
Financial Performance Reporting

SAMPLE REPORT



Financial Performance Reporting

OVERVIEW

The Financial Performance & Peer Comparison Report is a comprehensive review of internal financial performance compared to selected peer institutions. You can use this information to:

- Identify financial strengths and weaknesses relative to competitive institutions,
- Identify key performance improvement opportunities,
- Track stock performance relative to comparable peer institutions, and
- Incorporate data and reports into board presentations, analyst presentations, and shareholder documents.

The report compares five years of financial performance for your institution to peer performance results. Our analysts translate trends in profitability, efficiency, asset quality, asset/liability mix, and productivity into specific performance improvement opportunities.

The analysis includes both graphical and tabular presentations of approximately 30 performance indicators and a glossary of the terms used.

This document contains sample pages from the 40 page Financial Performance & Peer Comparison Report. The full report includes performance statistics on:

- Return on Assets
- Return on Equity
- Net Interest Margin
- Interest Income/Earning Assets
- Interest Expense/Earning Assets
- Noninterest Income/Average Assets
- Noninterest Expense/Average Assets
- Loan Loss Reserve/Total Loans
- Nonperforming Loans/Gross Loans
- Loan Loss Reserve/Nonperforming Assets
- Net Charge-offs/Average Loans
- Loan Loss Provision/Average Loans
- Liquidity Ratio
- Total Loans/Total Deposits
- Leverage Ratio
- Core Capital/Risk Weighted Assets
- Risk Adjusted Capital Ratio
- Total Equity/Total Assets
- Internal Growth Rate of Equity
- Efficiency Ratio
- Overhead Ratio
- Loans & Leases per FTE
- Deposits per FTE
- Asset Growth Rate
- Deposit Growth Rate
- Dividend Payout
- Stock Performance
- Revenue Growth

*Note: Figures contained in this document are for illustrative purposes only and do not represent actual institutions.

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METHODOLOGY

This financial diagnostic compares the earnings components of XYZ Bank over the past five years with those of high performing and regional peer bank holding companies.* All peer groups contain top-level consolidated bank holding companies that reported regulatory information since 1997. Each peer group was further defined by the following criteria:

- **Regional Peer Group:** Bank holding companies with total assets between \$1 billion and \$10 billion at December 31, 2001 headquartered in the following states: Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. Resulting sample size: 12 bank holding companies.
- **High Performing Peer Group:** Bank holding companies headquartered in the United States with total assets between \$1 billion and \$10 billion at December 31, 2001 with an annual Return on Average Assets greater than 1.2% and a Return on Average Equity greater than 15.0% for the last three years. Resulting sample size: 7 bank holding companies.

A list of the institutions included in each peer group is located at the end of this document.

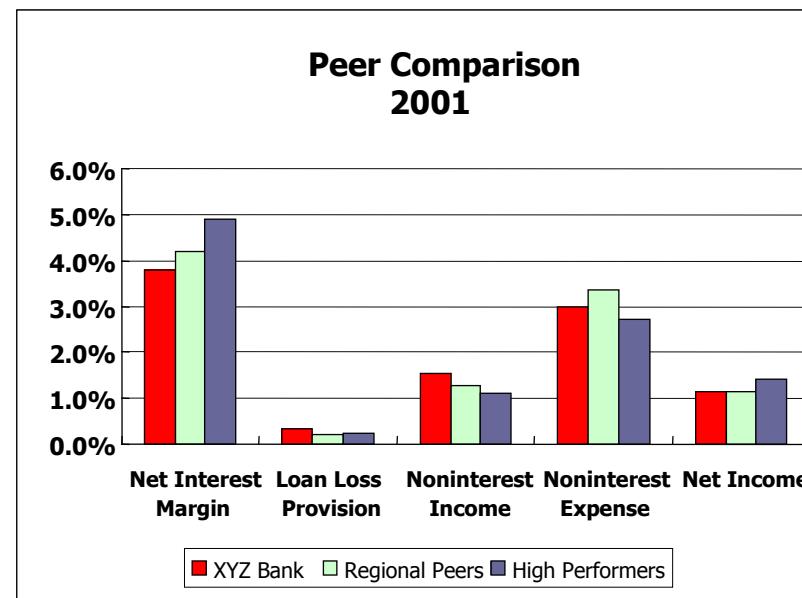
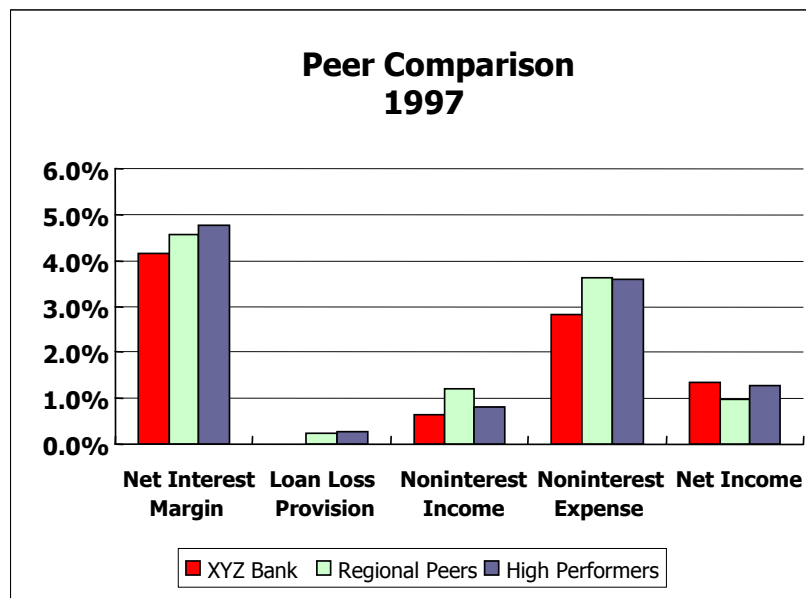
Financial information contained in this diagnostic is derived from the SNL Financial, LLC DataSource database, 2002. Note that slight differences between the data presented in this report and in the XYZ Bank's annual report may arise due to differences between regulatory and GAAP reporting methods.

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EARNINGS COMPARISON WITH PEERS (% of Average Assets)

- Between 1997 and 2001, XYZ Bank's net interest margin has slipped significantly compared to the High Performing peer group. The bank partially offset this decline through growth in fee income and moderate growth in noninterest expense.
- Loan loss proportion and noninterest expense increased in relation to peer between 1997 and 2001.

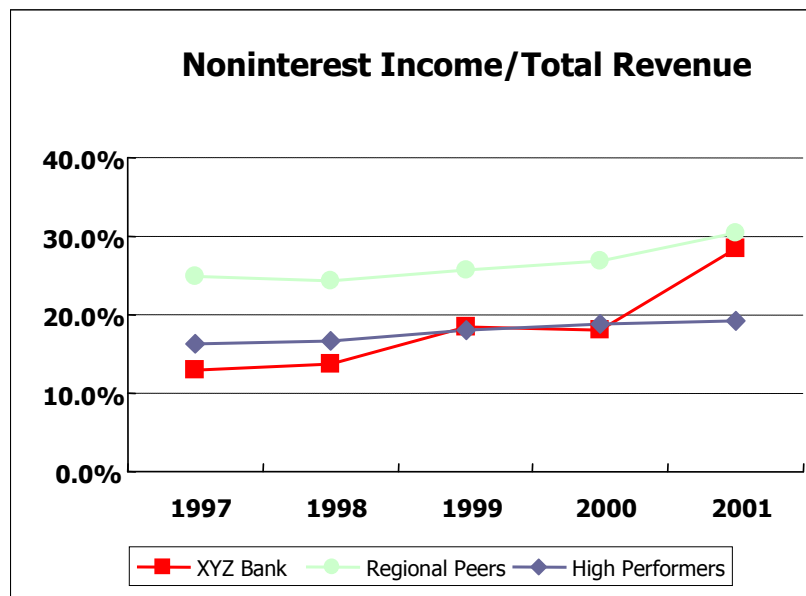


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NONINTEREST INCOME/TOTAL REVENUE

- In the last five years, XYZ Bank more than doubled its level of noninterest income. Consequently, noninterest income increased significantly as a percent of total revenue in 2001, bringing XYZ's revenue mix to parity with that of its regional peers.
- High Performing institutions maintained their net interest margin. As a result, noninterest revenue contributed significantly higher proportions of total revenue for the High Performing Peer Group than for XYZ Bank and its regional peers.



	1997	1998	1999	2000	2001
XYZ Bank	12.88	13.77	18.50	18.03	28.35
Regional Peers	24.83	24.23	25.75	26.84	30.30
High Performers	16.25	16.75	18.10	18.83	19.19

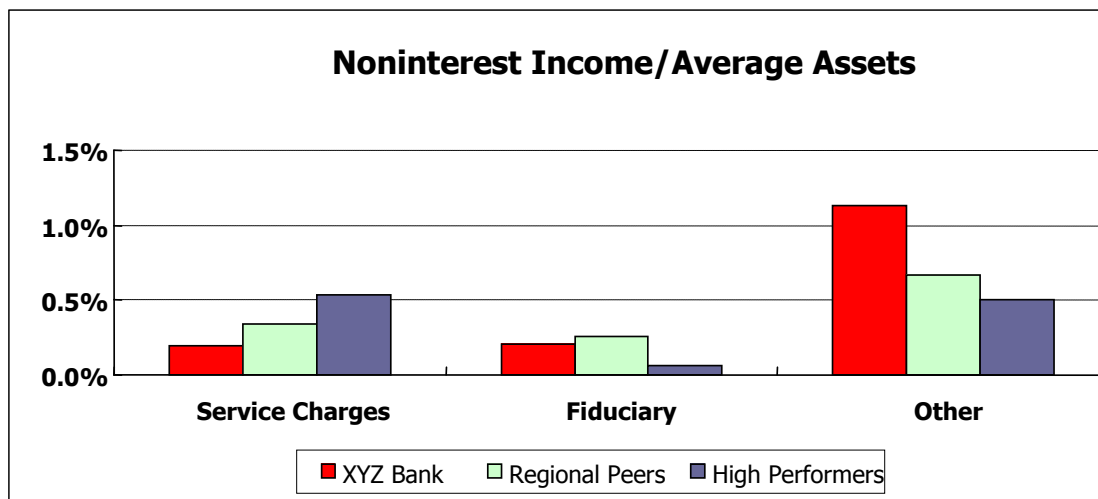
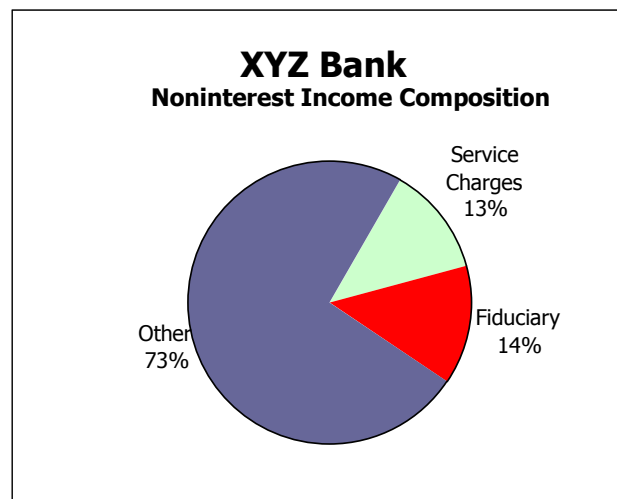
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COMPOSITION OF NONINTEREST INCOME (% of Average Assets)

- XYZ Bank appears to have an opportunity to further enhance noninterest income by increasing service charges to levels consistent with those of peer institutions.

2001	XYZ Bank	Regional Peers	High Performers
Service Charges	0.19	0.34	0.54
Fiduciary	0.21	0.26	0.06
Other	1.13	0.67	0.50
Total	1.53	1.27	1.10



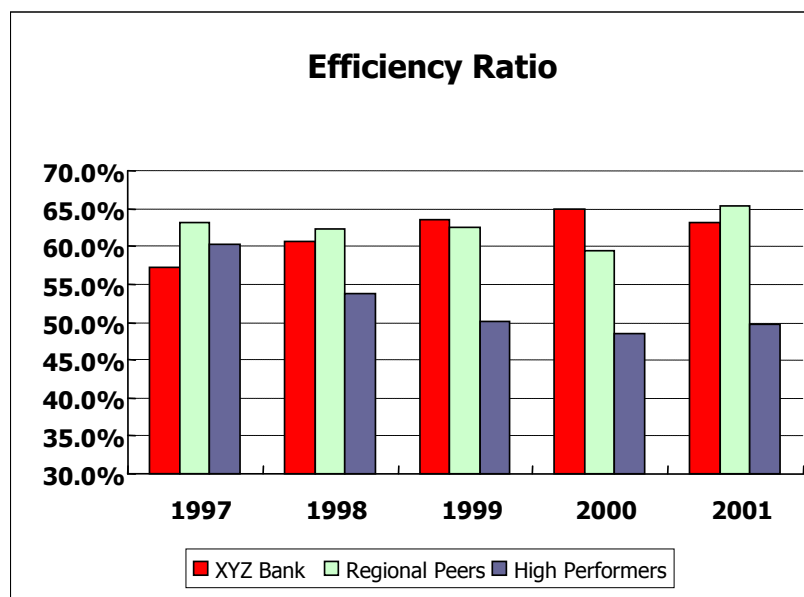
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EFFICIENCY RATIO

Noninterest Expense/(Noninterest Income + Net Interest Income, Tax Equ.)

- Over the last five years, XYZ Bank's efficiency ratio has deteriorated. The decline in its net interest margin has more than offset the positive impact of relatively modest expense increases and growth in noninterest income.
- Over the same time period, High Performing institutions improved their efficiency ratio by both reducing operating expenses and maintaining their net interest margin.



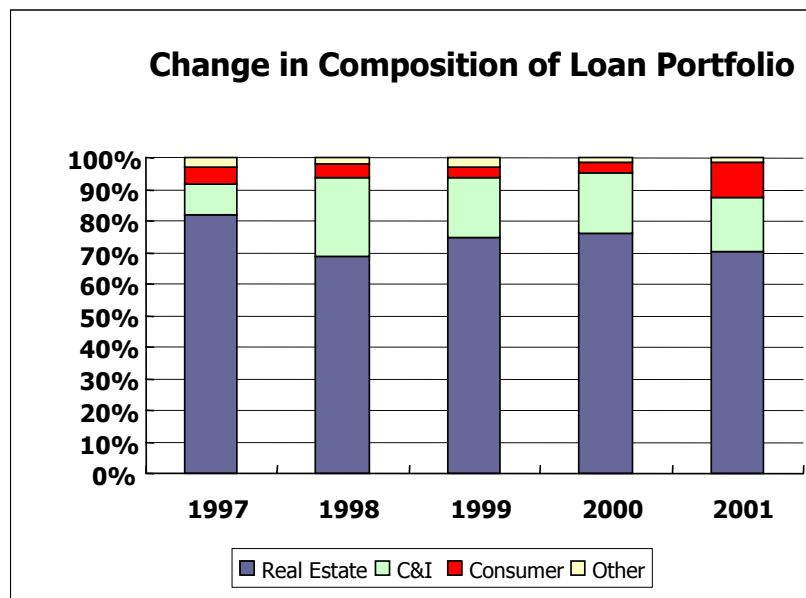
	1997	1998	1999	2000	2001
XYZ Bank	57.13	60.74	63.52	64.96	63.11
Regional Peers	63.20	62.21	62.43	59.50	65.24
High Performers	60.30	53.77	50.20	48.50	49.67

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CHANGE IN COMPOSITION OF LOAN PORTFOLIO

- Over the past five years, XYZ Bank gradually shifted its loan mix somewhat closer to that of peer institutions. A substantial increase in its percent of consumer loans in 2001 is primarily responsible for this shift.



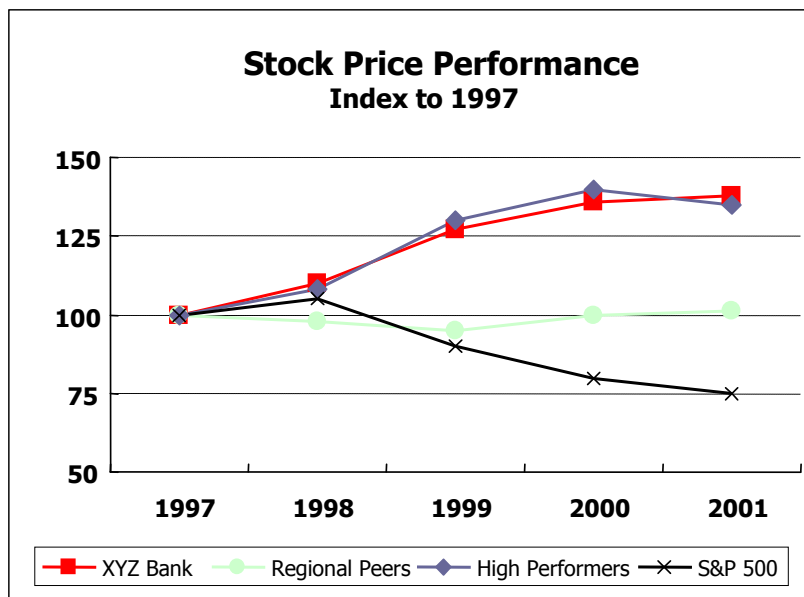
XYZ Bank	1997	1998	1999	2000	2001
Real Estate	81.72	68.95	74.50	76.28	70.47
C&I	9.92	24.74	19.07	18.97	16.86
Consumer	5.57	4.52	3.63	3.15	11.34
Other	2.79	1.79	2.80	1.60	1.33

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STOCK PERFORMANCE

- XYZ's stock has significantly outperformed both those of regional peers and the S&P 500 over the past five years.
- The Bank's stock appreciation has kept pace with that among its High Performing peers.



	1997	1998	1999	2000	2001
XYZ Bank	100	110	127	136	138
Regional Peers	100	98	95	100	101
High Performers	100	108	130	140	135
S&P 500	100	105	90	80	75

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ABOUT CPG

Capital Performance Group LLC is a management consulting firm based in Washington, DC. Our firm provides advisory, planning, analytic, and project management services to the financial services industry. Our professionals possess a depth of experience in a broad range of functional specialties including strategic planning, marketing and product development, market research, risk management, operations and technology, legal and regulatory matters, mergers and acquisitions, and strategic cost management.

CONSULTING PRACTICE AREAS

- Business Performance Improvement
- Marketing Services
- Distribution Planning
- Regulatory Assistance
- Investor Relations

POPULAR SOLUTIONS

- BankRank
- Competitor Profile Series
- Consumer and Business Market Profile
- Market Potential Opportunity Assessment
- Sample Area Analysis
- Financial Performance and Peer Comparison Report
- U.S. Housing Markets Relative Risk Assessment
- Market Potential Analysis (includes Affiliate Market Profile and Expansion Into High Growth Markets)

CONTACT CPG

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