

BAUERFINANCIAL, Inc.
Due Diligence Bank Performance Report
SAMPLE BANK, CITY, STATE

FDIC Certificate Number: 11111 **Year Established:** 1857 **Supervisory Agreements:** None

BauerFinancial's Star Rating: **CURRENT DATE** 5-Stars **DATE 1 YEAR AGO** 5-Stars

Capital Classification: **CURRENT DATE** Well-Capitalized **DATE 1 YEAR AGO** Well-Capitalized

Balance Sheet: (\$ millions)

Key Capital Ratios:

| Assets: | | |
|-----------------------------|--------------------|--------------------|
| Cash & Due From Banks | \$16.176 | \$27.445 |
| Securities & Fed Funds Sold | \$188.377 | \$186.018 |
| Loans (net) | \$853.309 | \$801.740 |
| Real Estate Owned | \$0.564 | \$1.854 |
| Premises & Fixed Assets | \$17.393 | \$16.605 |
| Investments in Subsidiaries | \$1.977 | \$2.103 |
| Intangible Assets | \$0.000 | \$0.000 |
| Other Assets | \$62.027 | \$60.368 |
| Total Assets | \$1,139.823 | \$1,096.133 |

| | | |
|----------------------------------|--------|--------|
| Leverage Capital Ratio: | 9.03% | 8.92% |
| Tier 1 Risk-based Capital Ratio: | 13.05% | 13.00% |
| Total Risk-based Capital Ratio: | 14.31% | 14.26% |

Asset Quality Ratios:

| | | |
|--------------------------------------|---------|---------|
| Nonperforming Assets/Total Assets: | 0.54% | 0.87% |
| Texas Ratio: | 5.46% | 8.79% |
| Repossessed Assets/Net Worth: | 0.58% | 1.98% |
| Delinquent Loans/Net Worth: | 5.69% | 8.23% |
| Delinquent Loans/Total Loans: | 0.64% | 0.94% |
| Net YTD Chargeoffs annualized/Loans: | 0.10% | 0.05% |
| Loan Loss Reserve/Total Loans: | 1.68% | 1.84% |
| Loan Loss Reserve/Delinquent Loans: | 260.76% | 195.60% |

Additional Ratios:

| | | |
|--|--------|--------|
| Loans/Deposits: | 94.45% | 92.73% |
| Brokered Deposits/Total Deposits: | 0.05% | 0.09% |
| Non-core Funding Dependence: | 12.31% | 12.91% |
| Intangible Assets/Net Worth: | 0.00% | 0.00% |
| Investments in Subsidiaries/Net Worth: | 2.02% | 2.25% |
| Efficiency Ratio: | 67.49% | 66.40% |

Profitability:

| | | |
|--|---------|---------|
| Current quarter's profit/loss: | \$2.438 | \$2.471 |
| Year-to-date profit/loss: | \$2.438 | \$2.471 |
| Annualized Return on Assets: | 0.87% | 0.92% |
| Annualized Return on Equity: | 10.06% | 10.64% |
| (ROA & ROE are tax equivalent for Sub S) | | |

Historical Data:

| | | |
|-------------------------------------|----------|---------|
| % Change in Assets (1 year ago): | 3.99% | 6.16% |
| % Change in Equity (1 year ago): | 4.64% | 2.40% |
| Net Inc. Preceding Calendar Year: | \$10.489 | \$9.479 |
| Net Inc. Calendar Year 2 Years Ago: | \$9.479 | \$8.843 |

Holding Company Data:

| | | |
|---------------------------------|---------|---------|
| Holding Company Name | | |
| Leverage Ratio: | 10.28% | 10.13% |
| Total Risk-based Capital Ratio: | 16.06% | 15.98% |
| Year-to-Date Net Income | \$2.547 | \$2.543 |
| Nonperforming Assets/Loans+ORE | 0.55% | 0.97% |

Community Reinvestment Act (CRA) Rating:
Outstanding

Liabilities & Owner's Equity:

| | | |
|---------------------------------------|--------------------|--------------------|
| Non-Interest Bearing Deposits | \$42.972 | \$39.224 |
| Interest Bearing Deposits | \$875.872 | \$841.660 |
| Fed Funds Purchased & Repos | \$28.492 | \$34.746 |
| Subordinated Debt | \$0.000 | \$0.000 |
| Other Borrowed Money | \$84.500 | \$77.500 |
| Other Liabilities | \$10.014 | \$9.372 |
| Total Liabilities | \$1,041.850 | \$1,002.502 |
| Preferred Stock | \$0.000 | \$0.000 |
| Common Stock & Surplus | \$10.253 | \$10.253 |
| Retained Earnings | \$91.675 | \$86.044 |
| Other Equity | (\$3.955) | (\$2.666) |
| Total Equity | \$97.973 | \$93.631 |
| Total Liabilities & Equity | \$1,139.823 | \$1,096.133 |

Income Statement: (\$ millions)

| For the year-to-date Ended | 03/31/2016 | 03/31/2015 |
|-----------------------------------|-------------------|-------------------|
| Interest Income | \$9.956 | \$9.802 |
| Less: Interest Expense | \$0.958 | \$0.951 |
| Net Interest Income | \$8.998 | \$8.851 |
| - Provisions for Losses | \$0.000 | \$0.000 |
| + Non Interest Income | \$1.769 | \$1.740 |
| - Non Interest Expense | \$7.466 | \$7.185 |
| + Gains(losses) Securities | \$0.000 | \$0.000 |
| - Tax Provision (per Call Report) | \$0.863 | \$0.935 |
| + Other Income (Expense) | \$0.000 | \$0.000 |
| Net Income | \$2.438 | \$2.471 |

| | | |
|---------------------------|-----------|-----------|
| Tier1 Capital: | \$101.928 | \$96.297 |
| Total Risk-based Capital: | \$111.758 | \$105.639 |

This report was compiled from financial data for the period noted, as reported to federal regulators. The financial data obtained from these sources is consistently reliable, although; the accuracy and completeness of the data cannot be guaranteed by BauerFinancial, Inc. BauerFinancial relies upon this data in its judgment and in rendering its opinion (e.g. determination of star ratings) as well as supplying the data fields incorporated herein. BauerFinancial, Inc. is not a financial advisor; it is an independent bank research firm.