARK CORPORATION	\$8,277,169	\$59,633	1.4%	15.8%	\$5,817	\$227	25.63:1
SUSQUEHANNA BANCSHARES, INC.	\$8,168,383	\$46,314	1.1%	9.7%	\$5,107	\$4,239	1.20:1
OLD NATIONAL BANCORP	\$8,167,693	\$40,749	1.0%	12.0%	\$13,755	\$7,000	1.97:1
STERLING FINANCIAL CORPORATION	\$8,041,997	\$36,578	0.9%	11.2%	\$2,290	\$9,300	0.25:1
BANCO SANTANDER CENTRAL HISPANO	\$7,958,462	\$18,693	0.5%	6.6%	\$15,572	\$10,400	1.50:1
CITIZENS BANKING CORPORATION	\$7,887,245	\$46,246	1.2%	12.4%	\$10,789	\$5,708	1.89:1
FIRSTBANK HOLDING COMPANY	\$7,720,406	\$56,257	1.5%	23.8%	\$1,625	\$3,174	0.51:1
UMB FINANCIAL CORPORATION	\$7,709,511	\$29,667	0.8%	8.8%	\$6,352	\$6,234	1.02:1
CATHAY GENERAL BANCORP	\$7,443,055	\$58,533	1.6%	12.6%	\$808	\$2,591	0.31:1
METLIFE, INC.	\$7,390,094	\$4,135	0.1%	2.1%	\$36	\$3,676	0.01:1
PACIFIC CAPITAL BANCORP	\$7,167,518	\$70,607	2.0%	22.2%	\$86,821	\$64,990	1.34:1
UMPQUA HOLDINGS CORPORATION	\$7,159,630	\$40,871	1.1%	6.4%	\$1,560	\$74	21.08:1
NEWALLIANCE BANCSHARES, INC.	\$7,091,319	\$27,011	0.8%	4.9%	\$974	\$0	n/a
GREATER BAY BANCORP	\$6,879,770	\$52,458	1.5%	14.5%	\$5,490	(\$7)	-784.29:1
TEXAS REGIONAL BANCSHARES, INC.	\$6,837,709	\$40,940	1.2%	11.8%	\$23,712	\$21,620	1.10:1
CENTRAL BANCOMPANY	\$6,797,171	\$46,162	1.4%	16.2%	\$5,765	\$5,907	0.98:1
OTTO BREMER FOUNDATION	\$6,747,593	\$37,612	1.1%	12.4%	\$2,529	\$5,769	0.44:1
EASTERN BANK CORPORATION	\$6,726,919	\$36,485	1.1%	10.8%	\$3,596	\$0	n/a
UNITED BANKSHARES, INC.	\$6,693,606	\$50,216	1.5%	15.8%	\$1,313	\$598	2.20:1
ALABAMA NATIONAL BANCORPORATION	\$6,686,926	\$40,949	1.2%	14.0%	\$1,017	\$3,163	0.32:1
CHITTENDEN CORPORATION	\$6,651,478	\$44,244	1.3%	12.6%	\$3,727	\$3,283	1.14:1
IRWIN FINANCIAL CORPORATION	\$6,535,356	\$7,399	0.2%	2.1%	\$13,843	\$16,019	0.86:1
REPUBLIC BANCORP INC.	\$6,326,050	\$35,444	1.1%	15.8%	\$2,870	\$3,150	0.91:1
UNITED COMMUNITY BANKS, INC.	\$6,324,338	\$35,907	1.1%	13.9%	\$3,413	\$7,200	0.47:1

Basel II by the Numbers: Q2 2006

MID-SIZED HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
EGGEMEYER ADVISORY CORP.	\$6,196,528	\$51,278	1.7%	8.2%	\$2,330	\$8,277	0.28:1
HANCOCK HOLDING COMPANY	\$6,174,252	\$43,682	1.4%	18.3%	\$8,663	\$561	15.44:1
PROVIDENT BANKSHARES CORPORATION	\$6,134,862	\$42,217	1.4%	17.4%	\$4,042	\$1,142	3.54:1
CVB FINANCIAL CORP.	\$5,945,693	\$39,461	1.3%	19.6%	\$64	\$1,150	0.06:1
MB FINANCIAL, INC	\$5,916,826	\$37,847	1.3%	12.1%	\$3,447	\$2,600	1.33:1
F.N.B. CORPORATION	\$5,916,153	\$34,903	1.2%	10.7%	\$4,285	\$2,646	1.62:1
FIRST COMMONWEALTH FINANCIAL CORPORATION	\$5,871,882	\$31,274	1.1%	11.1%	\$6,451	\$5,206	1.24:1
OCEAN BANKSHARES, INC.	\$5,825,977	\$46,939	1.6%	16.2%	\$5,754	\$6,200	0.93:1
PROVIDENT FINANCIAL SERVICES, INC.	\$5,824,708	\$25,874	0.9%	5.8%	\$1,660	\$1,120	1.48:1
BANK LEUMI LE-ISRAEL B.M.	\$5,743,095	\$10,128	0.4%	5.2%	\$3	\$0	n/a
PARK NATIONAL CORPORATION	\$5,711,192	\$44,890	1.6%	25.5%	\$4,874	\$1,093	4.46:1
FIRST CITIZENS BANCORPORATION, INC.	\$5,544,049	\$30,304	1.1%	11.3%	\$2,075	\$1,551	1.34:1
INVESTORS BANCORP, MHC	\$5,495,426	\$10,734	0.4%	3.3%	\$121	\$400	0.30:1
AMCORE FINANCIAL, INC.	\$5,398,366	\$25,048	0.9%	12.4%	\$6,387	\$4,259	1.50:1
BARCLAYS PLC	\$5,394,521	\$205,864	7.6%	29.2%	\$35,926	\$53,327	0.67:1
CENTRAL PACIFIC FINANCIAL CORP.	\$5,276,133	\$42,864	1.6%	11.0%	\$2,333	\$1,050	2.22:1
NATIONAL PENN BANCSHARES, INC.	\$5,183,963	\$33,733	1.3%	10.9%	\$2,323	\$1,140	2.04:1
SVB FINANCIAL GROUP	\$5,102,587	\$54,476	2.1%	19.6%	\$7,211	\$2,764	2.61:1
BOSTON PRIVATE FINANCIAL HOLDINGS, INC.	\$4,989,228	\$24,734	1.0%	8.4%	\$625	\$2,867	0.22:1
NBT BANCORP INC.	\$4,964,207	\$27,856	1.1%	13.4%	\$5,414	\$3,431	1.58:1
WESTAMERICA BANCORPORATION	\$4,867,973	\$49,961	2.1%	22.4%	\$1,764	\$300	5.88:1
ORIENTAL FINANCIAL GROUP INC.	\$4,805,016	\$12,615	0.5%	9.1%	\$1,443	\$2,048	0.70:1
RABOBANK NEDERLAND	\$4,803,057	\$14,616	0.6%	3.0%	\$1,830	\$3,419	0.54:1
FIRST INTERSTATE BANCSYSTEM, INC.	\$4,753,913	\$33,088	1.4%	17.0%	\$2,402	\$4,331	0.55:1
PROSPERITY BANCSHARES, INC.	\$4,522,528	\$31,306	1.4%	8.7%	\$315	\$240	1.31:1
MERCANTIL SERVICIOS FINANCIEROS, C.A.	\$4,454,829	\$26,341	1.2%	15.1%	\$3,831	(\$500)	-7.66:1
SNBNY HOLDINGS LIMITED	\$4,438,497	\$12,006	0.5%	5.4%	\$0	(\$2)	0.00:1
FIRST CHARTER CORPORATION	\$4,315,896	\$24,412	1.1%	13.0%	\$2,364	\$2,399	0.99:1
DICKINSON FINANCIAL CORPORATION II	\$4,250,277	\$49,622	2.3%	23.0%	\$4,074	\$7,886	0.52:1
UNITE HERE	\$4,202,913	\$9,269	0.4%	12.4%	\$115	\$300	0.38:1
COMMUNITY BANK SYSTEM, INC.	\$4,126,108	\$20,922	1.0%	8.4%	\$7,245	\$4,445	1.63:1

Basel II by the Numbers: Q2 2006

MID-SIZED HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
PINNACLE BANCORP, INC.	\$4,102,685	\$36,729	1.8%	20.1%	\$918	\$2,286	0.40:1
WESBANCO, INC.	\$4,071,802	\$19,042	0.9%	7.6%	\$6,449	\$4,885	1.32:1
FIRST NATIONAL BANK HOLDING COMPANY	\$4,061,256	\$30,510	1.5%	17.2%	\$1,305	\$2,490	0.52:1
GLACIER BANCORP, INC.	\$3,955,861	\$30,750	1.6%	14.5%	\$528	\$2,500	0.21:1
WESTERN ALLIANCE BANCORPORATION	\$3,925,911	\$21,899	1.1%	10.9%	\$130	\$2,470	0.05:1
MIZUHO FINANCIAL GROUP, INC.	\$3,870,091	\$22,329	1.2%	4.1%	\$0	(\$4)	0.00:1
RIVERSIDE BANKING COMPANY	\$3,813,317	\$21,851	1.2%	17.0%	\$4,096	\$4,625	0.89:1
STERLING BANCSHARES, INC.	\$3,789,752	\$24,566	1.3%	12.6%	\$4,230	\$3,446	1.23:1
JOHNSON FINANCIAL GROUP, INC.	\$3,763,669	\$14,421	0.8%	10.4%	\$1,093	\$3,612	0.30:1
CHEMICAL FINANCIAL CORPORATION	\$3,722,647	\$24,517	1.3%	10.1%	\$2,011	\$860	2.34:1
CAPITOL BANCORP LTD.	\$3,713,448	\$16,957	0.9%	7.6%	\$3,404	\$4,490	0.76:1
PRIVATEBANCORP, INC.	\$3,658,501	\$24,511	1.3%	13.3%	\$796	\$4,635	0.17:1
HANMI FINANCIAL CORPORATION	\$3,621,311	\$33,434	1.9%	12.6%	\$2,380	\$3,860	0.62:1
FIRST MERCHANTS CORPORATION	\$3,530,457	\$19,570	1.1%	9.5%	\$3,377	\$3,455	0.98:1
1ST SOURCE CORPORATION	\$3,509,342	\$19,488	1.1%	10.0%	\$1,371	(\$1)	-1,371.00:1
FIRST NATIONAL BANK GROUP, INC.	\$3,452,383	\$20,061	1.2%	18.7%	\$3,171	\$4,650	0.68:1
INDEPENDENT BANK CORPORATION	\$3,436,584	\$21,962	1.3%	13.4%	\$4,176	\$4,379	0.95:1
FIRST FINANCIAL BANCORP	\$3,411,951	\$12,266	0.7%	8.6%	\$15,277	\$1,991	7.67:1
TEXAS CAPITAL BANCSHARES, INC.	\$3,410,489	\$14,518	0.9%	10.5%	\$1,661	\$2,250	0.74:1
BANNER CORPORATION	\$3,391,106	\$18,935	1.1%	12.9%	\$1,105	\$3,500	0.32:1
COMMUNITY BANKS, INC.	\$3,376,404	\$22,410	1.3%	8.8%	\$656	\$1,150	0.57:1
TAYLOR CAPITAL GROUP, INC.	\$3,369,081	\$19,327	1.2%	13.3%	\$4,667	\$3,000	1.56:1
BANCFIRST CORPORATION	\$3,351,671	\$23,818	1.4%	15.2%	\$1,376	\$1,597	0.86:1
S & T BANCORP, INC.	\$3,258,759	\$23,554	1.5%	15.2%	\$5,775	\$7,200	0.80:1
SUN BANCORP, INC	\$3,205,969	\$10,484	0.7%	5.3%	\$916	\$1,500	0.61:1
ITLA CAPITAL CORPORATION	\$3,202,090	\$16,218	1.0%	11.5%	\$533	\$2,390	0.22:1
HARLEYSVILLE NATIONAL CORPORATION	\$3,183,602	\$18,909	1.2%	13.4%	\$1,871	\$2,100	0.89:1
W.T.B. FINANCIAL CORPORATION	\$3,168,437	\$22,766	1.4%	16.7%	\$2,030	\$3,651	0.56:1
INTRUST FINANCIAL CORPORATION	\$3,164,883	\$24,395	1.5%	17.7%	\$1,623	\$4,200	0.39:1
STERLING FINANCIAL CORPORATION	\$3,129,331	\$22,410	1.4%	13.3%	\$1,440	\$2,422	0.59:1
GREAT WESTERN BANCORPORATION, INC.	\$3,071,877	\$16,661	1.1%	12.7%	\$7,885	\$8,179	0.96:1
FRONTIER FINANCIAL CORPORATION	\$3,022,363	\$33,146	2.2%	22.2%	\$593	\$3,391	0.17:1

Basel II by the Numbers: Q2 2006

MID-SIZED HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
YARDVILLE NATIONAL BANCORP	\$3,017,891	\$12,766	0.9%	11.8%	\$4,069	\$4,150	0.98:1
KNBT BANCORP INC.	\$3,015,058	\$13,405	0.9%	7.7%	\$1,590	\$1,950	0.82:1
HEARTLAND FINANCIAL USA, INC.	\$2,986,952	\$13,648	0.9%	9.8%	\$1,290	\$1,998	0.65:1
IBERIABANK CORPORATION	\$2,972,059	\$18,850	1.3%	12.8%	\$1,487	(\$1)	-1,487.00:1
COMMUNITY TRUST BANCORP, INC.	\$2,955,539	\$21,292	1.4%	13.7%	\$4,916	\$1,350	3.64:1
INDEPENDENT BANK CORP.	\$2,914,918	\$17,796	1.2%	13.7%	\$1,392	\$1,100	1.27:1

Basel II by the Numbers: Q2 2006

MID-SIZE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
FIRST BANKS, INC.	A	8.3	0.00%	2.1	38.00%	\$151,812	\$781,331	0.194	110.81%
CORUS BANKSHARES, INC.	AA	1.5	8.10%	0.31	96.90%	\$1,878	\$967,618	0.002	13647.87%
WINTRUST FINANCIAL CORPORATION	A	5.7	80.10%	1.61	38.60%	\$124,804	\$781,310	0.16	108.89%
ISRAEL DISCOUNT BANK LIMITED	A	9	86.90%	1	44.60%	\$1,977,523	\$582,106	3.397	8.98%
FIRST MIDWEST BANCORP, INC.	A	9.3	77.50%	2.16	33.20%	\$307,534	\$626,814	0.491	52.57%
ARVEST BANK GROUP, INC.	A	8.7	64.20%	2.13	39.80%	\$53,001	\$555,374	0.095	287.92%
UCBH HOLDINGS, INC.	A	8.9	95.60%	3.13	25.60%	\$499,858	\$678,755	0.736	29.10%
TRUSTMARK CORPORATION	A	9.5	-1.80%	4.27	27.60%	\$398,767	\$598,592	0.666	35.27%
SUSQUEHANNA BANCSHARES, INC.	A	8.9	60.60%	3.47	26.50%	\$118,453	\$664,333	0.178	82.45%
OLD NATIONAL BANCORP	BBB	28.2	68.90%	3.56	23.30%	\$546,270	\$654,576	0.835	21.83%
STERLING FINANCIAL CORPORATION	A	4.1	86.40%	5.07	34.10%	\$437,278	\$589,703	0.742	34.20%
BANCO SANTANDER CENTRAL HISPANO, S.A.	BBB	27	83.10%	10.69	25.50%	\$50,182	\$569,731	0.088	180.60%
CITIZENS BANKING CORPORATION	BBB	18.8	55.40%	4.47	28.40%	\$143,994	\$696,165	0.207	87.46%
FIRSTBANK HOLDING COMPANY	A	6.4	73.80%	4.71	52.00%	\$1,790,234	\$481,681	3.717	11.25%
UMB FINANCIAL CORPORATION	BBB	17.6	77.80%	2.03	62.20%	\$66,020	\$661,255	0.1	128.37%
CATHAY GENERAL BANCORP	AA	1.5	18.10%	3.43	36.20%	\$368,362	\$630,921	0.584	42.22%
METLIFE, INC.	AAA	0.1	100.00%	2.27	4.00%	\$1,715,318	\$435,772	3.936	7.39%
PACIFIC CAPITAL BANCORP	BB	166.4	77.90%	5.25	28.30%	\$145,816	\$499,245	0.292	66.43%
UMPQUA HOLDINGS CORPORATION	AA	2.9	-32.90%	3.65	29.00%	\$85,755	\$612,052	0.14	138.28%
NEWALLIANCE BANCSHARES, INC.	AA	2.6	-18.70%	6.63	19.60%	\$649,284	\$645,770	1.005	18.22%
GREATER BAY BANCORP	A	11.5	49.30%	3.64	30.80%	\$1,056,716	\$795,961	1.328	13.69%
TEXAS REGIONAL BANCSHARES, INC.	BB	56.4	95.10%	1.31	20.90%	\$54,798	\$513,600	0.107	220.55%
CENTRAL BANCOMPANY	BBB	12.4	43.80%	1.83	25.60%	\$182,436	\$492,354	0.371	61.66%
OTTO BREMER FOUNDATION	A	5.3	68.00%	1.43	32.00%	\$262,330	\$538,052	0.488	40.98%
EASTERN BANK CORPORATION	A	7.8	63.20%	4.03	33.30%	\$218,522	\$600,417	0.364	49.43%
UNITED BANKSHARES, INC.	AA	2.7	43.60%	4.45	37.10%	\$438,197	\$540,416	0.811	27.29%
ALABAMA NATIONAL BANCORPORATION	AA	2.1	31.10%	1.88	29.50%	\$595,983	\$531,478	1.121	19.46%
CHITTENDEN CORPORATION	A	8	54.60%	3.87	26.00%	\$360,750	\$499,912	0.722	34.77%
IRWIN FINANCIAL CORPORATION	BBB	27.3	61.20%	5.54	18.90%	\$67,808	\$695,451	0.098	162.92%
REPUBLIC BANCORP INC.	A	5.9	74.80%	5.53	22.30%	\$437,283	\$464,934	0.941	21.56%

Basel II by the Numbers: Q2 2006

MID-SIZE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
UNITED COMMUNITY BANKS, INC.	A	7.1	67.00%	1.01	19.70%	\$268,265	\$422,563	0.635	45.82%
EGGEMEYER ADVISORY CORP.	A	5.1	40.60%	2.21	33.30%	\$18,881	\$559,303	0.034	758.08%
HANCOCK HOLDING COMPANY	BBB	28.5	33.40%	4.95	24.20%	\$58,907	\$448,270	0.131	223.60%
PROVIDENT BANKSHARES CORPORATION	A	10.7	51.50%	1.92	43.00%	\$852,926	\$508,217	1.678	14.59%
CVB FINANCIAL CORP.	AAA	0.2	-1.60%	6.42	31.20%	\$119,591	\$402,098	0.297	106.64%
MB FINANCIAL, INC	A	8.6	54.00%	1.83	32.20%	\$84,748	\$512,644	0.165	105.56%
F.N.B. CORPORATION	A	10.4	78.10%	5.4	22.50%	\$798,041	\$399,170	1.999	11.28%
FIRST COMMONWEALTH FINANCIAL CORPORATION	BBB	17.5	88.00%	5.17	24.50%	\$283,918	\$458,056	0.62	36.53%
OCEAN BANKSHARES, INC.	BBB	12.2	66.00%	0.93	25.80%	\$515,927	\$583,915	0.884	24.07%
PROVIDENT FINANCIAL SERVICES, INC.	A	4.4	50.90%	6.86	21.00%	\$451,191	\$479,803	0.94	21.85%
BANK LEUMI LE-ISRAEL B.M.	AAA	0	-66.70%	0.57	58.00%	\$833,838	\$384,064	2.171	10.15%
PARK NATIONAL CORPORATION	BBB	14.5	24.50%	2.39	26.50%	\$191,472	\$357,410	0.536	63.97%
FIRST CITIZENS BANCORPORATION	A	5.6	67.20%	3.33	28.50%	\$30,252	\$407,431	0.074	298.69%
INVESTORS BANCORP, MHC	AAA	0.4	65.30%	11.54	17.00%	\$1,779,131	\$656,801	2.709	5.38%
AMCORE FINANCIAL, INC.	BBB	16.4	69.70%	2.59	24.80%	\$65,790	\$421,431	0.156	123.50%
BARCLAYS PLC	BB	121.5	87.40%	0.42	748.60%	\$851,998	\$927,136	0.919	-24.60%
CENTRAL PACIFIC FINANCIAL CORP.	A	6.3	45.90%	2.69	35.80%	\$160,458	\$491,653	0.326	69.41%
NATIONAL PENN BANCSHARES, INC.	A	6.6	45.20%	5.08	34.70%	\$215,777	\$346,516	0.623	43.14%
SVB FINANCIAL GROUP	BBB	24.7	14.00%	1.12	152.90%	\$327,143	\$589,976	0.555	55.91%
BOSTON PRIVATE FINANCIAL HOLDINGS, INC.	AA	1.6	86.10%	4.52	30.20%	\$48,433	\$369,686	0.131	192.27%
NBT BANCORP INC.	BBB	16.2	58.10%	3.1	15.60%	\$128,371	\$324,876	0.395	55.58%
WESTAMERICA BANCORPORATION	A	6.8	26.40%	5.61	18.30%	\$1,226,052	\$301,884	4.061	8.79%
ORIENTAL FINANCIAL GROUP INC.	BBB	12.4	81.50%	13.27	0.00%	\$2,094,577	\$308,923	6.78	4.35%
RABOBANK NEDERLAND	A	5	92.30%	5.49	33.50%	\$9,288	\$594,498	0.016	853.03%
FIRST INTERSTATE BANCSYSTEM, INC.	A	7.4	44.10%	2.41	28.20%	\$114,078	\$365,791	0.312	83.90%
PROSPERITY BANCSHARES, INC.	AA	1.4	68.90%	3.55	24.20%	\$1,157,731	\$278,398	4.159	8.43%
MERCANTIL SERVICIOS FINANCIEROS, SNBNY HOLDINGS LIMITED	BBB	17.5	25.00%	2.34	35.60%	\$359,798	\$340,352	1.057	29.82%
FIRST CHARTER CORPORATION	AAA	0	n/a	1.02	3.00%	\$103,718	\$449,280	0.231	48.60%
DICKINSON FINANCIAL CORPORATION	A	7.7	67.90%	3.69	40.10%	\$30,813	\$372,535	0.083	206.10%
	BBB	12.1	67.70%	2.24	32.70%	\$116,385	\$395,119	0.295	60.98%

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Basel II by the Numbers: Q2 2006

MID-SIZE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
UNITE HERE	AAA	0.7	- 115.70%	14.62	15.50%	\$131,247	\$244,211	0.537	63.80%
COMMUNITY BANK SYSTEM, INC.	BBB	29.6	57.30%	6.92	17.20%	\$184,857	\$284,232	0.65	45.45%
PINNACLE BANCORP, INC.	AA	3	71.10%	2.33	22.90%	\$14,616	\$320,138	0.046	503.17%
WESBANCO, INC.	BBB	22.1	81.40%	5.11	18.80%	\$347,526	\$363,422	0.956	17.47%
FIRST NATIONAL BANK HOLDING COMPANY	AA	3.8	68.30%	3.35	33.30%	\$9,260	\$360,727	0.026	632.23%
GLACIER BANCORP, INC.	AA	2	-3.60%	4.25	28.20%	\$26,586	\$342,247	0.078	310.77%
WESTERN ALLIANCE BANCORPORATION	AAA	0.5	- 117.70%	3.66	32.30%	\$263,757	\$282,289	0.934	27.29%
MIZUHO FINANCIAL GROUP, INC.	AAA	0	n/a	1.36	40.00%	\$820,228	\$1,088,979	0.753	6.12%
RIVERSIDE BANKING COMPANY	BBB	18.1	64.80%	5.45	14.30%	\$265,292	\$265,581	0.999	27.90%
STERLING BANCSHARES, INC.	BBB	14.7	66.10%	1.93	32.10%	\$169,955	\$315,356	0.539	48.51%
JOHNSON FINANCIAL GROUP, INC.	AA	3.6	37.50%	2.71	37.10%	\$255,085	\$271,510	0.94	23.44%
CHEMICAL FINANCIAL CORPORATION	A	7.3	68.10%	3.8	17.30%	\$110,432	\$428,095	0.258	61.67%
CAPITOL BANCORP LTD.	A	10.6	74.10%	2.15	22.30%	\$23,100	\$413,925	0.056	271.17%
PRIVATEBANCORP, INC.	AA	2.7	87.70%	2.93	32.90%	\$4,238	\$302,292	0.014	1550.39%
HANMI FINANCIAL CORPORATION	A	8.5	66.10%	1.83	20.40%	\$23,177	\$323,344	0.072	328.82%
FIRST MERCHANTS CORPORATION	BBB	13	81.60%	3.28	25.70%	\$32,797	\$271,299	0.121	150.67%
1ST SOURCE CORPORATION	A	5.2	-0.10%	1.61	20.30%	\$29,593	\$375,810	0.079	146.49%
FIRST NATIONAL BANK GROUP, INC.	BBB	14.6	79.60%	1.85	15.00%	\$20,450	\$245,724	0.083	344.58%
INDEPENDENT BANK CORPORATION	BBB	15.6	70.30%	3.11	9.20%	\$120,986	\$255,118	0.474	45.90%
FIRST FINANCIAL BANCORP	BB	58.1	88.50%	3.93	21.70%	\$37,703	\$286,345	0.132	93.21%
TEXAS CAPITAL BANCSHARES, INC.	A	6.4	90.40%	0.91	36.30%	\$57,990	\$278,718	0.208	103.65%
BANNER CORPORATION	AA	3.9	70.60%	3.43	37.20%	\$124,321	\$261,690	0.475	50.51%
COMMUNITY BANKS, INC.	AA	2.8	49.80%	5.33	27.30%	\$113,059	\$256,947	0.44	52.51%
TAYLOR CAPITAL GROUP, INC.	BBB	18.9	85.10%	1.67	38.00%	\$52,217	\$287,642	0.182	117.58%
BANCFIRST CORPORATION	A	5.9	64.50%	2	24.80%	\$42,239	\$285,841	0.148	147.11%
S & T BANCORP, INC.	BBB	22	90.00%	2.7	31.10%	\$36,180	\$262,510	0.138	132.91%
SUN BANCORP, INC	AA	4	59.10%	3.19	32.50%	\$64,203	\$247,717	0.259	80.73%
ITLA CAPITAL CORPORATION	AA	2	- 110.30%	1.5	9.20%	\$209,961	\$278,991	0.753	23.76%
HARLEYSVILLE NATIONAL CORPORATION	A	9.2	72.00%	5.33	34.10%	\$97,770	\$248,770	0.393	54.87%

Basel II by the Numbers: Q2 2006

MID-SIZE HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
W.T.B. FINANCIAL CORPORATION	A	7.9	24.10%	2.8	50.30%	\$22,338	\$271,557	0.082	286.33%
INTRUST FINANCIAL CORPORATION	A	7.4	23.30%	1.48	79.40%	\$21,095	\$270,423	0.078	244.96%
STERLING FINANCIAL CORPORATION	A	6.4	69.40%	3.78	28.10%	\$40,408	\$285,884	0.141	89.15%
GREAT WESTERN BANCORPORATION, INC.	BBB	33	93.20%	2.74	25.00%	\$19,864	\$242,111	0.082	233.55%
FRONTIER FINANCIAL CORPORATION	AA	2.1	48.90%	1.95	31.60%	\$25,691	\$300,366	0.086	279.57%
YARDVILLE NATIONAL BANCORP	BBB	20	92.50%	3.17	25.40%	\$110,509	\$233,620	0.473	47.81%
KNBT BANCORP INC.	A	10.3	82.60%	8.79	28.00%	\$218,357	\$236,903	0.922	24.76%
HEARTLAND FINANCIAL USA, INC.	A	6.1	54.30%	2.23	32.00%	\$20,205	\$236,296	0.086	222.22%
IBERIABANK CORPORATION	A	7.3	13.20%	5.79	27.80%	\$34,921	\$207,100	0.169	144.12%
COMMUNITY TRUST BANCORP, INC.	BBB	23	61.90%	2.14	19.70%	\$200,347	\$255,793	0.783	25.77%
INDEPENDENT BANK CORP.	A	6.8	64.00%	6.66	25.80%	\$98,154	\$213,195	0.46	58.76%

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
PACIFIC MERCANTILE BANCORP	\$992,087	\$3,805	0.8%	10.7%	\$95	\$560	0.17:1
FIRST MID-ILLINOIS BANCSHARES	\$991,255	\$5,667	1.1%	11.3%	\$368	\$404	0.91:1
YOUNG PARTNERS L P	\$990,879	\$3,008	0.6%	8.4%	\$357	\$288	1.24:1
FIRST CO BANCORP	\$989,957	\$4,582	0.9%	13.4%	\$69	\$295	0.23:1
ALLIANCE FINANCIAL	\$989,037	\$3,692	0.8%	9.9%	\$1,511	\$1,417	1.07:1
LSB BANCSHARES	\$985,571	\$3,462	0.7%	7.6%	\$2,698	\$2,018	1.34:1
PREMIERWEST BANCORP	\$983,709	\$7,631	1.6%	12.6%	\$223	\$500	0.45:1
ENTERPRISE BANCORP	\$982,171	\$4,853	1.0%	12.0%	\$141	\$517	0.27:1
FSB MUTUAL HOLDINGS	\$979,490	\$3,734	0.8%	6.4%	\$545	\$0	n/a
FIRST OF LONG ISLAND	\$979,437	\$5,681	1.2%	12.8%	\$75	\$385	0.19:1
COMMUNITY BANCORP	\$978,234	\$8,628	1.8%	15.2%	\$26	\$1,510	0.02:1
CITIZENS NATIONAL BANC CORP	\$976,051	\$7,100	1.5%	15.6%	\$40	\$593	0.07:1
SMITHTOWN BANCORP	\$975,733	\$7,259	1.5%	18.6%	\$116	\$1,100	0.11:1
STUPP BROS	\$969,211	\$4,305	0.9%	9.6%	\$191	\$100	1.91:1
LEESPORT FINANCIAL CORP	\$967,189	\$4,061	0.8%	8.9%	\$815	\$425	1.92:1
NEW FRONTIER BANCORP	\$960,618	\$6,746	1.4%	16.1%	\$611	\$2,166	0.28:1
BANK OF KENTUCKY FINANCIAL	\$955,778	\$5,584	1.2%	11.3%	\$749	\$800	0.94:1
OVERTON FINANCIAL	\$955,516	\$5,375	1.1%	11.8%	\$598	\$1,094	0.55:1
INTEGRITY BANCSHARES	\$954,680	\$5,861	1.2%	11.8%	\$0	\$2,139	0.00:1
COLUMBIA BANCORP	\$953,769	\$8,067	1.7%	19.3%	\$1,080	\$1,820	0.59:1
MINNEHAHA BANSHARES	\$952,150	\$4,443	0.9%	10.9%	\$125	\$0	n/a
SILVER STATE BANCORP	\$949,950	\$10,243	2.2%	23.1%	\$54	\$1,200	0.05:1
NATIONAL BANK OF INDIANAPOLIS	\$948,558	\$4,049	0.9%	12.2%	\$352	\$636	0.55:1
MACON BANCORP	\$948,191	\$5,559	1.2%	14.4%	\$277	\$820	0.34:1
FIRST FINANCIAL HOLDINGS MHC	\$947,972	\$4,289	0.9%	9.5%	\$0	\$300	0.00:1
BANTERRA CORP	\$947,197	\$7,819	1.7%	17.5%	\$942	\$980	0.96:1
ACNB	\$944,208	\$3,013	0.6%	9.6%	\$35	\$450	0.08:1
PRINCETON NATIONAL BANCORP	\$942,329	\$3,928	0.8%	8.6%	\$398	\$95	4.19:1
OLNEY BANCSHARES OF TEXAS	\$941,445	\$12,843	2.7%	19.8%	\$181	\$1,141	0.16:1
COMMUNITY FIRST BANCSHARES	\$928,986	\$3,873	0.8%	10.3%	\$430	\$654	0.66:1
CNLBANCSHARES	\$924,960	\$3,994	0.9%	7.0%	\$0	\$1,957	0.00:1

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
PREMIER BANCSHARES	\$924,891	\$3,520	0.8%	8.8%	\$31	\$1,170	0.03:1
SPIRIT BANKCORP	\$922,008	\$3,941	0.9%	12.3%	\$1,517	\$1,460	1.04:1
RAINIER PACIFIC FINANCIAL GROUP	\$917,713	\$1,510	0.3%	3.7%	\$576	\$300	1.92:1
SOU ASTERN BANK FINANCIAL	\$916,892	\$5,513	1.2%	17.5%	\$1,207	\$960	1.26:1
BANK OF HIGHLAND PARK	\$915,859	\$4,655	1.0%	10.7%	\$0	\$300	0.00:1
VENTURE FINANCIAL GROUP	\$915,778	\$5,618	1.2%	11.5%	\$810	\$300	2.70:1
HEARTLAND BANCORP	\$913,302	\$8,866	1.9%	22.8%	\$821	\$900	0.91:1
BANK OF CHOICE HOLDING	\$912,879	\$4,241	0.9%	7.5%	\$142	\$867	0.16:1
BERKSHIRE BANCORP INC	\$912,234	\$3,005	0.7%	5.9%	\$1	\$90	0.01:1
FIRST FIDELITY BANCORP	\$908,688	\$6,157	1.4%	12.8%	\$861	\$926	0.93:1
FIRST CITIZENS FINANCIAL CORP	\$904,270	\$5,342	1.2%	11.5%	\$331	\$245	1.35:1
COMMERCE BANCSHARES CORP	\$897,989	\$546	0.1%	1.2%	\$501	\$300	1.67:1
COMMUNITY BANCORP	\$896,767	\$7,855	1.8%	11.6%	\$93	\$0	n/a
BENJAMIN FRANKLIN BANCORP	\$896,481	\$2,521	0.6%	5.4%	\$46	\$127	0.36:1
ABINGTON MUTUAL HOLDING	\$894,693	\$3,526	0.8%	8.0%	\$25	\$8	3.13:1
CIVITAS BANKGROUP	\$894,276	\$2,536	0.6%	7.7%	\$658	\$848	0.78:1
FIRST SOUTH BANCORP	\$894,059	\$8,818	2.0%	23.4%	\$168	\$783	0.21:1
MONTGOMERY BAN	\$892,348	\$4,347	1.0%	13.1%	\$121	\$1,038	0.12:1
FLORENCE BANCORP MHC	\$889,462	\$2,381	0.5%	7.5%	\$34	\$13	2.62:1
NORTH VALLEY BANCORP	\$888,743	\$6,184	1.4%	12.9%	\$119	\$370	0.32:1
SOUTH SHORE BANCORP MHC	\$888,597	\$2,522	0.6%	6.1%	\$40	\$0	n/a
SALIN BANCSHARES	\$878,817	\$9,101	2.1%	19.4%	\$512	\$60	8.53:1
AMERISERV FINANCIAL INC	\$878,444	\$952	0.2%	2.2%	\$366	(\$50)	-7.32:1
GREATER COMMUNITY BANCORP	\$877,942	\$5,322	1.2%	12.3%	\$192	\$314	0.61:1
PEOPLES FINANCIAL	\$877,307	\$5,116	1.2%	11.5%	\$228	\$77	2.96:1
NORTHRIM BANCORP	\$875,678	\$6,548	1.5%	14.4%	\$263	\$914	0.29:1
CITYWIDE BANKS OF COLORADO	\$874,893	\$8,539	2.0%	23.3%	\$656	\$2,259	0.29:1
COPPERMARK BANCSHARES	\$874,800	\$7,351	1.7%	19.1%	\$760	\$1,013	0.75:1
CUMMINS-AMERICAN CORP	\$874,568	\$3,417	0.8%	8.2%	\$114	\$0	n/a
SHORE BANCSHARES	\$874,306	\$6,698	1.5%	14.7%	\$306	\$551	0.56:1
FIRST CHESTER COUNTY	\$870,744	\$4,505	1.0%	13.0%	\$70	\$3	23.33:1
ALIAN T FINANCIAL	\$868,074	\$6,374	1.5%	17.7%	\$1,251	\$1,309	0.96:1
FIRST CONNECTICUT BANCORP	\$867,921	\$3,596	0.8%	9.7%	\$15	(\$8)	-1.88:1

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
HNB	\$867,521	\$4,999	1.2%	10.0%	\$266	\$350	0.76:1
WOORI FINANCE HOLDINGS	\$867,418	\$6,156	1.4%	13.0%	\$274	\$600	0.46:1
GREAT LAKES BANCORP	\$866,864	(\$120)	0.0%	-0.6%	\$99	\$558	0.18:1
FIRST INDEPENDENT INVESTMENT	\$865,923	\$4,538	1.1%	9.2%	\$57	\$750	0.08:1
NEWMIL BANCORP	\$864,185	\$4,661	1.1%	15.1%	\$65	\$0	n/a
FIRST COMMUNITY BANCSHARES	\$863,310	\$4,796	1.1%	20.5%	\$1,973	\$2,091	0.94:1
HOME FEDERAL BANCORP	\$862,140	\$3,642	0.8%	9.1%	\$417	\$338	1.23:1
PEOPLES BANCTRUST COMPANY	\$861,899	\$5,358	1.2%	13.8%	\$441	(\$892)	-0.49:1
MASSBANK CORP	\$861,726	\$3,594	0.8%	7.4%	\$6	\$50	0.12:1
REPUBLIC FIRST BANCORP	\$860,638	\$5,469	1.3%	14.8%	\$1,720	\$1,374	1.25:1
CITRUS & CHEMICAL BAN	\$856,611	\$4,485	1.1%	17.4%	\$210	\$450	0.47:1
GRANVALOR HOLDING LTD	\$854,358	\$1,904	0.5%	3.4%	\$0	(\$200)	0.00:1
FIRST BANCORP	\$848,896	\$5,999	1.4%	18.1%	\$324	\$598	0.54:1
FIRST WESTERN BANCORP	\$848,510	\$9,648	2.3%	25.8%	\$98	\$0	n/a
MERIDIAN FINANCIAL SERVICES	\$846,368	\$2,836	0.7%	5.4%	\$1	\$180	0.01:1
CBS BANC-CORP	\$841,398	\$4,167	1.0%	13.9%	\$655	\$524	1.25:1
CU BANK SHARES	\$841,163	\$3,711	0.9%	14.2%	\$2,250	\$2,155	1.04:1
VILLAGES BAN	\$840,939	\$5,205	1.2%	19.2%	\$100	\$615	0.16:1
NATIONAL BANKSHARES	\$838,919	\$6,324	1.5%	14.3%	\$209	\$24	8.71:1
INDEPENDENT ALLIANCE BANKS	\$836,861	\$4,659	1.1%	11.4%	\$253	\$456	0.55:1
SECURITY NATIONAL	\$836,842	\$6,318	1.5%	16.2%	\$37	\$150	0.25:1
LSB FINANCIAL	\$836,415	\$1,258	0.3%	2.8%	\$394	\$300	1.31:1
NEXITY FINANCIAL	\$833,516	\$3,182	0.8%	9.5%	\$510	\$755	0.68:1
FIRST CITIZENS BANCSHARES	\$833,370	\$4,774	1.2%	12.5%	\$516	\$450	1.15:1
PACIFIC CONTINENTAL	\$832,844	\$6,502	1.6%	13.6%	\$59	\$450	0.13:1
HERITAGE FINANCIAL	\$828,207	\$5,597	1.4%	14.3%	\$33	\$240	0.14:1
COOPERATIVE BANKSHARES	\$827,197	\$3,694	0.9%	10.8%	\$796	\$1,360	0.59:1
CITY BANCORP	\$824,432	\$4,900	1.2%	11.3%	\$20	\$514	0.04:1
LNB BANCORP INC	\$823,578	\$3,049	0.7%	9.8%	\$561	\$315	1.78:1
CNB	\$820,358	\$4,809	1.2%	13.5%	\$422	\$650	0.65:1
WESTBANK	\$820,300	\$1,925	0.5%	6.3%	\$111	\$0	n/a
CHAMBERS BANCSHARES	\$818,601	\$9,349	2.3%	19.1%	\$147	\$180	0.82:1
FARMERS NATIONAL BANC CORP	\$818,588	\$3,892	1.0%	10.9%	\$497	\$170	2.92:1

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
ALLIANCE BANCSHARES CA	\$815,824	\$4,265	1.1%	11.2%	\$1,229	\$1,729	0.71:1
TAMPA BANKING COMPANY	\$815,757	\$5,161	1.3%	15.9%	\$285	\$736	0.39:1
WATFORD CITY BANCSHARES	\$815,314	\$5,962	1.5%	22.0%	\$136	\$559	0.24:1

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
PACIFIC MERCANTILE BANCORP	AA	1.4	95.8%	3.88	28.0%	\$16,042	\$77,047	0.208	120.2%
FIRST MID-ILLINOIS BANCSHARES	A	5.1	64.4%	3.68	16.5%	\$10,591	\$80,018	0.132	147.4%
YOUNG PARTNERS L P	A	5.3	66.4%	5.09	10.4%	\$10,245	\$71,586	0.143	139.8%
FIRST CO BANCORP	AAA	0.8	98.6%	4.99	8.7%	\$309	\$66,864	0.005	4244.0%
ALLIANCE FINANCIAL	BBB	22.1	79.9%	7.05	15.1%	\$4,127	\$68,739	0.06	310.4%
LSB BANCSHARES	BBB	35.6	72.5%	2.85	29.4%	\$30,249	\$93,007	0.325	47.5%
PREMIERWEST BANCORP	AA	2.6	71.3%	3.2	19.6%	\$8,415	\$98,155	0.086	273.1%
ENTERPRISE BANCORP	AA	1.9	57.4%	2.88	38.9%	\$12,168	\$76,033	0.16	171.5%
FSB MUTUAL HOLDINGS	A	10	100.0%	3.22	17.8%	\$11,242	\$121,527	0.093	133.4%
FIRST OF LONG ISLAND	AA	1.7	89.3%	6.67	18.8%	\$215,623	\$90,589	2.38	11.7%
COMMUNITY BANCORP	AAA	0.3	-23.1%	1.58	33.7%	\$1,960	\$91,729	0.021	1146.9%
CITIZENS NATIONAL BANC CORP	AAA	0.7	-27.5%	3.04	18.6%	\$302,813	\$92,713	3.266	7.0%
SMITHTOWN BANCORP	AA	1.5	10.3%	2.47	28.6%	\$2,607	\$76,336	0.034	745.6%
STUPP BROS	AA	3.3	60.2%	3.08	30.5%	\$4,448	\$97,271	0.046	404.4%
LEESPORT FINANCIAL CORP	A	11.5	91.2%	6.62	43.2%	\$38,390	\$67,126	0.572	34.5%
NEW FRONTIER BANCORP	A	7.9	82.2%	1.26	18.2%	\$4,171	\$84,780	0.049	416.4%
BANK OF KENTUCKY FINANCIAL	A	9.5	97.6%	1.49	28.7%	\$16,363	\$86,977	0.188	85.9%
OVERTON FINANCIAL	A	8.4	69.9%	2.95	19.1%	\$4,182	\$88,558	0.047	350.3%
INTEGRITY BANCSHARES	AAA	0	n/a	0.42	40.0%	\$3,824	\$101,346	0.038	498.1%
COLUMBIA BANCORP	BBB	14.1	91.2%	1.86	33.0%	\$19,534	\$76,283	0.256	106.1%
MINNEHAHA BANSHARES	AA	2	3.2%	5.29	56.7%	\$9,793	\$87,858	0.111	155.0%
SILVER STATE BANCORP	AAA	0.7	5.6%	2	37.7%	\$7,010	\$89,053	0.079	360.9%
NATIONAL BANK OF INDIANAPOLIS	A	4.9	-26.7%	1.26	41.1%	\$85,644	\$67,514	1.269	18.1%
MACON BANCORP	AA	3.6	48.4%	6.02	22.0%	\$511	\$78,417	0.007	3063.8%
FIRST FINANCIAL HOLDINGS MHC	AAA	0	n/a	10.08	12.3%	\$83,294	\$81,159	1.026	17.2%
BANTERRA CORP	BBB	14.8	86.8%	3.02	14.2%	\$13,368	\$85,760	0.156	128.0%
ACNB	AAA	0.7	-25.7%	6.03	22.1%	\$63,199	\$69,834	0.905	26.7%
PRINCETON NATIONAL BANCORP	A	6.8	53.3%	2.18	23.1%	\$15,649	\$64,633	0.242	99.6%
OLNEY BANCSHARES OF TEXAS	AA	2.2	26.5%	1.29	41.8%	\$2,786	\$101,835	0.027	737.7%
COMMUNITY FIRST BANCSHARES	A	6	17.9%	2.88	24.8%	\$3,753	\$77,125	0.049	447.3%
CNLBANCSHARES	AAA	0	n/a	1.25	50.4%	\$900	\$115,003	0.008	2082.6%

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
PREMIER BANCSHARES	AAA	0.4	25.8%	0.9	20.5%	\$11,964	\$80,629	0.148	114.2%
SPIRIT BANKCORP	BBB	20.6	93.9%	1.26	23.4%	\$3,416	\$64,055	0.053	363.3%
RAINIER PACIFIC FINANCIAL GROUP	A	9.5	84.5%	5.02	23.0%	\$179,457	\$79,668	2.253	7.9%
SOU ASTERN BANK FINANCIAL	BBB	18.3	64.7%	2.89	25.8%	\$20,131	\$67,245	0.299	83.2%
BANK OF HIGHLAND PARK	AAA	0	n/a	2.49	12.9%	\$15,094	\$87,760	0.172	80.3%
VENTURE FINANCIAL GROUP	BBB	12.2	77.0%	2.09	36.0%	\$10,488	\$74,814	0.14	148.2%
HEARTLAND BANCORP	A	10.9	42.0%	1.81	21.0%	\$5,198	\$76,367	0.068	313.9%
BANK OF CHOICE HOLDING	AA	2.1	-6.3%	2.01	26.4%	\$21,114	\$73,771	0.286	74.2%
BERKSHIRE BANCORP INC	AAA	0	-400.0%	8.41	10.5%	\$55,971	\$94,102	0.595	37.3%
FIRST FIDELITY BANCORP	BBB	14.5	37.6%	3	20.7%	\$66,895	\$82,476	0.811	20.7%
FIRST CITIZENS FINANCIAL CORP	A	5.9	67.1%	3.11	19.1%	\$20,784	\$96,855	0.215	80.3%
COMMERCE BANCSHARES CORP	BBB	14.3	74.3%	3.55	37.3%	\$28,719	\$96,489	0.298	60.3%
COMMUNITY BANCORP	AA	1.2	-7.5%	1	28.3%	\$7,687	\$90,497	0.085	293.4%
BENJAMIN FRANKLIN BANCORP	AAA	0.7	0.0%	4.85	20.4%	\$1,907	\$58,619	0.033	599.6%
ABINGTON MUTUAL HOLDING	AAA	0.4	68.0%	9.85	23.2%	\$81,493	\$91,891	0.887	16.8%
CIVITAS BANKGROUP	A	11	40.7%	1.93	27.6%	\$108,248	\$68,875	1.572	13.4%
FIRST SOUTH BANCORP	AA	2.2	61.9%	2.52	25.0%	\$3,579	\$72,219	0.05	589.3%
MONTGOMERY BAN	AA	1.8	96.7%	0.96	15.5%	\$15,790	\$70,197	0.225	89.7%
FLORENCE BANCORP MHC	AAA	0.6	35.3%	7.76	23.1%	\$13,869	\$69,875	0.198	102.8%
NORTH VALLEY BANCORP	AA	1.9	-48.7%	4.79	33.9%	\$22,449	\$81,942	0.274	69.2%
SOUTH SHORE BANCORP MHC	AAA	0.7	17.5%	4.78	21.6%	\$65,041	\$82,050	0.793	25.1%
SALIN BANCSHARES	A	7.3	83.8%	1.9	23.6%	\$13,155	\$92,453	0.142	134.4%
AMERISERV FINANCIAL INC	A	6.4	59.8%	3.29	16.2%	\$21,467	\$81,965	0.262	55.9%
GREATER COMMUNITY BANCORP	AA	2.8	57.3%	4.95	22.0%	\$59,210	\$75,537	0.784	28.8%
PEOPLES FINANCIAL	A	5.7	0.0%	1.62	34.3%	\$123,263	\$92,093	1.338	16.8%
NORTHRIM BANCORP	AA	3.6	14.8%	1.71	19.4%	\$12,475	\$84,319	0.148	165.4%
CITYWIDE BANKS OF COLORADO	A	10.1	31.2%	1.44	33.3%	\$23,485	\$74,302	0.316	71.4%
COPPERMARK BANCSHARES	A	9.9	82.0%	1.76	55.0%	\$5,239	\$77,257	0.068	266.0%
CUMMINS-AMERICAN CORP	AA	2.2	88.6%	4.58	29.5%	\$192,734	\$86,762	2.221	8.1%
SHORE BANCSHARES	A	4.5	72.9%	1.74	29.0%	\$14,087	\$88,468	0.159	118.8%
FIRST CHESTER COUNTY	AA	1	-317.1%	4.12	38.6%	\$12,412	\$72,031	0.172	125.2%
ALIAN T FINANCIAL	BBB	18.7	87.2%	1.87	23.4%	\$24,918	\$76,074	0.328	67.8%
FIRST CONNECTICUT BANCORP	AAA	0.3	-2533.3%	6.19	18.8%	\$12,804	\$81,145	0.158	143.7%

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
HNB	A	4	69.9%	2.72	26.0%	\$19,876	\$100,353	0.198	82.1%
WOORI FINANCE HOLDINGS	A	4.3	98.2%	2.69	0.6%	\$32,435	\$72,008	0.45	58.8%
GREAT LAKES BANCORP	AA	2.1	99.0%	8.15	15.0%	\$245,107	\$47,718	5.137	5.2%
FIRST INDEPENDENT INVESTMENT	AA	1	59.6%	1.19	77.5%	\$186,249	\$94,730	1.966	10.5%
NEWMIL BANCORP	AA	1.3	75.4%	7.46	18.6%	\$13,621	\$59,522	0.229	121.2%
FIRST COMMUNITY BANCSHARES	BB	64	78.2%	3.51	8.3%	\$15,584	\$57,585	0.271	-136.1%
HOME FEDERAL BANCORP	A	6.4	89.4%	3.92	25.0%	\$12,838	\$81,259	0.158	94.1%
PEOPLES BANCTRUST COMPANY	A	7.5	-5.2%	2.95	18.3%	\$12,688	\$76,549	0.166	119.8%
MASSBANK CORP	AAA	0.3	100.0%	10.31	15.5%	\$16,473	\$103,149	0.16	117.4%
REPUBLIC FIRST BANCORP	BBB	23.2	71.8%	3.94	27.2%	\$13,908	\$74,121	0.188	109.9%
CITRUS & CHEMICAL BAN	A	4.8	61.9%	3.02	40.6%	\$63,853	\$57,239	1.116	29.1%
GRANVALOR HOLDING LTD	AAA	0	n/a	4.59	16.1%	\$24,832	\$114,054	0.218	50.7%
FIRST BANCORP	A	4.5	35.2%	2.95	22.1%	\$23,276	\$64,710	0.36	60.7%
FIRST WESTERN BANCORP	AA	1.4	43.9%	2.43	21.7%	\$11,674	\$76,103	0.153	131.8%
MERIDIAN FINANCIAL SERVICES	AAA	0	-100.0%	5.12	18.1%	\$229,621	\$106,554	2.155	6.7%
CBS BANC-CORP	BBB	15.8	65.0%	2.13	11.0%	\$15,876	\$56,625	0.28	111.2%
CU BANK SHARES	BB	55.3	91.5%	11.02	104.7%	\$194,372	\$56,568	3.436	-9.9%
VILLAGES BAN	AA	2.9	77.0%	3.04	58.2%	\$24,532	\$64,105	0.383	95.9%
NATIONAL BANKSHARES	A	4.2	63.6%	5.03	23.3%	\$125,463	\$75,323	1.666	13.3%
INDEPENDENT ALLIANCE BANKS	AA	3.9	50.6%	2.11	14.8%	\$1,109	\$67,192	0.017	1259.3%
SECURITY NATIONAL	AAA	0.6	-24.3%	4.05	38.9%	\$37,381	\$78,695	0.475	34.5%
LSB FINANCIAL	A	6.6	43.9%	5.86	15.0%	\$3,326	\$67,633	0.049	422.7%
NEXITY FINANCIAL	A	9.5	99.2%	0.62	41.9%	\$4,613	\$72,098	0.064	319.6%
FIRST CITIZENS BANCSHARES	A	8.9	79.5%	3.26	25.7%	\$8,685	\$65,904	0.132	168.8%
PACIFIC CONTINENTAL	AAA	0.8	-13.6%	3.28	27.8%	\$1,632	\$72,400	0.023	1071.0%
HERITAGE FINANCIAL	AAA	0.5	-775.8%	4.73	24.4%	\$15,399	\$65,379	0.236	94.3%
COOPERATIVE BANKSHARES	A	10.8	99.2%	2.82	26.3%	\$7,852	\$68,174	0.115	154.7%
CITY BANCORP	AAA	0.3	-170.0%	1.6	17.2%	\$20,623	\$72,419	0.285	65.6%
LNB BANCORP INC	A	9.3	65.8%	3.13	23.7%	\$4,442	\$63,545	0.07	275.7%
CNB	A	7.6	41.2%	2.69	11.8%	\$5,018	\$73,352	0.068	321.2%
WESTBANK	AA	2.5	68.5%	4.49	25.7%	\$138,349	\$54,766	2.526	11.0%
CHAMBERS BANCSHARES	AA	2	46.3%	1.14	12.5%	\$1,423	\$93,206	0.015	1076.1%
FARMERS NATIONAL BANC CORP	A	9.7	36.6%	4.78	15.6%	\$10,323	\$76,156	0.136	136.5%

Basel II by the Numbers: Q2 2006

SMALL HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
ALLIANCE BANCSHARES CA	BBB	19.6	71.0%	1.2	42.8%	\$91,072	\$75,581	1.205	17.6%
TAMPA BANKING COMPANY	A	5.1	15.1%	2.23	59.8%	\$110,046	\$63,739	1.727	16.7%
WATFORD CITY BANCSHARES	AA	2.2	30.1%	1.88	25.1%	\$8,491	\$55,795	0.152	163.0%

Basel II by the Numbers: Q2 2006

MICRO HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
SOU RN BANCORP	\$499,997	\$2,777	1.1%	11.0%	\$657	\$120	5.48:1
UNION NATIONAL FINANCIAL	\$499,562	\$1,504	0.6%	8.5%	\$246	\$337	0.73:1
COMMUNITY BANC-CORP OF SHEBOYGAN	\$499,296	\$986	0.4%	4.9%	\$501	\$738	0.68:1
WEST TENNESSEE BANCSHARES	\$498,886	\$2,077	0.8%	12.5%	\$276	\$546	0.51:1
S.B.C.P. BANCORP	\$498,463	\$2,305	0.9%	11.2%	\$214	\$400	0.54:1
SOUTHCOAST FINANCIAL	\$498,286	\$2,001	0.8%	8.6%	\$64	\$677	0.09:1
CITIZENS BANCSHARES OF BATESVILLE	\$497,335	\$2,133	0.9%	10.6%	\$807	\$165	4.89:1
MAGNOLIA BANKING	\$497,019	\$4,787	1.9%	21.2%	\$540	\$279	1.94:1
FIDELITY COMPANY	\$496,288	\$2,106	0.9%	9.5%	\$67	\$42	1.60:1
GUARANTY FEDERAL BANCSHARES	\$495,601	\$3,793	1.5%	13.2%	\$399	\$450	0.89:1
EMPLOYEE STOCK BONUS TRUST FOR EMPLOYEES	\$495,147	\$5,356	2.2%	32.9%	\$241	\$360	0.67:1
SECURITY NATIONAL	\$495,117	\$4,361	1.8%	21.9%	\$400	\$183	2.19:1
FAUQUIER BANKSHARES	\$494,973	\$2,948	1.2%	14.5%	\$128	\$300	0.43:1
FIRST LITCHFIELD FINANCIAL	\$494,222	\$1,312	0.5%	8.5%	\$9	\$210	0.04:1
OXFORD FINANCIAL	\$494,207	\$3,528	1.4%	16.5%	\$41	\$0	n/a
PEOPLES BAN	\$493,050	\$2,452	1.0%	11.9%	\$459	\$493	0.93:1
CONNECTICUT MUTUAL HOLDING CO	\$492,132	\$938	0.4%	4.4%	\$33	\$11	3.00:1
ATLANTIC SOU RN FINANCIAL GROUP	\$491,866	\$2,675	1.1%	9.4%	\$20	\$921	0.02:1
PULASKI INVESTMENT	\$491,202	\$1,991	0.8%	10.2%	\$173	\$0	n/a
STEWARDSHIP FINANCIAL	\$491,195	\$2,443	1.0%	13.1%	\$20	\$160	0.13:1
NATIONAL MERCANTILE BANCORP	\$490,927	\$3,211	1.3%	13.4%	\$0	\$72	0.00:1
1ST CENTENNIAL BANCORP	\$490,770	\$4,260	1.7%	15.8%	\$281	\$620	0.45:1
BLUE RIDGE BANCSHARES	\$489,163	\$1,871	0.8%	8.8%	\$442	\$290	1.52:1
STARION BAN	\$488,996	\$4,245	1.7%	19.7%	\$87	\$111	0.78:1
ST. JOSEPH CAPITAL	\$488,715	\$1,405	0.6%	8.0%	\$0	\$0	n/a

Basel II by the Numbers: Q2 2006

MICRO HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
BCB BANCORP	\$488,546	\$2,843	1.2%	11.2%	\$68	\$575	0.12:1
J. R. MONTGOMERY BAN	\$488,117	\$4,877	2.0%	15.1%	\$790	\$604	1.31:1
EAGLE FINANCIAL SERVICES	\$487,729	\$3,294	1.4%	16.0%	\$109	\$150	0.73:1
BRYAN FAMILY MANAGEMENT TRUST	\$487,362	\$3,643	1.5%	15.5%	\$96	\$225	0.43:1
GUARANTY DEVELOPMENT COMPANY	\$486,913	\$7,449	3.1%	36.5%	\$1	\$0	n/a
COMMERCIAL HOLDING COMPANY	\$484,894	\$4,376	1.8%	20.4%	\$161	\$444	0.36:1
PLANTERS HOLDING COMPANY	\$482,724	\$3,394	1.4%	15.6%	\$476	\$145	3.28:1
BANKERS' BANCORP	\$482,191	\$1,693	0.7%	8.5%	\$1	\$60	0.02:1
FIRST COMMUNITY BANCSHARES	\$482,094	\$1,816	0.8%	10.5%	\$134	\$374	0.36:1
HERSHENHORN BAN	\$481,649	\$12,378	5.1%	31.7%	\$0	(\$871)	0.00:1
MID ILLINOIS BANCORP	\$481,558	\$2,663	1.1%	10.3%	\$62	\$105	0.59:1
PALOS BANCSHARES	\$479,916	\$3,212	1.3%	20.0%	\$60	\$307	0.20:1
FARMERS STATE	\$478,740	\$2,925	1.2%	12.6%	\$10	\$283	0.04:1
AMERICAN COMMUNITY FINANCIAL	\$478,678	\$2,213	0.9%	12.1%	\$0	\$300	0.00:1
GRUPO POPULAR, S. A.	\$478,206	\$1,140	0.5%	6.6%	\$1,273	\$592	2.15:1
BANCMIDWEST	\$476,725	\$4,011	1.7%	20.8%	\$269	\$589	0.46:1
RED RIVER BANCSHARES	\$476,689	\$2,584	1.1%	13.7%	\$208	\$690	0.30:1
MILLENNIUM BANKSHARES	\$476,287	\$1,617	0.7%	7.3%	\$0	\$142	0.00:1
INDUSTRY BANCSHARES	\$475,443	\$2,725	1.2%	13.7%	\$390	\$115	3.39:1
FORSTROM BAN	\$475,281	\$4,463	1.9%	21.2%	\$55	\$206	0.27:1
CENTRAL BANCORP	\$475,145	\$4,276	1.8%	18.8%	\$514	\$1,300	0.40:1
FIRST NATIONAL BANKERS BANKSHARES	\$474,346	\$1,436	0.6%	4.4%	\$63	\$273	0.23:1
PACIFIC COAST BANKERS' BANCSHARES	\$473,615	\$2,407	1.0%	15.8%	\$0	\$462	0.00:1
NEIGHBOR INSURANCE AGENCY	\$473,602	\$3,213	1.4%	11.5%	\$226	\$340	0.66:1
BANK OF WHITMAN EMPLOYEE STOCK OWNERSHIP PLAN	\$472,755	\$5,097	2.2%	24.8%	\$354	\$340	1.04:1

Basel II by the Numbers: Q2 2006

MICRO HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
CRESCENT FINANCIAL	\$470,383	\$1,984	0.8%	9.8%	\$14	\$435	0.03:1
SOLVAY BANK CORP.	\$470,073	\$2,451	1.0%	11.6%	\$231	\$252	0.92:1
MID-MISSOURI BANCSHARES	\$470,022	\$2,042	0.9%	9.2%	\$179	\$125	1.43:1
COMMUNITY WEST BANCSHARES	\$469,113	\$2,699	1.2%	13.3%	\$336	\$327	1.03:1
PLUMAS BANCORP	\$468,932	\$2,879	1.2%	14.1%	\$319	\$600	0.53:1
HAMPDEN BANCORP, MHC	\$468,842	\$212	0.1%	1.4%	\$12	\$50	0.24:1
BUCKHEAD COMMUNITY BANCORP	\$467,574	\$2,618	1.1%	13.9%	\$17	\$1,000	0.02:1
ARBOR BANCORP	\$467,311	\$2,048	0.9%	11.6%	\$1	\$200	0.01:1
PRUDENTIAL MUTUAL HOLDING CO	\$466,741	\$1,951	0.8%	5.7%	\$0	\$30	0.00:1
WHITCORP FINANCIAL COMPANY	\$466,202	\$4,035	1.7%	15.8%	\$186	\$0	n/a
FIRST PULASKI NATIONAL	\$465,419	\$2,682	1.2%	12.2%	\$277	\$90	3.08:1
HABERSHAM BANCORP	\$465,345	\$3,003	1.3%	12.5%	\$194	\$0	n/a
MESABA BANCSHARES	\$464,463	\$5,188	2.2%	27.9%	\$146	\$364	0.40:1
COMMERCE NATIONAL FINANCIAL	\$464,456	\$2,427	1.1%	13.1%	\$119	\$598	0.20:1
CENTRAL VALLEY COMMUNITY BANCORP	\$463,773	\$3,331	1.4%	14.9%	\$612	\$500	1.22:1
HOMESTAR FINANCIAL GROUP	\$463,682	\$1,561	0.7%	10.1%	\$50	\$0	n/a
OCONOMOWOC BANCSHARES	\$463,541	\$2,363	1.0%	12.5%	\$121	\$0	n/a
AMERICAN CENTRAL BAN	\$463,534	\$3,208	1.4%	15.3%	\$27	(\$44)	-0.61:1
BB&T BANCSHARES CORP.	\$463,387	\$2,101	0.9%	10.5%	\$83	\$220	0.38:1
INDEPENDENT BANK GROUP	\$461,481	\$3,154	1.4%	15.1%	\$148	\$360	0.41:1
NEXTIER INCORPORATED	\$461,153	\$1,408	0.6%	5.0%	\$48	\$375	0.13:1
CRETE BAN	\$461,077	\$2,038	0.9%	10.6%	\$0	\$250	0.00:1
SOUTHCREST FINANCIAL GROUP	\$460,993	\$3,073	1.3%	11.1%	\$203	\$242	0.84:1
FNBH BANCORP	\$460,865	\$3,032	1.3%	12.1%	\$1,049	\$1,354	0.77:1
HAPPY BANCSHARES	\$460,837	\$2,238	1.0%	11.0%	\$90	\$300	0.30:1
WEST ALABAMA CAPITAL CORP.	\$460,755	\$2,842	1.2%	11.2%	\$341	\$280	1.22:1
AMERICAN COMMUNITY BANCSHARES	\$460,363	\$2,283	1.0%	9.5%	\$237	\$940	0.25:1

Basel II by the Numbers: Q2 2006

MICRO HOLDING COMPANY	Total Assets	Net Income, YTD	ROA annualized	ROE, annualized	Gross Defaults	Loss Provisions	Defaults to Provisions Ratio
INTERNATIONAL BRO RHOOD OF BOILERMAKERS, IRON SHIP BUILDERS	\$459,981	\$1,709	0.7%	7.9%	\$137	\$70	1.96:1
BRANNEN BANKS OF FLORIDA	\$459,961	\$4,383	1.9%	34.0%	\$4	\$34	0.12:1
CENTRABANC	\$459,217	\$3,097	1.4%	19.3%	\$100	\$120	0.83:1
BUSINESS BANK	\$457,780	\$3,652	1.6%	17.6%	\$30	\$662	0.05:1
CORTLAND BANCORP	\$457,433	\$2,284	1.0%	10.7%	\$161	\$130	1.24:1
ALLIANCE BANCSHARES	\$457,371	\$1,610	0.7%	7.8%	\$358	\$151	2.37:1
HOME STATE BANCORP	\$457,330	\$2,365	1.0%	12.3%	\$624	\$350	1.78:1
WEST POINTE BANCORP	\$456,117	\$1,814	0.8%	10.6%	\$148	\$0	n/a
BEACH FIRST NATIONAL BANCSHARES	\$455,503	\$2,887	1.3%	14.1%	\$232	\$1,187	0.20:1
NORWOOD FINANCIAL CORP.	\$455,302	\$2,858	1.3%	12.0%	\$50	\$125	0.40:1
EVANS BANCORP	\$455,290	\$1,795	0.8%	10.1%	\$252	\$510	0.49:1
JEFF DAVIS BANCSHARES	\$453,916	\$3,056	1.4%	15.6%	\$346	\$480	0.72:1
CROGHAN BANCSHARES	\$453,053	\$2,900	1.3%	12.4%	\$303	\$50	6.06:1
GREENVILLE FIRST BANCSHARES	\$452,818	\$2,177	1.0%	10.6%	\$1,108	\$800	1.39:1
MID PENN BANCORP	\$452,304	\$2,254	1.0%	13.8%	\$119	\$360	0.33:1
CITIZENS NATIONAL BANCORP	\$451,489	\$4,145	1.8%	19.8%	\$44	\$300	0.15:1
CITIZENS NATIONAL	\$451,349	\$2,207	1.0%	12.2%	\$24	\$165	0.15:1
FRONT RANGE CAPITAL	\$451,258	\$1,102	0.5%	6.4%	\$726	\$529	1.37:1
SECURITY CAPITAL	\$451,217	\$3,711	1.6%	15.4%	\$359	\$483	0.74:1
B.P.C.	\$450,837	\$2,885	1.3%	18.3%	\$278	\$295	0.94:1
COASTAL BANKSHARES	\$449,344	\$2,230	1.0%	11.6%	\$264	\$1,061	0.25:1
INTER-MOUNTAIN BANCORP.	\$449,108	\$5,099	2.3%	22.5%	\$19	\$0	n/a
PUTNAM BANCSHARES	\$448,925	\$2,616	1.2%	8.9%	\$317	\$150	2.11:1

Basel II by the Numbers: Q2 2006

MICRO HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
SOURN BANCORP	BBB	24.6	86.0%	1.82	18.3%	\$10,954	\$39,572	0.277	82.8%
UNION NATIONAL FINANCIAL	A	7.6	79.3%	5	45.0%	\$26,947	\$37,037	0.728	25.9%
COMMUNITY BANC-CORP OF SHEBOYGAN	BBB	12.7	93.4%	1.51	25.1%	\$9,118	\$40,829	0.223	83.3%
WEST TENNESSEE BANCSHARES	A	9.3	72.8%	1.9	37.8%	\$2,907	\$35,933	0.081	288.2%
S.B.C.P. BANCORP	A	5.4	87.4%	2.12	25.2%	\$26,031	\$40,235	0.647	29.8%
SOUTHCOAST FINANCIAL	AA	1.6	100.0%	2.55	12.2%	\$611	\$47,195	0.013	1388.1%
CITIZENS BANCSHARES OF BATESVILLE	BBB	26.2	82.8%	4.02	3.3%	\$1,509	\$42,475	0.036	560.9%
MAGNOLIA BANKING	BBB	17.2	70.0%	2.24	23.2%	\$15,077	\$40,525	0.372	70.3%
FIDELITY COMPANY	AA	1.7	26.9%	3.02	15.6%	\$2,878	\$37,590	0.077	263.2%
GUARANTY FEDERAL BANCSHARES	A	8.8	62.4%	1.68	21.0%	\$1,607	\$56,260	0.029	494.3%
EMPLOYEE STOCK BONUS TRUST FOR EMPLOYEES	A	11.3	32.4%	6.01	24.6%	\$80,339	\$38,642	2.079	14.9%
SECURITY NATIONAL	A	10.7	79.2%	1.99	26.5%	\$8,568	\$41,806	0.205	103.9%
FAUQUIER BANKSHARES	AA	3.1	62.5%	6.54	26.4%	\$6,743	\$41,439	0.163	117.0%
FIRST LITCHFIELD FINANCIAL	AAA	0.3	0.0%	8.42	29.7%	\$12,211	\$35,705	0.342	68.5%
OXFORD FINANCIAL	AA	1	70.7%	2.86	31.7%	\$1,537	\$42,871	0.036	622.3%
PEOPLES BAN	BBB	12.4	55.1%	1.6	27.7%	\$12,984	\$41,814	0.311	49.8%
CONNECTICUT MUTUAL HOLDING CO	AA	1.2	48.5%	9.81	17.6%	\$59,771	\$44,730	1.336	14.7%
ATLANTIC SOURN FINANCIAL GROUP	AAA	0.5	-345.0%	0.86	12.8%	\$626	\$58,260	0.011	1302.9%
PULASKI INVESTMENT	A	4.6	76.9%	2.58	51.7%	\$2,902	\$39,328	0.074	214.5%
STEWARDSHIP FINANCIAL	AAA	0.6	-20.0%	7.42	34.6%	\$36,076	\$38,622	0.934	23.3%
NATIONAL MERCANTILE BANCORP	AAA	0	n/a	1.83	28.1%	\$26,660	\$46,427	0.574	46.5%
1ST CENTENNIAL BANCORP	A	6.7	53.7%	2.24	55.9%	\$3,557	\$49,962	0.071	334.4%
BLUE RIDGE BANCSHARES	BBB	12.7	58.1%	1.66	35.4%	\$38,477	\$43,119	0.892	18.9%
STARION BAN	AA	2.5	41.4%	3.84	15.0%	\$1,707	\$45,574	0.037	569.6%
ST. JOSEPH CAPITAL	AAA	0	n/a	3.33	29.8%	\$0	\$37,118	0	0.0%

Basel II by the Numbers: Q2 2006

MICRO HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
BCB BANCORP	AA	2.1	100.0%	11.56	13.3%	\$136,283	\$50,589	2.694	8.3%
J. R. MONTGOMERY BAN	BBB	36.4	77.6%	4.7	10.9%	\$3,501	\$65,822	0.053	150.0%
EAGLE FINANCIAL SERVICES	AA	2.9	3.7%	3.34	25.4%	\$27,300	\$42,174	0.647	32.4%
BRYAN FAMILY MANAGEMENT TRUST	AA	3	72.9%	3.52	8.5%	\$29,450	\$46,044	0.64	31.6%
GUARANTY DEVELOPMENT COMPANY	AAA	0	- 1000.0%	0.72	40.4%	\$1,140	\$40,975	0.028	852.1%
COMMERCIAL HOLDING COMPANY	A	4.8	7.5%	2.01	34.6%	\$1,717	\$39,076	0.044	528.6%
PLANTERS HOLDING COMPANY	BBB	15.8	92.4%	1.93	12.4%	\$10,439	\$45,555	0.229	85.9%
BANKERS' BANCORP	AAA	0.1	100.0%	1.35	47.4%	\$96,888	\$40,073	2.418	9.7%
FIRST COMMUNITY BANCSHARES	AA	3.2	85.8%	1.94	16.4%	\$881	\$34,652	0.025	886.5%
HERSHENHORN BAN	AAA	0	n/a	0.25	14.2%	\$11,974	\$78,029	0.153	107.0%
MID ILLINOIS BANCORP	AA	1.9	64.5%	6.97	16.7%	\$2,271	\$52,308	0.043	374.4%
PALOS BANCSHARES	AA	2.2	65.0%	1.99	56.4%	\$33,980	\$38,865	0.874	32.4%
FARMERS STATE	AAA	0.3	-130.0%	1.45	17.0%	\$1,247	\$37,882	0.033	697.3%
AMERICAN COMMUNITY FINANCIAL	AAA	0	n/a	2.24	17.3%	\$0	\$36,704	0	0.0%
GRUPO POPULAR, S. A.	BBB	43.3	67.8%	3.17	11.7%	\$44,599	\$36,800	1.212	17.3%
BANCMIDWEST	A	6.7	66.9%	1.75	19.8%	\$8,080	\$37,505	0.215	113.7%
RED RIVER BANCSHARES	A	6.1	57.7%	3.17	22.4%	\$19,823	\$39,545	0.501	41.3%
MILLENNIUM BANKSHARES	AAA	0	n/a	3.74	38.2%	\$19,829	\$48,646	0.408	38.5%
INDUSTRY BANCSHARES	BBB	19.8	86.9%	4.6	17.6%	\$2,194	\$39,033	0.056	443.2%
FORSTROM BAN	AA	1.8	-367.3%	2.14	22.2%	\$2,233	\$39,447	0.057	346.4%
CENTRAL BANCORP	BBB	13.8	79.0%	0.54	12.3%	\$11,693	\$46,347	0.252	92.2%
FIRST NATIONAL BANKERS BANKSHARES	AA	3.1	100.0%	1.73	648.6%	\$432	\$65,741	0.007	815.6%
PACIFIC COAST BANKERS' BANCSHARES	AAA	0	n/a	1.35	30.5%	\$23,732	\$30,737	0.772	28.2%
NEIGHBOR INSURANCE AGENCY	A	6.8	79.6%	2.47	22.0%	\$2,008	\$58,138	0.035	440.2%
BANK OF WHITMAN EMPLOYEE STOCK OWNERSHIP PLAN	A	9	96.0%	1.58	30.3%	\$1,667	\$42,085	0.04	608.4%

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MICRO HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
CRESCENT FINANCIAL	AAA	0.4	100.0%	1.95	28.9%	\$925	\$37,990	0.024	848.3%
SOLVAY BANK CORP.	A	6.9	63.6%	8.27	16.6%	\$19,477	\$43,246	0.45	42.7%
MID-MISSOURI BANCSHARES	A	4.9	82.7%	1.43	15.6%	\$1,703	\$39,435	0.043	396.9%
COMMUNITY WEST BANCSHARES	A	8.1	83.9%	4.64	13.8%	\$9,080	\$40,689	0.223	108.5%
PLUMAS BANCORP	A	9.4	48.3%	3.8	30.7%	\$21,872	\$40,726	0.537	48.1%
HAMPDEN BANCORP, MHC	AAA	0.4	33.3%	5.58	15.5%	\$28,864	\$33,431	0.863	20.6%
BUCKHEAD COMMUNITY BANCORP	AAA	0.5	100.0%	0.59	31.9%	\$4,913	\$39,781	0.123	197.1%
ARBOR BANCORP	AAA	0	- 2100.0%	3.14	29.2%	\$10,230	\$37,131	0.276	69.9%
PRUDENTIAL MUTUAL HOLDING CO	AAA	0	n/a	9.99	23.1%	\$203,934	\$67,903	3.003	5.2%
WHITCORP FINANCIAL COMPANY	A	5.5	-29.0%	2.16	22.9%	\$13,423	\$50,377	0.266	85.3%
FIRST PULASKI NATIONAL	A	10.1	39.0%	1.72	14.6%	\$7,980	\$45,774	0.174	108.8%
HABERSHAM BANCORP	A	5.9	45.4%	0.72	29.1%	\$4,133	\$45,983	0.09	235.3%
MESABA BANCSHARES	AA	3.4	67.1%	1.83	20.1%	\$3,655	\$37,604	0.097	239.1%
COMMERCE NATIONAL FINANCIAL	AA	3.9	67.2%	2.25	23.6%	\$778	\$39,412	0.02	1215.9%
CENTRAL VALLEY COMMUNITY BANCORP	BBB	20.1	67.6%	2.03	47.8%	\$6,519	\$35,901	0.182	180.1%
HOMESTAR FINANCIAL GROUP	AA	1.5	66.0%	6.33	14.9%	\$7,298	\$33,027	0.221	88.9%
OCONOMOWOC BANCSHARES	AA	3	88.4%	1.64	19.0%	\$499	\$38,068	0.013	1497.7%
AMERICAN CENTRAL BAN	AAA	0.8	-163.0%	2.88	15.4%	\$91,110	\$41,911	2.174	8.1%
BB&T BANCSHARES CORP.	AA	2.3	97.6%	1.44	18.6%	\$1,955	\$40,560	0.048	373.6%
INDEPENDENT BANK GROUP	A	4.3	59.5%	3.96	17.2%	\$19,520	\$31,455	0.621	41.4%
NEXTIER INCORPORATED	AA	1.4	-33.3%	3.83	32.0%	\$2,034	\$51,620	0.039	362.4%
CRETE BAN	AAA	0	n/a	2.83	25.6%	\$3,072	\$39,628	0.078	236.4%
SOUTHCREST FINANCIAL GROUP	A	7.1	-20.2%	3.79	15.5%	\$69,158	\$49,521	1.397	14.6%
FNBH BANCORP	BBB	28.4	81.2%	2.23	20.0%	\$19,811	\$50,795	0.39	48.3%
HAPPY BANCSHARES	AA	2.9	21.1%	2.65	25.1%	\$2,645	\$35,600	0.074	321.4%
WEST ALABAMA CAPITAL CORP.	BBB	12.9	21.4%	2.92	2.6%	\$6,825	\$44,552	0.153	137.7%

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MICRO HOLDING COMPANY	Benchmark Rating	P(D) (bp)	LGD (%)	M (yrs)	EAD (%)	Economic Capital	Tier 1 RBC	EC to Tier 1 RBC	RAROC, computed
AMERICAN COMMUNITY BANCSHARES	A	6.6	97.0%	1.56	24.7%	\$2,394	\$39,073	0.061	359.8%
INTERNATIONAL BRO RHOOD OF BOILERMAKERS, IRON SHIP BUILDERS	A	7	76.6%	4.34	34.3%	\$865	\$42,371	0.02	1134.4%
BRANNEN BANKS OF FLORIDA	AAA	0.1	- 1350.0%	10.15	19.6%	\$3,084	\$29,861	0.103	283.7%
CENTRABANC	AA	3.2	81.0%	1.81	18.1%	\$5,924	\$34,376	0.172	123.9%
BUSINESS BANK	AAA	0.8	-113.3%	2.26	23.1%	\$134	\$43,161	0.003	8963.9%
CORTLAND BANCORP	A	8.1	73.3%	5.51	27.6%	\$139,440	\$43,964	3.172	8.3%
ALLIANCE BANCSHARES	BBB	12.3	67.6%	8.7	14.8%	\$20,614	\$38,157	0.54	33.3%
HOME STATE BANCORP	BBB	19	93.6%	3.55	26.0%	\$840	\$40,532	0.021	973.6%
WEST POINTE BANCORP	A	5.7	29.7%	1.5	19.4%	\$1,706	\$36,847	0.046	472.8%
BEACH FIRST NATIONAL BANCSHARES	A	6.1	95.7%	1.06	14.5%	\$1,446	\$42,685	0.034	609.4%
NORWOOD FINANCIAL CORP.	AA	1.7	0.0%	7.41	16.6%	\$10,902	\$48,761	0.224	74.2%
EVANS BANCORP	A	9.2	46.4%	4.95	20.1%	\$5,267	\$36,686	0.144	159.0%
JEFF DAVIS BANCSHARES	BBB	15	65.0%	2.44	18.1%	\$1,797	\$39,222	0.046	512.8%
CROGHAN BANCSHARES	A	8.8	63.0%	3.72	21.6%	\$2,839	\$36,764	0.077	298.1%
GREENVILLE FIRST BANCSHARES	BBB	29.3	95.3%	2.57	19.5%	\$18,681	\$41,742	0.448	32.8%
MID PENN BANCORP	AA	3.6	58.8%	4.29	20.6%	\$346	\$32,422	0.011	1940.7%
CITIZENS NATIONAL BANCORP	AA	1.2	-313.6%	1.95	16.8%	\$922	\$42,341	0.022	885.3%
CITIZENS NATIONAL	AAA	0.9	-4.2%	5	8.2%	\$2,810	\$34,690	0.081	234.5%
FRONT RANGE CAPITAL	BBB	22.1	93.7%	1.79	23.1%	\$4,301	\$36,159	0.119	167.6%
SECURITY CAPITAL	A	11.1	14.2%	1.69	14.0%	\$5,288	\$45,229	0.117	187.3%
B.P.C.	A	11.2	64.0%	3.66	15.7%	\$1,531	\$32,794	0.047	486.5%
COASTAL BANKSHARES	A	6.9	62.1%	1.42	26.0%	\$15,148	\$38,459	0.394	52.2%
INTER-MOUNTAIN BANCORP.	AAA	0.6	73.7%	1.66	35.1%	\$21,300	\$39,343	0.541	50.2%
PUTNAM BANCSHARES	A	11.5	-34.4%	8.25	9.5%	\$35,240	\$59,596	0.591	26.6%

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