



Introducing QwickAnalytics™ – Time-saving Tools for Banks



Featured Speaker



Steve Huntington

Director of
Bank Analytic Products



- SVP, Monroe Financial Partners, Inc.
- Over 15 years experience in investment banking focused solely on advisory to community banks
- Previously corporate finance Vice President with The Carson Medlin Company
- Led design of the QwickAnalytics data products

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Agenda



- What is QwickAnalytics?
- Bank & Peer Performance Reports
- Regulatory Compliance & Planning Tools
- Questions and Answers



What is QwickAnalytics?



QwickAnalytics™
from QwickRate

QwickAnalytics



- More helpful tools for bankers – ease burdens and increase effectiveness
- All of the calculations, algorithms, models, scenarios, analyses, ratios, etc. are built for you, for push-button accessibility
- Data is taken directly from call reports – no rekeying or uploading
- Access to completely customizable peer group engine
- Delivered in a concise and understandable format – even for non-financial audience
- Results help you educate and communicate with all constituents
- Independent, third-party analysis adds credibility and satisfies board requirements

QwickAnalytics - Today



Bank & Peer Performance Reports

Regulatory Compliance & Planning Tools





Bank & Peer Performance Reports



QwickAnalytics™
from QwickRate

Bank Performance Reports

Includes:

Bank Performance Report Card

- Recent and historical performance trends
- UBPR or custom peer group
- 4+ years of historical financial data
- Percentile ranks and grades

Side by Side Competitive Analysis

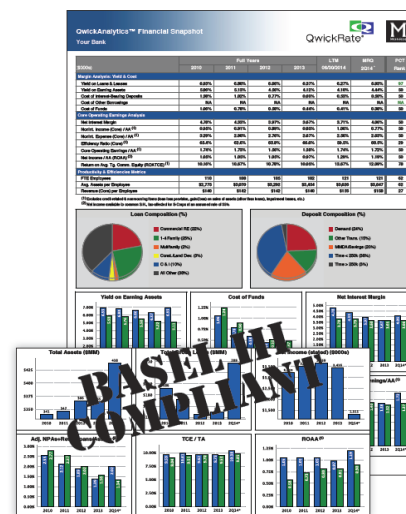
- Current period comparison – Up to 11 peers
- Custom, individually selected banks

Reg F Financial Snapshot

- Summarizes recent and long-term financial performance trends and includes peer group comparisons in a concise, 2-page format.

Liquidity Risk Report

- Monitor and quickly identify risk ratios that may fall outside bank policies
- Provide directors with a consistent quarterly review of the bank's liquidity position – part of the contingency funding plan





Bank Performance Report Card



QwickAnalytics™
from QwickRate

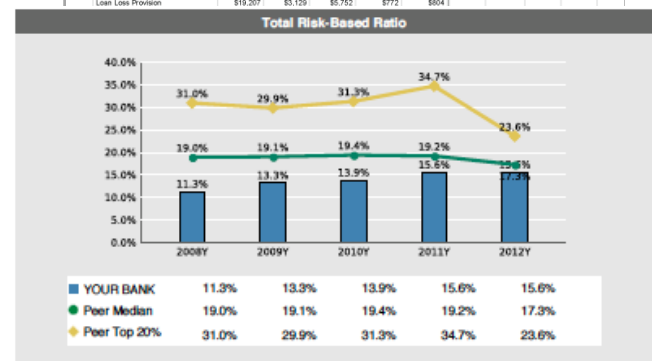
Bank Performance Report Card

- Analyzes and compares current and historical performance to your UBPR or custom peer groups
- Assigns a grade in critical categories
- Includes similar data to FDIC Uniform Bank Performance Report
 - Data pulled directly from call reports
 - FDIC measurements **PLUS** additional
 - Format is more understandable and useful
 - Includes all relevant BASELIII calculations & ratios
- Designed for quick production and a quick read
- Run for your bank or any other
- Dynamically updated continually for late filers and re-filers

Asset Quality Summary
YOUR BANK

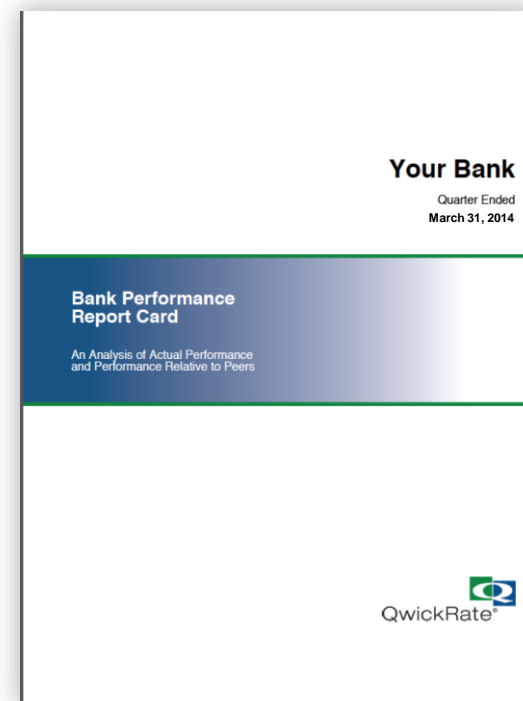
QwickRate[®] M

	Full Years					Performance vs Peer			
Dollar Amounts in \$000	2010	2011	2012	2013	MRQ 6/30/14	Peer Group Avg	PCT Rank	Bank **	Grade
Non-Performing Assets (NPA)									
Delinquent Loans									
Loans 30-89 days PD	\$27,087	\$8,725	\$4,733	\$18,177	\$12,033				
% of Loans	0.88	0.28	0.14	0.51	0.36	0.70	0.49	25	2
Non-Performing Loans (NPLs)									
Nonaccrual Loans	\$74,853	\$56,440	\$36,417	\$36,707	\$24,880				
% of Loans	2.44	1.93	1.09	1.03	0.89	1.19	0.85	38	2
Loans 90+ Days PD	\$10,065	\$11,125	\$7,481	\$7,012	\$7,371				
% of Loans	0.33	0.38	0.22	0.20	0.21	0.55	0.05	62	4
Total NPLs	\$84,918	\$67,565	\$43,898	\$43,719	\$32,251				
% of Loans	2.77	2.19	1.32	1.23	0.90	1.74	1.19	38	2
OREO	\$7,592	\$8,755	\$5,344	\$5,490	\$2,892				
% of Assets	0.17	0.20	0.12	0.12	0.06	0.32	0.13	50	3
Total NPAs¹	\$92,510	\$76,320	\$49,242	\$49,209	\$35,143				
% of Assets	2.09	1.75	1.08	1.04	0.73	1.43	0.94	38	2
Restructured Loans	\$6,848	\$2,916	\$8,838	\$8,786	\$9,330				
% of Loans	0.22	0.09	0.27	0.25	0.26	0.84	0.40	36	2
Total NPAs + Rest. Loans	\$99,358	\$79,236	\$58,080	\$57,995	\$44,273				
% of Assets	2.24	1.82	1.29	1.23	0.83	1.95	1.31	31	2
Covered NPLs	\$2,876	\$3,049	\$1,855	\$1,087	\$1,077				
Covered OREO	\$0	\$0	\$0	\$0	\$0				
Adjusted NPAs + Rest. Loans²	\$96,382	\$76,187	\$56,425	\$56,889	\$42,686				
% of Assets	2.17	1.75	1.24	1.21	0.80	1.65	1.21	38	2
Loan Loss Reserve Analysis (LLR)									
Loan Loss Provision	\$19,207	\$3,129	\$5,752	\$772	\$804				



Report Structure

- Executive Summary
- Six categories of financial statistics:
 - Balance Sheet Utilization
 - Asset & Deposit Composition
 - Margin Analysis: Yield & Cost
 - Profitability & Earnings Analysis
 - Asset Quality Summary
 - Capitalization & Growth Metrics

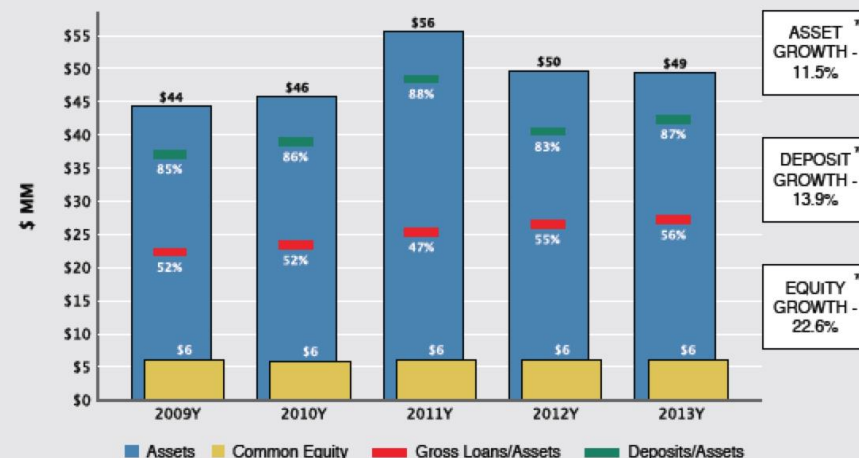


Quick Look

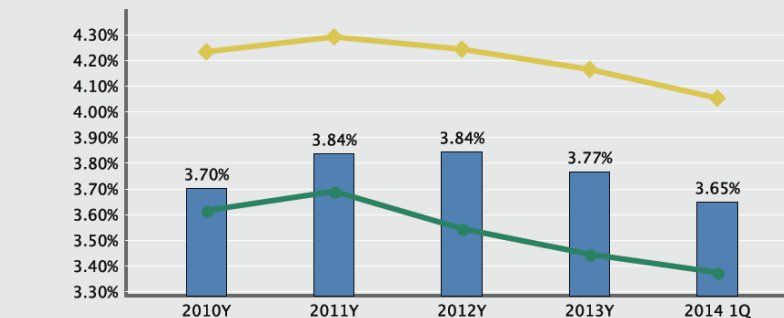


	Full Years					Performance vs Peer			
<i>Dollar Amounts in 000s</i>	2009	2010	2011	2012	2013	Peer Group *		PCT Rank	Bank ** Grade
Yields on Interest-Earning Assets									
Cash & Equivalents									
Interest Bearing Due from Depts	2.76%	1.02%	0.62%	0.79%	0.87%	0.55%	0.44%	76 th	2
Fed Funds Sold/Reverse Repo	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.00%	71 st	2
Trading Assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	99 th	1
Total Cash & Equivalents	2.92%	1.11%	0.71%	0.87%	0.94%	0.52%	0.41%	88 th	1
Securities									
Treasury/Agency Securities	3.79%	3.25%	2.10%	1.67%	1.45%	1.26%	0.89%	62 nd	2
Mortgage Backed Securities	4.62%	0.00%	0.00%	0.00%	0.00%	1.61%	0.00%	60 th	2
All Other Securities	3.24%	0.00%	0.00%	1.28%	1.41%	7.12%	1.76%	48 th	3
Total Securities	3.65%	3.25%	2.10%	1.50%	1.44%	1.82%	1.90%	40 th	3
Loans & Leases									
1-4 Family Residential Loans	7.54%	6.90%	7.00%	7.55%	6.56%	5.06%	5.47%	76 th	2
Other Real Estate Loans	5.35%	5.31%	5.39%	5.18%	5.12%	5.22%	5.30%	49 th	3
Commercial & Industrial Loans	6.97%	7.08%	7.06%	6.62%	6.27%	6.21%	5.76%	54 th	3
Credit Card Loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	0.00%	94 th	1
Consumer Loans	7.55%	7.65%	7.39%	7.24%	6.83%	7.64%	7.13%	49 th	3
Leases	0.00%	0.00%	0.00%	0.00%	0.00%	0.59%	0.00%	92 nd	1
Total Loans & Leases	6.76%	6.33%	6.35%	6.21%	5.86%	5.78%	5.68%	57 th	3
Yields on Earning Assets	5.71%	4.69%	4.31%	3.88%	3.96%	3.87%	3.90%	60 th	2
Rates on Interest-Bearing Liabilities									
Interest-Bearing Deposits									
Interest Bearing Transaction Accts	0.53%	0.23%	0.18%	0.13%	0.12%	0.11%	0.09%	56 th	3
Savings/MMDA	0.53%	0.31%	0.25%	0.21%	0.19%	0.33%	0.20%	36 th	2
CDs>=\$100,000	2.48%	1.44%	0.98%	0.62%	0.43%	0.86%	0.80%	14 th	1
CDs<\$100,000	3.63%	2.37%	1.38%	0.97%	0.55%	0.77%	0.80%	30 th	2
Interest-Bearing Deposits	1.94%	1.11%	0.73%	0.47%	0.31%	0.54%	0.50%	17 th	1
Cost of Deposits	1.56%	0.84%	0.54%	0.33%	0.24%	0.43%	0.41%	15 th	1
Fed Funds Purchased/Repo	8.53%	0.00%	0.00%	0.00%	0.00%	0.12%	0.00%	92 nd	5
Other Borrowed money	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	98 th	5
Subordinated Notes & Debentures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Rate on Interest-Bearing Liabilities	1.92%	1.02%	0.73%	0.47%	0.32%	0.56%	0.52%	14 th	1
Cost of Funds	1.63%	0.84%	0.54%	0.33%	0.24%	0.46%	0.44%	14 th	1
Ratios									
Yield/Cost Spread	3.79%	3.67%	3.58%	3.40%	3.65%	3.31%	3.38%	72 nd	2
Net Interest Margin	3.98%	3.90%	3.79%	3.57%	3.74%	3.46%	3.49%	67 th	2

Balance Sheet Summary



Net Interest Margin



How Banks Are Using

Management Team

- **Critical, objective evaluation** – to see how your bank stacks up to peers
- **Peer group comparisons** – well organized format to track performance and identify absolute and relative trends
 - Compare your institution's trajectory to the direction your closest peers are headed
- **Strategic planning meeting** – analysis and insights get everyone on same page to set goals and objectives with clarity
- **Meeting preparation** – in just a few clicks, easily prepare for board and shareholder meetings

How Banks Are Using

Board of Directors

■ FDIC: Director Duty to **“Keep Informed”**

“Directors must keep themselves informed of the activities and condition of their institution and the environment in which it operates...Directors should work with management to develop a program to keep members informed...”
(FDIC *“Pocket Guide For Directors”*)

■ FDIC: Director Duty to **“Supervise Management”**

“The board’s policies should establish mechanisms for providing the information needed to monitor the institution’s operations...These reports should be carefully framed to present information in a form meaningful to the board.”

“The board should also establish a mechanism for independent third party review and testing of...accuracy of information provided by management.”
(FDIC *“Pocket Guide For Directors”*)

How Banks Are Using



Board of Directors

- **Keep informed and educated** – Executive Summary provides objective evaluation of management performance and is easy to understand, even for non-financial Directors
- **Provide independent financial review** – from external party
- **Communicate consistently** – helps directors understand how the bank stands relative to peers

Shareholders

- **Annual meeting or other events** – objectively communicates operating metrics and health of the bank
- **Proactive communications** – more engaged shareholders require more frequent communications



Side by Side Competitive Analysis



QwickAnalytics™
from QwickRate

Side by Side Competitive Analysis

- Compares complete, *current* financial performance
- Same structure, organization & data as the BPRC
- Up to 11 individually selected peers
- Visually illustrates best and worst performers in critical categories
- Just one click to access
- Concise and easy to understand

Balance Sheet Utilization
Your Bank

Quarter End Date: 12/31/2013

Dollar Amounts in 000s

	Your Bank	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5	Bank 6	Bank 7
Assets								
Earning Assets								
Interest Bearing Balances	\$16,985	\$7,695	\$190,064	\$10,946	\$8,744	\$302	\$25,565	\$165,581
% Total Assets	4.66	5.04	5.19	13.95	6.43	0.19	9.18	13.47
Fed Funds & Repurchase Agrees	\$56,060	\$6,472	\$14,920	\$0	\$0	\$4,471	\$18,435	\$25,060
% Total Assets	15.38	4.24	0.41	0.00	0.00	2.87	6.62	2.04
Total Securities	\$84,865	\$19,401	\$487,800	\$7,988	\$14,796	\$4,149	\$115,933	\$150,739
% Total Assets	23.29	12.71	13.31	5.54	10.89	28.29	5.68	12.25
Net Loans & Leases HFI	\$161,597	\$104,472	\$2,435,067	\$106,073	\$103,512	\$69,431	\$190,454	\$798,160
% Total Assets	44.53%	68.45%	66.45%	74.55%	73.37%	57.31%	68.36%	64.93%
Total Earning Assets (regulatory)	\$319,510	\$138,030	\$3,127,951	\$133,867	\$127,052	\$138,353	\$250,287	\$1,139,540
% Total Assets	87.64%	90.44%	85.52%	84.42%	93.49%	88.66%	89.83%	92.70%
Mortgage Servicing Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36
% Total Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Owned Life Insurance	\$0	\$2,060	\$48,191	\$0	\$0	\$2,760	\$5,394	\$25,640
% Total Assets	0.00	1.35	1.32	0.00	0.00	1.77	1.94	2.09
Total Earning Assets (expanded)	\$319,510	\$140,090	\$3,176,042	\$133,867	\$127,052	\$141,113	\$255,681	\$1,165,216
% Total Assets	87.64%	91.79%	85.84%	84.94%	93.49%	90.43%	91.77%	92.97%
Selected Non-Earning Assets								
Cash & Non-Int Bearing Depts	\$21,217	\$7,131	\$62,955	\$2,460	\$4,643	\$6,721	\$7,800	\$29,545
% Total Assets	5.82	4.67	1.72	1.73	3.42	4.31	2.73	2.40
Premises & Fixed Assets	\$6,464	\$2,218	\$103,188	\$1,805	\$2,780	\$3,764	\$537	\$2,422
% Total Assets	1.77%	1.45%	3.12%	1.27%	2.05%	2.41%	0.32%	0.20%
Other Real Estate Owned	\$2,862	\$1,069	\$32,519	\$3,040	\$316	\$933	\$11,949	\$1,131
% Total Assets	0.87%	0.70%	2.29%	2.14%	0.23%	0.60%	4.75%	0.17%

Quick Look



Quarter End Date - 12/31/2013

Dollar Amounts in 000s

	Your Bank	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5	Bank 6	Bank 7
Assets								
Earning Assets								
Interest Bearing Balances	\$16,985	\$7,685	\$190,064	\$19,846	\$8,744	\$302	\$25,565	\$165,581
% Total Assets	4.66	5.04	5.19	13.95	6.43	0.19	9.18	13.47
Fed Funds & Repurch Agree	\$56,060	\$6,472	\$14,920	\$0	\$0	\$4,471	\$18,435	\$25,060
% Total Assets	15.38	4.24	0.41	0.00	0.00	2.87	6.62	2.04
Total Securities	\$84,868	\$19,401	\$487,800	\$7,888	\$14,796	\$44,149	\$15,833	\$150,739
% Total Assets	23.28	12.71	13.31	5.54	10.89	28.29	5.68	12.26
Net Loans & Leases HFI	\$161,597	\$104,472	\$2,435,067	\$106,073				
% Total Assets	44.33%	68.45%	66.45%	74.55%				
Total Earning Assets (regulatory)	\$319,510	\$138,030	\$3,127,851	\$133,807				
% Total Assets	87.64%	90.44%	85.36%	94.04%				
Mortgage Servicing Assets	\$0	\$0	\$0	\$0				
% Total Assets	0.00	0.00	0.00	0.00				
Bank Owned Life Insurance	\$0	\$2,060	\$48,191	\$0				
% Total Assets	0.00	1.35	1.32	0.00	0.00	1.77	1.94	2.09
Total Earning Assets (expanded)	\$319,510	\$140,090	\$3,176,042	\$133,807	\$127,052	\$141,113	\$255,681	\$1,165,216
% Total Assets	87.64%	91.79%	86.67%	94.04%	93.49%	90.43%	91.77%	94.78%
Select Non-Earning Assets								
Cash & Non-Int Bearing Deps	\$21,217	\$7,131	\$62,955	\$2,460	\$4,643	\$6,721	\$7,600	\$29,545
% Total Assets	5.82	4.67	1.72	1.73	3.42	4.31	2.73	2.40
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% Total Assets	1.77%	1.45%	2.82%	1.27%	2.05%	2.41%	0.19%	0.20%
Other Real Estate Owned	\$2,062	\$1,069	\$83,519	\$3,046	\$316	\$933	\$11,949	\$1,531
% Total Assets	0.57%	0.70%	2.28%	2.14%	0.23%	0.60%	4.29%	0.12%

Visually highlights top and bottom performers at-a-glance.

How Banks Are Using



- Designed for banks that have a handful of specific competitors (local, regional, “like” banks) that they follow on a regular basis.
- *Pinpoints* where you are excelling now and where you may need to devote extra attention
- *Compares* recent trends to individual peers, right on the same page
- *Benchmarks* your financial performance **right now** to ensure you are keeping up with your closest competitors in the most critical areas



Reg F Financial Snapshot

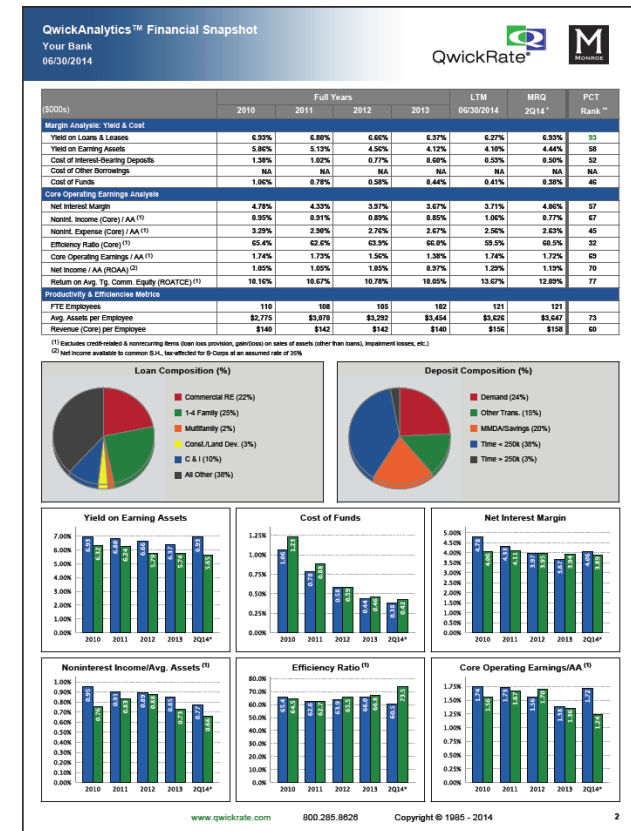


QwickAnalytics™
from QwickRate

Financial Snapshot

Concise, visual 2-page report that gives a comprehensive performance recap of your bank or a competitor. Perfect for investor and shareholder updates, and ideal for the Investor/ Shareholder Relations area of your website.

- Informative, graphic analysis of recent and long-term performance for your bank or any other you choose
- Performance information for 4-5 previous full years, last 12-months, and the most recent financial quarter
- Accessible at any time to keep stakeholders current
- Excellent tool for Regulation F requirement on correspondent banking relationships





Liquidity Risk Report



QwickAnalytics™
from QwickRate

Liquidity Risk Report

With one click, you'll have an analysis of liquidity trends and levels compared to internal targets and regulatory preferences. Early warning indicators and color-coded percentages make it easy to spot critical changes in liquid assets, funding mix, available collateral and other wholesale funding sources.

- Monitor and quickly identify risk ratios that may fall outside bank policies
- Provide directors with a consistent quarterly review of the bank's liquidity position – part of the contingency funding plan
- Demonstrate to regulators that you engage in ongoing communications with the board regarding the bank's exposure to liquidity-related risk

Liquidity Ratios & Indicators

QwickRate®

		2011	2012	2013	Current 09/30/14	Change 1 Quarter	1 Year	Internal Policy	Regulatory Preference
Early Warning Liquidity Indicators *									
Net Loans / Deposits	Bank	67%	65%	62%	63%	4%	4%	75%*	75%*
	Peer Median	68%	65%	68%	72%	2%	4%		
	PCT Rank	40th	50th	36th	33rd				
Net Non-Core Funding Dependence (\$250K)	Bank	(9%)	(7%)	(11%)	(9%)	(47%)	(51%)	10%*	20%*
	Peer Median	(7%)	(7%)	(7%)	(7%)	1%	(25%)		
	PCT Rank	37th	57th	27th	35th				
Net Short-Term Liabilities / Assets	Bank	14%	25%	12%	9%	27%	(15%)	10%*	15%*
	Peer Median	(1%)	(4%)	(3%)	(3%)	2%	(11%)		
	PCT Rank	83rd	37th	56th	65th				
On-Hand Liquidity / Total Liabilities	Bank	15%	13%	16%	14%	(13%)	(11%)	20%*	15%*
	Peer Median	23%	25%	23%	20%	(1%)	(19%)		
	PCT Rank	25th	18th	37th	35th				
Reliance on Wholesale Funding	Bank	0%	0%	0%	0%	NA	NA	10%*	15%*
	Peer Median	2%	1%	2%	2%	(0%)	(2%)		
	PCT Rank	0th	0th	0th	0th				
Other Liquidity Ratios									
Core Deposits / Assets	Bank	80%	91%	82%	83%	(0%)	1%		
	Peer Median	84%	84%	84%	83%	(0%)	(0%)		
	PCT Rank	99th	99th	99th	99th				
Net Loans / Assets	Bank	62%	61%	58%	60%	3%	5%		
	Peer Median	58%	58%	60%	62%	1%	3%		
	PCT Rank	58th	57th	47th	45th				
Short-Term Investments / Short-Term Non-Core Funding	Bank	497%	499%	502%	363%	(34%)	(29%)		
	Peer Median	211%	209%	254%	119%	(39%)	(14%)		
	PCT Rank	69th	69th	70th	55th				
Short-Term Assets / Short-Term Liabilities	Bank	68%	54%	69%	74%	(7%)	3%		
	Peer Median	103%	119%	116%	114%	(10%)	1%		
	PCT Rank	28th	32nd	18th	24th				
Short-Term Non-Core Funding / Assets	Bank	2%	1%	2%	2%	1%	(19%)		
	Peer Median	3%	3%	3%	3%	0%	(11%)		
	PCT Rank	28th	30th	39th	35th				
Short-Term Investments / Assets	Bank	8%	4%	12%	7%	(34%)	(37%)		
	Peer Median	8%	12%	8%	7%	(1%)	(20%)		
	PCT Rank	51st	23rd	64th	54th				
Brokered Deposits / Total Deposits	Bank	0%	0%	0%	0%	NA	NA		
	Peer Median	0%	0%	0%	0%	0%	NA		
	PCT Rank	0th	0th	0th	0th				
Pledged Securities / Total Securities	Bank	23%	32%	39%	37%	(9%)	(8%)		
	Peer Median	34%	35%	37%	38%	(1%)	3%		
	PCT Rank	34th	42nd	51st	51st				
# Outside Regulatory Preference (B-D)		1	2	0	0				
# Outside Internal Policy		2	2	2	1				

Indicates a quarterly change of over 10% or annual change of over 20%

* Early Warning Liquidity Indicators are based on OCC guidance, and the regulatory preferences shown on this report are derived from what the OCC defines as the threshold representing points at which the bank is required to escalate, and vary depending on the institution's charter type.

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800.285.8626

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Regulatory Compliance & Planning Tools



QwickAnalytics™
from QwickRate



Credit Stress Test



QwickAnalytics™
from QwickRate

What is a Credit Stress Test?



Credit Stress Test

Definition: The results of employing a range of techniques used to assess the vulnerability of a loan portfolio to major changes in the economic environment or to **exceptional** but **plausible** events

Objective: Highlight and estimate risks of potential loan portfolio losses in abnormal markets

In other words: Stress testing estimates the loan loss impact of a series of “What If” scenarios

This is not
an
interest rate /
ALCO test.

Why a Credit Stress Test?



**If you haven't
already been
asked for it –
you will be.**

Regulatory Guidance and Expectations



**Basel Capital
Accord 2001**

**Dodd-Frank
Act**

**Joint Statement
Federal Reserve,
OCC and FDIC
[May 2012]**

**If you haven't
already been
asked for it –
you will be.**

**OCC BULLETIN
2012-33
Community Bank
Stress Testing
Supervisory
Guidance**

**OCC Guidance,
Comptrollers
Handbook
[December 2011]**

The Bottom Line

Regardless of the testing method used, an effective stress test has three common elements:

1. asking plausible “**what if**” questions about key vulnerabilities (primarily loan losses);
2. making a reasonable determination of **how much impact** the stress event or factor might have on earnings and capital; and
3. incorporating **the resulting analysis** into the bank’s overall risk management process, asset/liability strategies, and strategic and capital planning processes.

OCC Supervisory Guidance October 18, 2012

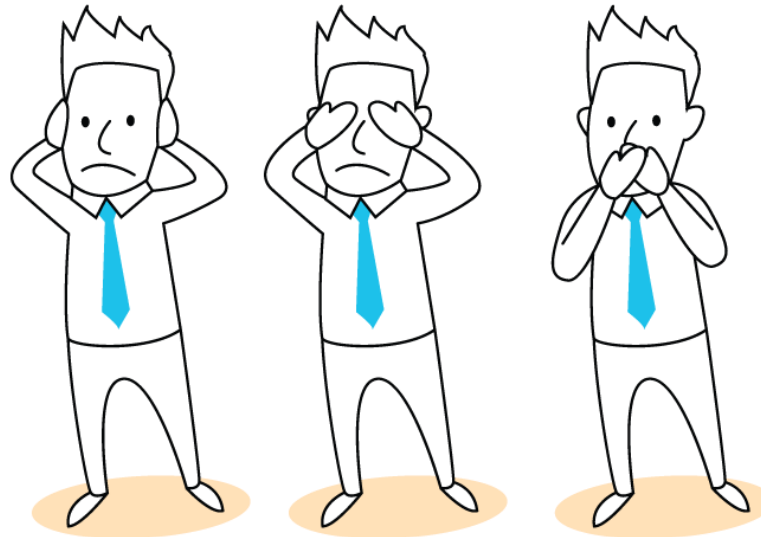
Benefits of Stress Testing

- Identification and mitigation of risks
 - Changes to underwriting policies
 - Portfolio concentrations and limits
 - Credit oversight and proactive management of loans
- Capital Planning
 - Impact on ALLL provisions
 - Contingency plans
- Strategic or business planning processes

Why Banks Struggle with Stress Testing



- Difficult to know where to start or how extensive the model needs to be
- Time consuming, manual process
- Lack of readily available, detailed loan performance data on appropriate peer groups
- Expensive to outsource



QwickAnalytics Delivers

- Easy way to help community banks satisfy regulatory requirements for credit stress testing
- Methods delivered:
 - Peer Loss Experience
 - Your Bank's Loss Experience
 - Reverse Stress Test
- Accessibility:
 - One click to view report
 - Examiner-ready: professional presentation
 - No manual work or hassles

QwickAnalytics - Credit Stress Test



- Performs three stress tests:

Test 1	Test 2	Test 3
Peer Group Loss Experience	Bank Historical Loss Experience	Reverse Stress Test
The bank's Peer Group Loss Experience has been gathered, evaluated and applied to the subject bank's loan portfolio under varying scenarios of stress.	The bank's actual Historical Loss Experience has been gathered, evaluated and applied to the bank's current loan portfolio under varying scenarios of stress.	A " Reverse Stress Test " has been applied to the bank's own balance sheet, calculating the losses required to reduce the bank's capital to critically undercapitalized levels.

Extensive and Detailed Stress Tests



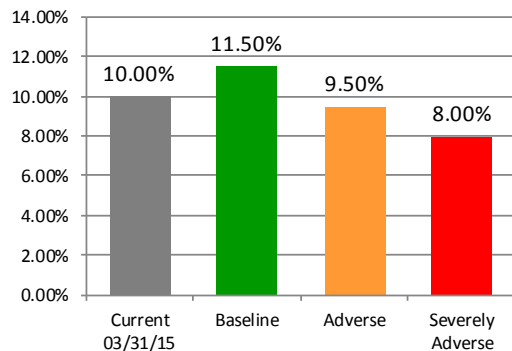
- Tests incorporate:
 - Detailed peer baseline & stress-period loss experience by loan category
 - Your bank historical baseline & stress-period loss experience
 - Your bank operating performance
- Range of assumptions:
 - Bank performance and potential loan loss scenarios
 - Default assumptions provides “1-click” Report - financial & peer assumptions are customizable
 - Standard UBPR or customizable peer groups for tracking detailed historical peer loss data

Resulting output: Regulator-ready stress test based on empirical data

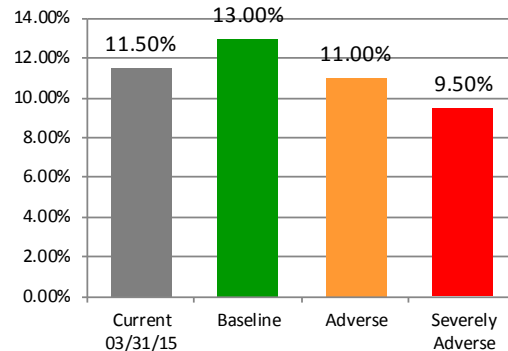
Quick Look



Tier 1 Leverage Ratio

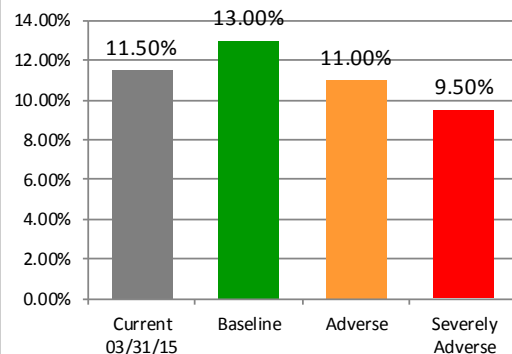


Common Equity Tier 1 Ratio

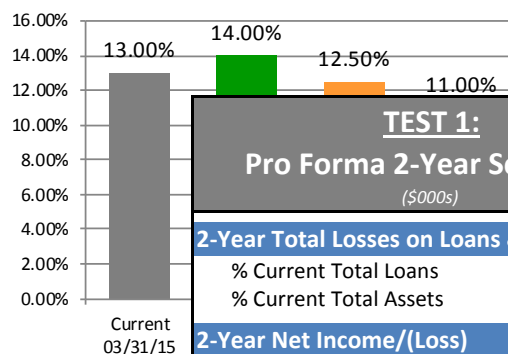


Loan Loss & Capital Impact Summaries in Tabular & Chart Format

Tier 1 Ratio



Total Risk-Based Ratio



TEST 1: Pro Forma 2-Year Scenarios (5000s)		Current 03/31/15	Baseline Scenario	Adverse Stress Loss Scenario	Severely Adverse Stress Loss Scenario
2-Year Total Losses on Loans & OREO			(\$1,500)	(\$6,000)	(\$10,000)
% Current Total Loans			(0.71)%	(2.86)%	(4.77)%
% Current Total Assets			(0.58)%	(2.30)%	(3.84)%
2-Year Net Income/(Loss)			\$3,500	\$250	(\$2,000)
% Current Tier 1 Capital			14.49%	1.03%	(8.28)%
Pro Forma Capital Ratios					
Regulatory Tangible Equity/Total Assets	9.00%		10.50%	8.50%	7.00%
Tier 1 Leverage Ratio	10.00%		11.50%	9.50%	8.00%
Common Equity Tier 1 Ratio	11.50%		13.00%	11.00%	9.50%
Tier 1 Ratio	11.50%		13.00%	11.00%	9.50%
Total Risk-Based Ratio	13.00%		14.00%	12.50%	11.00%

Quick Look

Pro Forma Earnings Impact:

Applying Estimated Stressed Losses Against Projected Core Earnings

Earnings Impact	Baseline Scenario	Adverse Stress Loss Scenario	Severely Adverse Stress Loss Scenario
Income Statement:			
Net Interest Income (a)	\$45,000	\$44,690	\$44,513
Other Recurring Noninterest Income	\$9,200	\$9,200	\$9,200
Recurring Noninterest Expense	(\$42,000)	(\$42,000)	(\$42,000)
Pretax, Pre-Provision Recurring Income	\$12,200	\$11,890	\$11,713
Provision to cover 2-year Net Loan Losses	(\$2,400)	(\$9,465)	(\$13,524)
Provision to achieve adequate ALLL (b)	\$0	(\$678)	(\$1,099)
Total Loan Loss Provision Expense	(\$2,400)	(\$10,143)	(\$14,623)
(Loss)/gain on Sale OREO	\$0	(\$1,370)	(\$1,949)
Pretax Income	\$9,800	\$378	(\$4,860)
Income Taxes	(\$3,038)	(\$117)	\$1,506
Net Income	\$6,762	\$261	(\$3,353)
Loan Loss Experience:			
2-Year Net Loan (Losses)/Recoveries	(\$2,400)	(\$9,465)	(\$13,524)
Balance Sheet:			
Gross Loans HFI, net of unearned inc.	\$350,000	\$342,935	\$338,876
Pro Forma Loan Loss Reserve	\$6,200	\$6,878	\$7,299
Pro Forma Loan Loss Reserve/Gross Loans (c)	1.77%	2.01%	2.15%

Loss Scenarios
Shown Side by Side

(a) Subject to changes in levels of earning assets resulting from various loan loss scenarios

(b) As indicated by the bank's historical values, and limited such that the total Loan Loss Provision has a maximum value

(c) May exceed indicated adequate bank historical Loan Loss Reserve ratio in situations where subject bank is over-reserve compared to adequate levels (as indicated by historical levels) by MORE than estimated 2-year losses

Pro forma 2-year
earnings, used to
calculate capital impact

Quick Look

What Losses It Will Take to Break the Bank

2-Year Pro Forma Reverse Stress Test	Well Capitalized		Adequately Capitalized		Critically Under-Capitalized	
Regulatory Capital Ratio Minimums	Min	Bank	Min	Bank	Min	Bank
Tangible Equity/Total Assets threshold (a)	--	6.97%	--	5.35%	2.00%	2.00%
Tier 1 Leverage Ratio	5.00%	7.61%	4.00%	5.85%	--	2.17%
Common Equity Tier 1 Ratio	6.50%	8.77%	4.50%	6.77%	--	2.54%
Tier 1 Ratio	8.00%	8.75%	6.00%	6.75%	--	2.52%
Total Risk-Based Ratio	10.00%	10.00%	8.00%	8.00%	--	3.77%
2-Year Pro Forma Regulatory Capital Balances						
Tangible Common Equity		\$17,081		\$12,934		\$4,655
Regulatory Tangible Equity (a)		\$16,961		\$12,814		\$4,595
Common Equity Tier 1 Capital		\$16,997		\$12,850		\$4,571
Tier 1 Capital		\$16,961		\$12,814		\$4,535
Total Risk-Based Capital		\$19,384		\$15,187		\$6,787
Earnings & Loss Requirements to Breach Thresholds						
2-Year Net Income/(loss) Required to Breach Threshold		(\$7,134)		(\$11,281)		(\$19,560)
2-Year Pretax Income/(loss) required (b)		(\$11,488)		(\$18,167)		(\$31,499)
Offsetting pretax,preprovision recurring income		\$5,946		\$5,722		\$5,179
Total provision & OREO (losses)/gains required		(\$17,434)		(\$23,889)		(\$36,678)
Less: Portion of provision to achieve required ALLL		(\$217)		(\$1,913)		(\$2,712)
Total Loan & OREO (Losses)/gains Required to Breach Threshold		(\$17,217)		(\$21,975)		(\$33,966)
% of current loans		(8.21)%		(10.47)%		(16.19)%
% of current assets		(6.61)%		(8.44)%		(13.05)%
Other Assumptions						
Required Loan Loss Reserve (c)		1.60%		2.50%		3.00%
Gross Loans (d)		\$192,962		\$188,959		\$179,265
Total Assets (d)		\$243,463		\$239,460		\$229,766
Total Assets for Leverage Ratio (d)		\$222,920		\$218,917		\$209,223
Risk-Weighted Assets		\$193,840		\$189,837		\$180,143

Reverse Stress Test



BASELIII

Capital Planning

Model



BASEL III: A Primer



New Capital Requirements & Higher PCA Thresholds

- Common Equity Tier 1 (“CET1”) Capital
- Additional Tier 1 Capital
- AOCI Election

	Previous Minimums		BASEL III Minimums	
	<u>Adequately Capitalized:</u>	<u>Well Capitalized:</u>	<u>Adequately Capitalized:</u>	<u>Well Capitalized:</u>
Leverage Ratio	4.00%	5.00%	4.00%	5.00%
Common Equity Tier 1 Ratio	NA	NA	4.50%	6.50%
Tier 1 Capital Ratio	4.00%	6.00%	6.00%	8.00%
Total Capital Ratio	8.00%	10.00%	8.00%	10.00%

Transitional Phase-in Period

- Deductions from CET1 phased-in over 5-year period
- Adjustments to AOCI & non-qualified instruments phased-out over time

Transitional Schedule for Capital Components	2015	2016	2017	2018	2019
Phase-in of most deductions from CET1 (incl. threshold items)	40%	60%	80%	100%	100%
Phase-out of AOCI Adjustments	60%	40%	20%	0%	0%
Unrealized gains in AFS securities includable in Tier 2	27%	18%	9%	0%	0%
Non-qual instruments includable in Additional Tier 1 or Tier 2	70%	60%	50%	40%	30%

BASEL III: A Primer



Capital Conservation Buffer (“CCB”)

- Begins to phase-in starting 2016, fully phased-in by 2019
- Requires 2.5% buffer above adequately capitalized minimum in order to avoid limitations on capital distributions, such as dividend payments, discretionary payments on tier 1 instruments, share buybacks, and certain discretionary bonus payments to executive officers, including heads of major business lines and similar employees.
- Limitations will be based on trailing 12-months earnings, and will vary in severity depending upon size of capital ratio deficit vs. the qualifying (minimum) Capital Conservation Buffer ratio.

Maximum Payout (% of eligible income)	Capital Conservation Buffer Transitional Phase-in				Minimum + CCB (Fully Phased-in)		
	2016	2017	2018	2019	CET1	Tier 1	Total Capital
No Limitation	CCB > 0.625%	CCB > 1.25%	CCB > 1.875%	CCB > 2.5%	7.00%	8.50%	10.50%
60%	0.625 ≥ CCB > 0.469	1.25 ≥ CCB > 0.938	1.875 ≥ CCB > 1.406	2.5 ≥ CCB > 1.875	6.375%	7.875%	9.875%
40%	0.469 ≥ CCB > 0.313	0.938 ≥ CCB > 0.625	1.406 ≥ CCB > 0.938	1.875 ≥ CCB > 1.25	5.75%	7.25%	9.25%
20%	0.313 ≥ CCB > 0.156	0.625 ≥ CCB > 0.313	0.938 ≥ CCB > 0.469	1.25 ≥ CCB > 0.625	5.125%	6.625%	8.625%
0%	0.156 ≥ CCB	0.313 ≥ CCB	0.469 ≥ CCB	0.625 ≥ CCB	≤ 5.125%	≤ 6.625%	≤ 8.625%

Quick Look

Intuitive, Interactive Projection Scenario Inputs



User Inputs

Undo Redo Revert to Default

Balance Sheet Assumptions	LTM	PROJECTED				
	09/30/2015	2015	2016	2017	2018	2019
Annual Asset Growth	19.8%	15.0%	10.0%	10.0%	10.0%	10.0%
Total Assets	\$303,288	\$313,692	\$345,062	\$379,568	\$417,525	\$459,277
Gross Loans / Assets	90%	90%	90%	90%	90%	90%
Gross Loans	\$274,470	\$282,323	\$310,555	\$341,611	\$375,772	\$413,349
Reserves / Total Loans	1.20%	1.15%	1.15%	1.15%	1.15%	1.15%
Loan Loss Reserve	\$3,287	\$3,247	\$3,571	\$3,929	\$4,321	\$4,754
RWA %	89%	80%	80%	95%	95%	95%
Risk-Weighted Assets	\$271,172	\$250,954	\$276,050	\$360,590	\$396,649	\$436,313
Other Important Regulatory Capital Assumptions						
Intangible Assets (excl. GWI & MSAs)	\$175	\$175	\$175	\$175	\$175	\$175
Mortgage Servicing Assets	\$0	\$0	\$0	\$0	\$0	\$0
Earnings & Profitability						
ROAA (%)	0.53%	0.20%	0.20%	0.20%	0.20%	0.20%
Net Income	\$1,490	\$586	\$659	\$725	\$797	\$877

Quick Look

Intuitive, Interactive Projection Scenario Inputs



User Inputs

Undo Redo Revert to Default

Balance Sheet Assumptions

LTM

PROJECTED

09/30/2015 2015 2016 2017 2018 2019

Dividends on Current Existing Stock

Common Dividend Payout Ratio	9%	<input type="text" value="20%"/>	<input type="text" value="20%"/>	<input type="text" value="35%"/>	<input type="text" value="35%"/>	<input type="text" value="35%"/>
Existing Common Dividends	\$140	<input type="text" value="\$117"/>	<input type="text" value="\$132"/>	<input type="text" value="\$254"/>	<input type="text" value="\$279"/>	<input type="text" value="\$307"/>
Existing Preferred Dividends	\$0	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>

Projected Additional Capital Raise (Optional)^(a)

New Common Stock	\$000s:	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$2,500"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
New Non-Cumulative Preferred Stock (Tier 1)	\$000s:	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
	Dividend Rate (%):	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>
	Total Dividend:	\$0	\$0	\$0	\$0	\$0
New Cumulative Preferred Stock (Tier 2)	\$000s:	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$3,000"/>	<input type="text" value="\$0"/>
	Dividend Rate (%):	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="5.00%"/>	<input type="text" value="0.00%"/>
	Total Dividend:	\$0	\$0	\$0	\$150	\$150
New Debt (Tier 2)	\$000s:	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
	Interest Rate (%):	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>
	Interest Expense:	\$0	\$0	\$0	\$0	\$0

Quick Look

Projected BASELIII Capital Ratios & Surplus/Deficit Analysis

	CURRENT 03/31/2015	2015	2016	PROJECTED 2017	2018	2019
Leverage Ratio						
BASEL III Calculation	8.81%	7.76%	7.05%	7.06%	6.38%	5.88%
<u>Tier 1 Capital Surplus/(Deficit):</u>						
Adequately Capitalized	\$13,040	\$11,668	\$10,414	\$11,479	\$9,803	\$8,553
Well Capitalized	\$10,330	\$8,564	\$7,002	\$7,728	\$5,677	\$4,010
Common Equity Tier 1 (CET1) Ratio						
BASEL III Calculation	7.19%	7.36%	6.69%	5.79%	5.22%	4.84%
<u>CET1 Capital Surplus/(Deficit):</u>						
Adequately Capitalized	\$6,835	\$7,185	\$6,035	\$4,654	\$2,851	\$1,486
Well Capitalized	\$1,751	\$2,166	\$514	(\$2,558)	(\$5,082)	(\$7,240)
Tier 1 Capital Ratio						
BASEL III Calculation	9.39%	9.60%	8.72%	7.34%	6.63%	6.13%
<u>Tier 1 Capital Surplus/(Deficit):</u>						
Adequately Capitalized	\$8,626	\$9,025	\$7,498	\$4,849	\$2,505	\$546
Well Capitalized	\$3,541	\$4,006	\$1,977	(\$2,363)	(\$5,428)	(\$8,181)
Total Capital Ratio						
BASEL III Calculation	10.55%	10.85%	9.97%	8.43%	8.48%	7.90%
<u>Total Capital Surplus/(Deficit):</u>						
Adequately Capitalized	\$6,474	\$7,142	\$5,428	\$1,566	\$1,893	(\$427)
Well Capitalized	\$1,389	\$2,123	(\$93)	(\$5,646)	(\$6,040)	(\$9,153)

Regulatory Capital Status	Well Capitalized	Well Capitalized	Adequately Capitalized	Adequately Capitalized	Adequately Capitalized	Under Capitalized
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**Pro Forma PCA
Status**

Quick Look

Qualifying CCB & Projected Maximum Payout Calculations

As CCB
Phases-in
over time

	2015	2016	PROJECTED 2017	2018	2019
Common Equity Tier 1 Ratio	7.36%	6.69%	5.79%	5.22%	4.84%
Less: Adequately Capitalized Minimum	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	2.86%	2.19%	1.29%	0.72%	0.34%
Tier 1 Capital Ratio	9.60%	8.72%	7.34%	6.63%	6.13%
Less: Adequately Capitalized Minimum	6.00%	6.00%	6.00%	6.00%	6.00%
Capital Conservation Buffer	3.60%	2.72%	1.34%	0.63%	0.13%
Total Capital Ratio	10.85%	9.97%	8.43%	8.48%	7.90%
Less: Adequately Capitalized Minimum	8.00%	8.00%	8.00%	8.00%	8.00%
Capital Conservation Buffer	2.85%	1.97%	0.43%	0.48%	(0.10%)
Qualifying Capital Conservation Buffer (a)	NA	1.97%	0.43%	0.48%	(0.10%)

Maximum Payout Calculation					
Total Eligible Income (b)	\$586	\$659	\$725	\$797	\$877
Maximum Payout Ratio	NA	100%	20%	20%	0%
Resulting Maximum Payouts (\$000s)	NA	\$659	\$145	\$159	\$0

Quick Look

Capital Required for Unrestricted Payouts

	2015	2016	PROJECTED 2017	2018	2019
Common Equity Tier 1 Capital					
Adequately Capitalized Minimum Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
PLUS: Minimum CCB for Unrestricted Payouts	NA	0.625%	1.250%	1.875%	2.500%
Minimum Ratio for Unrestricted Payouts	NA	5.125%	5.750%	6.375%	7.000%
Required CET1 Capital for Unrestricted Payouts	NA	\$14,148	\$20,734	\$25,286	\$30,542
Projected CET1 Capital	\$18,478	\$18,457	\$20,880	\$20,700	\$21,120
CET1 Capital Surplus/(Deficit)	NA	\$4,309	\$146	(\$4,586)	(\$9,422)
Tier 1 Capital					
Adequately Capitalized Minimum Ratio	6.00%	6.00%	6.00%	6.00%	6.00%
PLUS: Minimum CCB for Unrestricted Payouts	NA	0.625%	1.250%	1.875%	2.500%
Minimum Ratio for Unrestricted Payouts	NA	6.625%	7.250%	7.875%	8.500%
Required Tier 1 Capital for Unrestricted Payouts	NA	\$18,288	\$26,143	\$31,236	\$37,087
Projected Tier 1 Capital	\$24,082	\$24,061	\$26,484	\$26,304	\$26,724
Tier 1 Capital Surplus/(Deficit)	NA	\$5,773	\$341	(\$4,932)	(\$10,362)
Total Capital					
Adequately Capitalized Minimum Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
PLUS: Minimum CCB for Unrestricted Payouts	NA	0.625%	1.250%	1.875%	2.500%
Minimum Ratio for Unrestricted Payouts	NA	8.625%	9.250%	9.875%	10.500%
Required Total Capital for Unrestricted Payouts	NA	\$23,809	\$33,355	\$39,169	\$45,813
Projected Total Capital	\$27,219	\$27,512	\$30,413	\$33,625	\$34,478
Total Capital Surplus/(Deficit)	NA	\$3,702	(\$2,941)	(\$5,544)	(\$11,335)

Surplus/Deficit
Analysis

In Summary



QwickAnalytics

Bank & Peer
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Regulatory
Compliance &
Planning Tools

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The Way...

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- Concise
- No manual work
- Easy to follow
- Intelligent analysis, ratios, algorithms and modeling
- One-click

Benefits financial and non-financial readers:

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- Directors
- Shareholders
- Examiners

Includes expert resources:

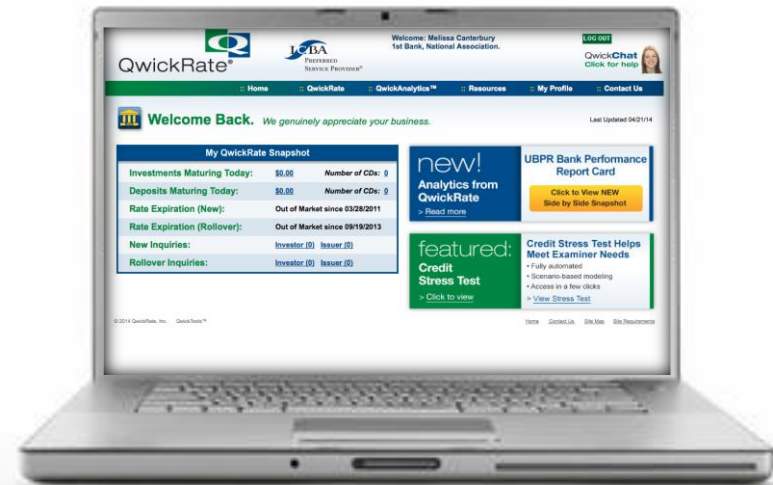
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