

OVERVIEW OF CORPORATE CAPABILITIES



THE FINDLEY COMPANIES

Corporate Overview

The Findley Companies have been committed to supporting "*Premier Performance*" for financial institutions for over fifty years. The Findley Companies are comprised of three separate, but highly integrated, service areas including: *The Findley Reports*, *The Findley Group* and *Gary Steven Findley & Associates*, providing financial analysis, financial management consulting and corporate representation. We have earned recognition as being knowledgeable, innovative and effective in implementing solutions to complex situations. The Findley Companies' mission statement is, "*Providing quality work and leadership to banks and the financial industry.*" Long-term client relationships are a direct result of the quality and level of service offered by The Findley Companies and the acknowledged integrity of our principals. The Findley Companies have an extensive history in working with regulatory agencies at all levels. Our main objective is to anticipate your bank's needs and to help you aggressively pursue your bank's goals. Independent financial institutions seek out The Findley Companies to support their pursuit of "*Premier Performance.*"

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The Findley Reports

The Findley Reports is the foundation of The Findley Companies providing valuable and accurate financial information to assist directors and management in meeting the challenges and complexities of bank operations. **The Findley Reports** provides the banking industry with performance evaluation through its annual designations of "*Super Premier Performing*," "*Premier Performing*" and "*Commendable Performing*" classifications. These designations have become highly regarded and recipients are recognized throughout the California banking industry for achieving exceptional financial performance. **The Findley Reports** offers directors and management specialized reports to determine individual bank performance. **The Findley Reports** is acknowledged for the quality of information contained in its monthly newsletter, "*The Findley Reports Banking Newsletter and Directors' Compass*." This timely publication identifies banking business issues and apprizes subscribers of regulatory matters, trends and opportunities for banks wanting to achieve "*Premier Performance*."

**Achieve "*Premier Performance*"
through The Findley Reports!**

Newsletter

Since 1967 **The Findley Reports** has been the foundation of the Findley Companies and has been recognized within California as an authority and valued resource for providing accurate financial information on the banking industry. **The Findley Reports** provides the banking industry with performance benchmarking through its annual designations of "*Super Premier Performing*," "*Premier Performing*" and "*Commendable Performing*" classifications. These designations have become highly regarded and recipients are recognized throughout the California banking industry for achieving exceptional financial performance.

The Findley Reports publishes the highly recognized "**The Findley Reports Newsletter**," a monthly newsletter providing essential banking transactions and regulatory updates in an editorial format that is concise and understandable. **The Findley Reports Newsletter** includes a *Professional Corner* focusing on topics such as strategic and capital planning, technology, marketing, new product development, performance systems, compliance, regulation and reference many other issues that influence or impact the banking industry.

The Findley Reports Newsletter contains a *Legal Brief* that is written by **Gary Steven Findley & Associates**, the law firm arm of the Findley Companies, on topics such as regulatory issues, bank structures, board liability issues, compliance, securities and merger/acquisitions. With new corporate governance requirements, the *Legal Brief* contains critical and relevant information for directors and managements.

The *Directors' Compass* section of **The Findley Reports Newsletter** deals with ongoing topics that are of specific interest to directors of financial institutions in meeting fiduciary responsibilities. A major focus in the *Directors' Compass* section has been board leadership.

The Findley Reports Newsletter critiques and analyzes each merger/acquisition involving commercial banking institutions and newsworthy information on banks.

The Findley Reports Newsletter regularly presents discussion on the pros and cons of many influential topics such as: expansion of off-balance sheet transactions; dealing with regulatory enforcement actions; and, being a bride or groom in the new millennium, dealing with consolidation.

Gary Steven Findley & Associates

Gary Steven Findley & Associates provides not only legal analysis and representation to financial institutions but also incorporates financial consulting, providing financial institutions a different perspective in an ever-changing banking environment. We believe institutions in this complex world of legal and regulatory initiatives must receive comprehensive opinions tempered with a specialized and knowledgeable understanding of the business of banking. **Gary Steven Findley & Associates** provides a level of risk management and regulatory concurrence to legal processes that is not readily available from other law firms. Through its principal, **Gary Steven Findley & Associates** provides ongoing direction and support to the directors and management of independent banking institutions. The firm specializes in dealing with corporate organization and regulatory intervention, new banks, mergers and acquisitions, corporate governance, securities offerings and filings, regulatory filings and intervention, expansion of new products and services and compensation program development. **Gary Steven Findley & Associates** provides legal guidance tempered with business banking knowledge to help institutions achieve "*Premier Performance.*"

Areas of Expertise

Gary Steven Findley & Associates is a law firm specializing in the representation of banking institutions. The firm is recognized for its problem solving abilities. The firm's main areas of expertise are as follows: corporate representation, regulatory filings and intervention, mergers and acquisitions, securities offerings and filings, expansion of new products and services, economic analysis and compensation program development. The backgrounds of the attorneys in the firm enable **Gary Steven Findley & Associates** to provide not only legal analysis and representation, but also financial consulting. The attorneys are well-known by the various regulatory agencies and among their many strengths is their capability of interfacing with the regulatory agencies and in assisting in lessening banks' regulatory burdens while keeping costs in check for the financial institution. This multi-dimensional capacity provides greater resources to its financial clientele and a different perspective in an ever changing environment.

Gary Steven Findley & Associates specializes in representing independent financial institutions operating in the Western United States. The firm currently represents over fifty independent financial institutions (the largest independent financial clientele of any law firm in California). The firm's main areas of expertise are as follows:

- ◆ Regulatory Relations/Legal Matters
- ◆ Corporate Representation
- ◆ Expansion of New Products and Services
- ◆ Mergers and Acquisitions
- ◆ Change in Control Applications
- ◆ Securities Offerings and Filings
- ◆ Economic Analysis
- ◆ Compensation Programs Development
- ◆ Contracts and Negotiations
- ◆ New Bank Creations
- ◆ Risk Management Practices
- ◆ Corporate Governance
- ◆ Audit Committee Representation

- ◆ Failed Financial Institution Acquisitions and Consortium Formations
- ◆ Compliance Oversight
- ◆ Branch Purchase and Assumption Agreements
- ◆ TARP/PPP Compliance

Gary Steven Findley & Associates places emphasis upon constant review and keeping corporate documents up to date to reflect current law in areas such as indemnification of directors and officers; assistance in preparation of proxy materials and annual meeting agendas; guidance regarding salary continuation agreements and severance agreements; counsel concerning compliance work including BSA/AML, Regulation O issues, affiliate transaction policies and policy development.

Because of the firm's specialization, it does not handle litigation, but has excellent relationships with bank litigation firms should there be a necessity to engage litigation counsel. In addition, the firm has excellent working relationships with various companies that provide a network on:

- ◆ Compliance
- ◆ Loan Review
- ◆ Labor/Employment Matters
- ◆ Tax Matters
- ◆ Insurance/Securities
- ◆ Internet/Solutions -- security
- ◆ Data Processing
- ◆ Marketing
- ◆ Technology

References: Regulatory Agencies

We also suggest that you contact representatives of the Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, California Department of Business Oversight and Federal Reserve Bank of San Francisco concerning our working relationship with primary banking regulators. Please feel free to contact the following:

Ms. Kathy Moe, Regional Director, Federal Deposit Insurance Corporation, 25 Jessie Street @ Ecker Square, Suite 2300, San Francisco, California 94105

Ms. Jan Lynn Owen, Commissioner, California Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814-4052

Mr. Scott Cameron, Chief Banking Examiner, California Department of Business Oversight, 1810 13th Street, Sacramento, California 95811

Ms. Elisa Johnson, Applications Manager, Federal Reserve Bank of San Francisco, 101 Market Street, San Francisco, California 94105

The Findley Group

The Findley Group is recognized as a consulting leader in assisting institutions to meet the daily challenges of regulatory compliance and successfully operate in today's complex banking environment. **The Findley Group** operates on various levels: enhancement of shareholder wealth, investment banking, broad-based financial consulting, strategic and capital development, turnaround of problem banks, enforcement action compliance and facilitation of director and management retreats. Taking a new business approach to an existing way of doing business to achieve strategic objectives is a complex undertaking. **The Findley Group** understands the business of banking and provides clients with action plans for attaining bottom-line results.

Overview of Capabilities

Attaining "*Premier Performance*"

The Findley Group works with directors, chief executive officers, and regulatory agencies, taking an active consultative management role that swiftly brings to bear not only the skills of our principals, but also our experience.

We recognize that creating a sense of urgency and time are the two most overlooked elements throughout all levels of the banking industry, when trying to attain a solution within your organization. The sooner financial and operational issues are identified, the more quickly solutions can be executed; increasing your success. Engagements with **The Findley Group** are designed to achieve increased performance immediately throughout all the phases of our work processes. Increasing shareholder return is our primary objective.

We have extensive knowledge of banking, regulatory compliance, financial modeling and, most importantly, proven processes of increasing stock liquidity. **The Findley Group** has become a recognized leader in strategic and capital planning for financial institutions. Our services encompass a variety of capabilities focusing on organizational strategy, reengineering, expansion and financial performance for institutions seeking to expand their franchise and enhance shareholder return.

What we do at **The Findley Group**

The Findley Group goes beyond making recommendations and proposing solutions -- we take an active role in executing action plans improving profitability, bolstering financial stability and revitalizing our clients' competitive position through implementation of The Findley Strategy. **The Findley Group** operates on several functioning levels:

- ◆ Investment Banking
- ◆ Financial Consulting
- ◆ Board and Management Workshops
- ◆ Board, Management, and Regulatory Intervention
- ◆ Identification and Implementation of Strategic Initiatives
- ◆ Enhancement of Shareholder Wealth
- ◆ Turnarounds/Problem Bank Solutions
- ◆ Risk Management Systems
- ◆ Board/Management Studies

The Findley Group works directly with board of directors and chief executive officer to identify and resolve issues relating to your financial institution, particularly in the areas of:

- ◆ Strategic Planning
- ◆ Regulatory Corrective Action Planning
- ◆ Capital Planning
- ◆ Stock Navigation Programs
- ◆ Investment Banking
- ◆ Stock Valuation
- ◆ Mergers and Acquisitions

The Findley Group does much more than analyze your bank's performance and prescribe solutions, we work with you to achieve bottom-line results, helping your bank attain "*Premier Performance*" is our goal.

Strategic Planning

The Findley Group is available to work with you in preparing for the coming years. The extensive experience contributed by the team effort of **The Findley Companies** enhances **The Findley Group's** ability to assist with the preparation and implementation of a strategic plan - a comprehensive plan which is able to provide guidance as well as assistance to you as you move your institution through today's uncertain banking environment. A strategic plan in concert with **The Findley Group** addresses:

- ◆ Goal Setting /Mission Statements
- ◆ Defining Corporate Capacity
- ◆ Resource Allocation
- ◆ Organizational Effectiveness
- ◆ Individual Accountability and Responsibility
- ◆ Business Plan Development

Regulatory Corrective Action Planning

Non-compliance can be extremely costly. The cost of non-compliance can include possible penalties as well as potentially lower CAMELS ratings. **The Findley Group** can help you maximize your compliance position while minimizing the cost incurred to achieve the desired regulatory benchmark. Furthermore, a bank entering into regulatory enforcement action needs to move quickly. Our regulatory action plan uses proven methodology to quickly remove operating imperatives. We also conduct management and board studies which are becoming a requirement in regulatory enforcement actions.

Capital Planning

The Findley Group can help your bank identify and develop the strategies necessary to increase shareholder return and effectively determine your financial capacities. Our capital planning strategies will address:

- ◆ Future (ROE) Earning Projections
- ◆ Capitalized Position
- ◆ Determination of Acquisition Capacity
- ◆ Adequate Loan Loss Reserves
- ◆ Managed Growth
- ◆ Regulatory Compliance
- ◆ Recapitalization Scenario's

Stock Navigation Programs

A stock navigation plan will identify the strategies necessary for your bank to increase its stock price yet maintain its book value. **The Findley Group** is experienced in developing proven strategies necessary to accomplish this goal. Our stock navigation plan addresses:

- ◆ Increased Capital Expansion Opportunities
- ◆ Controlled Growth
- ◆ Stock Price Stability and a "Premium" Stock Price
- ◆ Shareholder Assessment and Evaluation
- ◆ Large Transactions Imperatives
- ◆ Stock Liquidity

Stock Valuation

The Findley Group provides complete merger and acquisition services for all the financial institutions in California and the Western Region of the United States. We provide extensive valuation services which include:

- ◆ Fairness Opinions
- ◆ ESOP Valuations
- ◆ Mark-to-Market Valuations
- ◆ Selected Asset/Liabilities

Mergers and Acquisitions

The proper structuring of merger and acquisition transactions can make it easier for the financial objectives of your bank to be achieved. We provide effective negotiation assistance to structure merger terms to achieve merger and acquisition objectives. **The Findley Group** is qualified to evaluate the financial viability of potential business combinations under various economic, regulatory and operating environments. We prepare business plans for regulatory and internal purposes to reflect the post-merger operations and synergies.

The Findley Group works together with the board of directors and management team of the institutions involved to accomplish long-term goals. **The Findley Group** will be involved throughout the entire transaction process, ensuring that we meet our clients' strategic plans.

Human Capital Banking

Human Capital Banking offers customized consulting services to help your bank improve strategic planning, strengthen organizational health and align employees to a common vision. Formed by The Findley Companies and Young & Associates, Inc., our services span your entire operation spectrum. With over 60 years of community banking experience, **Human Capital Banking** can be your most trusted guide and vital resource to maximizing your bank's human capital and achieving exceptional performance throughout your organization.

Human Capital - The Key to Exceptional Performance

Banking is a people business. Your bank's people are your most important capital component. If your goal is to improve long-term performance and shareholder value, you must focus on the critical components of human capital. Banks need to be exceptional to thrive and achieve long-term success. Exceptional performance requires that your people have a clear understanding of the bank's goals and how their jobs and performance are linked to that success. Your bank can only be exceptional if your human capital knows what they are doing, are aligned with your vision and are enthusiastic partners in achieving your goals.

Human Capital Banking will help you unlock and maximize the true potential of your human capital, and your bank. We will help you align your people toward the bank's vision of success, connect your people's daily performance to the bank's strategy, and build a culture of empowerment.

STRATEGIC EVALUATION

- ◆ Your Mission
- ◆ Your Vision
- ◆ Long-Term Goals & Strategies

TALENT ASSESSMENT

- ◆ Core Value Assessment
- ◆ Values to Performance Matrix
- ◆ Leadership Team Talent Review
- ◆ Organizational Talent Review

RECRUITMENT & SELECTION

- ◆ Behavioral Interview Guides
- ◆ Installing Recruitment Process

PERFORMANCE MANAGEMENT

- ◆ Performance Management Tool
- ◆ Installing Performance Management Process

RECOGNITION & REWARDS

- ◆ Recognition Best Practices Guide
- ◆ How to Build a Recognition Program Guide
- ◆ Reviewing Recognition with Leadership Team
- ◆ Building Recognition Program with CEO

LEARNING & DEVELOPMENT

- ◆ Leadership Development Guides
- ◆ Employee Development Guides
- ◆ Development Dialogue Tool
- ◆ Development Prep with CEO
- ◆ Development Prep with Leadership Team
- ◆ Development Assessment with Leadership Team

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