

Executive Officer and Director Compensation Survey

June 30, 2006

This year, 132 out of 268 banks participated in the Executive Officer and Director Compensation Survey, a participation rate of 49.3% down slightly from the 51.1% rate in 2005. Most of the decrease was in the \$100 to \$249 million category, which went from 51 to 38 participants. Participating banks in the \$500 million to \$1 billion group increased from 10 to 18, while the number of remaining categories remained about the same as last year.

Chief Executive Officer

Since 2003 CEO salaries showed the greatest increase in the Under \$50 million asset size group, 29.3%, followed by the \$500 million to \$1 billion asset tier at 12.3%. Salaries were up in the remaining asset size groups: by 9.7% in the \$100 to \$249 million category; by 8.3% in the \$50 to \$99 million asset tier; by 7.2% in the Over \$1 billion category; and by 6.3% in the \$250 to \$499 million asset size group.

Chief Financial Officer

CFO salaries showed double-digit growth over the past three years in all asset size categories. Leading was the \$50 to \$99 million group at 21.4%. Following closely were the \$100 to \$249 million asset tier with a gain of 19.2%; the \$500 million to \$1 billion group up 18.3% and the Under \$50 million asset group with 18.0%. The \$250 to \$499 million asset tier was up 10.1% over the same period.

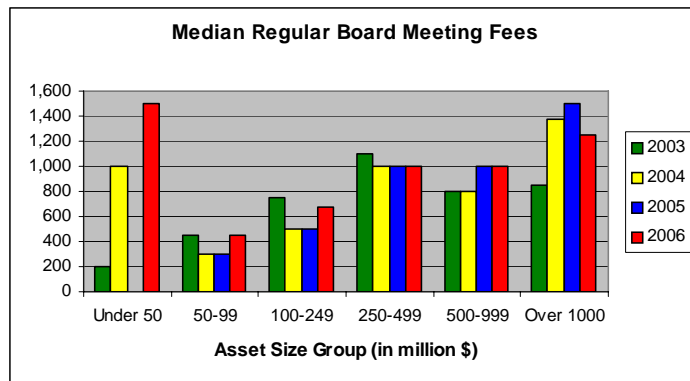
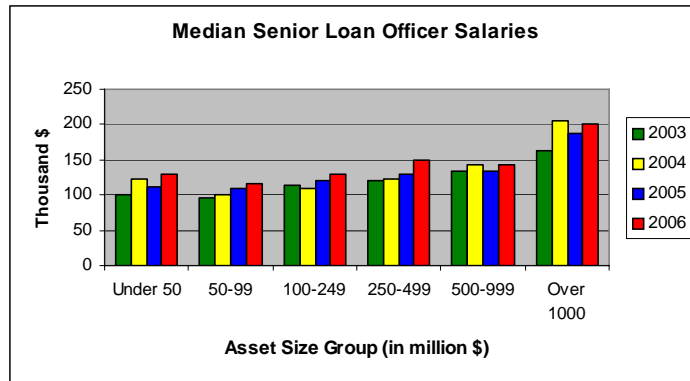
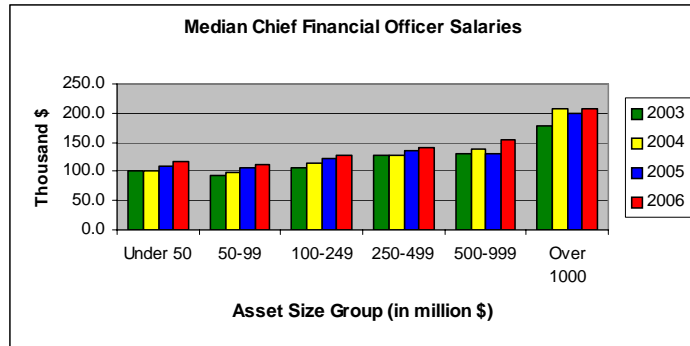
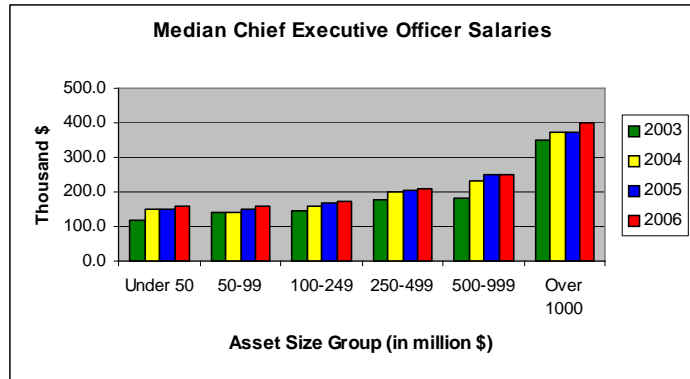
Senior Loan Officer

Median SLO salaries showed strong overall growth in five of the six asset categories. The Under \$50 million group was up by almost a third at 30.8%. Next was the \$250 to \$499 million asset tier with a gain of 25.0% followed by the Over \$1 billion asset size category with 22.0%. The \$50 to \$99 million asset tier was up 19.9% followed by the \$100 to \$150 million group at 14.0%. Last was the \$500 million to \$1 billion group with an increase of 5.2% over the period.

DIRECTORS' INFORMATION

Regular Board Meeting

Among banks that paid fees to board members, median board committee fees were up 650% over the past three among banks in the Under \$50 million category, however this is considered to be something of an anomaly. Board fees for banks in the Over \$1 billion group were up 47.1% followed by banks in



the \$500 million to \$999 million asset tier, which were up by 25.0%. Board fees were down in the \$100 to \$249 million category by 10.0% and by 9.1 in the \$250 to \$499 million asset tier. Board fees in the \$50 to \$99 million category remained flat.

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 first in all officer categories, followed by Region II in second place. Region IV (So. Calif) was in third place in the Chief Executive Officer category while Region I (No. Calif.) took third place in the Chief Operating Officer and Senior Loan Officer categories.

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

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 James Dong at (916) 445-2904 or by email at jdong@dfi.ca.gov; or the survey preparer, Patrick Carroll at (415) 263-8559 or by email at pcarroll@dfi.ca.gov with any questions or comments.

JAMES DONG
Chief Administrative Officer

