

A Technical Report by Nicholls State University, Department of Finance and Economics

ECF10-002

May 2010

Louisiana Community Banks: An Analysis of Recent Performance

By: John Lajaunie, Norbert Michel, Shari Lawrence, and Ronnie Fanguy

Executive Summary

This report is a continuation of the NSU College of Business Technical Report on Louisiana Community Banks. The initial report was released in April of 2010 and covered the period 2005-2008. As in the previous study, this report presents the results of an analysis of community banks in the state of Louisiana with total assets of \$1 billion or less. The purpose of the report is to provide readers with a clear picture of the recent trends in the performance of these local banks as well as their current condition relative to the national average for banks of similar size. The analysis is based entirely on the banks' reported financial statements as filed with the Federal Financial Institution Examination Council (FFIEC). All banks are analyzed in terms of profitability, capital risk, credit risk, utilization, and liquidity. The time frame for this update is December 2008 to December 2009. Because different sized banks exhibit different business patterns and sensitivities relative to their local communities, the analysis is performed separately for three asset size groups of banks (Group 1 = less than or equal to \$100 million, Group 2 = greater than \$100 million and less than or equal to \$500 million, and Group 3 = greater than \$500 million and less than or equal to \$1 billion). The main findings of the analysis are as follows:

- Average net profit margin (NPM), return on equity (ROE), and return on assets (ROA) for Louisiana community banks in all size categories decreased in 2009 compared to 2008. However, Louisiana banks in general continue to outperform the nation in terms of NPM, ROE, and ROA.
- The nonperforming loans to total loans (NPLTL), a measure for credit risk, for Louisiana community banks in all three groups continued an upward trend that has been observed over the previous four years. However, the metric is still well below the average for the national peer group.
- The capital position for banks in Group 1 was solid and continued to improve in 2009. Although, the capital position for banks in Group 2 and Group 3 also continued to improve in 2009, these groups lag behind the national peer group for banks of similar size.
- Louisiana banks in all three groups continued to maintain a strong liquidity position relative to their peers as of the end of 2009.
- In 2009, Louisiana banks outperformed their peers in all profitability categories analyzed except net noninterest margin (NNIM).

Caveat:

The recent disaster in the Gulf of Mexico and government imposed moratorium on outer continental shelf exploratory drilling has clearly thrown the economy of southern Louisiana into a cauldron of uncertainty. While the metrics in this report suggest the community banks in Louisiana are handling the national recession reasonably well as of year-end 2009, the immediate and future impacts of the British Petroleum disaster and its fallout on the community banks could result in significant economic shifts for the region. As a result, the

authors suggest appropriate diligence be applied in reviewing the future performance of all entities connected directly and indirectly to the oil and gas industry.

Introduction

This report is the continuation of the NSU College of Business Technical Report on Louisiana Community Banks, for the period 2005-2008, released in April of 2010. As in the previous study, this paper presents the results of a basic financial analysis of the community banks in the state of Louisiana in an effort to provide a clear picture of the recent trends in the performance and condition of Louisiana community banks with total assets of \$1 billion or less. All data are taken from the financial statements filed quarterly by each institution with the Federal Financial Institution Examination Council (FFIEC) and the FDIC.

The basis of the analysis is a set of commonly reported financial ratios considered key indicators for community banks (See Gilbert and Sierra, 2003). The time frame for this follow-up study is December 2008 to December 2009.¹ We define Louisiana community banks as all commercial banks in Louisiana with total assets of \$1 billion or less. The banks are further partitioned into three size groups based on total assets. The first size group includes banks with total assets of \$100 million or less. The second size group is the set of banks with total assets greater than \$100 million and less than or equal to \$500 million. The third size group includes banks with assets greater than \$500 million dollars, but less than or equal to \$1 billion. The data was drawn from the FDIC Call and Income reports for the fourth quarter of each year during the period studied.

¹ The report will be updated as the data for the fourth quarter 2010 are released.

Overview of the Analysis

All community banks in Louisiana were categorized into three groups: those with total assets of less than or equal to \$100 million (Group 1), those with total assets greater than \$100 and less than or equal to \$500 million (Group 2), and those with total assets greater than \$500 million and less than or equal to \$1 billion (Group 3). Specific measures of performance for profitability, capital risk, credit risk, utilization and liquidity risk were calculated for each bank in the group. Using these measures, summary statistics were computed and analyzed to determine the status of the individual groups in each performance area and to ascertain potential problem areas within each group. The basis of the analysis is a set of commonly reported financial ratios considered key indicators for community banks. (See Gilbert and Sierra, 2003). Each of these performance indicators is discussed in the subsections below. Additionally, the summary measures for each metric per bank group are compared to the average for a national peer group of similar size banks in order to establish a benchmark and provide a relative assessment of performance. The financial information for the peer groups is also taken from the data filed with the Federal Financial Institution Examination Council (FFIEC).

Profitability

Often, one of the first questions asked about bank performance is whether the banks are making money. In order to assess the profitability of the banks, we analyzed the summary statistics for several key profitability ratios. Specifically, we examined the banks' Net Profit Margin (NPM), Return on Assets (ROA), Return on Owners' Equity (ROE), Net Interest Margin (NIM), Net Noninterest Margin (NNIM), and Net Operating Profit Margin (NOPM). The specific measures were calculated for each in order to explain trends in bank profits and factors that contribute to them.

Capital Risk

Recently, the Federal government injected billions of dollars of capital into the nation's banks on the premise that banks would be otherwise unable to raise capital in the private markets. While some banks may face such difficulties raising private capital on their own, there is mounting evidence that some financial institutions did not require additional capital from the Federal government. However, the issue of adequate capital continues to be in the forefront as the community banks are beginning to experience significant losses in their loan portfolios as a result of the continuing decline in the commercial and residential real estate markets. As the number of failures in community banks continues to climb, and the FDIC's insurance fund continues to bear the cost, capital adequacy will be a significant concern for bankers and customers alike.

To determine the capital position of banks, the following two measures were computed for each bank and analyzed for each size group: Equity Capital to Total Assets (ECTA) and Equity Capital to Risky Assets (ECRA).² In simple terms, these measures provide an indication of the bank's ability to absorb any losses using the buffer provided by its capital base. The significance of this buffer cannot be overstated in that an inadequate buffer combined with deteriorating asset quality will inevitably lead to bank failure.

Credit Risk

Given the recent spike in bank failures due to losses in the commercial real estate, residential real estate, and the consumer loan and credit card areas, credit risk along with capital risk is once again at the forefront of public concern regarding the banking system. The following measures were calculated for each bank and analyzed to evaluate the credit risk in each group of

² Risky assets are defined as the sum of securities held to maturity, securities available for sale, federal funds sold, security repurchase agreements, net loans and leases, trading assets, and investments. See the appendix for the call report numbers used.

banks: Nonperforming Loans to Total Loans (NPLTL), Nonperforming Loans to Equity Capital (NPLEC), Provision for Loans and Leases Losses to Total Loans (PLLLTL), Provision for Loans and Leases Losses to Equity Capital (PLLLEC), and Net Charge-offs to Total Loans (NCOTL). The summary statistics for each measure are presented and discussed as a means of establishing a reasonable assessment of the overall credit risk within each group.

Utilization

As economic conditions deteriorated over the last year, banks have been somewhat reluctant to provide additional credit to consumers and business customers alike. In order to determine the willingness of banks to use deposit dollars to provide credit to the local economy, we have calculated and analyzed the banks' loan-to-deposit (LTD) ratio. Specifically, the LTD is used to determine the banks utilization of available funds to make loans. A higher value for the loan-to-deposit ratio for a bank implies the bank is making use of the available funding to provide credit and generate fee and interest income for the bank. Lower levels of the LTD suggest the bank either has limited opportunities to put deposit dollars to work as earning assets or has simply adopted more conservative credit standards and is making fewer loans.

Liquidity

The final issue considered in analyzing the community banks in Louisiana is the average level of liquidity of the institutions. In the last two years, several major institutions have come under intense pressure regarding their ability to meet cash obligations. As such, it is essential to appropriately address this issue of liquidity within the community banks. The ratio of Securities to Total Assets (SECTTA) was used to determine the amount of funds that were currently invested by the bank, but could still provide additional cash if needed to meet deposit withdrawal

needs or other cash commitments. Given the recent economic uncertainty, it is anticipated that banks have increased their liquidity position resulting in a higher security-to-total asset ratio.

Analysis of LA Community Banks

Group1: Total Assets up to \$100 Million

The number of banks in Group 1 dropped to 34 in 2009, continuing its downward trend from the previous four years. The median (50th percentile), the average (mean), and the standard deviation are reported on Table 1. The median was used in addition to the average in order to describe the typical bank in the group, while the standard deviation was used to describe the overall variation for each performance measure.³ Additional summary statistics, such as the coefficient of variation, minimum, maximum, and various percentiles, are provided in Appendix A of this report.

Profitability

Net Profit Margin (NPM)

For 2009, Group 1 banks reported an average net profit margin of 14.99 percent, with a standard deviation of 17.42 percent. These figures represent a 1.77 percent decrease in profitability and a 7.88 percent drop in volatility compared to 2008. Although the average NPM for Group 1 declined in 2009, the median NPM actually increased by 1.24 percent. Therefore, the lower average NPM in 2009 was largely accounted for by a relatively small number of banks

³ The mean (or average) was used to describe the typical level of performance for each group of banks. However, in some cases, extreme values attributable to the data from one or two banks influenced the average as a descriptive measure. Rather than arbitrarily excluding various banks from the analysis, we included such outlier banks in the reported data and simply discussed any distortions they caused in the performance measure. In these cases, we examined the mean and the median (or 50th percentile) to determine the “typical” level of profitability.

in the group. However, a few more Group 1 banks reported lower NPM figures in 2009 relative to the number that reported lower figures in 2008.

This change can be seen at the 25th percentile, where the Group 1 NPM was down nearly 21 percent in 2009 vs. 2008 (see Table A-5). It is clear, though, that the LA Group 1 banks outperformed their peers in 2009 (see Table B-1). The Group 1 peer banks' average NPM dropped approximately 46 percent (to a loss of 11.02 percent), while their median NPM dropped by more than 10 percent (to a NPM of 10.12 percent). In fact, the Group 1 banks' 25th percentile for NPM is 10.46 percent, whereas the peer group's 25th percentile is negative.

Return on Assets (ROA) and Return on Equity (ROE)

Any analysis of the profitability of the community banking sector requires an examination of the return on assets (ROA) and the return on equity (ROE) for each bank. In 2009, Group 1 banks reported an average ROA of 0.97 percent and an average ROE of 8.14 percent. These figures represent a decrease of 9.35 percent in average ROA, and a decrease of nearly 18 percent in average ROE.⁴ The volatility in these measures was relatively unchanged from 2008 – the reported standard deviations for ROA and ROE were 0.87 percent and 6.88 percent, respectively. The lower net profit margins for a slightly larger number of Group 1 banks in 2009 (versus 2008) certainly contributed to the declines in both of these measures.

Although these average measures continued their slightly downward trend, the Group 1 LA banks continued to outperform the national average in terms of both ROA and ROE. The average ROA for the national peer group was 0.19 percent, while the average ROE was -2.82 percent. Given the relationship between the ROA and the ROE, the fact that Group 1 outperformed the peer banks in both ROA and ROE is as expected.

⁴ Both the ROA and ROE for Group 1 are appropriately described by the average because they are very close to the value for the 50th percentile. While both the average ROA and ROE are slightly higher than their corresponding 50th percentiles, both ROA and ROE declined in 2009 even at the median.

Net Interest Margin (NIM) and Net Non-Interest Margin (NNIM)

To review the key factors that determine the NPM, ROA, and ROE for the banks, the net interest margin (NIM) and net non-interest margin (NNIM) were also analyzed.⁵ These measures provide details on spreads between the interest earned and interest paid by the banks, as well as the bank's ability to offset non-interest costs, both of which are critical to bank profitability. In 2009, Group 1 reported an average NIM of 3.81 percent, and an average NNIM of -2.57 percent.⁶ The 2009 average figures for NIM and NNIM continued the slow downward and upward trends, respectively, for these two measures. The standard deviations for NIM and NNIM increased to 0.96 percent and 1.37 percent, respectively.

The LA Group 1 banks slightly outperformed the national average in terms of NIM and slightly underperformed the national average in terms of NNIM. In 2009, the peer banks reported an average NIM of 3.41 and an average NNIM of -2.43 percent. These relative comparisons for NIM and NNIM match those found in the previous four years studied.

Net Operating Profit Margin (NOPM)

Due to the difference in tax treatment between community banks that are reporting as "C-corporations" and those that are reporting as "S Corporations" and the subsequent impact on net income due to the tax differential, net *operating* profit margin (NOPM) was used to analyze the pre-tax profitability of the banks for each year. In 2009, the average NOPM decreased to 1.24 percent (a decrease of 5.34 percent), with a standard deviation of 1.06 percent (an increase of approximately 22 percent). Only two of the 34 Group 1 banks reported a negative NOPM in 2009, a decrease from the 3 such banks in 2008. The Group 1 LA banks outperformed the

⁵ The data for the NIM and NNIM are appropriately described by the average as it is consistent with the value for the 50th percentile.

⁶ The typical NNIM is negative as it is calculated as the noninterest revenue for the bank less the noninterest expenses which include salaries, wages and benefits.

national peer group at both the average and the median, and also exhibited much less volatility than their national peers. In 2009, the national peer group reported an average NOPM of 0.99 percent, a median NOPM of 0.95 percent, and a standard deviation of 4.02 percent.

Capital Risk

Equity Capital to Total Assets (ECTA)

By the end of year 2009, the Group 1 banks reported an average Equity Capital to Total Assets ratio (ECTA) of 14.62 percent, with a standard deviation of 13.55 percent. These figures represent increases of 16.4 percent and 64.04 percent, respectively, from the corresponding metrics in 2008. Compared to 2008, the 2009 ECTA exhibited a wider spread between the average and the 50th percentile, thus indicating an increase in the small number of banks with relatively large ECTA figures in 2009 (the median ECTA was 11.95 percent).

In 2009, the LA banks in Group 1 reported higher average and median ECTA figures compared to the national peer group, and also reported lower volatility than the peer banks. The national peer group reported an average ECTA of 14 percent in 2009, and a median ECTA of 10.63 percent. The national peer banks' standard deviation for ECTA in 2009 was 13.73 percent.

Equity Capital to Risky Assets (ECRA)

The 2009 average Equity Capital to Risky Assets ratio, (ECRA), for Group1 was 125.73 percent, with a standard deviation of 640.6 percent, and a median level of 14.32 percent. The unusually large average figure (as well as the standard deviation) can be considered an anomaly due to one bank with virtually no (reported) risky assets. The median ECRA of 14.32 percent, therefore, more accurately describes the data. The median ECRA represents an increase of 6.95 percent from year-end 2008. Additionally, the minimum ECRA in 2009 was 8.66 percent, an

increase of more than 11 percent from 2008. In general, these increases can be attributed to an increase in the banks' equity base (mostly due to higher retained earnings) as well as a decrease in the banks' risky assets (as a percentage of total assets).⁷ The Group 1 banks' 2009 ECRA was higher than that of its national peer group at both the average and the median, although the Group 1 banks' ECRA did exhibit a bit more volatility. In 2009, the national peer group reported an average ECRA of 39.23 percent, a median of 12.55 percent, and a standard deviation of 542.99 percent.

Credit Risk

Nonperforming loans to Total Loans (NPLTL)

The first measure of credit risk considered is the portion of total loans classified as nonperforming, or nonperforming loans to total loans, (NPLTL). This ratio considers the amount of loans that are 90 days or more past due relative to total loans. In 2009, the average NPLTL for Group 1 was 1.19 percent, an increase (from 2008) of 9.17 percent. The median NPLTL increased from 0.60 percent in 2008 to 0.80 percent in 2009 (a 33 percent increase), while the standard deviation dropped to 1.35 percent. The average and median figures represent a continuation of the upward trend seen over the previous four years. The maximum NPLTL was 6.42 percent in 2009, approximately 11 percent lower than the maximum ratio in 2008. Although Group 1 reported an average NPLTL a bit lower than the national peer group, its median NPLTL was marginally worse than that of the peer banks. In 2009, the national peer group reported an average NPLTL of 1.63 percent, and a median ratio of 0.59 percent.

⁷ Tables presenting the banks' risky assets relative to total assets are available from the authors upon request.

Nonperforming Loans to Equity Capital (NPLEC)

To assess the adequacy of the capital base to absorb potential credit losses, the ratio of nonperforming loans to equity capital (NPLEC) was computed.⁸ By year-end 2009, the average NPLEC ratio for Group 1 was 5 percent with a standard deviation of 6.17 percent, a median of 4.13 percent and a maximum of 29.77 percent. These figures represent the continuation of an upward trend at the average (and median), and also a decrease in volatility from 2008 to 2009. In general, it appears that more banks are reporting higher amounts of nonperforming loans. The median NPLEC in 2008, for example, was only 2.32 percent. Additionally, we know that the Group 1 banks are reporting increases in their equity bases, a fact which, all else constant, would tend to lower the NPLEC ratio. Still, on average, the LA Group 1 banks outperformed their national peer banks. The peer group average NPLEC was 13.54 percent in 2009, with a median of 2.7 percent, and a standard deviation of 76.06 percent.

Provision for Loans and Lease Losses to Total Loans (PLLLTL)

The Provision for Loans and Lease Losses to Total Loans measures the amount of the current year's earnings set aside to mitigate the anticipated losses in the loan portfolio. This metric provides an estimate of management's expectations regarding the existing level of loan-loss reserves compared to the level of problem loans currently within the bank's existing loan portfolio. In 2009, the Group 1 banks' average PLLLTL was 0.33 percent, an 18 percent increase from 2008. The 2009 Group 1 median PLLLTL was 0.23 percent, with a standard deviation of 0.38 percent, and a maximum of 1.57 percent. Therefore, volatility, as well as the median in the PLLLTL data were relatively unchanged from 2008 to 2009. In comparison to the

⁸ It is anticipated that the value for the NPLEC ratio will be much larger than the NPLTA ratio previously discussed given the small size of the average equity base for the banking industry.

national peer group, Group 1 outperformed their peer banks. For the peer group in 2009, the average and median allocations were 1.03 percent, and 0.45 percent, respectively.

Net Charge-Offs to Total Loans (NCOTL)

The ratio of Net Charge-Offs to Total Loans, (NCOTL), provides a measure of the percentage of the loan portfolio that is considered worthless and has been written-off by the bank during the year. The NCOTL provides a contemporaneous measure of the problems in the bank's loan portfolio. In 2009, Group 1 reported an average NCOTL of 0.41 percent of total loans, with a standard deviation of 0.47 percent, a median value of 0.21 percent and a maximum value of 1.76 percent. Relative to 2008, these figures represent an increase in volatility and a 32 percent increase at the average (although the median NCOTL was virtually unchanged). In 2009, the LA Group 1 banks outperformed their national peer banks. The peer group's reported 2009 average NCOTL was 0.99 percent, with a median of 0.35 percent, and a standard deviation of 4.07 percent.

Utilization

Loan-to-Deposit Ratio (LTD)

By year end 2009, Group 1 reported an average loan to deposit ratio (LTD) 56.02 percent, with a median of 55.39 percent, and a standard deviation of 21.35 percent. The maximum LTD for Group 1 in 2009 was 88.98 percent, while the minimum LTD in 2009 was 8.6 percent. Relative to 2008, the median LTD dropped by only 0.31 percent. And, as in the previous four years, the Group 1 banks' LTD was much lower than that of their national peer banks. In 2009, the national peer group reported an average LTD of 179.98 percent, with a median of 73.81 percent, and a standard deviation of more than 500 percent.⁹

⁹ Loan-to-deposit ratios greater than 100 percent generally indicate the bank is relying on other sources of funds such as brokered deposits and Federal Home Loan Bank Board advances to fund the available loan demand.

Liquidity

Securities-to-Total-Assets (SECTTA)

In 2009, Group 1 reported an average SECTTA of 20.26 percent with a standard deviation of 20.08 percent. The 2009 median and maximum values for Group 1 were 16.75 percent and 83.77 percent, respectively. Although these figures suggest a relatively small number of banks had unusually large SECTTA values in 2009, both the average and median decreased from their 2008 values (10.08 percent and 4.83 percent, respectively). With respect to the national peer group, the LA Group 1 banks reported higher ratios at both the average and median. In 2009, the peer banks reported an average SECTTA of 18.36 percent, a median of 14.87 percent, and a standard deviation of 16.77 percent.

Summary

Based on the average and the median for each profitability measure, the Group 1 community banks in Louisiana maintained a reasonable level of profitability in 2009 and outperformed the national average in all but one metric. However, the downward trend observed from 2005 through 2008 largely continued in 2009 – the one exception to the continued decreasing trend was the banks' median NPM, which actually increased (1.23 percent) in 2009. Within Group 1, only 2 banks (out of 34) reported a net operating loss in 2009, one less than the amount which reported such a loss in 2008.

In general, the capital position for the banks in Group 1 was solid; banks' capital position continued to improve in 2009. As in previous years, this increasing trend is the result of two factors changing simultaneously – the banks increased their equity capital by retaining additional earnings, and they concurrently reduced their exposure to additional risky assets (mainly via fewer new loans as their existing loans paid out).

In the previous technical report, it was noted that the Group 1 banks began aggressively provisioning for problems in their loan portfolio in 2005 and 2006, and that the provisioning leveled off in 2007 and 2008. In 2009, however, the credit risk measures indicate that the banks again increased their provisioning for problem loans. Additionally, as in previous years, 2009 saw a continued upward trend in nonperforming loans. While a few banks did see increased charge-offs of loans, the typical level of net charge-offs (relative to total loans) remained virtually unchanged for 2009 (as it had during the previous four years). Finally, based on most of the credit risk metrics, the Group 1 banks appear to have fared better than their national peer banks.

In regard to the utilization of the deposit funding for the banks, the banks in Group 1 continued to hold a conservative loan-to-deposit position at approximately 55 percent of deposits in 2009. This figure, which represents a continuation of a downward trend from the last few years, is most likely a reflection of the above referenced pull-back on risky assets. It is also clear that the Group 1 banks, on average, remained more conservative than the national peer group in 2009. Finally, in regards to the liquidity position, the Group 1 banks maintained a strong liquidity posture over the period, although the observed downward trend from the past four years continued.

Table 1: Community Banks with Total Assets ≤ \$100 Million (Group 1)

	2006	2007	2008	2009
<i>Profitability</i>				
<u>NPM</u>				
Mean	0.1627	0.1611	0.1526	0.1499
Median	0.1759	0.1648	0.1697	0.1718
Std. Dev.	0.1700	0.1502	0.1891	0.1742
<u>ROA</u>				
Mean	0.0120	0.0121	0.0107	0.0097
Median	0.0129	0.0118	0.0101	0.0093
Std. Dev.	0.0102	0.0133	0.0084	0.0087
<u>ROE</u>				
Mean	0.1170	0.1109	0.0992	0.0814
Median	0.1076	0.0963	0.0909	0.0741
Std. Dev.	0.0915	0.1112	0.0775	0.0688
<u>NIM</u>				
Mean	0.0425	0.0417	0.0397	0.0381
Median	0.0423	0.0421	0.0397	0.0388
Std. Dev.	0.0080	0.0071	0.0087	0.0096
<u>NNIM</u>				
Mean	-0.0272	-0.0268	-0.0266	-0.0257
Median	-0.0275	-0.0269	-0.0266	-0.0268
Std. Dev.	0.0092	0.0122	0.0087	0.0137
<u>NOPM</u>				
Mean	0.0152	0.0149	0.0131	0.0124
Median	0.0159	0.0159	0.0139	0.0116
Std. Dev.	0.0104	0.0128	0.0087	0.0106
<i>Capital Risk</i>				
<u>ECTA</u>				
Mean	0.1173	0.1157	0.1256	0.1462
Median	0.1079	0.1052	0.1131	0.1195
Std. Dev.	0.0423	0.0326	0.0826	0.1355
<u>ECRA</u>				
Mean	0.1320	0.1295	0.1657	1.2573
Median	0.1215	0.1213	0.1339	0.1432
Std. Dev.	0.0474	0.0373	0.2068	6.4060

Table 1
Continued
Credit Risk

<u>NPLTL</u>				
Mean	0.0073	0.0092	0.0109	0.0119
Median	0.0020	0.0035	0.0060	0.0080
Std. Dev.	0.0098	0.0126	0.0147	0.0135
<u>NPLEC</u>				
Mean	0.0327	0.0398	0.0516	0.0500
Median	0.0131	0.0161	0.0232	0.0413
Std. Dev.	0.0404	0.0485	0.0702	0.0617
<u>PLLLTL</u>				
Mean	0.0026	0.0030	0.0028	0.0033
Median	0.0016	0.0000	0.0021	0.0023
Std. Dev.	0.0050	0.0079	0.0032	0.0038
<u>NCOTL</u>				
Mean	0.0043	0.0045	0.0031	0.0041
Median	0.0023	0.0021	0.0020	0.0021
Std. Dev.	0.0059	0.0093	0.0028	0.0047
<i>Utilization</i>				
<u>LTD</u>				
Mean	0.6425	0.6294	0.5933	0.5602
Median	0.6665	0.6505	0.5556	0.5539
Std. Dev.	0.2123	0.2203	0.2254	0.2135
<i>Liquidity</i>				
<u>SECTTA</u>				
Mean	0.2347	0.2440	0.2253	0.2026
Median	0.2031	0.2143	0.1760	0.1675
Std. Dev.	0.1801	0.1911	0.1982	0.2008
Number of Banks	56	46	39	34

Group 2: Total Assets greater than \$100 Million and up to \$500 Million

The second group is comprised of banks having more than \$100 million of assets but not more than \$500 million of assets, referred to hereafter as Group 2. The number of banks in Group 2 increased from 77 in 2008 to 82 by year end 2009. As in the section for Group 1, the median (50th percentile), the average (mean), and the standard deviation are reported on Table 2. The median was used in addition to the average in order to describe the typical bank in the group, and the standard deviation was used to describe the overall variation for each performance measure across the group.¹⁰ Additional summary statistics, such as the coefficient of variation, minimum, maximum, and various percentiles, are provided in Appendix A of this report.

Net Profit Margin (NPM)

As of year-end 2009, the mean NPM for Group 2 had declined slightly from its 2008 level of 15.98 percent to 15.76. However, the median NPM value for 2009 increased 3 percent to 17.87 percent. While the median NPM did increase in 2009, the variation within the NPM also increased by almost 2 full percentage points from 13.15 to 15.06 percent. It is interesting to note that the maximum NPM for the group is slightly lower for 2009 at 35.57 percent; the minimum NPM for the group is also slightly improved to -58.63 percent. These facts suggests the decline in the mean NPM was likely the result of a slight increase in the number of banks within the group reporting a net loss for the year as indicated in the breakdown of performance by percentile for the group in 2009.

When compared to the national banks, the Louisiana banks outperformed their peer group. The mean for the national peer group for year-end 2009 was -0.80 percent with a median

¹⁰ The mean (or average) was used to describe the typical level of performance for each group of banks. However, in some cases, extreme values attributable to the data from one or two banks influenced the average as a descriptive measure. Rather than arbitrarily exclude various banks from the analysis, we included such outlier banks in the reported data and simply discussed any distortions they caused in the performance measure. In these cases, we examined the mean and the median (or 50th percentile) to determine the “typical” level of profitability.

of 9.02 percent. The standard deviation for the national peer group was 50.45 percent, indicating much greater variation across the country. All peer group tables are provided in Appendix B.

Return on Assets (ROA) and Return on Equity (ROE)

In 2009, the Group 2 banks reported an average ROA of 0.92 percent and an average ROE of 8.94 percent. ROA and ROE are 11.54 percent and 16.91 percent lower, respectively, than their levels for 2008. Based on the median, the ROA was 3.9 percent lower at 10.8 percent, while the median for the ROE was 5.36 percent lower at 10.42 percent. Interestingly, the standard deviation for the ROA in 2009 was unchanged at 0.94 percent. However, the standard deviation for the ROE increased 12.89 percent, from 10.86 percent in 2008 to 12.26 percent by year end 2009. This change indicates a non-negligible difference in the leverage position of the banks within the group. As with the NPM, both the ROA and ROE measures exhibit an increase in the number of banks reporting negative values (as one would expect due to the relationship between the measures); this fact can be seen in the percentile analysis in Appendix B.

In comparison to the national peer group, Group 2 outperformed the national average with respect to ROA in 2009. The average ROA for the peer group for 2009 was 0.08 percent with a median of 0.52 percent and a standard deviation of 2.04 percent. As with the ROA measure, the Group 2 banks reported an ROE ratio that was higher than the peer group's average ROE of -31.32 percent. The median value for the peer group was 5.11 percent. Given the relationship between the ROA and the ROE, the fact that Group 2 outperformed the peer banks in both ROA and ROE in 2009 is as expected.

Net Interest Margin (NIM) and Net Non-Interest Margin (NNIM)

In 2009, the net interest margin (NIM) and net non-interest margin (NNIM) for Group 2 were relatively close to their 2008 values, with a mean of 3.81 percent and -2.37 percent

respectively. In 2009, as in prior years, NIM and NNIM are appropriately described by the mean given that it is nearly equivalent to the value for the 50th percentile (the median). The Group 2 standard deviations were 0.61 percent for both the NIM and NNIM in 2009, which was 13 percent higher than the reported 2008 level for NIM and 30 percent higher than the level reported for NNIM. The range from the maximum to the minimum was larger in 2009 for both NIM and NNIM.

In comparison, the NIM metric for the banks in the peer group averaged 3.36 percent in 2009. The median value for the peer group was 3.38 percent. Therefore, the Group 2 Louisiana banks outperformed the national peer group in 2009 by approximately 14.40 percent. With respect to the NNIM, the Group 2 banks underperformed their national peers in 2009 by 2.16 percent. The standard deviations for both the NIM and NNIM for the group groups were 1.8 percent higher and 9.81 percent higher, respectively. However, the standard deviations for the peer group metrics were greater in 2009 than in 2008.

Net Operating Profit Margin (NOPM)

As in prior releases of this study, *net operating* profit margin (NOPM) was used to analyze the pre-tax profitability of the banks due to the difference in tax treatment between community banks reporting as “C-corporations” and those reporting as “S Corporations,” and the subsequent impact on net income due to this tax differential. In 2009, the average NOPM for Group 2 was 1.44 percent with a standard deviation of 0.66 percent. The median NOPM for Group 2 was 1.55 percent which was slightly lower than the 2008 level.

The standard deviation for the NOPM was 20 percent higher and the range from maximum to minimum was 25.5 percent larger in 2009 than the reported values for 2008, thus indicating greater variation within the group. Relative to the national peer group, Group 2

outperformed the average for the peer group of 1.03 percent in 2009 by 40 percent. The median values for the peer group NOPM was 1.17 percent in 2009 with a standard deviation of 1.89 percent.

Capital Risk

Equity Capital to Total Assets (ECTA)

As of the end of 2009, the banks in Group 2 had an average Equity Capital to Total Assets ratio (ECTA) of 10.01 percent with a standard deviation of 2.11 percent. The median value of ECTA in 2009 was 9.76 percent with a minimum level of 5.58 percent and a maximum level of 16.95 percent. While there was a 2.88 percent change in the levels reported for ECTA at the mean and median, the variation appeared to be relatively consistent.

In regard to the ECTA metric, the national peer group reported a slightly higher average ratio than the Group 2 banks in each year of the study period (the same was true for the median). The average ECTA for the national peer group over the period was 10.32 percent in 2009. The median value and standard deviation were 9.57 percent and 5.50 respectively.

Equity Capital to Risky Assets (ECRA)

In 2009, the average Equity Capital to Risky Assets ratio, (ECRA), for Group 2 was 7.18 percent higher in 2009 at 11.65 percent with a standard deviation of 2.57 percent. The median value in 2009 was 11.37 percent. The lowest ECRA ratio reported at year end 2009 was 6.56 percent, while the highest was 19.94 percent. While the values for standard deviation for ECTA reported in the previous section were somewhat stable, there was a 10 percent increase in the standard deviation and a 20 percent increase in the range for the ECRA for 2009. The national peer group reported a higher average ECRA ratio than the Group 2 banks in 2009 at 13.32

percent. The median ECRA for the peer group was 10.93 percent in 2009 with a standard deviation of 38.20 percent.

Credit Risk

Nonperforming loans to Total Loans (NPLTL)

The ratio of nonperforming loans to total loans (NPLTL) examines the amount of loans that are 90 days or more past due relative to total loans. As of year-end 2009, the average NPLTL for Group 2 increased 34.80 percent from 1.32 percent of total loans to 1.78 percent of total loans with a standard deviation of 2.53 percent. The median value for NPLTL was 0.84 percent in 2009, nearly 75 percent higher than the number reported for 2008. The maximum ratio reported in 2009 was 12.21 percent.¹¹ What is most interesting, and perhaps an indicator of the impact of the economic downturn, is that the average increased so much despite a 50 percent decline in the maximum value for the NPLTL from 2008 to 2009. It is likely that most banks reported an uptick in their nonperforming loans and are in fact being impacted by the general downturn although not quite to the same extent.

In regards to the NPLTL, Group 2 outperformed their peer group in 2009. The average NPLTL for the peer group was 2.64 percent in 2009, a 47.49 percent increase from the 1.79 percent in 2008. The median value for the peer group was 1.39 percent. Like the average, this was a 60 percent increase over the 0.87 percent reported in 2008.

Nonperforming Loans to Equity Capital (NPLEC)

To assess the adequacy of the capital base to absorb potential credit losses, we analyzed the ratio of nonperforming loans to equity capital (NPLEC). As of year-end 2009, the average NPLEC ratio for Group 2 was 12.47 percent, a 17.32 percent increase from 2008, with a standard

¹¹ The median value for NPLTL was 0.84 percent indicating that a handful of banks with a substantial loan problem may be driving this result (the maximum value reported was 12.21 percent).

deviation of 21.07 percent and a maximum value of 105.16 percent.¹² Given a median for NPLEC of 5.22 percent in 2009 and the decline of 24.67 percent in the standard deviation from 2008 levels, it appears more banks are reporting higher values for the NPLEC (with less variation among the banks). In other words, it appears most banks had to deal with a higher level of nonperforming loans in 2009.

As for the peer group, the average of 143.70 percent was driven by several banks in big trouble. However, the median also increased by approximately 80 percent to 9.11 percent in 2009. As would be expected given the extremely large value for the average NPLEC, the standard deviation for the peer group was extremely large. This finding is also indicative of the conditions that led to the 140 plus banks that failed across the country while no Louisiana banks failed in 2009.

Provision for Loans and Lease Losses to Total Loans (PLLLTL)

The Provision for Loans and Lease Losses to Total Loans (PLLLTL) ratio provides a measure of the amount of the current year's earnings set aside to mitigate the anticipated losses in the loan portfolio. In 2009, the average PLLLTL for Group 2 increased 36 percent to 0.62 percent with a standard deviation of 0.942 percent; the median and maximum values were 0.38 and 6.17 percent. While the results indicate that any real problem is likely contained in a relatively small number of banks, the 30 percent increase in the median and declining variation does suggest the problems could become more widespread within the industry.

In comparison to the national peer group, Group 2 banks outperformed their peers in 2009. The peer group current allocations, as a percentage of total loans, were on average 1.40

¹² It is anticipated that the value for the NPLEC ratio will be much larger than the NPLTL ratio previously discussed given the small size of the average equity base for the banking industry.

percent and a median of 0.77 percent in 2009. The standard deviation increased approximately 50 percent to 1.92 percent of total loans in 2009.

Net Charge-offs to Total Loans (NCOTL)

The ratio of Net Charge-offs to Total Loans (NCOTL) as a contemporaneous measure of the loans in the banks' portfolio that are considered uncollectible, increased 62.50 percent to 0.65 percent of total loans in 2009 with a standard deviation of 1.15 percent. The median increased 25 percent to 0.30 percent of total loans while the maximum NCOTL jumped 25.89 percent to 7.44 percent of total loans. It is worth noting the 50 percent increase in the standard deviation indicates that a group of banks are actually realizing an increase in uncollectible loans.

In regard to the national peer group, the LA Group 2 banks outperformed the peer banks in 2009. The peer group average NCOTL of 1.15 percent was 76.92 percent higher than the LA banks in 2009. The median value for the national peer group was 0.57 percent, 90 percent higher than the LA banks, with a standard deviation of 1.71 percent. Clearly, the shifts in the results for the national peer group reflect the much publicized problems of various banking markets across the country.

Utilization

Loan-to-Deposit Ratio (LTD)

In 2009, Group 2 had an average LTD of 74.49 percent with a standard deviation of 27.72 percent. The median LTD for Group 2 in 2009 was 75.14 percent with a maximum of 254 percent and a minimum value of 28.5 percent. We note that the 95th percentile for the LTD in this group for 2009 was only 103 percent. The reason for reporting this additional piece of information is to confirm that this extreme value for the maximum was likely limited to a single

bank. Compared to 2008, the mean and median were relatively stable albeit slightly higher in 2009. However, the variation within the group did increase 44 percent.

Relative to the national peer group, Group 2 was still more conservative in regard to the utilization of deposit funding. In 2009, the Group 2 average LTD ratio was still well below the peer group mean and median of 82.04 and 82.27 percent, respectively. The standard deviation for the peer group was 82.85 percent in 2009 which was significantly lower than previous years but still almost three times greater than that of Group 2.

Securities-to-Total-Assets (SECTTA)

In 2009, Group 2 reported an average SECTTA of 20.97 percent, a 7 percent decrease from 2008, with a standard deviation of 15.80 percent. The Group 2 median value was 17.11 percent, representing a 6.55 percent decrease from 2008. The maximum and minimum SECTTA values were 65.45 percent and 0.00 percent, respectively. These values represent a decline of 7 percent from the 2008 levels for the mean and median, with a 2.90 percent decrease in the variation of the group. The peer group SECTTA average for 2009 was 17.23 percent with a median value of 14.11. The standard deviation for the peer group in 2009 was 13.60 percent.

Summary

Given the well documented turmoil in the banking industry in 2009, the LA community banks in Group 2 were more profitable than their national peers as a whole based on the metrics used in this technical report. The LA Group 2 banks outperformed their national peers in all but the NNIM category in 2009 and demonstrated less variation in results compared to the national peer group. However, as with many industries, even the community banks in Group 2 realized a downward move in most of the metrics for profitability.

The Group 2 banks' capital position continued to lag slightly behind that of the national peer group for banks of similar size in 2009. However, the capital position for the banks in Group 2 continued to improve in 2009 and based on the median (50th percentile) was stronger than the national peer group. This continued improvement was likely the continuation of the two factors noted in the previous technical report— the banks increased their equity capital by retaining additional earnings, and they reduced their exposure to risky assets (mainly through fewer new loans as their existing loans paid out).

While it appears that the banks in Group 2 have managed their credit risk quite well compared to their national peers, most of the credit risk metrics have continued to worsen in 2009 for Group 2. As stated in the technical report for the 2005-2008 time frame, this upward trend will bear watching as the losses to the banks by way of actual loan charge-offs tend to lag the performance of the overall economy.

In regard to the utilization of the deposit funding for the banks, the banks in Group 2 continued to maintain a fairly conservative loan-to-deposit position with loans at approximately 75 percent of deposits on average. It is also clear that the Group 2 banks, on average, continue to be more conservative than the national peer group in terms of funding loans with deposits. Finally, in regards to their liquidity position, the Group 2 banks continued to maintain a solid liquidity position as of the end of 2009. The Group 2 banks' average and median liquidity position continued to be stronger than that of its national peer group.

Table 2: Community Banks with Total Assets > \$100 Mill. and ≤ \$500 Mill. (Group 2)

	2006	2007	2008	2009
<i>Profitability</i>				
<u>NPM</u>				
Mean	0.1737	0.1762	0.1598	0.1576
Median	0.1770	0.1595	0.1725	0.1787
Std. Dev.	0.1054	0.0712	0.1315	0.1506
<u>ROA</u>				
Mean	0.0128	0.0130	0.0104	0.0092
Median	0.0126	0.0123	0.0113	0.0108
Std. Dev.	0.0063	0.0056	0.0094	0.0094
<u>ROE</u>				
Mean	0.1431	0.1370	0.1076	0.0894
Median	0.1326	0.1384	0.1101	0.1042
Std. Dev.	0.0697	0.0632	0.1086	0.1226
<u>NIM</u>				
Mean	0.0421	0.0406	0.0390	0.03811
Median	0.0401	0.0413	0.0392	0.03818
Std. Dev.	0.0141	0.0081	0.0054	0.00609
<u>NNIM</u>				
Mean	-0.0235	-0.0232	-0.0235	-0.0237
Median	-0.0228	-0.0227	-0.0237	-0.0238
Std. Dev.	0.0081	0.0056	0.0047	0.0061
<u>NOPM</u>				
Mean	0.0186	0.0173	0.0155	0.0144
Median	0.0182	0.0176	0.0158	0.0155
Std. Dev.	0.0086	0.0057	0.0055	0.0066
<i>Capital Risk</i>				
<u>ECTA</u>				
Mean	0.1046	0.0993	0.0973	0.1001
Median	0.0902	0.0955	0.0945	0.0976
Std. Dev.	0.0604	0.0236	0.0218	0.0211
<u>ECRA</u>				
Mean	0.1163	0.1101	0.1087	0.11651
Median	0.1017	0.1061	0.1070	0.11365
Std. Dev.	0.0655	0.0257	0.0232	0.02571

Table 2 Continued***Credit Risk***NPLTL

Mean	0.0058	0.0060	0.0132	0.01779
Median	0.0026	0.0026	0.0048	0.00842
Std. Dev.	0.0086	0.0079	0.0308	0.02534

NPLEC

Mean	0.0367	0.0423	0.1062	0.12465
Median	0.0165	0.0171	0.0311	0.05218
Std. Dev.	0.0548	0.0600	0.2797	0.2107

PLLLTL

Mean	0.0033	0.0020	0.0046	0.00624
Median	0.0020	0.0009	0.0029	0.00376
Std. Dev.	0.0055	0.0027	0.0105	0.00942

NCOTL

Mean	0.0040	0.0025	0.0040	0.00647
Median	0.0016	0.0014	0.0024	0.00301
Std. Dev.	0.0069	0.0028	0.0074	0.01147

UtilizationLTD

Mean	0.7415	0.7846	0.7383	0.74492
Median	0.7046	0.7502	0.7493	0.75143
Std. Dev.	0.2306	0.3358	0.1931	0.27724

LiquiditySECTTA

Mean	0.2265	0.2112	0.2255	0.20973
Median	0.2129	0.1667	0.1830	0.17106
Std. Dev.	0.1509	0.1506	0.1627	0.15804

Number of Banks	67	73	77	82
-----------------	----	----	----	-----------

Group 3: Total Assets greater than \$500 Million and up to \$1 Billion

The third group is comprised of banks having more than \$500 million of assets but less than or equal to \$1 billion of assets, referred to hereafter as Group 3. The number of banks in Group 3 during each year of the study period was as follows: 12 in 2006, 14 in 2007, 14 in 2008 and 14 in 2009. The median (50th percentile), the average (mean), and the standard deviation are reported on Table 3. The median was used in addition to the average in order to describe the typical bank in the group, and the standard deviation was used to describe the overall variation for each performance measure.¹³ Additional summary statistics, such as the coefficient of variation, minimum, maximum, as well as various percentiles, are provided in Appendix A of this report.

Net Profit Margin (NPM)

As of year-end 2009, the mean NPM for Group 3 had declined 20 percent from its 2008 level of 12.2 percent to 9.69. However, the median NPM value for 2009 actually increased 9.24 percent from 12.01 percent to 13.12 percent. While the median NPM did increase in 2009, the variation of the NPM within the group doubled to 11.15 percent from 5.51. In the case of Group 3, it is interesting to note that the maximum NPM for the group was 18.56 percent higher for 2009 while the minimum NPM of -17.21 percent represents a major decline from a minimum of 2.15 percent in 2008. Similar to the results for Group 2, this suggests the substantial decline in the mean NPM was likely the result of an increase in the number of banks within the group reporting a net loss for the year as indicated in the breakdown by percentile for the group in 2009 that shows a negative NPM at the 10th percentile.

¹³ The mean (or average) was used to describe the typical level of performance for each group of banks. However, in some cases, extreme values attributable to the data from one or two banks influenced the average as a descriptive measure. Rather than arbitrarily exclude various banks from the analysis, we included such outlier banks in the reported data and simply discussed any distortions they caused in the performance measure. In these cases, we examined the mean and the median (or 50th percentile) to determine the “typical” level of profitability.

The Louisiana banks outperformed their national peer group based on the peer-group mean for year-end 2009 which was -4.37 percent. The peer group median was 6.64 percent in 2009. Both at the mean and median, the peer group ratio declined substantially from the 2008 levels. The standard deviation for the national peer group was 40.67 percent, indicating a much greater level of variation in NPM across the country. All peer group tables are provided in Appendix B.

Return on Assets (ROA) and Return on Equity (ROE)

In 2009, the Group 3 banks reported an average ROA of 0.63 percent and an average ROE of 6.32 percent. These measures are 25 and 40 percent below the 2008 levels, respectively. Based on the median, the ROA was only 10 percent lower at .81 percent while the median for the ROE was 10 percent lower at 8.08 percent. The standard deviation for ROA in 2009 was more than 50 percent higher than the 2008 level. In contrast, the standard deviation for the ROE increased 40 percent to 7.71 percent, thus reflecting the differences in the leverage position of the banks within the group. As with the NPM, both ROA and ROE reflect an increase in the number of banks reporting negative results (as one would expect due to the relationship between the measures).

In comparison to the national peer group, Group 3 outperformed the national average with respect to ROA in 2009. The average ROA for the peer group for 2009 was 0.14 percent with a median of 0.39 percent and a standard deviation of 2.24 percent. As with the ROA measure, the Group 3 banks reported an ROE that was higher than the national peer group's average ROE of -64.09 percent. The median value for the peer group was 4.12 percent. The standard deviation of the peer group was off the charts at 1,208 percent reflecting the deep economic trouble in the community banking industry across the country in 2009. Given the

relationship between the ROA and the ROE, the fact that Group 3 outperformed the peer banks in both ROA and ROE in 2009 is as expected.

Net Interest Margin (NIM) and Net Non-Interest Margin (NNIM)

In 2009, the net interest margin (NIM) for Group 3 was slightly higher in comparison to the 2008 results at 4.23 percent, while the net non-interest margin (NNIM) was slightly lower at -2.63 percent. In 2009, the mean and the 50th percentile (the median) were different. The median NIM for 2009 was 3.84 percent while the net noninterest margin was -1.99 percent. In 2009, the Group 3 standard deviations were 2.22 and 1.46 percent for the NIM and NNIM, respectively, slightly higher than the reported 2008 levels. The range from maximum to minimum was larger in 2009 for NIM and relatively stable for NNIM.

In comparison, the NIM metric for the banks in the peer group averaged 3.35 percent in 2009. The median value for the peer group was 3.27 percent. Therefore, the Group 3 Louisiana banks outperformed the national peer group in 2009 by approximately 26 percent (4.23 percent versus 3.35 percent). With respect to the NNIM, the Group 3 banks slightly underperformed their national peers in 2009 by approximately 24 percent (-2.63 percent versus -2.12). The standard deviation for the NIM for the group was 53 percent higher than for the national peer group. The standard deviation for the NNIM was approximately 27 percent higher for the national peer group than Group 3. In terms of the peer group trends, the standard deviation for the NIM in 2009 was lower than in 2008, while the variation in NNIM was greater than 2008.

Net Operating Profit Margin (NOPM)

As with the first two size groups and previous releases of this study, net *operating* profit margin (NOPM) was used to analyze the pre-tax profitability of the Group 3 banks due to the difference in tax treatment between community banks that report as “C-corporations” and those

that report as “S Corporations,” and the subsequent impact on net income due to the tax differential. In 2009, the average NOPM for Group 3 was 1.60 percent with a standard deviation of 1.12 percent. The median NOPM for Group 3 was 1.51 percent which was 7 percent higher than the 2008 level. In the case of NOPM, the standard deviation was only slightly larger compared to 2008. In addition, the range from maximum to minimum was 11.8 percent larger in 2009 compared to the reported values for 2008, indicating greater variation within the group.

Relative to the national peer group, Group 3 outperformed the average NOPM (1.23 percent) for 2009. Group 3 banks also outperformed their peers at the median; the peer group median NOPM was 1.31 percent in 2009. Finally, the Group 3 banks exhibited less variation in NOPM than the peer banks, who reported a standard deviation of 2.14 percent.

Equity Capital to Total Assets (ECTA)

As of the end of 2009, the banks in Group 3 had an average Equity Capital to Total Assets ratio (ECTA) of 9.56 percent with a standard deviation of 2.32 percent. The median value of ECTA in 2009 was 8.87 percent with a minimum level of 6.47 percent and a maximum level of 15.53 percent. While there was a slight change in the levels reported for ECTA at the mean and median, the variation increased 19 percent in 2009. In regard to the ECTA metric, the national peer group reported a slightly higher average ratio (9.82 percent) than the Group 3 banks in 2009. The median value and standard deviation for the peer group’s ECTA were 8.96 percent and 6.96, respectively.

Equity Capital to Risky Assets (ECRA)

In 2009, the average Equity Capital to Risky Assets ratio (ECRA) for Group 3 was 10.84 percent, with a standard deviation of 2.72 percent and a median value of 10.02 percent. The lowest ECRA ratio reported at year end 2009 was 7.40 percent, while the highest was 18.00

percent. There were small increases in both the standard deviation and the maximum to minimum range for ECRA in 2009.

The national peer group reported a higher average ECRA ratio than the Group 3 banks in 2009 at 13.22 percent, a 21.5 percent increase for the peer banks. The median ECRA for the peer group was 10.32 percent in 2009, a very slight increase from 2008, and the standard deviation was 39.52 percent. The standard deviation for the peer group increased dramatically from the 4.74 percent as of year-end 2008.

Credit Risk

Nonperforming loans to Total Loans (NPLTL)

As stated previously, the ratio of nonperforming loans to total loans (NPLTL) examines the amount of loans that are 90 days or more past due relative to total loans. As of year-end 2009, the average NPLTL for Group 3 increased 66 percent (from 1.25 percent at year end 2008) to 2.07 percent at year end 2009. The standard deviation increased from 1.37 percent to 2.53 percent over the same period. The median value for NPLTL was 1.55 percent in 2009, nearly double the 0.79 percent reported for year-end 2008. The maximum ratio reported in 2009 was 6.68 percent compared to 4.35 percent in 2008.

Despite the uptick in the measure for Group 3, the Louisiana banks continued to outperform the national peer group in 2009. The average NPLTL for the peer group was 3.47 percent in 2009, a 52.2 increase from the 2008 figure. The median value for the peer group was 2.17 percent, a 93.75 percent increase from year-end 2008. It is worth noting the standard deviation for the peer group was smaller in 2009 than 2008.

Nonperforming Loans to Equity Capital (NPLEC)

To assess the adequacy of the capital base to absorb potential credit losses, the ratio of nonperforming loans to equity capital (NPLEC) was analyzed. As of year-end 2009, the average NPLEC ratio for Group 3 was 63.67 percent higher than at year-end 2008 at 16.89 percent. The standard deviation of 21.02 percent was 74 percent greater than in 2008 and the maximum value of 67.87 percent representing a 62 percent increase over year-end 2008. Given a median for NPLEC of 11.15 percent in 2009, it appears more banks are reporting higher values for the NPLEC in general. However, in the case of Group 3, there appears to be increasing variation among the banks which may be readily attributable to the smaller population of banks in this size group.

In comparison, the peer group average NPLEC of 135.92 percent was driven by several banks in big trouble. However, the median also increased by a multiple of 2 to a level of 15.53 percent by year end 2009. As would be expected given the extremely large value for the average NPLEC, the standard deviation for the peer group was also extremely large at 1,898.64 percent. This result was indicative of the difficulties in the banking industry in 2009 that resulted in the failure of 140 banks across the nation.

Provision for Loans and Lease Losses to Total Loans (PLLLTL)

The Provision for Loans and Lease Losses to Total Loans (PLLLTL) ratio provides a measure of the amount of the current year's earnings set aside to mitigate the anticipated losses in the loan portfolio. In 2009, the average and median PLLLTL for Group 3 increased 86 percent to 1.21 percent and 157 percent to 1.08 percent respectively with a standard deviation of 0.97 percent; the maximum value increased to 4.02 percent for year-end 2009 from 3.84 percent

as of year-end 2008. As noted previously for Group 2, the large increase in both the mean and median suggests the concerns within the industry are impacting a greater number of banks.

In comparison to the national peer group, Group 3 banks outperformed their peers in 2009. The peer group current allocations, as a percentage of total loans, averaged 1.97 percent. The peer group's median of 1.21 percent in 2009 was 12 percent higher than that of the Group 3 banks. While the standard deviation for the peer group declined to 2.28 percent of total loans in 2009, the mean increased by 63 percent and the median increased by 116 percent.

Net Charge-offs to Total Loans (NCOTL)

The ratio of Net Charge-offs to Total Loans (NCOTL) as contemporaneous measure of the loans in the banks' portfolio that were considered uncollectible increased 34 percent from 0.74 percent of total loans in 2008 to 1.00 percent of total loans in 2009, with a standard deviation of 0.98 percent. Simultaneously, the median increased 120 percent from 0.4 percent of total loans to 0.88 percent of total loans while the maximum NCOTL actually declined from 5.62 percent to 3.91 percent of total loans. These values, along with the 35 percent decline in the standard deviation, indicate that Group 3 banks (as a whole) are actually realizing an increase in uncollectible loans. In other words, these average figures do not appear to be under the influence of a dramatic outlier in the group.

In regard to the national peer group, the LA Group 3 banks significantly outperformed the peer banks in 2009. The peer group average NCOTL was 1.62 percent in 2009. The median value for the national peer group was 0.89 percent with a standard deviation of 2.21 percent respectively. Clearly, the shifts in the results for the national peer group for Group 3 also reflect the much publicized problems in various banking markets across the country.

Loan-to-Deposit Ratio (LTD)

In 2009, Group 3 had an average LTD of 80.19 percent representing a 17.5 percent decrease from year-end 2008, with a standard deviation of 10.90 percent. The median LTD for Group 3 in 2009 was 77.79 percent, 7.2 percent lower than the 83.8 percent in 2008. The maximum loan-to-deposit ratio of 99.48 percent and the minimum value of 63.93 percent marked a substantial decline from the year-end 2008 numbers for Group 3. As noted for several metrics previously discussed, the mean and standard deviation in 2009 were substantially less than their respective year end values in 2008. This fact further suggests the influence of a small number of banks influencing the means and standard deviations in 2008. By comparison, in 2009, the banks appeared to be more homogenous in that they took on a more conservative position (as a group) in order to mitigate the impact of the national economic downturn.

Relative to the national peer group, Group 3 was still more conservative in regard to the utilization of deposit funding. In 2009, the Group 3 average LTD ratio was 7 percent below the peer group average and 11 percent below the peer banks' median; these values were 85.66 and 86.39 percent, respectively. The standard deviation for the peer group was 17.18 percent in 2009 which was significantly lower than previous years but still almost 1.7 times greater than that of Group 3 for Louisiana as of year-end 2009.

Securities-to-Total-Assets (SECTTA)

In 2009, Group 3 reported an average SECTTA of 19.03 percent with a standard deviation of 8.54 percent. The median value was 19.49 percent while the maximum SECTTA value was 31.53 percent. This 30 percent increase in the mean and 36 percent increase in the median represent a general increase in the level of security holdings for the group. This increase is magnified given the standard deviation for Group 3 declined 7.7 percent in 2009. The peer

group SECTTA average for 2009 was 16.15 percent (a 7.24 percent increase) with a median value of 13.98 percent (an 8 percent increase). The standard deviation for the peer group declined slightly in 2009 to 10.51 percent.

Summary

The LA community banks in Group 3 were more profitable than their national peers based on the metrics used in this technical report. As with Group 1 and Group 2, the LA Group 3 banks outperformed their national peers across all categories in 2009 except NNIM. In addition, LA community banks demonstrated less variation in the results compared to their national peer group. However, as with the other groups, the banks in Group 3 also realized some downward movement in a number of the profitability metrics reported.

The capital position for the banks in Group 3 continued to lag slightly behind that of the national peer group for banks of similar size. However, the capital position for the banks in Group 3 continued to improve in 2009. In fact, based on the median, the Group 3 capital position measures were almost even with the national peer group. As with Groups 1 and 2, this continued improvement was likely the continuation of the two factors noted in the previous technical report—the banks increased their equity capital by retaining additional earnings and, second, they reduced their exposure to risky assets (mainly through fewer new loans as their existing loans paid out).

While the banks in Group 3 outperformed their peers on the basis of the credit risk metrics, there was a troubling increase in several of the metrics in 2009. As stated in the technical report for the 2005-2008 time frame, and reiterated for Groups 1 and 2, this upward trend in the credit risk metrics will bear watching as the losses to the banks by way of actual loan charge-offs tend to lag the performance of the overall economy.

The banks in Group 3 have maintained a conservative loan-to-deposit position compared to the national peer group of similar size banks with an average metric of 80 percent. Based on the median, the position is even more conservative at 78 percent. Finally, the banks in Group 3 continued to maintain a strong liquidity position relative to their peers as of the end of 2009. The Group 3 banks' average and median liquidity position continued to be stronger than that of its national peer group and demonstrated a significant increase in 2009.

Table 3: Community Banks with Total Assets > \$500 Mill. and ≤ \$1 Bill. (Group 3)

	2006	2007	2008	2009
<i>Profitability</i>				
<u>NPM</u>				
Mean	0.1791	0.1525	0.1220	0.0969
Median	0.1654	0.1744	0.1201	0.1312
Std. Dev.	0.0465	0.0535	0.0551	0.1115
<u>ROA</u>				
Mean	0.0138	0.0126	0.0088	0.0063
Median	0.0130	0.0133	0.0088	0.0081
Std. Dev.	0.0044	0.0045	0.0042	0.0069
<u>ROE</u>				
Mean	0.1807	0.1473	0.1023	0.0632
Median	0.1576	0.1471	0.1033	0.0808
Std. Dev.	0.0774	0.0660	0.0521	0.0771
<u>NIM</u>				
Mean	0.0435	0.0464	0.0406	0.04228
Median	0.0431	0.0425	0.0369	0.03843
Std. Dev.	0.0064	0.0172	0.0204	0.02218
<u>NNIM</u>				
Mean	-0.0233	-0.0263	-0.0245	-0.0263
Median	-0.0225	-0.0222	-0.0200	-0.0199
Std. Dev.	0.0056	0.0120	0.0136	0.0146
<u>NOPM</u>				
Mean	0.0201	0.0200	0.0161	0.0160
Median	0.0200	0.0193	0.0141	0.0151
Std. Dev.	0.0055	0.0075	0.0103	0.0112
<i>Capital Risk</i>				
<u>ECTA</u>				
Mean	0.0784	0.0905	0.0882	0.0956
Median	0.0796	0.0869	0.0840	0.0887
Std. Dev.	0.0086	0.0209	0.0195	0.0232
<u>ECRA</u>				
Mean	0.0878	0.1012	0.0979	0.10841
Median	0.0882	0.0972	0.0952	0.10016
Std. Dev.	0.0099	0.0226	0.0204	0.0272

Table 3
Continued
Credit Risk

<u>NPLTL</u>				
Mean	0.0093	0.0118	0.0125	0.02074
Median	0.0053	0.0084	0.0079	0.01555
Std. Dev.	0.0084	0.0159	0.0137	0.0205
<u>NPLEC</u>				
Mean	0.0872	0.0944	0.1032	0.16885
Median	0.0403	0.0509	0.0704	0.11147
Std. Dev.	0.0842	0.1199	0.1209	0.21019
<u>PLLLTL</u>				
Mean	0.0032	0.0047	0.0065	0.0121
Median	0.0021	0.0014	0.0042	0.01077
Std. Dev.	0.0041	0.0084	0.0093	0.00967
<u>NCOTL</u>				
Mean	0.0064	0.0049	0.0074	0.00995
Median	0.0030	0.0023	0.0040	0.00881
Std. Dev.	0.0063	0.0080	0.0142	0.00976
<i>Utilization</i>				
<u>LTD</u>				
Mean	0.7947	0.8379	0.9695	0.80192
Median	0.8124	0.8213	0.8382	0.77791
Std. Dev.	0.1090	0.1109	0.4651	0.10901
<i>Liquidity</i>				
<u>SECTTA</u>				
Mean	0.1703	0.1451	0.1463	0.19028
Median	0.1470	0.1261	0.1430	0.19488
Std. Dev.	0.0769	0.0815	0.0925	0.08537
Number of Banks	12	14	14	14

Conclusion

This report analyzed Louisiana's community banks based on the following three asset size categories: less than or equal to \$100 million (Group 1), greater than \$100 million and less than or equal to \$500 million (Group 2), and greater than \$500 million and less than or equal to \$1 billion (Group 3). The financial analysis was performed using the banks' reported year-end financial statements, as filed with the Federal Financial Institution Examination Council (FFIEC), for year-end 2009. This section of the report summarizes some of the main findings of the analysis.

Louisiana community banks, in general, continue to outperform banks across the nation in terms of average net profit margin, return on equity, and return on assets. However, there was a decrease in each of these measures for Louisiana banks in all size categories in 2009.

A key credit risk measure, nonperforming loans to total loans, for Louisiana community banks (in all three groups) continued an upward trend that has been observed over the previous four years. In addition, the capital position for banks in Group 1 was solid and continued to improve in 2009. Although, the capital position for banks in Group 2 and Group 3 also continued to improve in 2009, these groups lag behind the national peer group for banks of similar size. Louisiana banks in all three groups continued to maintain a strong liquidity position relative to their peers as of the end of 2009. Finally, Louisiana banks outperformed their peers in all profitability categories analyzed except net noninterest margin.

Caveat:

The recent disaster in the Gulf of Mexico and legal battles concerning the federal government's moratorium on outer continental shelf exploratory drilling has created a cloud of uncertainty over the economy of Louisiana and southern Louisiana in particular. While

the metrics in this report suggest the community banks in Louisiana are handling the national recession reasonably well as of year-end 2009, the immediate and future impacts of the British Petroleum disaster and its fallout on the community banks could result in significant economic shifts for the region. As a result, the authors suggest appropriate diligence be applied in reviewing these figures and projecting the future performance of all entities connected directly and indirectly to the oil and gas industry.

References

Colin Barr, 2009. Preparing for a Major Bank Shakeout. Published on CNNMoney.com, August 28, 2009.

Catherine Clifford, 2009. Bad Year for Banks: Failures Surpass '08. Published on CNNMoney.com, April 25, 2009.

David Ellis, 2010. Banks at risk of going bust tops 700. Published on CNNMoney.com, February 23, downloaded February 23, 2010 at:
http://money.cnn.com/2010/02/23/news/companies/fdic_list/index.htm

David Ellis, 2009. Get ready for a wave of bank failures. Published on CNNMoney.com, February 20, downloaded February 20, 2009 at:
http://money.cnn.com/2009/02/20/news/companies/bank_failures/index.htm?postversion=2009022012

R. Alton Gilbert and Gregory E. Sierra, 2003. The Financial Condition of U.S. Banks: How Different are Community Banks? Review, Federal Reserve Bank of St. Louis, January/February 2003, pp. 43-56.

R. Alton Gilbert and David C. Wheelock, 2007. Measuring Commercial Bank Profitability: Proceed With Caution. Networks Financial Institute Working Paper, WP-22, October 2007.

Carrick Mollenkamp and Maurice Tamman, 2010. 2010 TARP Panel: Small Banks are Facing Loan Woes. Published on WSJ.com, February 11, downloaded February 11, 2010 at:
<http://online.wsj.com/article/SB10001424052748703455804575057851154035196.htm>

Kenneth Musante, 2009. Louisiana bank is first to return TARP funds. Published on CNNMoney.com, February 27, 2009, downloaded February 27, 2009 at: http://money.cnn.com/2009/02/27/news/companies/iberia_tarp/?postversion=2009022718

Regulators Shut Down 'Statewide Bank'. Published on WDSU.com, March 12, 2010, downloaded March 18, 2010 at: <http://wdsu.com/print/22827014/detail..html>

Ben Rooney, 2009. 3 More Down: A Bank Failure Tally Hits 92. Published on CNNMoney.com, September 12, 2009.

Ben Rooney, 2009. Bank Failure Tally Reaches 140. Published on CNNMoney.com, December 18, 2009.

Appendix A

The first part of this appendix provides detailed variable definitions using the codes on the Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices. The second part of this appendix provides additional summary statistics to those presented in the main body of the paper.

Return on Assets (ROA) = RIAD4340 / RCFD2170

Return on Equity (ROE) = RIAD4340 / RCFD3210

Net Interest Margin (NIM) = (RIAD4107 – RIAD4073) / RCFD2170

Net Noninterest Margin (NNIM) = (RIAD4079 – RIAD4093) / (RCFD2170)

Net Operating Margin (NOM) = [(RIAD4107 + RIAD4079) – (RIAD4073 + RIAD4093)] / RCFD2170

Net Profit Margin (NPM) = RIAD4340 / (RIAD4107 + RIAD4079)

Nonperforming Loans to Total Loans (NPLTL) = (RCON3492 + RCON3495 + RCON5400 + RCONC229 + RCONC230 + RCON3501 + RCON3504 + RCFNB574 + RCFD5379 + RCFD5382 + RCFD1583 + RCFD1253 + RCFD1256 + RCFDB577 + RCFDB580 + RCFD5391 + RCFD5461 + RCFD1259 + RCFD1791 + RCFD3507) / RCON 2122

Net Charge-offs to Total Loans (NCOTL) = RIAD4635 / RCON2122

Provision for Loans and Leases Losses to Total Loans (PLLLTL) = RIAD4230 / RCON2122

Provision for Loans and Leases Losses to Equity Capital (PLLLEC) = RIAD4230 / RCON2122

Nonperforming Loans to Equity Capital (NPLEC) = (RCON3492 + RCON3495 + RCON5400 +

$$\text{RCONC229} + \text{RCONC230} + \text{RCON3501} + \text{RCON3504} + \text{RCFNB574} + \text{RCFD5379} + \text{RCFD5382} + \text{RCFD1583} + \text{RCFD1253} + \text{RCFD1256} + \text{RCFDB577} + \text{RCFDB580} + \text{RCFD5391} + \text{RCFD5461} + \text{RCFD1259} + \text{RCFD1791} + \text{RCFD3507} / \text{RCFD 3210}$$

Equity Capital to Total Assets (ECTA) = $\text{RCFD3210} / \text{RCFD2170}$

Equity Capital to Risky Assets (ECRA) = $\text{RCFD3210} / (\text{RCFD1754} + \text{RCFD1773} + \text{RCON13987} + \text{RCFD13989} + \text{RCFD13529} + \text{RCFD3545} + \text{RCFD2130})$

Loan to Deposit (LTD) = $\text{RCON2122} / \text{RCON2200}$

Total Operating Revenue to Total Assets (TOpRevTA) = $(\text{RIAD4107} + \text{RIAD4079}) / \text{RCFD2170}$

Securities to Total Assets (SecTTA) = $\text{RCFD1773} / \text{RCFD2170}$

Table A-1: Return on Assets				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0120	0.0128	0.0138
median		0.0129	0.0126	0.0130
sd		0.0102	0.0063	0.0044
min		-0.0310	-0.0105	0.0082
max		0.0378	0.0258	0.0248
cv		0.8448	0.4944	0.3173
p5		-0.0109	0.0059	0.0082
p95		0.0260	0.0246	0.0248
p10		0.0034	0.0075	0.0089
p90		0.0204	0.0211	0.0173
p25		0.0091	0.0093	0.0113
p75		0.0160	0.0162	0.0155
n		56	67	12
mean	2007	0.0121	0.0130	0.0126
median		0.0118	0.0123	0.0133
sd		0.0133	0.0056	0.0045
min		-0.0227	-0.0019	0.0039
max		0.0741	0.0268	0.0197
cv		1.0969	0.4307	0.3557
p5		-0.0096	0.0066	0.0039
p95		0.0241	0.0225	0.0197
p10		0.0008	0.0072	0.0060
p90		0.0208	0.0202	0.0176
p25		0.0063	0.0085	0.0098
p75		0.0164	0.0170	0.0158
n		46	73	14
mean	2008	0.0107	0.0104	0.0088
median		0.0101	0.0113	0.0088
sd		0.0084	0.0094	0.0042
min		-0.0125	-0.0492	0.0016
max		0.0371	0.0233	0.0138
cv		0.7784	0.9078	0.4748
p5		-0.0082	0.0005	0.0016
p95		0.0235	0.0219	0.0138
p10		0.0037	0.0024	0.0016
p90		0.0188	0.0194	0.0138
p25		0.0068	0.0076	0.0071
p75		0.0152	0.0154	0.0122
n		39	77	14
mean	2009	0.0097	0.0092	0.0063
median		0.0093	0.0108	0.0081
sd		0.0087	0.0094	0.0069
min		-0.0155	-0.0392	-0.0099
max		0.0258	0.0220	0.0142
cv		0.9027	1.0264	1.0838
p5		-0.0079	-0.0067	-0.0099
p95		0.0247	0.0193	0.0142
p10		0.0016	0.0019	-0.0062
p90		0.0193	0.0175	0.0135
p25		0.0059	0.0073	0.0051
p75		0.0148	0.0144	0.0109
n		34	82	14

Note: Return on assets is calculated as the ratio of net income to total assets.

Table A-2: Return on Equity				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.1170	0.1431	0.1807
median		0.1076	0.1326	0.1576
sd		0.0915	0.0697	0.0774
min		-0.1941	-0.0272	0.0973
max		0.2786	0.2975	0.3945
cv		0.7822	0.4873	0.4283
p5		-0.0430	0.0498	0.0973
p95		0.2639	0.2703	0.3945
p10		0.0242	0.0703	0.1215
p90		0.2599	0.2494	0.2264
p25		0.0720	0.0974	0.1387
p75		0.1800	0.1935	0.2072
n		56	67	12
mean	2007	0.1109	0.1370	0.1473
median		0.0963	0.1384	0.1471
sd		0.1112	0.0632	0.0660
min		-0.1997	-0.0231	0.0348
max		0.4630	0.2979	0.2969
cv		1.0027	0.4616	0.4481
p5		-0.0959	0.0446	0.0348
p95		0.2585	0.2457	0.2969
p10		0.0097	0.0763	0.0793
p90		0.2445	0.2393	0.2242
p25		0.0643	0.0900	0.1058
p75		0.1691	0.1757	0.1782
n		46	73	14
mean	2008	0.0992	0.1076	0.1023
median		0.0909	0.1101	0.1033
sd		0.0775	0.1086	0.0521
min		-0.1438	-0.5583	0.0188
max		0.2614	0.2954	0.2000
cv		0.7808	1.0089	0.5099
p5		-0.0245	0.0053	0.0188
p95		0.2376	0.2434	0.2000
p10		0.0362	0.0355	0.0191
p90		0.2126	0.2108	0.1619
p25		0.0562	0.0745	0.0779
p75		0.1413	0.1523	0.1380
n		39	77	14
mean	2009	0.0814	0.0894	0.0632
median		0.0741	0.1042	0.0808
sd		0.0688	0.1226	0.0771
min		-0.0846	-0.7014	-0.1214
max		0.2153	0.2480	0.1577
cv		0.8448	1.3713	1.2204
p5		-0.0584	-0.0811	-0.1214
p95		0.1826	0.2187	0.1577
p10		0.0123	0.0216	-0.0831
p90		0.1724	0.1907	0.1207
p25		0.0416	0.0713	0.0501
p75		0.1319	0.1464	0.1115
n		34	82	14

Note: Return on equity is calculated as the ratio of net income to total equity capital.

Table A-3: Net Interest Margin				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0425	0.0421	0.0435
median		0.0423	0.0401	0.0431
sd		0.0080	0.0141	0.0064
min		0.0211	0.0190	0.0361
max		0.0653	0.1305	0.0587
cv		0.1881	0.3343	0.1484
p5		0.0319	0.0274	0.0361
p95		0.0571	0.0519	0.0587
p10		0.0328	0.0312	0.0371
p90		0.0520	0.0500	0.0515
p25		0.0382	0.0359	0.0383
p75		0.0466	0.0457	0.0449
n		56	67	12
mean	2007	0.0417	0.0406	0.0464
median		0.0421	0.0413	0.0425
sd		0.0071	0.0081	0.0172
min		0.0192	0.0215	0.0299
max		0.0596	0.0755	0.1010
cv		0.1694	0.1989	0.3705
p5		0.0325	0.0264	0.0299
p95		0.0528	0.0532	0.1010
p10		0.0336	0.0302	0.0347
p90		0.0501	0.0481	0.0546
p25		0.0369	0.0370	0.0363
p75		0.0453	0.0443	0.0492
n		46	73	14
mean	2008	0.0397	0.0390	0.0406
median		0.0397	0.0392	0.0369
sd		0.0087	0.0054	0.0204
min		0.0131	0.0228	0.0159
max		0.0682	0.0492	0.1029
cv		0.2185	0.1381	0.5021
p5		0.0227	0.0284	0.0159
p95		0.0499	0.0479	0.1029
p10		0.0311	0.0309	0.0212
p90		0.0494	0.0461	0.0506
p25		0.0359	0.0359	0.0337
p75		0.0443	0.0422	0.0435
n		39	77	14
mean	2009	0.0381	0.0381	0.0423
median		0.0388	0.0382	0.0384
sd		0.0096	0.0061	0.0222
min		0.0113	0.0141	0.0192
max		0.0622	0.0502	0.1154
cv		0.2528	0.1597	0.5246
p5		0.0171	0.0276	0.0192
p95		0.0505	0.0470	0.1154
p10		0.0263	0.0315	0.0297
p90		0.0477	0.0452	0.0489
p25		0.0346	0.0358	0.0337
p75		0.0434	0.0424	0.0419
n		34	82	14

Note: Net interest margin is calculated as the ratio of (interest income - interest expense) / total assets.

Table A-4: Net Operating Profit Margin				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0152	0.0186	0.0201
median		0.0159	0.0182	0.0200
sd		0.0104	0.0086	0.0055
min		-0.0361	-0.0102	0.0104
max		0.0379	0.0551	0.0298
cv		0.6818	0.4630	0.2734
p5		0.0036	0.0067	0.0104
p95		0.0284	0.0304	0.0298
p10		0.0072	0.0108	0.0130
p90		0.0244	0.0271	0.0251
p25		0.0117	0.0143	0.0170
p75		0.0200	0.0230	0.0246
n		56	67	12
mean	2007	0.0149	0.0173	0.0200
median		0.0159	0.0176	0.0193
sd		0.0128	0.0057	0.0075
min		-0.0233	0.0053	0.0089
max		0.0741	0.0316	0.0403
cv		0.8571	0.3258	0.3729
p5		-0.0020	0.0082	0.0089
p95		0.0239	0.0273	0.0403
p10		0.0010	0.0107	0.0122
p90		0.0222	0.0243	0.0253
p25		0.0104	0.0125	0.0153
p75		0.0199	0.0212	0.0233
n		46	73	14
mean	2008	0.0131	0.0155	0.0161
median		0.0139	0.0158	0.0141
sd		0.0087	0.0055	0.0103
min		-0.0156	-0.0052	0.0046
max		0.0371	0.0249	0.0446
cv		0.6603	0.3530	0.6411
p5		-0.0063	0.0042	0.0046
p95		0.0229	0.0241	0.0446
p10		0.0050	0.0088	0.0055
p90		0.0206	0.0225	0.0256
p25		0.0094	0.0122	0.0076
p75		0.0180	0.0184	0.0200
n		39	77	14
mean	2009	0.0124	0.0144	0.0160
median		0.0116	0.0155	0.0151
sd		0.0106	0.0066	0.0112
min		-0.0179	-0.0095	0.0011
max		0.0485	0.0282	0.0458
cv		0.8552	0.4569	0.7007
p5		-0.0085	0.0004	0.0011
p95		0.0279	0.0234	0.0458
p10		0.0040	0.0083	0.0032
p90		0.0204	0.0213	0.0268
p25		0.0083	0.0111	0.0073
p75		0.0178	0.0187	0.0205
n		34	82	14

Note: Net operating profit margin is calculated as the ratio of ((interest income + noninterest income) - (interest expense + noninterest expense)) / total assets.

Table A-5: Net Profit Margin				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.1627	0.1737	0.1791
median		0.1759	0.1770	0.1654
sd		0.1700	0.1054	0.0465
min		-0.6564	-0.3951	0.1185
max		0.5340	0.3489	0.2698
cv		1.0446	0.6067	0.2598
p5		-0.1521	0.0718	0.1185
p95		0.3354	0.3031	0.2698
p10		0.0489	0.0982	0.1246
p90		0.2989	0.2845	0.2383
p25		0.1311	0.1412	0.1502
p75		0.2347	0.2254	0.2156
n		56	67	12
mean	2007	0.1611	0.1762	0.1525
median		0.1648	0.1595	0.1744
sd		0.1502	0.0712	0.0535
min		-0.3150	-0.0245	0.0387
max		0.6604	0.3352	0.2101
cv		0.9323	0.4040	0.3511
p5		-0.1037	0.0887	0.0387
p95		0.3202	0.3170	0.2101
p10		0.0105	0.1046	0.0722
p90		0.3042	0.2743	0.2069
p25		0.1185	0.1365	0.1153
p75		0.2249	0.2260	0.2010
n		46	73	14
mean	2008	0.1526	0.1598	0.1220
median		0.1697	0.1725	0.1201
sd		0.1891	0.1315	0.0551
min		-0.7908	-0.6522	0.0215
max		0.5238	0.3834	0.2064
cv		1.2390	0.8230	0.4517
p5		-0.0859	0.0100	0.0215
p95		0.3920	0.3041	0.2064
p10		0.0605	0.0371	0.0315
p90		0.3187	0.2808	0.1884
p25		0.1319	0.1220	0.0950
p75		0.2133	0.2348	0.1662
n		39	77	14
mean	2009	0.1499	0.1576	0.0969
median		0.1718	0.1787	0.1312
sd		0.1742	0.1506	0.1115
min		-0.5414	-0.5863	-0.1721
max		0.4527	0.3557	0.2447
cv		1.1621	0.9552	1.1507
p5		-0.1292	-0.1100	-0.1721
p95		0.3863	0.3191	0.2447
p10		0.0182	0.0348	-0.0959
p90		0.3435	0.3008	0.2093
p25		0.1046	0.1320	0.0689
p75		0.2182	0.2400	0.1610
n		34	82	14

Note: Net profit margin is calculated as the ratio of net income / (interest income + noninterest income).

Table A-6: Net Noninterest Margin				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	-0.0272	-0.0235	-0.0233
median		-0.0275	-0.0228	-0.0225
sd		0.0092	0.0081	0.0056
min		-0.0693	-0.0754	-0.0342
max		-0.0118	-0.0140	-0.0153
cv		-0.3367	-0.3451	-0.2390
p5		-0.0386	-0.0313	-0.0342
p95		-0.0128	-0.0157	-0.0153
p10		-0.0347	-0.0286	-0.0336
p90		-0.0170	-0.0170	-0.0190
p25		-0.0302	-0.0254	-0.0244
p75		-0.0227	-0.0197	-0.0197
n		56	67	12
mean	2007	-0.0268	-0.0232	-0.0263
median		-0.0269	-0.0227	-0.0222
sd		0.0122	0.0056	0.0120
min		-0.0585	-0.0512	-0.0606
max		0.0213	-0.0141	-0.0151
cv		-0.4546	-0.2412	-0.4572
p5		-0.0443	-0.0311	-0.0606
p95		-0.0109	-0.0156	-0.0151
p10		-0.0376	-0.0277	-0.0403
p90		-0.0161	-0.0175	-0.0174
p25		-0.0319	-0.0259	-0.0272
p75		-0.0214	-0.0200	-0.0187
n		46	73	14
mean	2008	-0.0266	-0.0235	-0.0245
median		-0.0266	-0.0237	-0.0200
sd		0.0087	0.0047	0.0136
min		-0.0561	-0.0415	-0.0584
max		-0.0113	-0.0139	-0.0029
cv		-0.3274	-0.2010	-0.5555
p5		-0.0525	-0.0319	-0.0584
p95		-0.0123	-0.0158	-0.0029
p10		-0.0356	-0.0282	-0.0408
p90		-0.0163	-0.0181	-0.0135
p25		-0.0293	-0.0260	-0.0305
p75		-0.0217	-0.0199	-0.0179
n		39	77	14
mean	2009	-0.0257	-0.0237	-0.0263
median		-0.0268	-0.0238	-0.0199
sd		0.0137	0.0061	0.0146
min		-0.0539	-0.0435	-0.0696
max		0.0372	-0.0033	-0.0131
cv		-0.5342	-0.2591	-0.5564
p5		-0.0466	-0.0347	-0.0696
p95		-0.0121	-0.0157	-0.0131
p10		-0.0342	-0.0299	-0.0389
p90		-0.0160	-0.0171	-0.0145
p25		-0.0314	-0.0269	-0.0316
p75		-0.0217	-0.0199	-0.0185
n		34	82	14

Note: Net noninterest margin is calculated as the ratio of (noninterest income - noninterest expense) / total assets.

Table A-7: Equity Capital to Total Assets				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.1173	0.1046	0.0784
median		0.1079	0.0902	0.0796
sd		0.0423	0.0604	0.0086
min		0.0689	0.0590	0.0628
max		0.3201	0.5234	0.0918
cv		0.3609	0.5777	0.1093
p5		0.0771	0.0698	0.0628
p95		0.1886	0.1555	0.0918
p10		0.0808	0.0722	0.0678
p90		0.1645	0.1364	0.0895
p25		0.0882	0.0809	0.0733
p75		0.1317	0.1069	0.0824
n		56	67	12
mean	2007	0.1157	0.0993	0.0905
median		0.1052	0.0955	0.0869
sd		0.0326	0.0236	0.0209
min		0.0732	0.0640	0.0663
max		0.2247	0.1811	0.1502
cv		0.2821	0.2374	0.2310
p5		0.0793	0.0744	0.0663
p95		0.1708	0.1528	0.1502
p10		0.0809	0.0778	0.0719
p90		0.1655	0.1347	0.1130
p25		0.0912	0.0814	0.0758
p75		0.1303	0.1069	0.0963
n		46	73	14
mean	2008	0.1256	0.0973	0.0882
median		0.1131	0.0945	0.0840
sd		0.0826	0.0218	0.0195
min		0.0569	0.0662	0.0643
max		0.5929	0.1704	0.1433
cv		0.6577	0.2243	0.2212
p5		0.0724	0.0718	0.0643
p95		0.1879	0.1494	0.1433
p10		0.0802	0.0735	0.0703
p90		0.1706	0.1252	0.1074
p25		0.0878	0.0825	0.0759
p75		0.1337	0.1046	0.0944
n		39	77	14
mean	2009	0.1462	0.1001	0.0956
median		0.1195	0.0976	0.0887
sd		0.1355	0.0211	0.0232
min		0.0727	0.0558	0.0647
max		0.8779	0.1695	0.1553
cv		0.9269	0.2110	0.2424
p5		0.0832	0.0756	0.0647
p95		0.3020	0.1450	0.1553
p10		0.0873	0.0783	0.0746
p90		0.1690	0.1266	0.1164
p25		0.0962	0.0854	0.0819
p75		0.1451	0.1087	0.1119
n		34	82	14

Note: Equity capital to total assets is calculated as the ratio of total equity capital / total assets.

Table A-8: Equity Capital to Risky Assets				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.1320	0.1163	0.0878
median		0.1215	0.1017	0.0882
sd		0.0474	0.0655	0.0099
min		0.0778	0.0643	0.0699
max		0.3328	0.5569	0.1047
cv		0.3591	0.5633	0.1130
p5		0.0850	0.0772	0.0699
p95		0.2060	0.1668	0.1047
p10		0.0904	0.0818	0.0751
p90		0.1959	0.1487	0.1032
p25		0.1004	0.0906	0.0833
p75		0.1475	0.1209	0.0908
n		56	67	12
mean	2007	0.1295	0.1101	0.1012
median		0.1213	0.1061	0.0972
sd		0.0373	0.0257	0.0226
min		0.0811	0.0687	0.0760
max		0.2631	0.1949	0.1606
cv		0.2885	0.2335	0.2239
p5		0.0874	0.0818	0.0760
p95		0.1964	0.1655	0.1606
p10		0.0926	0.0852	0.0780
p90		0.1751	0.1472	0.1341
p25		0.1017	0.0894	0.0865
p75		0.1439	0.1207	0.1062
n		46	73	14
mean	2008	0.1657	0.1087	0.0979
median		0.1339	0.1070	0.0952
sd		0.2068	0.0232	0.0204
min		0.0779	0.0760	0.0752
max		1.4038	0.1871	0.1534
cv		1.2481	0.2134	0.2080
p5		0.0849	0.0796	0.0752
p95		0.2273	0.1645	0.1534
p10		0.0935	0.0821	0.0758
p90		0.2065	0.1333	0.1195
p25		0.1025	0.0939	0.0868
p75		0.1532	0.1181	0.1043
n		39	77	14
mean	2009	1.2573	0.1165	0.1084
median		0.1432	0.1137	0.1002
sd		6.4060	0.0257	0.0272
min		0.0866	0.0656	0.0740
max		37.5079	0.1994	0.1800
cv		5.0952	0.2206	0.2509
p5		0.1020	0.0878	0.0740
p95		0.6539	0.1737	0.1800
p10		0.1040	0.0891	0.0855
p90		0.2144	0.1483	0.1326
p25		0.1160	0.0953	0.0924
p75		0.1786	0.1319	0.1288
n		34	82	14
Note: Equity Capital to Risky Assets is calculated as the ratio of total equity capital / total risky assets. See Appendix for definition of risky assets.				

Table A-9: Nonperforming Loans to Total Loans				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0073	0.0058	0.0093
median		0.0020	0.0026	0.0053
sd		0.0098	0.0086	0.0084
min		0.0000	0.0000	0.0006
max		0.0447	0.0452	0.0273
cv		1.3417	1.4746	0.9028
p5		0.0000	0.0000	0.0006
p95		0.0298	0.0242	0.0273
p10		0.0000	0.0001	0.0020
p90		0.0217	0.0209	0.0199
p25		0.0000	0.0005	0.0027
p75		0.0114	0.0074	0.0150
n		56	67	12
mean	2007	0.0092	0.0060	0.0118
median		0.0035	0.0026	0.0084
sd		0.0126	0.0079	0.0159
min		0.0000	0.0000	0.0004
max		0.0611	0.0419	0.0627
cv		1.3716	1.3172	1.3477
p5		0.0000	0.0000	0.0004
p95		0.0298	0.0245	0.0627
p10		0.0000	0.0003	0.0008
p90		0.0272	0.0169	0.0166
p25		0.0001	0.0011	0.0021
p75		0.0137	0.0072	0.0146
n		46	73	14
mean	2008	0.0109	0.0132	0.0125
median		0.0060	0.0048	0.0079
sd		0.0147	0.0308	0.0137
min		0.0000	0.0000	0.0000
max		0.0725	0.2454	0.0435
cv		1.3522	2.3306	1.0954
p5		0.0000	0.0001	0.0000
p95		0.0481	0.0616	0.0435
p10		0.0000	0.0004	0.0010
p90		0.0283	0.0296	0.0375
p25		0.0007	0.0024	0.0014
p75		0.0175	0.0115	0.0153
n		39	77	14
mean	2009	0.0119	0.0178	0.0207
median		0.0080	0.0084	0.0155
sd		0.0135	0.0253	0.0205
min		0.0000	0.0000	0.0021
max		0.0642	0.1221	0.0668
cv		1.1345	1.4246	0.9883
p5		0.0000	0.0005	0.0021
p95		0.0390	0.0872	0.0668
p10		0.0000	0.0013	0.0027
p90		0.0218	0.0388	0.0513
p25		0.0021	0.0036	0.0035
p75		0.0159	0.0192	0.0327
n		33	82	14

Note: Nonperforming loans to total loans is calculated as the ratio of total nonperforming loans /total loans.

Table A-10: Net Charge-offs to Total Loans				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0043	0.0040	0.0064
median		0.0023	0.0016	0.0030
sd		0.0059	0.0069	0.0063
min		0.0000	0.0000	0.0009
max		0.0266	0.0377	0.0170
cv		1.3813	1.7513	0.9879
p5		0.0000	0.0000	0.0009
p95		0.0227	0.0158	0.0170
p10		0.0001	0.0001	0.0010
p90		0.0109	0.0123	0.0157
p25		0.0006	0.0006	0.0011
p75		0.0056	0.0036	0.0128
n		56	67	12
mean	2007	0.0045	0.0025	0.0049
median		0.0021	0.0014	0.0023
sd		0.0093	0.0028	0.0080
min		0.0000	0.0000	0.0007
max		0.0613	0.0122	0.0317
cv		2.0464	1.1354	1.6455
p5		0.0000	0.0001	0.0007
p95		0.0131	0.0084	0.0317
p10		0.0001	0.0002	0.0010
p90		0.0084	0.0066	0.0076
p25		0.0004	0.0007	0.0013
p75		0.0055	0.0026	0.0046
n		46	73	14
mean	2008	0.0031	0.0040	0.0074
median		0.0020	0.0024	0.0040
sd		0.0028	0.0074	0.0142
min		0.0000	0.0000	0.0000
max		0.0103	0.0591	0.0562
cv		0.9151	1.8488	1.9095
p5		0.0000	0.0003	0.0000
p95		0.0087	0.0114	0.0562
p10		0.0002	0.0004	0.0001
p90		0.0076	0.0068	0.0074
p25		0.0007	0.0010	0.0020
p75		0.0050	0.0043	0.0054
n		39	77	14
mean	2009	0.0041	0.0065	0.0100
median		0.0021	0.0030	0.0088
sd		0.0047	0.0115	0.0098
min		0.0000	0.0000	0.0000
max		0.0176	0.0744	0.0391
cv		1.1364	1.7718	0.9807
p5		0.0000	0.0003	0.0000
p95		0.0135	0.0274	0.0391
p10		0.0001	0.0007	0.0013
p90		0.0117	0.0122	0.0155
p25		0.0009	0.0013	0.0033
p75		0.0058	0.0055	0.0132
n		33	82	14

Note: Net charge-offs to total loans is calculated as the ratio of total net charge-offs / total loans.

Table A-11: Provision for Loans & Leases Losses to Total Loans

	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0026	0.0033	0.0032
median		0.0016	0.0020	0.0021
sd		0.0050	0.0055	0.0041
min		-0.0107	-0.0095	-0.0025
max		0.0290	0.0330	0.0133
cv		1.9125	1.6463	1.3110
p5		-0.0041	0.0000	-0.0025
p95		0.0096	0.0123	0.0133
p10		0.0000	0.0000	0.0004
p90		0.0079	0.0095	0.0087
p25		0.0006	0.0006	0.0009
p75		0.0040	0.0040	0.0037
n		56	67	12
mean	2007	0.0030	0.0020	0.0047
median		0.0000	0.0009	0.0014
sd		0.0079	0.0027	0.0084
min		-0.0016	-0.0011	0.0000
max		0.0509	0.0114	0.0258
cv		2.6702	1.3850	1.8029
p5		0.0000	-0.0010	0.0000
p95		0.0116	0.0085	0.0258
p10		0.0000	0.0000	0.0000
p90		0.0065	0.0059	0.0229
p25		0.0000	0.0000	0.0008
p75		0.0028	0.0027	0.0028
n		46	73	14
mean	2008	0.0028	0.0046	0.0065
median		0.0021	0.0029	0.0042
sd		0.0032	0.0105	0.0093
min		0.0000	-0.0014	0.0007
max		0.0137	0.0871	0.0384
cv		1.1493	2.2773	1.4399
p5		0.0000	0.0000	0.0007
p95		0.0109	0.0150	0.0384
p10		0.0000	0.0000	0.0020
p90		0.0059	0.0076	0.0075
p25		0.0000	0.0008	0.0029
p75		0.0045	0.0043	0.0052
n		39	77	14
mean	2009	0.0033	0.0062	0.0121
median		0.0023	0.0038	0.0108
sd		0.0038	0.0094	0.0097
min		0.0000	-0.0062	0.0028
max		0.0157	0.0617	0.0402
cv		1.1617	1.5104	0.7991
p5		0.0000	0.0000	0.0028
p95		0.0104	0.0226	0.0402
p10		0.0000	0.0002	0.0031
p90		0.0088	0.0151	0.0202
p25		0.0000	0.0018	0.0062
p75		0.0054	0.0067	0.0146
n		33	82	14

Note: Provision for loans & leases losses to total loans is calculated as the ratio of the total provision for loans & leases losses / total loans.

Table A-12: Provision for Loans & Leases Losses to Equity Capital

	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0157	0.0235	0.0271
median		0.0084	0.0147	0.0194
sd		0.0411	0.0404	0.0400
min		-0.0304	-0.0332	-0.0268
max		0.2993	0.2744	0.1309
cv		2.6227	1.7177	1.4734
p5		-0.0171	0.0000	-0.0268
p95		0.0359	0.0880	0.1309
p10		0.0000	0.0000	0.0036
p90		0.0285	0.0496	0.0746
p25		0.0038	0.0037	0.0078
p75		0.0200	0.0302	0.0261
n		56	67	12
mean	2007	0.0122	0.0139	0.0384
median		0.0000	0.0059	0.0128
sd		0.0253	0.0207	0.0705
min		-0.0097	-0.0098	-0.0005
max		0.1451	0.0991	0.2319
cv		2.0686	1.4929	1.8372
p5		0.0000	-0.0040	-0.0005
p95		0.0528	0.0554	0.2319
p10		0.0000	0.0000	0.0000
p90		0.0383	0.0387	0.1702
p25		0.0000	0.0000	0.0073
p75		0.0158	0.0219	0.0228
n		46	73	14
mean	2008	0.0137	0.0363	0.0558
median		0.0093	0.0167	0.0377
sd		0.0173	0.0951	0.0907
min		0.0000	-0.0078	0.0038
max		0.0857	0.7858	0.3676
cv		1.2635	2.6221	1.6252
p5		0.0000	0.0000	0.0038
p95		0.0453	0.1161	0.3676
p10		0.0000	0.0000	0.0175
p90		0.0344	0.0607	0.0524
p25		0.0000	0.0039	0.0247
p75		0.0219	0.0328	0.0449
n		39	77	14
mean	2009	0.0171	0.0471	0.0966
median		0.0086	0.0229	0.0532
sd		0.0273	0.0887	0.0913
min		0.0000	-0.0449	0.0164
max		0.1343	0.5271	0.3421
cv		1.5953	1.8849	0.9451
p5		0.0000	0.0000	0.0164
p95		0.0783	0.1776	0.3421
p10		0.0000	0.0009	0.0297
p90		0.0448	0.0997	0.2055
p25		0.0000	0.0105	0.0313
p75		0.0202	0.0415	0.1454
n		34	82	14

Note: Provision for loans & leases losses to total equity capital is calculated as the ratio of the total provision for loans & leases losses / total equity capital.

Table A-13: Nonperforming Loans to Equity Capital				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0327	0.0367	0.0872
median		0.0131	0.0165	0.0403
sd		0.0404	0.0548	0.0842
min		0.0000	0.0000	0.0054
max		0.1869	0.2588	0.2685
cv		1.2349	1.4927	0.9660
p5		0.0000	0.0000	0.0054
p95		0.0903	0.1679	0.2685
p10		0.0000	0.0005	0.0176
p90		0.0829	0.1225	0.1711
p25		0.0000	0.0030	0.0206
p75		0.0607	0.0423	0.1505
n		56	67	12
mean	2007	0.0398	0.0423	0.0944
median		0.0161	0.0171	0.0509
sd		0.0485	0.0600	0.1199
min		0.0000	0.0000	0.0033
max		0.1743	0.2961	0.4656
cv		1.2189	1.4194	1.2701
p5		0.0000	0.0000	0.0033
p95		0.1478	0.1669	0.4656
p10		0.0000	0.0015	0.0046
p90		0.1189	0.1360	0.1493
p25		0.0005	0.0064	0.0167
p75		0.0631	0.0492	0.1349
n		46	73	14
mean	2008	0.0516	0.1062	0.1032
median		0.0232	0.0311	0.0704
sd		0.0702	0.2797	0.1209
min		0.0000	0.0000	0.0000
max		0.2995	2.2141	0.4196
cv		1.3609	2.6332	1.1719
p5		0.0000	0.0008	0.0000
p95		0.2292	0.6437	0.4196
p10		0.0000	0.0019	0.0086
p90		0.1851	0.2125	0.2926
p25		0.0038	0.0117	0.0132
p75		0.0579	0.0730	0.1340
n		39	77	14
mean	2009	0.0500	0.1246	0.1689
median		0.0413	0.0522	0.1115
sd		0.0617	0.2107	0.2102
min		0.0000	0.0000	0.0151
max		0.2977	1.0516	0.6787
cv		1.2346	1.6903	1.2448
p5		0.0000	0.0045	0.0151
p95		0.1653	0.6680	0.6787
p10		0.0000	0.0090	0.0161
p90		0.1190	0.2445	0.5813
p25		0.0041	0.0191	0.0263
p75		0.0632	0.1279	0.1687
n		34	82	14

Note: Nonperforming loans to equity capital is calculated as the ratio of total nonperforming loans / total equity capital.

Table A-14: Loan to Deposit				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.6425	0.7415	0.7947
median		0.6665	0.7046	0.8124
sd		0.2123	0.2306	0.1090
min		0.0888	0.3314	0.6112
max		1.1293	1.6630	0.9676
cv		0.3305	0.3109	0.1372
p5		0.2495	0.4515	0.6112
p95		0.9475	1.0908	0.9676
p10		0.3501	0.5014	0.6444
p90		0.9168	1.0344	0.9180
p25		0.5177	0.5895	0.7211
p75		0.7831	0.8604	0.8553
n		56	67	12
mean	2007	0.6294	0.7846	0.8379
median		0.6505	0.7502	0.8213
sd		0.2203	0.3358	0.1109
min		0.0799	0.3582	0.6276
max		1.1235	3.1049	1.0378
cv		0.3500	0.4280	0.1324
p5		0.2821	0.4180	0.6276
p95		0.9922	1.1437	1.0378
p10		0.3202	0.4956	0.7415
p90		0.9083	1.0291	1.0271
p25		0.4637	0.6080	0.7592
p75		0.7926	0.8903	0.8960
n		46	73	14
mean	2008	0.5933	0.7383	0.9695
median		0.5556	0.7493	0.8382
sd		0.2254	0.1931	0.4651
min		0.0901	0.3372	0.6723
max		0.9686	1.1271	2.5511
cv		0.3798	0.2615	0.4797
p5		0.2276	0.3599	0.6723
p95		0.9540	1.0691	2.5511
p10		0.2960	0.4839	0.7493
p90		0.9190	1.0429	1.0037
p25		0.4683	0.6238	0.7769
p75		0.8112	0.8530	0.9641
n		39	77	14
mean	2009	0.5602	0.7449	0.8019
median		0.5539	0.7514	0.7779
sd		0.2135	0.2772	0.1090
min		0.0860	0.2847	0.6393
max		0.8898	2.5379	0.9948
cv		0.3812	0.3722	0.1359
p5		0.1325	0.4202	0.6393
p95		0.8684	1.0304	0.9948
p10		0.2743	0.4843	0.6445
p90		0.8205	0.9796	0.9590
p25		0.4495	0.5749	0.7325
p75		0.7573	0.8460	0.8778
n		33	82	14

Note: Loan to Deposit is calculated as the ratio of total loans / total deposits.

Table A-15: Total Operating Revenue to Total Assets				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.0695	0.0711	0.0762
median		0.0690	0.0705	0.0739
sd		0.0115	0.0178	0.0073
min		0.0328	0.0266	0.0677
max		0.1018	0.1760	0.0918
cv		0.1650	0.2507	0.0954
p5		0.0494	0.0494	0.0677
p95		0.0844	0.0835	0.0918
p10		0.0522	0.0578	0.0695
p90		0.0827	0.0810	0.0861
p25		0.0646	0.0631	0.0706
p75		0.0769	0.0762	0.0803
n		56	67	12
mean	2007	0.0726	0.0737	0.0854
median		0.0717	0.0741	0.0781
sd		0.0113	0.0108	0.0216
min		0.0489	0.0459	0.0681
max		0.1122	0.1054	0.1527
cv		0.1559	0.1470	0.2532
p5		0.0531	0.0495	0.0681
p95		0.0926	0.0925	0.1527
p10		0.0569	0.0616	0.0696
p90		0.0831	0.0823	0.1016
p25		0.0677	0.0677	0.0726
p75		0.0784	0.0808	0.0881
n		46	73	14
mean	2008	0.0639	0.0662	0.0725
median		0.0651	0.0660	0.0668
sd		0.0142	0.0084	0.0232
min		0.0159	0.0463	0.0489
max		0.0954	0.0854	0.1457
cv		0.2222	0.1263	0.3200
p5		0.0417	0.0475	0.0489
p95		0.0938	0.0807	0.1457
p10		0.0469	0.0572	0.0502
p90		0.0768	0.0757	0.0865
p25		0.0565	0.0611	0.0637
p75		0.0724	0.0714	0.0748
n		39	77	14
mean	2009	0.0873	0.0601	0.0681
median		0.0566	0.0604	0.0614
sd		0.1784	0.0106	0.0276
min		0.0286	0.0199	0.0415
max		1.0946	0.1161	0.1576
cv		2.0426	0.1773	0.4050
p5		0.0358	0.0445	0.0415
p95		0.0873	0.0713	0.1576
p10		0.0377	0.0512	0.0498
p90		0.0725	0.0688	0.0847
p25		0.0512	0.0554	0.0578
p75		0.0666	0.0646	0.0668
n		34	82	14
Note: Total operating revenue to total assets is calculated as the ratio of (interest income + noninterest income) / total assets.				

Table A-16: Securities to Total Assets				
	Year	Assets ≤100M	\$100M<Assets≤ 500M	\$500M<Assets≤\$1B
mean	2006	0.2347	0.2265	0.1703
median		0.2031	0.2129	0.1470
sd		0.1801	0.1509	0.0769
min		0.0000	0.0000	0.0516
max		0.8742	0.6202	0.3016
cv		0.7675	0.6661	0.4517
p5		0.0000	0.0187	0.0516
p95		0.5864	0.4941	0.3016
p10		0.0183	0.0359	0.1025
p90		0.4717	0.4422	0.2906
p25		0.1196	0.1079	0.1207
p75		0.2926	0.3303	0.2300
n		56	67	12
mean	2007	0.2440	0.2112	0.1451
median		0.2143	0.1667	0.1261
sd		0.1911	0.1506	0.0815
min		0.0000	0.0000	0.0064
max		0.8464	0.6367	0.2394
cv		0.7832	0.7132	0.5617
p5		0.0000	0.0219	0.0064
p95		0.6072	0.5034	0.2394
p10		0.0000	0.0521	0.0170
p90		0.5172	0.4270	0.2386
p25		0.1100	0.1008	0.0900
p75		0.3219	0.3164	0.2263
n		46	73	14
mean	2008	0.2253	0.2255	0.1463
median		0.1760	0.1830	0.1430
sd		0.1982	0.1627	0.0925
min		0.0000	0.0000	0.0314
max		0.8307	0.6541	0.3231
cv		0.8800	0.7214	0.6322
p5		0.0000	0.0275	0.0314
p95		0.5927	0.5567	0.3231
p10		0.0000	0.0502	0.0421
p90		0.4718	0.4612	0.2595
p25		0.0622	0.0945	0.0622
p75		0.3752	0.3088	0.2252
n		39	77	14
mean	2009	0.2026	0.2097	0.1903
median		0.1675	0.1711	0.1949
sd		0.2008	0.1580	0.0854
min		0.0000	0.0000	0.0378
max		0.8377	0.6545	0.3153
cv		0.9907	0.7535	0.4487
p5		0.0000	0.0278	0.0378
p95		0.5978	0.5162	0.3153
p10		0.0000	0.0365	0.0841
p90		0.4269	0.4531	0.3072
p25		0.0277	0.0972	0.1100
p75		0.3155	0.2867	0.2678
n		34	82	14

Note: Securities to total assets is calculated as the ratio of total securities held for sale / total assets.

Appendix B - Tables With Peer Group Summary Statistics

Table B-1: Community Banks with Total Assets ≤ \$100 Million (Peer Group 1)

	2006	2007	2008	2009
<i>Profitability</i>				
<u>NPM</u>				
Mean	-0.0036	-0.0278	-0.0754	-0.1102
Median	0.1408	0.1259	0.1125	0.1012
Std. Dev.	1.3231	0.9399	1.3367	3.0058
<u>ROA</u>				
Mean	0.0084	0.0096	0.0123	0.0019
Median	0.0092	0.0087	0.0071	0.0057
Std. Dev.	0.0513	0.0742	0.4044	0.0422
<u>ROE</u>				
Mean	0.0798	0.0664	0.0347	-0.0282
Median	0.0815	0.0742	0.0614	0.0497
Std. Dev.	0.1206	0.1815	0.5985	0.7485
<u>NIM</u>				
Mean	0.0371	0.0364	0.0346	0.0341
Median	0.0369	0.0361	0.0351	0.0347
Std. Dev.	0.0113	0.0135	0.0130	0.0110
<u>NNIM</u>				
Mean	-0.0243	-0.0210	-0.0117	-0.0243
Median	-0.0248	-0.0249	-0.0249	-0.0257
Std. Dev.	0.0799	0.1156	0.6307	0.0418
<u>NOPM</u>				
Mean	0.0129	0.0154	0.0229	0.0099
Median	0.0128	0.0121	0.0110	0.0095
Std. Dev.	0.0804	0.1161	0.6369	0.0402
<i>Capital Risk</i>				
<u>ECTA</u>				
Mean	0.1444	0.1646	0.1504	0.1400
Median	0.1095	0.1144	0.1115	0.1063
Std. Dev.	0.1233	0.1611	0.1408	0.1373
<u>ECRA</u>				
Mean	0.2115	0.5156	0.3912	0.3923
Median	0.1215	0.1270	0.1268	0.1255
Std. Dev.	1.9757	7.5710	5.3276	5.4299

Table B-1
Continued
Credit Risk

<u>NPLTL</u>				
Mean	0.0054	0.0070	0.0121	0.0163
Median	0.0007	0.0009	0.0031	0.0059
Std. Dev.	0.0117	0.0156	0.0234	0.0282
<u>NPLEC</u>				
Mean	0.0323	0.0420	0.0928	0.1354
Median	0.0033	0.0037	0.0136	0.0270
Std. Dev.	0.0843	0.1249	0.7493	0.7606
<u>PLLLTL</u>				
Mean	0.0032	0.0033	0.0062	0.0103
Median	0.0013	0.0014	0.0027	0.0045
Std. Dev.	0.0065	0.0097	0.0126	0.0227
<u>NCOTL</u>				
Mean	0.0028	0.0034	0.0052	0.0099
Median	0.0010	0.0011	0.0019	0.0035
Std. Dev.	0.0063	0.0078	0.0103	0.0407
<i>Utilization</i>				
<u>LTD</u>				
Mean	0.8099	0.7661	0.7785	1.7998
Median	0.7524	0.7567	0.7728	0.7381
Std. Dev.	3.1180	0.4271	0.7076	52.7831
<i>Liquidity</i>				
<u>SECTTA</u>				
Mean	0.1857	0.1859	0.1885	0.1836
Median	0.1623	0.1582	0.1550	0.1487
Std. Dev.	0.1596	0.1655	0.1691	0.1677
Number of Banks	3,243	3,131	2,840	2,581

Table B-2: Community Banks with Total Assets > \$100 Mill. and ≤ \$500 Mill. (Peer Group 2)

	2006	2007	2008	2009
<i>Profitability</i>				
<u>NPM</u>				
Mean	0.1550	0.1271	0.0478	-0.008
Median	0.1574	0.1380	0.1097	0.09028
Std. Dev.	0.1157	0.1263	0.3060	0.50453
<u>ROA</u>				
Mean	0.0114	0.0100	0.0041	0.00084
Median	0.0107	0.0097	0.0071	0.00521
Std. Dev.	0.0105	0.0134	0.0177	0.02043
<u>ROE</u>				
Mean	0.1151	0.0968	0.0241	-0.3132
Median	0.1082	0.0966	0.0695	0.05112
Std. Dev.	0.0759	0.0803	0.4294	15.5845
<u>NIM</u>				
Mean	0.0374	0.0359	0.0338	0.03358
Median	0.0366	0.0352	0.0340	0.03384
Std. Dev.	0.0121	0.0095	0.0083	0.00845
<u>NNIM</u>				
Mean	-0.0207	-0.0206	-0.0221	-0.0232
Median	-0.0205	-0.0208	-0.0214	-0.0227
Std. Dev.	0.0119	0.0189	0.0161	0.01768
<u>NOPM</u>				
Mean	0.0167	0.0154	0.0117	0.01037
Median	0.0161	0.0146	0.0129	0.01172
Std. Dev.	0.0156	0.0194	0.0169	0.0189
<i>Capital Risk</i>				
<u>ECTA</u>				
Mean	0.1052	0.1090	0.1055	0.1032
Median	0.0942	0.0968	0.0950	0.09566
Std. Dev.	0.0482	0.0597	0.0589	0.05502
<u>ECRA</u>				
Mean	0.1236	0.1383	0.2116	0.13332
Median	0.1039	0.1064	0.1056	0.10932
Std. Dev.	0.3042	0.6028	2.9477	0.382

Table B-2
Continued
Credit Risk

<u>NPLTL</u>				
Mean	0.0053	0.0085	0.0179	0.02643
Median	0.0018	0.0036	0.0087	0.01387
Std. Dev.	0.0249	0.0146	0.0282	0.03938
<u>NPLEC</u>				
Mean	0.0331	0.0613	0.1518	1.43703
Median	0.0119	0.0243	0.0599	0.09117
Std. Dev.	0.0555	0.1053	0.4054	67.6277
<u>PLLLTL</u>				
Mean	0.0782	0.0037	0.0083	0.01397
Median	0.0018	0.0020	0.0043	0.00774
Std. Dev.	4.2359	0.0068	0.0132	0.01927
<u>NCOTL</u>				
Mean	0.0820	0.0032	0.0069	0.0115
Median	0.0011	0.0015	0.0029	0.00571
Std. Dev.	4.4705	0.0064	0.0376	0.01709
<u>Utilization</u>				
<u>LTD</u>				
Mean	0.9763	1.1865	1.0543	0.82037
Median	0.8491	0.8642	0.8809	0.8227
Std. Dev.	5.6690	11.7164	10.7730	0.82848
<u>Liquidity</u>				
<u>SECTTA</u>				
Mean	0.1717	0.1688	0.1674	0.17228
Median	0.1475	0.1472	0.1433	0.14107
Std. Dev.	0.1283	0.1273	0.1316	0.13595
Number of Banks	3,159	3,196	3,240	3,249

Table B-3: Community Banks with Total Assets > \$500 Mill. and ≤ \$1 Bill. (Peer Group 3)

	2006	2007	2008	2009
<i>Profitability</i>				
<u>NPM</u>				
Mean	0.1607	0.1336	0.0519	-0.0437
Median	0.1598	0.1416	0.1007	0.06636
Std. Dev.	0.1273	0.1441	0.3149	0.40671
<u>ROA</u>				
Mean	0.0120	0.0106	0.0037	-0.0014
Median	0.0114	0.0105	0.0066	0.00393
Std. Dev.	0.0211	0.0139	0.0206	0.02238
<u>ROE</u>				
Mean	0.1319	0.1108	0.0644	-0.6409
Median	0.1251	0.1080	0.0705	0.04123
Std. Dev.	0.1127	0.1302	0.8565	12.0794
<u>NIM</u>				
Mean	0.0367	0.0352	0.0335	0.03348
Median	0.0356	0.0340	0.0323	0.03265
Std. Dev.	0.0143	0.0121	0.0158	0.01453
<u>NNIM</u>				
Mean	-0.0178	-0.0178	-0.0196	-0.0212
Median	-0.0180	-0.0181	-0.0186	-0.0202
Std. Dev.	0.0247	0.0149	0.0146	0.01849
<u>NOPM</u>				
Mean	0.0189	0.0174	0.0139	0.01228
Median	0.0175	0.0154	0.0142	0.01306
Std. Dev.	0.0283	0.0187	0.0202	0.02135
<i>Capital Risk</i>				
<u>ECTA</u>				
Mean	0.0999	0.1014	0.0973	0.09818
Median	0.0895	0.0908	0.0892	0.08963
Std. Dev.	0.0496	0.0495	0.0483	0.0696
<u>ECRA</u>				
Mean	0.1164	0.1115	0.1088	0.13222
Median	0.0988	0.1000	0.0988	0.10322
Std. Dev.	0.1473	0.0451	0.0474	0.39521

Table B-3
Continued
Credit Risk

<u>NPLTL</u>				
Mean	0.0042	0.0113	0.0228	0.03467
Median	0.0020	0.0043	0.0112	0.02168
Std. Dev.	0.0060	0.0462	0.0519	0.04355
<u>NPLEC</u>				
Mean	0.0323	0.0724	0.1531	1.35915
Median	0.0149	0.0324	0.0836	0.15531
Std. Dev.	0.0473	0.1145	0.8846	18.9864
<u>PLLLTL</u>				
Mean	0.0027	0.0050	0.0121	0.0197
Median	0.0017	0.0020	0.0056	0.01207
Std. Dev.	0.0055	0.0283	0.0344	0.0228
<u>NCOTL</u>				
Mean	0.0024	0.0032	0.0086	0.01616
Median	0.0011	0.0016	0.0036	0.00886
Std. Dev.	0.0056	0.0071	0.0281	0.02206
<u>Utilization</u>				
<u>LTD</u>				
Mean	0.8834	0.9245	0.9229	0.85658
Median	0.8916	0.9346	0.9355	0.86388
Std. Dev.	0.2446	0.2583	0.2320	0.17178
<u>Liquidity</u>				
<u>SECTTA</u>				
Mean	0.1657	0.1520	0.1506	0.16152
Median	0.1483	0.1316	0.1294	0.13976
Std. Dev.	0.1112	0.1087	0.1087	0.10511
Number of Banks	500	515	552	554