

California Bankers Association /
Department of Financial Institutions
Roundtable

March 30, 2010

State / National Bank Comparison

California Headquartered Institutions

| Banks Over 3 Years of Operation by Asset Size | <u># State</u> | <u>% of Total</u> | <u># Nat'l</u> | <u>% of Total</u> |
|--|-----------------------|------------------------------|-----------------------|------------------------------|
| < \$100MM | 25 | 12% | 7 | 13% |
| \$100MM to \$500MM | 107 | 49% | 32 | 59% |
| \$500MM to \$2B | 40 | 18% | 5 | 9% |
| <u>\$2B and ></u> | <u>19</u> | <u>9%</u> | <u>6</u> | <u>11%</u> |
| <u>Banks < 3 Years of Operations</u> | <u>26</u> | <u>12%</u> | <u>4</u> | <u>7%</u> |
| Total | 217 | 100% | 54 | 100% |

State / National Bank Comparison

Total Asset Size

| <u>Banks Over 3 Years of Operation by Asset Size</u> | <u>State Banks</u> | <u>% of Total</u> | <u>Nat'l Banks</u> | <u>% of Total</u> |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
| < \$100MM | \$1.8B | 0.78% | \$446M | 0.26% |
| \$100MM to \$500MM | \$24.8B | 10.50% | \$6.9B | 4.01% |
| \$500MM to \$2B | \$38.8B | 16.39% | \$5.7B | 3.32% |
| <u>\$2B and ></u> | <u>\$162.8B</u> | <u>68.84%</u> | <u>\$148.5B</u> | <u>86.38%</u> |
| <u>Banks < 3 Years of Operations</u> | <u>\$8.3B</u> | <u>3.50%</u> | <u>\$10.4B</u> | <u>6.04%</u> |
| Total | \$236.5B | 100.00% | \$171.9B | 100.00% |

Changes Among State Banks in 2009

Dollar Amounts in Thousands

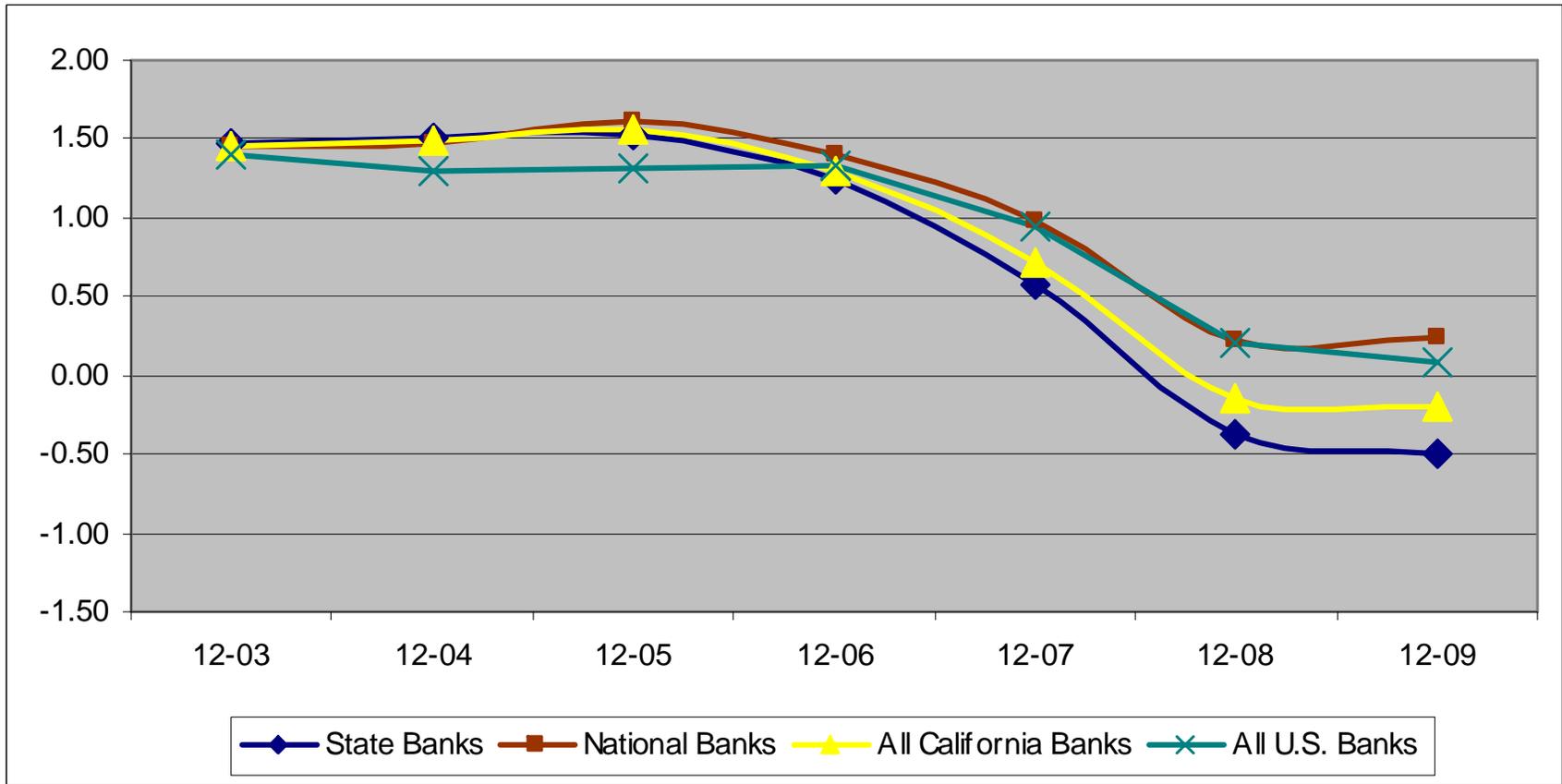
| | # | \$ |
|---|------|--------------|
| Number of banks and total assets as of 12/31/08 | 230 | 253,500,188 |
| # Failed | (11) | (27,304,410) |
| # Merged out of business | (2) | (300,932) |
| # Ceased doing business | (1) | (9,901) |
| # Opened | 1 | 139,710 |
| Acquired other institutions in 2009 | 8 | 12,700,890 |
| Did not acquire other institutions in 2009 | 208 | (2,193,632) |
| Number of banks and total assets as of 12/31/09 | 217 | 236,531,913 |
| Net change | (13) | (16,968,275) |

Changes Among State Banks 2005 - 2009

Dollar Amounts in Thousands

| | # | \$ |
|--|------|--------------|
| Number of banks and total assets as of 1/1/05 | 189 | 172,470,243 |
| # Failed | (12) | (27,899,135) |
| # Merged out of business | (33) | (15,260,312) |
| # Converted to national charter | (2) | (4,456,770) |
| # Ceased doing business | (2) | (7,666,124) |
| # Opened | 70 | 9,113,805 |
| # Converted to state charter | 7 | 10,703,224 |
| Change in assets of banks that acquired other banks | - | 48,976,440 |
| Change in assets of banks that did not acquire other banks | - | 50,550,542 |
| Number of banks and total assets as of 12/31/09 | 217 | 236,531,913 |
| Net change 2005 - 2009 | 28 | 64,061,670 |

Return on Assets



Return on Assets by Quintile*

State Chartered Commercial and Industrial Banks

As of December 31, 2009

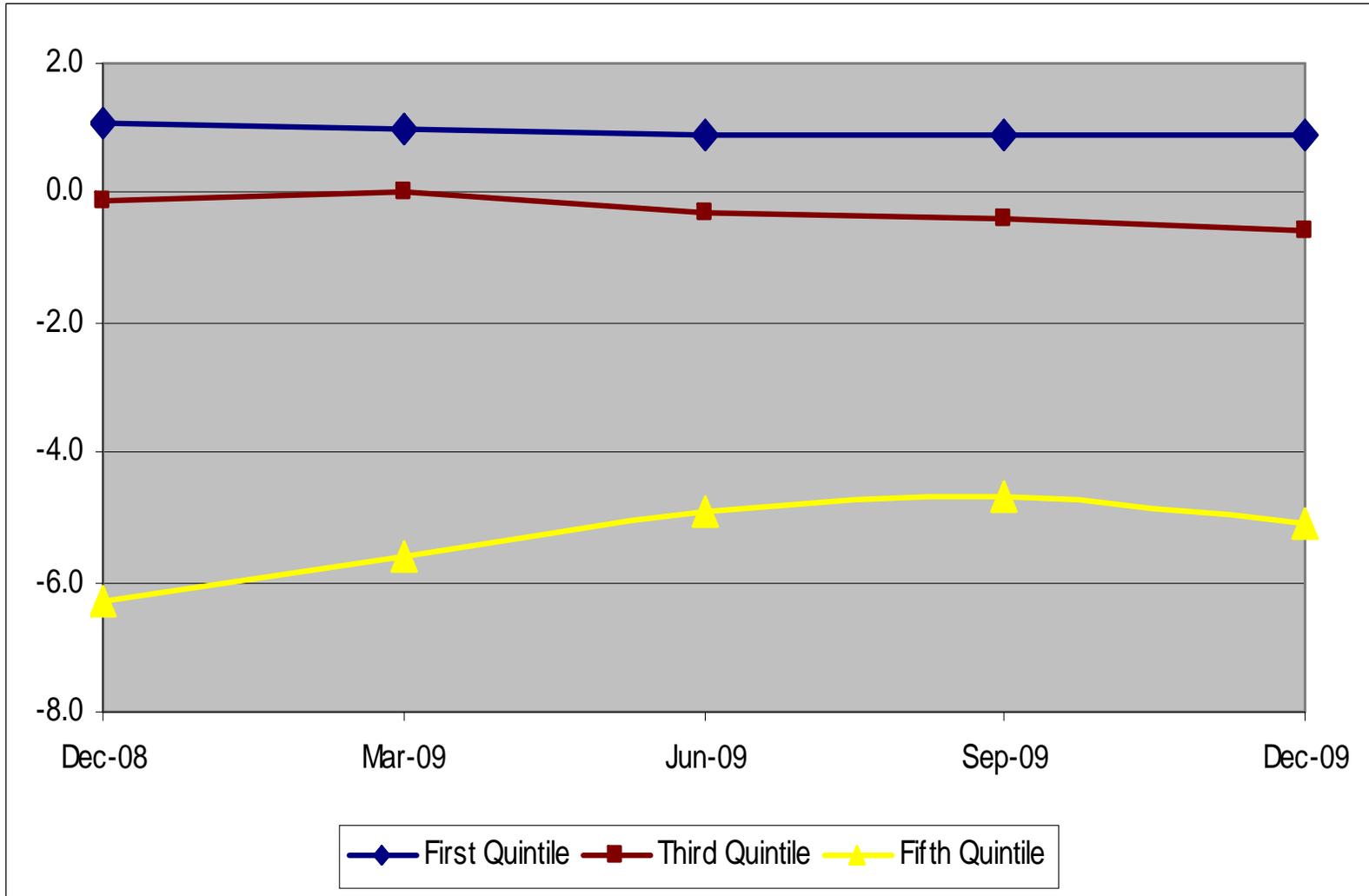
| Asset Size | Over 3 years of operation | | | | < 3 yrs ops. | Total |
|-----------------|---------------------------|------------------|------------------------|------------------------|-----------------|-------|
| | Less than \$100MM | \$100 to \$500MM | \$500MM to \$2 Billion | \$2 Billion and More** | All asset sizes | |
| Number of Banks | 25 | 107 | 40 | 18 | 26 | 216 |
| First Quintile | 0.5 | 0.9 | 1.1 | 0.9 | -0.5 | 0.9 |
| Second Quintile | -0.2 | 0.2 | 0.3 | 0.5 | -1.5 | 0.2 |
| Third Quintile | -2.0 | -0.4 | -0.2 | 0.0 | -2.4 | -0.6 |
| Fourth Quintile | -3.0 | -1.6 | -0.9 | -1.7 | -3.4 | -1.9 |
| Fifth Quintile | -5.7 | -3.9 | -3.6 | | -7.7 | -5.1 |
| Total | -2.3 | -0.9 | -0.4 | -0.3 | -1.8 | -0.4 |

* Quintiles of equal sizes are created by dropping off first the highest then the lowest ratio in each group until the number of institutions is divisible by 5.

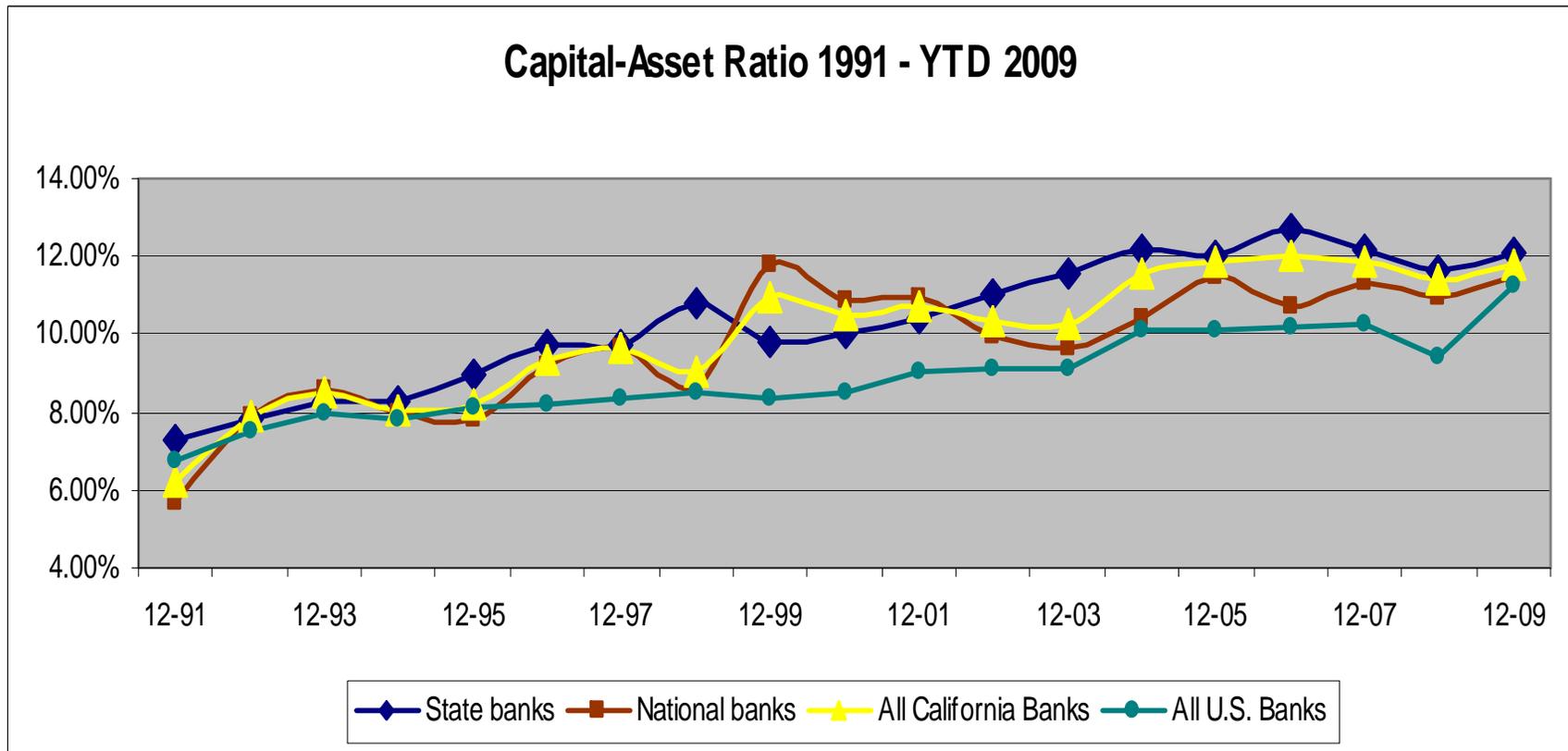
** Due to the small population in this category, it was divided into four equal sized groups.

Return on Assets

State Chartered Banks by Quintile



Capital Adequacy



Equity Capital / Assets by Quintile*

State Chartered Commercial and Industrial Banks

As of December 31, 2009

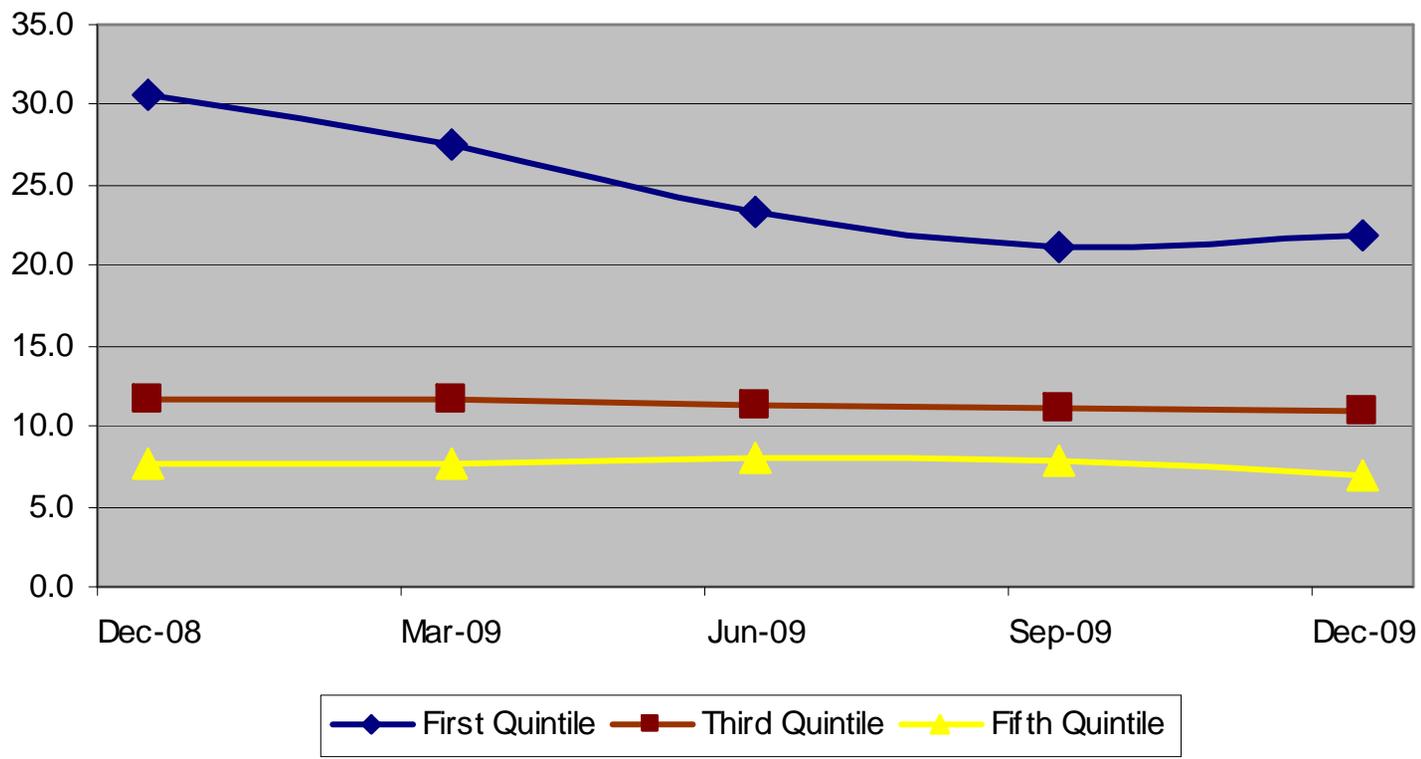
| Asset Size | Over 3 years of operation | | | | < 3 yrs ops. | Total |
|-----------------|---------------------------|------------------|------------------------|------------------------|-----------------|-------|
| | Less than \$100MM | \$100 to \$500MM | \$500MM to \$2 Billion | \$2 Billion and More** | All asset sizes | |
| Number of Banks | 25 | 107 | 40 | 18 | 26 | 216 |
| First Quintile | 35.8 | 16.1 | 16.7 | 13.0 | 24.7 | 21.0 |
| Second Quintile | 15.3 | 12.4 | 11.3 | 11.6 | 18.8 | 13.0 |
| Third Quintile | 11.2 | 10.7 | 9.9 | 10.5 | 16.5 | 10.9 |
| Fourth Quintile | 9.5 | 9.5 | 9.3 | 8.9 | 14.0 | 9.6 |
| Fifth Quintile | 5.3 | 7.4 | 6.6 | | 9.4 | 7.0 |
| Total | 14.3 | 11.8 | 10.9 | 12.3 | 15.7 | 12.1 |

* Quintiles of equal sizes are created by dropping off first the highest then the lowest ratio in each group until the number of institutions is divisible by 5.

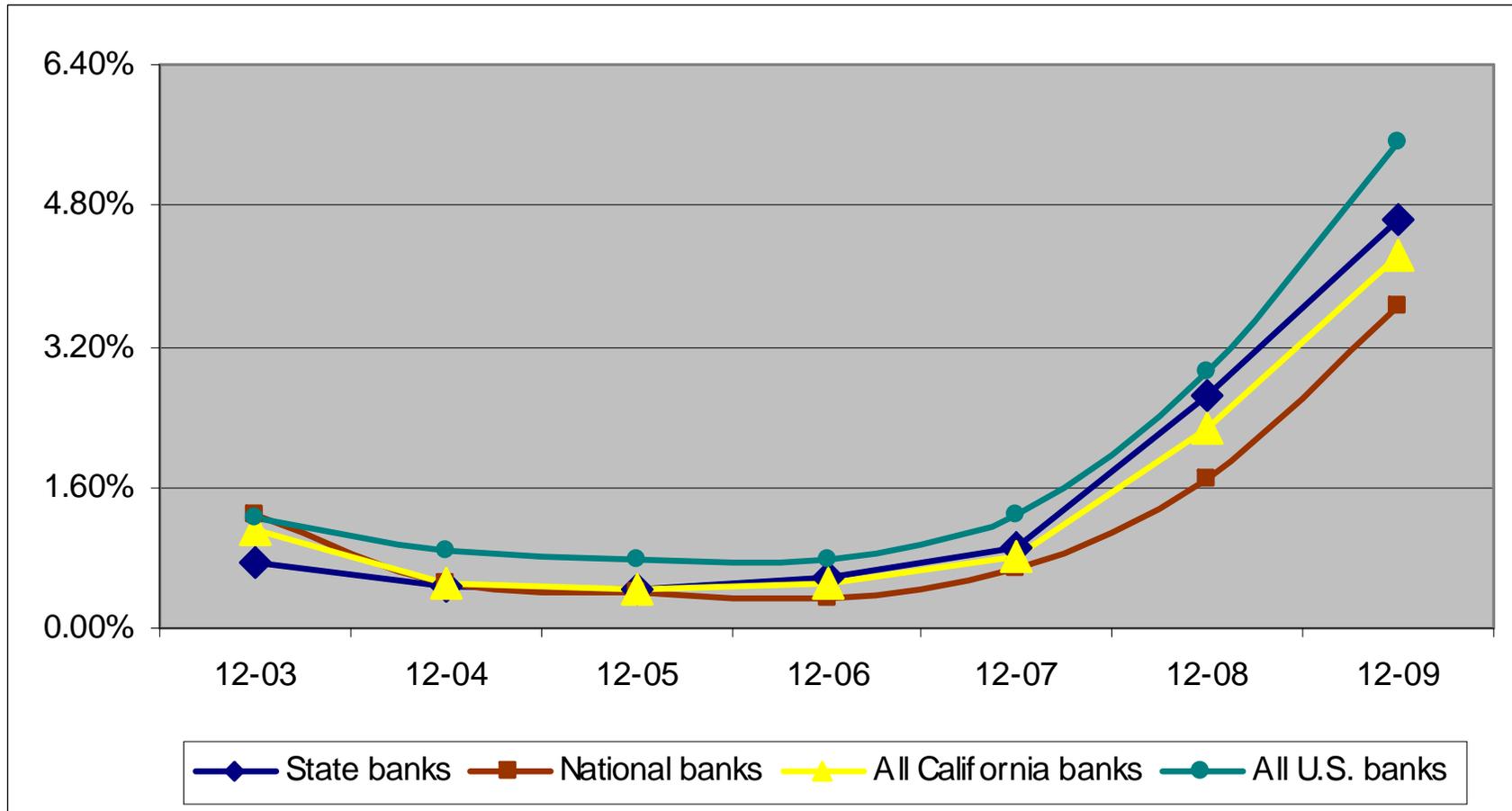
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Capital Adequacy

Equity Capital to Total Assets State-Chartered Banks by Quintile



Noncurrent Loans and Leases to Total Loans and Leases



Total Past Due Loans & Leases/ Total Loans & Leases by Quintile*

State Chartered Commercial and Industrial Banks

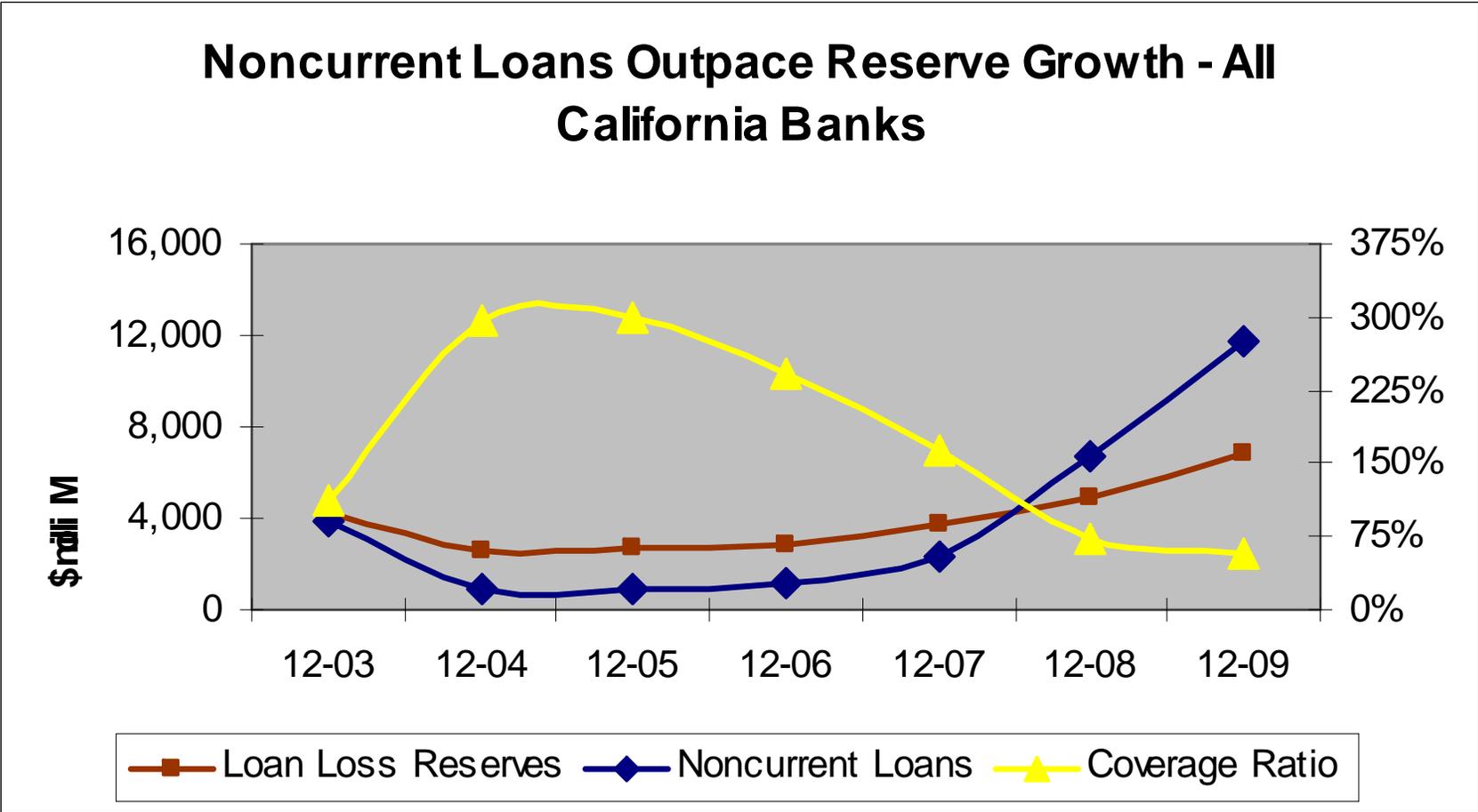
As of December 31, 2009

| Asset Size | Over 3 years of operation | | | | < 3 yrs ops. | Total |
|-----------------|---------------------------|------------------|------------------------|------------------------|-----------------|-------|
| | Less than \$100MM | \$100 to \$500MM | \$500MM to \$2 Billion | \$2 Billion and More** | All asset sizes | |
| Number of Banks | 25 | 107 | 40 | 18 | 26 | 216 |
| First Quintile | 13.7 | 13.0 | 10.9 | 8.3 | 4.5 | 12.0 |
| Second Quintile | 7.3 | 6.2 | 7.9 | 6.1 | 1.6 | 6.4 |
| Third Quintile | 4.1 | 3.9 | 6.2 | 5.1 | 0.5 | 4.2 |
| Fourth Quintile | 2.3 | 2.5 | 4.3 | 3.4 | 0.0 | 2.4 |
| Fifth Quintile | 0.5 | 0.9 | 1.7 | | 0.0 | 0.5 |
| Total | 5.1 | 5.2 | 5.8 | 6.1 | 4.1 | 5.9 |

* Quintiles of equal sizes are created by dropping off first the highest then the lowest ratio in each group until the number of institutions is divisible by 5.

** Due to the small population in this category, it was divided into four equal sized groups.

Loan Loss Reserves vs. Noncurrent Loans and Leases



Reserves for Loans / Noncurrent Loans & Leases by Quintile*

State Chartered Commercial and Industrial Banks

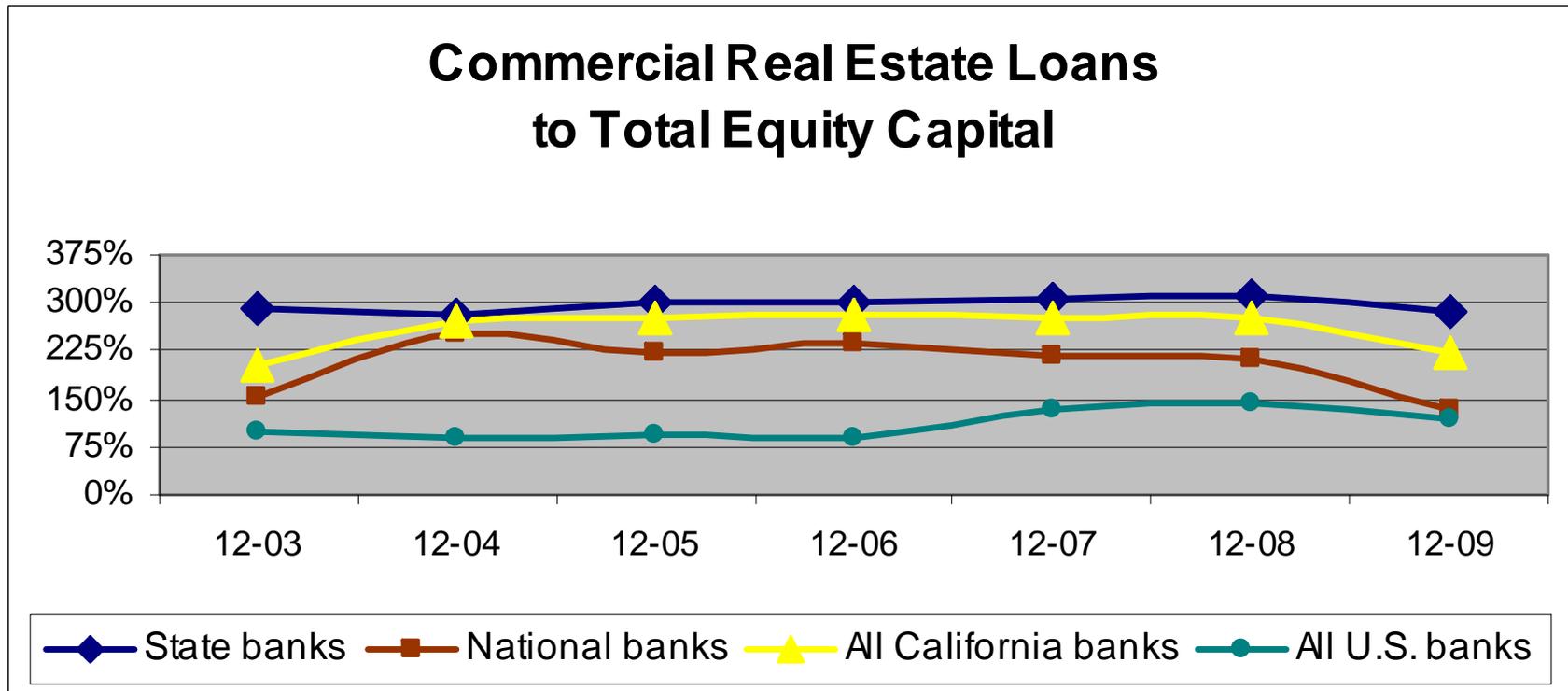
As of December 31, 2009

| Asset Size | Over 3 years of operation | | | | < 3 yrs ops. | Total |
|-----------------|---------------------------|------------------|------------------------|------------------------|-----------------|-------|
| | Less than \$100MM | \$100 to \$500MM | \$500MM to \$2 Billion | \$2 Billion and More** | All asset sizes | |
| Number of Banks | 25 | 107 | 40 | 18 | 26 | 216 |
| First Quintile | ∞ | ∞ | 524.4 | 90.5 | ∞ | ∞ |
| Second Quintile | 316.1 | 106.3 | 72.7 | 67.5 | ∞ | 130.5 |
| Third Quintile | 91.6 | 70.7 | 50.6 | 55.3 | 1038.8 | 72.4 |
| Fourth Quintile | 67.8 | 53.2 | 40.8 | 38.1 | 196.9 | 51.8 |
| Fifth Quintile | 32.5 | 35.4 | 31.4 | | 59.1 | 33.8 |
| Total | 71.1 | 60.3 | 63.6 | 56.5 | 90.9 | 59.1 |

* Quintiles of equal sizes are created by dropping off first the highest then the lowest ratio in each group until the number of institutions is divisible by 5.

** Due to the small population in this category, it was divided into four equal sized groups.

Commercial Real Estate Loans to Total Equity Capital



Commercial Real Estate Loans / Tier 1 Capital by Quintile*

State Chartered Commercial and Industrial Banks

As of December 31, 2009

| Asset Size | Over 3 years of operation | | | | < 3 yrs ops. All asset sizes | Total |
|-----------------|---------------------------|------------------|------------------------|------------------------|---------------------------------|-------|
| | Less than \$100MM | \$100 to \$500MM | \$500MM to \$2 Billion | \$2 Billion and More** | | |
| Number of Banks | 25 | 107 | 40 | 18 | 26 | 216 |
| First Quintile | 1,108.4 | 855.6 | 1068.5 | 588.1 | 481.6 | 876.8 |
| Second Quintile | 524.8 | 551.5 | 569.4 | 464.8 | 271.1 | 531.8 |
| Third Quintile | 382.5 | 449.4 | 436.7 | 374.9 | 220.5 | 416.2 |
| Fourth Quintile | 226.7 | 370.7 | 334.0 | 284.9 | 185.2 | 309.3 |
| Fifth Quintile | 74.4 | 196.8 | 173.0 | | 99.0 | 136.1 |
| Total | 313.6 | 453.6 | 393.5 | 355.0 | 215.7 | 366.0 |

* Quintiles of equal sizes are created by dropping off first the highest then the lowest ratio in each group until the number of institutions is divisible by 5.

** Due to the small population in this category, it was divided into four equal sized groups.

Construction and Land Development Loans / Tier 1 Capital by Quintile*

State Chartered Commercial and Industrial Banks

As of December 31, 2009

| Asset Size | Over 3 years of operation | | | | < 3 yrs ops. | Total |
|-----------------|---------------------------|------------------|------------------------|------------------------|-----------------|-------|
| | Less than \$100MM | \$100 to \$500MM | \$500MM to \$2 Billion | \$2 Billion and More** | All asset sizes | |
| Number of Banks | 25 | 107 | 40 | 18 | 26 | 216 |
| First Quintile | 277.0 | 193.7 | 215.4 | 87.2 | 108.5 | 193.9 |
| Second Quintile | 101.3 | 96.1 | 95.4 | 60.8 | 64.8 | 89.6 |
| Third Quintile | 42.4 | 61.6 | 70.6 | 31.8 | 40.9 | 56.5 |
| Fourth Quintile | 25.3 | 34.6 | 39.0 | 15.2 | 11.5 | 29.9 |
| Fifth Quintile | 1.6 | 8.6 | 5.3 | | 2.4 | 5.2 |
| Total | 61.8 | 71.7 | 69.4 | 57.9 | 48.4 | 61.1 |

* Quintiles of equal sizes are created by dropping off first the highest then the lowest ratio in each group until the number of institutions is divisible by 5.

** Due to the small population in this category, it was divided into four equal sized groups.

California Bank and Thrift Failures

September 2008 – Present

| <u>Name</u> | <u>Type</u> | <u>City</u> | <u>Total Assets (000)*</u> | <u>Date Closed</u> |
|-------------------------------------|-------------|------------------|--------------------------------|--------------------|
| Security Pacific Bank | State | Los Angeles | 527,959 | 11/7/08 |
| Downey Savings and Loan Association | FSB | Newport Beach | 12,779,371 | 11/21/08 |
| PFF Bank & Trust | FSB | Pomona | 3,715,433 | 11/21/08 |
| 1st Centennial Bank | State | Redlands | 797,959 | 1/23/09 |
| Alliance Bank | State | Culver City | 1,113,361 | 2/6/09 |
| County Bank | State | Merced | 1,711,552 | 2/6/09 |
| IndyMac Federal Bank, F.S.B. | FSB | Pasadena | 23,477,908 | 3/19/09 |
| First Bank of Beverly Hills | State | Calabasas | 1,260,354 | 4/24/09 |
| MetroPacific Bank | State | Irvine | 75,316 | 6/26/09 |
| Mirae Bank | State | Los Angeles | 480,619 | 6/26/09 |
| Temecula Valley Bank | State | Temecula | 1,396,622 | 7/17/09 |
| Vineyard Bank, National Association | National | Rancho Cucamonga | 1,638,378 | 7/17/09 |

* Total assets are as of quarter-end prior to failure.

California Bank and Thrift Failures

September 2008 – Present (Continued)

| <u>Name</u> | <u>Type</u> | <u>City</u> | <u>Total Assets (000)</u> | <u>Date Closed</u> |
|----------------------------------|-------------|---------------|-------------------------------|------------------------|
| Affinity Bank | State | Ventura | 1,211,431 | 8/28/09 |
| San Joaquin Bank | State | Bakersfield | 766,359 | 10/16/09 |
| California National Bank | National | Los Angeles | 7,781,100 | 10/30/09 |
| San Diego National Bank | National | San Diego | 3,594,544 | 10/30/09 |
| Pacific National Bank | National | San Francisco | 2,319,263 | 10/30/09 |
| United Commercial Bank | State | San Francisco | 10,895,336 | 11/6/09 |
| Pacific Coast National Bank | National | San Clemente | 131,418 | 11/13/09 |
| First Federal Bank of California | FSB | Santa Monica | 6,143,903 | 12/18/09 |
| Imperial Capital Bank | State | La Jolla | 4,046,888 | 12/18/09 |
| First Regional Bank | State | Los Angeles | 2,082,684 | 1/29/10 |
| La Jolla Bank, FSB | FSB | La Jolla | 3,646,071 | 2/19/10 |

* Total assets are as of quarter-end prior to failure.

California Chartered Institutions

Completed Capital Offerings September 2008 – Present

| <u>Name</u> | <u>Location</u> | <u>Date</u> | <u>Funding Type</u> | <u>Offering Amount (\$000)</u> |
|---------------------------|-----------------|-------------|---------------------|--------------------------------|
| New Resource Bank | San Francisco | 9/17/08 | Common Stock | 13,900 |
| Seacoast Commerce Bank | Chula Vista | 10/31/08 | Common Stock | 4,000 |
| Mission Community Bancorp | San Luis Obispo | 12/2/08 | Common Stock | 3,848 |
| Pacific Valley Bank | Salinas | 12/22/08 | Common Stock | 2,495 |
| UCBH Holdings, Inc. | San Francisco | 12/23/08 | Common Stock | 30,070 |
| PacWest Bancorp | San Diego | 1/14/09 | Common Stock | 100,000 |
| Preferred Bank | Los Angeles | 2/11/09 | Senior Debt | 26,000 |
| Pacific Valley Bank | Salinas | 2/19/09 | Common Stock | 1,502 |
| Bank of the West | San Francisco | 3/23/09 | Senior Debt | 1,000,000 |
| East West Bancorp, Inc. | Pasadena | 7/14/09 | Common Stock | 27,500 |
| East West Bancorp, Inc. | Pasadena | 7/20/09 | Common Stock | 69,850 |
| CVB Financial Corp. | Ontario | 7/21/09 | Common Stock | 115,245 |

California Chartered Institutions

Completed Capital Offerings

September 2008 – Present (Continued)

| <u>Name</u> | <u>Location</u> | <u>Date</u> | <u>Funding Type</u> | <u>Offering Amount (\$000)</u> |
|-------------------------------|-----------------|-------------|---------------------|--------------------------------|
| PacWest Bancorp | San Diego | 8/25/09 | Common Stock | 50,000 |
| Sierra Bancorp | Porterville | 8/28/09 | Common Stock | 21,285 |
| Hanmi Financial Corporation | Los Angeles | 9/4/09 | Common Stock | 6,946 |
| Preferred Bank | Los Angeles | 9/9/09 | Common Stock | 17,029 |
| Pacific Valley Bank | Salinas | 9/30/09 | Common Stock | 1,900 |
| Cathay General Bancorp | El Monte | 9/30/09 | Common Stock | 32,379 |
| Cathay General Bancorp | El Monte | 10/13/09 | Common Stock | 70,435 |
| Nara Bancorp, Inc. | Los Angeles | 10/21/09 | Common Stock | 75,000 |
| Pacific Premier Bancorp, Inc. | Costa Mesa | 11/4/09 | Common Stock | 15,000 |
| East West Bancorp, Inc. | Pasadena | 11/6/09 | Common Stock | 164,953 |
| East West Bancorp, Inc. | Pasadena | 11/6/09 | Preferred Stock | 335,047 |
| SVB Financial Group | Santa Clara | 11/18/09 | Common Stock | 300,300 |

California Chartered Institutions

Completed Capital Offerings

September 2008 – Present (Continued)

| <u>Name</u> | <u>Location</u> | <u>Date</u> | <u>Funding Type</u> | <u>Offering Amount (\$000)</u> |
|----------------------------------|-------------------|-------------|---------------------|--------------------------------|
| Center Financial Corporation | Los Angeles | 11/30/09 | Common Stock | 1,510 |
| Center Financial Corporation | Los Angeles | 11/30/09 | Common Stock | 11,271 |
| Pacific Mercantile Bancorp | Costa Mesa | 12/3/09 | Preferred Stock | 1,650 |
| American River Bankshares | Rancho Cordova | 12/7/09 | Common Stock | 22,000 |
| Pacific Mercantile Bancorp | Costa Mesa | 12/9/09 | Preferred Stock | 5,250 |
| Pacific Mercantile Bancorp | Costa Mesa | 12/18/09 | Preferred Stock | 950 |
| Pacific Mercantile Bancorp | Costa Mesa | 12/21/09 | Preferred Stock | 200 |
| Central Valley Community Bancorp | Fresno | 12/23/09 | Preferred Stock | 1,359 |
| Central Valley Community Bancorp | Fresno | 12/23/09 | Common Stock | 6,641 |
| Cathay General Bancorp | El Monte | 12/24/09 | Common Stock | 12,550 |
| Sierra Vista Bank | Folsom | 12/30/09 | Common Stock | 1,232 |
| Pacific Valley Bank | Salinas | 12/31/09 | Common Stock | 500 |

California Chartered Institutions

Completed Capital Offerings

September 2008 – Present (Continued)

| <u>Name</u> | <u>Location</u> | <u>Date</u> | <u>Funding Type</u> | <u>Offering Amount (\$000)</u> |
|------------------------------|-----------------|-------------|---------------------|--------------------------------|
| Center Financial Corporation | Los Angeles | 12/31/09 | Preferred Stock | 73,500 |
| Cathay General Bancorp | El Monte | 2/1/10 | Common Stock | 115,000 |
| Pacific Mercantile Bancorp | Costa Mesa | 2/26/10 | Preferred Stock | 500 |
| Saehan Bancorp | Los Angeles | 3/9/10 | Common Stock | 60,600 |
| Heritage Oaks Bancorp | Paso Robles | 3/12/10 | Preferred Stock | 3,866 |
| Heritage Oaks Bancorp | Paso Robles | 3/12/10 | Preferred Stock | 52,088 |
| Total | | | | \$2,855,351 |

Capital Purchase Program - All California Banks

Period ending 3/10/2010 (in million \$s)

| Type of Bank | Number | Total Purchase Amount | Total Capital Repayment Amount | Total Treasury CPP Investment Amount |
|-----------------------|--------|-----------------------|--------------------------------|--------------------------------------|
| State Banks | 53 | \$1,948.8 | \$476.7 | \$1,472.1 |
| National Banks | 14 | \$672.3 | \$402.6 | \$269.7 |
| Federal Savings Banks | 4 | \$46.5 | \$4.9 | \$41.6 |
| Total | 71 | \$2,667.6 | \$884.2 | \$1,783.4 |