

Executive Officer and Director Compensation Survey

June 30, 2003

This year 135 out of 284 banks participated in the Executive Officer and Director Compensation Survey, a participation rate of 47.5 percent, down slightly from the 49.5 percent participation rate in 2002.

Chief Executive Officer

Since 2000, CEO salaries increased 24.3 percent in the Over \$1 billion asset size group, 16.5 percent in the \$50 to \$99 million asset category; 8.6 percent in the \$100 to \$249 million group and 7.6 percent in the Under \$50 million group. Salaries declined slightly among the \$250 to \$499 and \$500 million to \$1 billion size groups.

Chief Financial Officer

Salaries since 2000 have increased across the board. The strongest growth over the past three years was in the lower asset size tiers. In the Under \$50 million group, salaries rose 19.8 percent since 2000. The \$100 to \$249 million asset category was next, increasing 13.4 percent, followed by the \$50 to \$99 million group, which increased 9.5 percent. Salaries in the top three tiers showed single digit increases; 6.0 percent in the \$250 to \$499 million group 4.4 percent in the \$500 million to \$1 billion group and 2.6 percent in the over \$1 billion group.

Senior Loan Officer

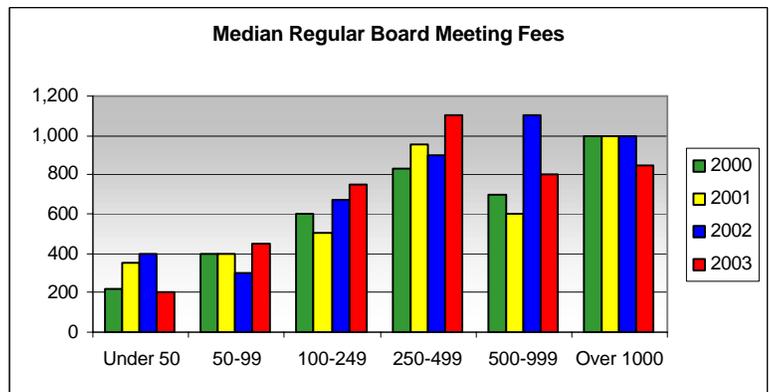
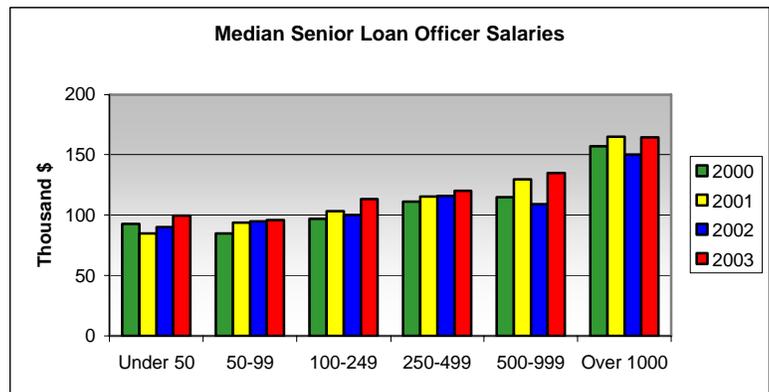
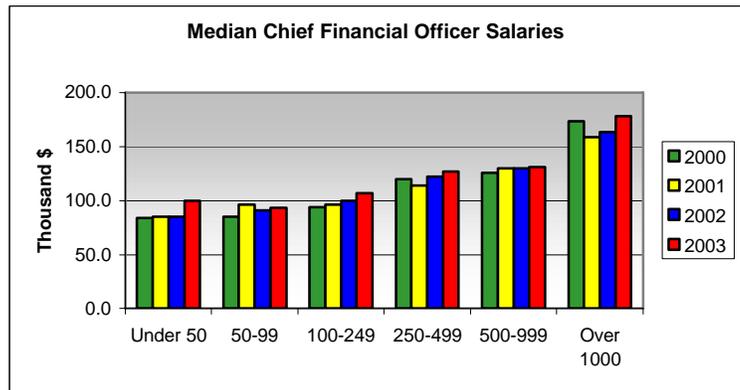
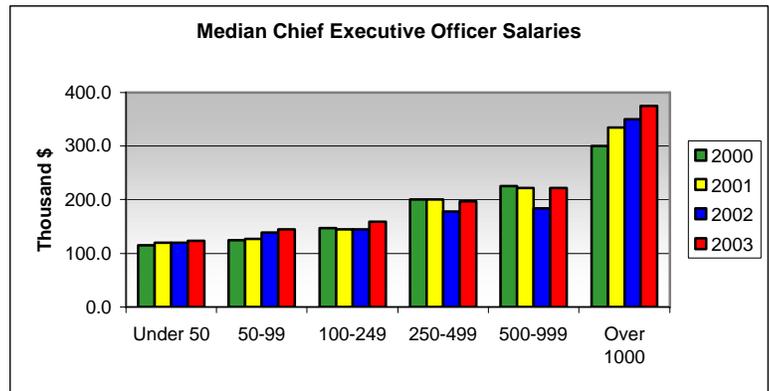
Median salaries in this category showed the strongest overall growth in all the officer categories surveyed, with three asset size groups posting double-digit increases over the past three years—17.4 percent in the \$500 million to \$1 billion group, 16.6 percent in the \$100 to \$499 million group and 12.8 percent in the \$100 to \$249 million group. Asset tiers in the remaining tiers posted single-digit increases: 7.5 percent in the Under \$50 million group, 8.1 percent in the \$250 to \$499 million group and 4.5 percent in the Over \$1 billion category.

Possible factors that could influence salary changes are increased reliance on non-cash benefits, local and national economic conditions, position turnover and changes in the makeup of the asset size group population.

DIRECTORS' INFORMATION

Regular Board Meeting

Prior to 2003, board meeting fees represented an average of the member's and chairman's fees. Starting this year, the chairman's fees were broken out separately. Chairmen and members received the same amount in the Under \$50 million, \$100 to \$249 million and \$500 to \$999 million asset groups. In the



13.7 percent more than members, and in the Over \$1 billion group they received 76.5 percent more than members.

Median regular board meeting fees were down in the largest and smallest asset size categories. Fees among the Over \$1 billion asset size group were off 15 percent from 2000, while the Under \$50 million asset size group was down 11.1 percent. Fees in the remaining categories were up, ranging from 12.5 in 50 to \$99 million asset size group to 32.5 percent in the \$250 to \$499 million asset group.

Board Committee Fees

Board committee meeting data was extensively revised and enhanced in the 2003 Survey. The special board meeting and board committee categories were discontinued and new categories were introduced for the audit, compensation, credit and investment committees. In addition, the members' and chairmen's fees were broken out.

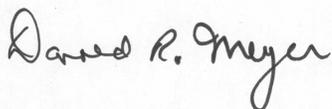
It is not possible to present comparative growth statistics since this is the first year that the new data was collected; however comparisons between committees and assets size groups are presented on the accompanying tables.

REGIONAL DATA

For the second year running, median salaries in Region II, (Bay Area) led the state in the CEO and CFO categories while Region III (LA/Orange) was first in the SLO category followed by Region II. Region III was second in the CEO and CFO categories. Coming in third in the CEO and SLO category was Region IV (Southern California excluding the LA Basin). Region I (Northern California excluding the Bay Area) was fourth in those categories and third in the CFO category, with Region IV taking fourth in the CFO category.

We express our appreciation to the participating banks and hope that this information will prove useful. Participating banks automatically receive the full fifteen-page survey results that include information about bonuses, stock options and many other officer and director fringe benefits.

Please contact me with any questions or comments at (415) 263-8501 or by email at dmeyer@dfi.ca.gov. Or, contact the survey preparer, Patrick Carroll at (415) 263-8559 or by email at pcarroll@dfi.ca.gov.



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