

Executive Officer and Director Compensation Survey

June 30, 2005

This year we 137 out of 268 banks participated in the Executive Officer and Director Compensation Survey, a participation rate of 51.1% down slightly from the 53.5% rate in 2004.

Chief Executive Officer

Since 2002 CEO salaries showed the greatest increase in the \$500 million to \$1 billion group, 34.8%, followed by the Under \$50 million asset tier at 25.0%. Salaries in the \$100 to \$249 million and \$250 to \$500 million asset size group were up 15.9% and 15.5% respectively. Showing the smallest three year gain were banks in the \$50 to \$99 million and Over \$1 billion asset tiers, in which salaries were up 7.9% and 6.0%, respectively.

Chief Financial Officer

CFO salaries since 2002 showed double-digit growth in four of the five asset size categories. Leading was the Under \$50 million group, which was up 29.4% over the past three years. Next was the Over \$1 billion asset tier at 22.3%. The \$100 to \$249 million tier was up 21.9%, followed by the \$50 to \$99 million asset group at 17.3%. The \$250 to \$499 million tier was up 11.5 percent and the \$500 million to \$1 billion group was down a fraction of a percent.

Senior Loan Officer

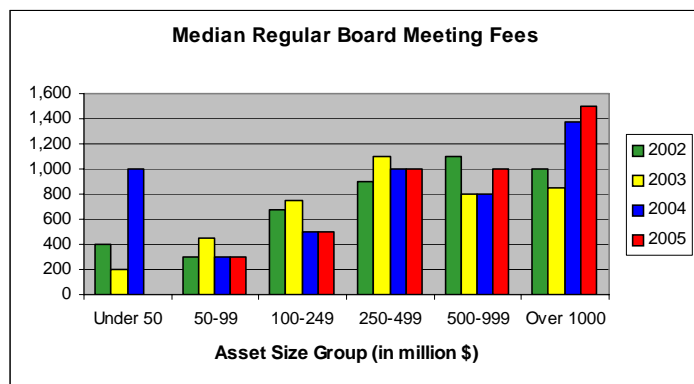
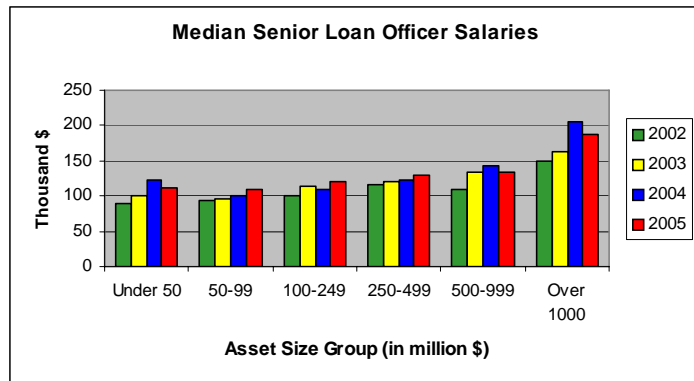
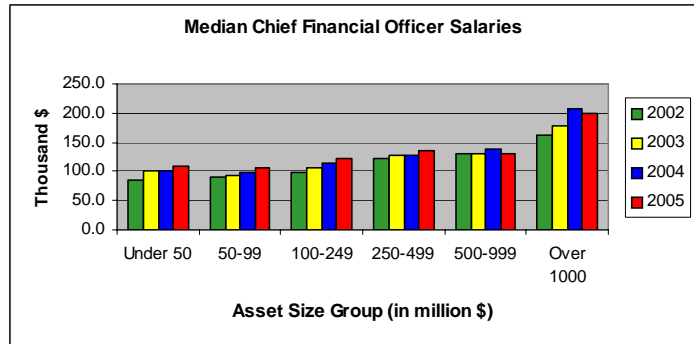
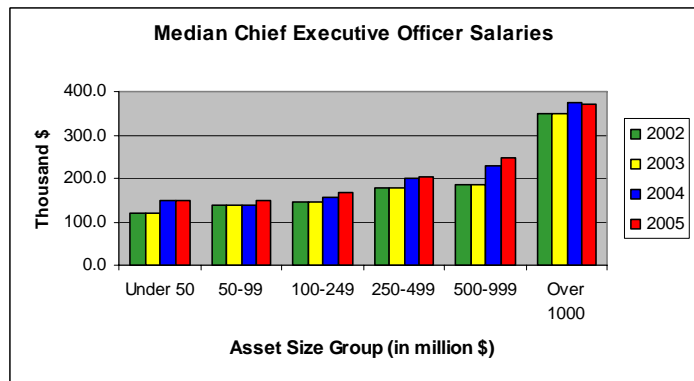
Median SLO salaries continued to show the strongest overall growth of all the officer categories surveyed, with all asset size groups posting double-digit increases over the past three years. The largest and smallest asset categories tied for first with 25.0% each. Next was the \$500 million to \$1 billion group with 22.5% followed by the \$100 to \$499 million asset tier with 20.6%. The \$50 to \$99 million group was up 16.0% and the \$250 to \$499 million asset size group was up 12.2%

Possible factors that 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

Among banks that paid fees to board members, median board committee fees were up 50% among banks in the Over \$1 billion category over the past three years. Board fees for banks in the \$250 to \$499 million group were up 11.1% and unchanged in the \$50 to \$99 million tier. Fees were down in the remaining asset categories; 9.1% in the \$500



million to \$1 billion tier, 11.1 percent in the \$250 to \$499 million group and 100% in the Under \$50 million asset group, in which board members received no fees in 2005.

Board Committee Fees

In 2003, 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.

Comparisons between committees and assets size groups are presented on the accompanying tables.

REGIONAL DATA

The median salary in Region III (LA/Orange) was again first in the CEO category. The region tied for second place in the CFO category with Region II (Bay Area) and came in fourth place in the SLO group. For a second year, Region II came in third place among CEOs, but led the SLO category. Region I (No. Calif) was first in the CFO category and took second in both the CEO and SLO groups, while Region IV (So Calif) was fourth in the CEO category, and third in both the CFO and SLO groups.

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 at (415) 263-8501 with any questions or comments at or by email at byuen@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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Acting Commissioner of Financial Institutions

