

## How Does Your Bank Compare to its Peers?

Asset Management Group, Inc. (AMG) is a wholly owned subsidiary of Country Club Bank and has been serving community banks since 1995. AMG offers a range of asset/liability management services designed to meet regulatory expectations while also managing risk and improving margins. Included with the standard monthly/quarterly risk reporting services provided by AMG are comparisons with other banks so clients may better judge performance against their peers. These are all included in the standard report and are highlighted below. Also included with our standard services is access to an interactive section on our website where more analysis and comparisons can be done with any bank in the U.S. using the client banks own data.

### RATIOS

The ratios report is broken up into ratios calculated for your bank for earnings, liquidity, balance sheet, capital and Basel III. Earnings ratios include return on assets, return on equity, yield on assets, yield on loans/investments, cost of funds, net interest spread and others. Liquidity ratios include net loans to deposits, assets and funding sources, the liquidity ratio and other measurements. Balance sheet ratios include earning assets to assets, interest bearing deposits to total deposits, loan loss reserves to loans and non-performing to total assets. Most of these ratios for your bank can then be compared to four different groups. We provide ratios for 1) your comparable UBPR group, 2) the top quartile of your UBPR group, 3) our BancPath client average and also 4) a custom peer group. The BancPath average is the average of all the clients on our BancPath system. The custom peer group is a group of up to 5 banks that the client selects. These can be any banks but typically these are other banks within the clients markets that are competitors (in all these reports, a red number represents a number that is worse than peer and green represents better than peer). Here is an example of the ratios page:

	Your Policy Guidelines			PEER Comparison			
	Current	ALCO Policy	w/in	UBPR	Custom	BancPath	UBPR
	Position	Update: Nov-16	Policy	GRP 4	PEER	AVG	Top
	1/31/2021	Lower	Upper	Sep-2020	Sep-2020	Sep-2020	Sep-2020
<b>EARNING RATIOS</b>							
Return on Assets	3.08%	> 1.00%	YES	1.06%	0.73%	1.26%	1.32%
Return on Equity	34.74%	> 8.00%	YES	10.40%	6.68%	11.49%	13.07%
Yield on Earning Assets	2.67%			4.10%	3.49%	3.58%	4.45%
Yield on Sec (TE)	1.03%			2.30%	2.15%	2.15%	2.56%
** Yield on Loans	4.09%			4.78%	4.18%	4.32%	5.17%
Loan Yield - Fee	4.21%			4.78%	4.18%		5.17%
Cost of Funds	0.32%			0.79%	0.49%	0.56%	0.40%
Net Interest Spread	2.35%	> 3.00%	NO	3.29%	2.90%	3.02%	3.59%

### INVESTMENTS

For investments, there are two summary charts. One is for the investments for your bank and the other is for BancPath Institutions which, again, consists of ALL banks utilizing the BancPath Asset Liability Service. Below is an example of these charts (variance represents the gain/loss vs. book). The chart for your banks specific investments also includes the dollar book value of each investment category.

<u>BancPath Insitutions *</u>	<u>% Total</u>	<u>Cpn</u>	<u>Bk Yld</u>	<u>Duration</u>	<u>Mkt Px</u>	<u>Variance</u>
Treasuries	9.15%	1.49%	0.96%	1.57	102.36	0.99%
Agencies	21.65%	1.85%	1.58%	3.88	103.75	2.61%
Municipals	22.27%	3.26%	3.02%	4.60	109.31	4.88%
Corp/Other	10.29%	2.83%	2.53%	3.59	103.55	2.55%
CMO - Fix	7.71%	2.58%	1.92%	3.34	104.49	2.94%
CMO - Float	1.78%	0.73%	0.88%	9.73	99.40	0.75%
MBS - Fix	21.24%	2.78%	1.72%	3.29	105.81	2.51%
MBS - Adj	5.91%	2.52%	1.03%	1.47	103.47	0.45%
<b>Total</b>	<b>100.00%</b>	<b>2.50%</b>	<b>1.95%</b>	<b>3.59</b>	<b>105.24</b>	<b>2.80%</b>

## LOANS

Fixed rate loan portfolio yields are calculated separately based on original amortization term and original term to maturity. This is also done for the BancPath Institutions so that a direct comparison of portfolio yields can be made between the client loan portfolio yields and the BancPath Institutions. Here is an example of this chart:

### Portfolio Yields

For the prior period		Original Amortization									
		<=60		84		120		180		240	
Original Term		Bank	BancPath	Bank	BancPath	Bank	BancPath	Bank	BancPath	Bank	BancPath
	<=3Y	1.54%	1.91%	5.25%	5.12%	4.50%	5.08%	4.38%	3.29%	5.05%	4.32%
	5Y	4.77%	5.08%	5.18%	5.16%	5.07%	5.13%	5.29%	4.82%	4.55%	4.81%
	7Y			4.71%	5.07%	4.78%	4.78%	4.99%	4.14%	4.79%	4.67%
	10Y					4.69%	4.70%	4.49%	4.46%	4.16%	4.40%
	15Y									4.06%	4.23%
	20Y									4.04%	4.23%
	>=30Y										
<b>Totals</b>		<b>1.94%</b>	<b>2.38%</b>	<b>4.76%</b>	<b>5.07%</b>	<b>4.78%</b>	<b>4.79%</b>	<b>4.74%</b>	<b>4.01%</b>	<b>4.42%</b>	<b>4.41%</b>

The columns for Original Amortization continue to the right with columns for >240, Single Mat/IO and a TOTAL. The same chart is then also populated with offering rates instead of portfolio yields. This way, not only can a client bank compare current portfolio yields but can also compare their current loan pricing. The offering rate charts are then shown again broken down by loan categories: CML, CML RE, RE, and AG.

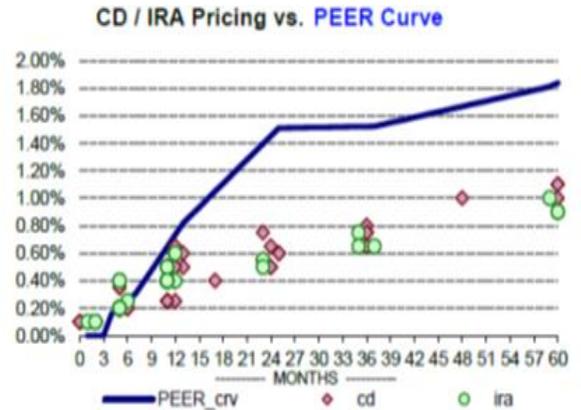
## LIABILITIES

This analysis is designed to provide a view of the pricing of your Time Deposits (CD / IRA) vs. those of other institutions in our database that look like your institution. In determining the banks in your peer group, the model uses your calculated UBPR PEER (noted below). For example, this bank is in UBPR PEER Group O2 and there are 13 banks in our system that are also in that UBPR Group so the PEER pricing represents 13 banks in this example.

CD's and IRA's  
vs. PEER Curve

- booked in the past 1 mo(s).

	No.	Balance	Rate	Dur	
Total CDs	146	7,079,416	0.49%	1.12	
Total IRAs	34	1,175,610	0.50%	1.05	
<b>Total Time Dep</b>	<b>180</b>	<b>8,255,026</b>	<b>0.49%</b>	<b>1.11</b>	
Below PEER Crv:	82.98%	156	6,849,642	0.57%	1.32
Above PEER Crv:	17.02%	24	1,405,383	0.12%	0.10



We do the same thing for the transaction accounts and also include the average costs of these accounts for all BancPath Institutions.

TransactionAccounts  
vs. PEER\*

	Curr	Peer	BancPath
Total Savings	0.10%	0.13%	0.18%
Total NOW	0.03%	0.18%	0.17%
Total MMDA	0.36%	0.33%	0.32%
<b>Wtd Avg Rate</b>	<b>0.23%</b>	<b>0.27%</b>	<b>0.26%</b>



UBPR PEER: 02  
# in Peer: 13

\* This analysis is designed to provide a view of the pricing of your Transaction Accounts vs those of other institutions in our database that "look like" your institution. In determining the banks in your peer, we use other banks on our system in your calculated NATL PEER, as noted to the left.

**DEPOSIT BETAS**

Each period, betas for non-maturing liabilities are calculated from the client's data. In determining future liability pricing for rate shifts, each client has the option to 1) use their own calculated betas based on their own data, 2) supply their own betas or 3) use the BancPath Peer betas. These are the average of the betas for all the BancPath Institutions. Comparing your betas to the BancPath betas is a good way to see how your pricing is moving vs. other banks as rates change. Many banks use the option of using their own betas when there is good correlation but defaulting to the BancPath betas when correlation is below 65%.

Uses Most Corr. Data	MMDA UP	MMDA DN	NOW UP	NOW DN	SVG UP	SVG DN	TIME UP	TIME DN
Valid Periods:	23	38	22	38	21	38	21	38
Lag Mos*:	5	5	5	4	5	5	OVR	5
R <sup>2</sup> :	88.34%	92.21%	75.46%	92.50%	91.83%	91.56%	62.83%	91.29%
Calculated Beta:	31.17%	28.72%	3.21%	1.85%	7.60%	4.12%	54.35%	45.43%
BancPath Peer Beta:	39.45%	38.51%	27.77%	25.71%	18.11%	16.75%	63.37%	59.72%
<b>Some Bank Defined:</b>	<b>31.17%</b>	<b>28.72%</b>	<b>3.21%</b>	<b>1.85%</b>	<b>7.60%</b>	<b>4.12%</b>	<b>63.37%</b>	<b>45.43%</b>

For further information on peer comparisons or our asset/liability reporting and consulting service, please feel free to reach out to your Capital Markets Group Investment Sales Representative or contact AMG directly at 800-226-1923.

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