

VERIBANC, Inc.

EARLY DATA

Occasionally, one type of institution's data becomes available considerably before information for other kinds of banking firms is released. For example, credit union financial reports can be received at VERIBANC as much as one month before bank or savings associations (S&L) data. When this situation occurs, the "EARLY DATA" column on the reverse side of this page is used and the applicable date is printed beneath the ratings. This procedure allows all four past quarters of ratings for other types of institutions (e.g., banks and S&Ls) to continue to be displayed. The "EARLY DATA" column is also used when an institution supplies very recent data to VERIBANC for the purpose of establishing a "provisional" rating. The provisional rating, developed from data that has not been reviewed by any government agency, represents VERIBANC's policy that a provisional rating (denoted by the symbol ‡) can never be lower than the current actual rating which is based on federally reviewed data.

DESCRIPTION OF RATING CRITERIA: COLOR CLASSIFICATION

VERIBANC's color code is a quick-look measure of an institution's condition based on its equity strength and profitability. Three colors are used - GREEN, YELLOW and RED. The criteria by which VERIBANC determines the color category for an institution are as follows:

GREEN The institution's equity is five percent or more of its assets and it had positive net income during the most recent reporting period. Of the three color categories, this is the highest based on the criteria described.

YELLOW The institution's equity is between three and five percent of its assets or it has incurred a net loss during the most recent reporting period. Both of these conditions may apply. If there is a net loss, the loss was not sufficient to erode a significant† portion of the institution's equity. The items that result in a YELLOW classification merit your attention.

RED The institution's equity is less than three percent of its assets or it has incurred a significant† net loss during the most recent reporting period. The items that result in a RED classification deserve your close attention.

† A quarterly loss is considered significant when it exceeds 18.75 percent of a bank, thrift, or credit union's equity.

STAR CLASSIFICATION

In addition to the color code, VERIBANC classifies each institution with three stars (***), two stars (**), one star (*) or no stars (U). The star rating considers future trends and contingencies not accounted for in the color classification. The criteria used by VERIBANC to determine the number of stars assigned to an institution are as follows:

*** The institution must meet the following primary conditions: equity which is five or more percent of assets, equity which is four or more percent of assets after deducting problem loans in excess of its loan loss reserves, and positive net income for the most recent reporting period. Banks and thrifts must also satisfy all three regulatory capital requirements (see * paragraph). In addition, inside lending must not exceed 35 percent of equity. An institution may only have two or fewer volatile periods of asset growth over the past ten quarters. If the bank is owned by a holding company, all of the holding company's banks taken together must meet the criteria necessary for the group to receive at least a two stars rating. For banks and credit unions, problem investments also include investments that, if sold, would realize less than their costs.

** The institution meets any two of the three primary conditions for the three stars category and has equity that meets or exceeds its unreserved problem loans. If the institution has a net loss for the most recent reporting period, the loss was not significant†. Banks and thrifts must also satisfy all three regulatory capital requirements (see * paragraph). An institution may only have three volatile periods of asset growth over the past ten quarters. Additionally, if the bank is owned by a holding company, all of the holding company's banks together must meet the criteria necessary for the group to receive at least a two stars rating. For banks and credit unions that have investments with a current market value that is less than their costs, that difference must not exceed equity.

* The institution meets at least one of the primary conditions required for the three stars category, reports equity which is three or more percent of assets and also meets or exceeds unreserved problem loans. If the institution has a net loss for the most recent reporting period, the loss was not significant†. Moreover, if the institution is a bank or thrift, it meets at least two of the three federal capital requirements of tier one (core) capital, total risk based capital as a percentage of risk-weighted assets and tier one capital as a percentage of average assets. An institution has four or more volatile periods of asset growth over the past ten quarters. A bank may receive no higher than a one-star rating if all of the banks in its holding company, taken together as if they were a single bank, receive a one-star or a no-stars rating. Also a bank or credit union may receive a one star rating if, absent other reasons for downrating as stated above, the difference between the cost and current market value of its investments exceeds the institution's equity.

No Stars/Unclassified (U) The institution does not meet the criteria above.

Approximately 3,000 of the Green, three-stars rated banks qualify for VERIBANC's Blue Ribbon award each quarter. Blue Ribbon Banks are premium banks that have met additional very high standards. Since 1982, when we began designating banks for this award, there has only been one Blue Ribbon Bank failure*.

*Fraud committed by the president whereby he was surreptitiously diverting deposits for his personal use.

VERIBANC's unique color code has been used by investors and depositors to rate the safety of financial institutions since 1981.

VERIBANC invites you to recheck the ratings of your banks, thrifts and credit unions when the next set of data is released by the government regulatory agencies. Data is usually released 2 months after the quarter ending dates as follows:

Quarter Ending	Approximate Data Release Dates
March 31	May 30
June 30	August 30
September 30	November 30
December 31	February 28

Is your bank safe? If you don't know, we can help. Call us for an Instant Rating on your bank, thrift (savings and loan) or credit union. Or call to order in-depth reports on all of your banking institutions. For a complete list of reports, please request VERIBANC's "Know Your Bank" brochure or visit our website at www.veribanc.com. We look forward to hearing from you.

VERIBANC HOPES YOU FIND THIS REPORT USEFUL AND WELCOMES YOUR COMMENTS.

VERIBANC, Inc.

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INSTANT RATING CONFIRMATION

Color Code And Star Rating for Period Ending

ID#	Institution Name	City, State	Type	12/31/2008	9/30/2008	6/30/2008	3/31/2008
0001234567	The Bank	Providence, RI	BK	Yellow/**	Green/***	Green/*	Yellow/*
0000123456	The Thrift	Los Angeles, CA	SA	Green/U	Red/U	Yellow/U	Yellow/*
0000012345	The Credit Union	Orlando, FL	CU	Green/**	Green/***	Green/**	Yellow/**
0002345678	A Bank	Chicago, IL	BB	Green/***	Green/***	Green/***	Green/***

TERMS AND CONDITIONS

The information contained in this report (the "Report") has been derived from data released by the federal government bank, S&L, and/or credit union regulatory agencies, which have, in turn, received their information from the institutions that they regulate. Since VERIBANC has not verified independently the data on which the Report is based, VERIBANC makes no warranty, expressed or implied, or representation as to the accuracy, adequacy, or completeness of information contained in the report. VERIBANC EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE that may exist with respect to the report. VERIBANC further disclaims any and all liability for incidental or consequential damages. Your sole and exclusive remedy against VERIBANC, should any information contained in this report be inaccurate to your detriment, is limited to the purchase price paid by you for the Report.

Since the information contained herein is based on federal regulatory agency reports published at substantial intervals, and since the financial condition of the institution(s) described herein may be subject to change within a short period of time, please consult the **top panel** of **this** page **for** the dates that apply to the data upon which the Report is based. Please check with VERIBANC or the management of the institution itself for additional updated information, should you deem that advisable.

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PERSONAL AND CONFIDENTIAL

INSTANT RATING CONFIRMATION

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