WILARY WINN LLC

Advice to Strengthen Financial Institutions

Recent Trends in the Performance of Pooled Trust Preferred Collateralized Debt Obligations

Updated and Revised February 2014

INTRODUCTION

While no longer an area of major concern, potential credit losses on TruPs owned by community banks was a potential life-or-death issue for many in 2008, 2009, and 2010. Experts had historically treated a permitted payment deferral as a default. We were the first in the country to argue that this was not necessarily true and that many deferrals would eventually cure. To make this case, we developed sophisticated ways to review the bank issuers in a pool on an institution-by-institution basis. Our willingness to take on this thorny issue resulted in community banks not being forced to record hundreds of millions of dollars of OTTI losses. Moreover, other valuation experts eventually followed our lead, recognizing that our approach was far fairer and more predictive.

KEY TAKEAWAY

This white paper is an example of our commitment to the community banking industry.

HOW CAN WE HELP YOU?

Founded in 2003, Wilary Winn LLC and its sister company, Wilary Winn Risk Management LLC, provide independent, objective, fee-based advice to nearly 600 financial institutions located across the country.

We provide the following services:

CECL & ALM
Holistic solutions to measure, monitor and mitigate interest rate, liquidity, and credit risk on an integrated basis.

MERGERS & ACQUISITIONS
Independent, fee-based determinations of fair value for mergers and acquisitions.

VALUATION OF LOAN SERVICING
Comprehensive and cost-effective valuations of servicing arising from the sale of residential mortgage, SBA 7(a), auto, home equity and commercial loans.

ADDITIONAL SERVICES
Services to support our CECL, ALM, Fair Value and Loan Servicing product offerings.

Recent Trends in the Performance of Pooled Trust Preferred Collateralized Debt Obligations

Wilary Winn LLC ("Wilary Winn") is one of the leading providers of valuations of pooled trust preferred collateralized debt obligations (TruP CDOs) in the country. As of December 2013, Wilary Winn analyzed 62 TruP CDOs containing $24.4 billion of collateral. This represents 55 percent of the 113 total TruP CDO deals issued globally. This white paper summarizes the recent trends we have observed regarding the performance of these securities. As background, Appendix A provides a general description of TruP CDOs.

COLLATERAL INPUT ASSUMPTIONS THAT DETERMINE TRUP CDO VALUE

The performance of the CDO is dependent on the performance of the trust preferred securities underlying the deal**.** The key inputs used to estimate the performance of the trust preferred securities supporting the CDO are:

- The rate of expected defaults – conditional default rate ("CDR")
- The loss arising from a default – loss severity
- The rate of expected prepayment – conditional repayment rate ("CRR")

In addition, TruP CDO default assumptions and cash flows are influenced by:

- The rate of deferrals and cures – an issuer of a trust preferred security generally has the right to defer interest payments for up to five years. Historically, deferrals ultimately defaulted, thus causing many to equate a deferral with a default. However, even during the rapidly increasing rate of bank failures during the financial crisis that began in 2008, Wilary Winn believed many deferrals would eventually cure. This forecast has proven itself to be true, as evidenced by the following chart showing the rate of cures across the deals valued by Wilary Winn.

WW – Cured Issuers by Year

Year	Unique Issuers	Number of Issues	Issue Amount	% of Collateral
2011	25	56	$ 446,994,750	1.89%
2012	48	102	$ 825,959,635	3.76%
2013	53	71	$ 559,840,000	2.71%
Total	**126**	**229**	**$ 1,832,794,385**	**8.37%**

- The shape of the forward LIBOR curve – many TruP CDOs rely on LIBOR rates to determine the amount of interest being paid into and out of the deals. Due to the long duration of the CDOs, the shape of the forward curve can have a significant effect on the amount of excess spread in the deal, especially in deals with fixed rates flowing in and floating rates paying out.

TRENDS

Wilary Winn began performing TruP CDO valuations in late 2008. Based on the observations and data we have collected as part of our valuation process, we have noted the following from that time through December 31, 2013.

1. **RISK CHARACTERISTICS** - Defaults on trust preferred securities were once the key driver of TruP CDO performance. The default rates peaked in 2009 and have since declined (please reference the graph on the following page). As the rate of default continues to decrease, Wilary Winn believes the risk of prepayment as well changes in the regulatory treatment of TruPS have become just as important as the risk of default.

2. **DEFERRALS** - After seeing very few deferrals cure historically, the rate of cures has increased significantly from 2011 through 2013. In 2009 Wilary Winn began modeling many deferrals to cure believing they would recapitalize, merge with another institution, or earn their way out of the deferral given the lifeline provided by TARP and other forms of government intervention. Although this ran contrary to the industry assumption that a "deferral was tantamount to a default," Wilary Winn has seen 126 issuers cure their deferral from 2011 through 2013 across all the deals we value. Please see Appendix B for more detail.

3. **PREPAYMENTS** – As predicted in 2010 by Wilary Winn, after seeing very few redemptions from 2008 to 2010, the rate of prepayment has increased significantly from 2011 through 2013. Wilary Winn believes the increase in prepayment activity is due in part to the Dodd-Frank Act which removed trust preferred securities treatment as Tier 1 regulatory capital for depository institution holding companies with more than $15 billion of total assets on December 31, 2009. We began modeling issuer specific prepayment assumptions in 2010 with a focus on banks adversely affected by the Act and have seen 179 issuers redeem their issues from 2011 through 2013 across the deals we value. Please see Appendix C for more detail.

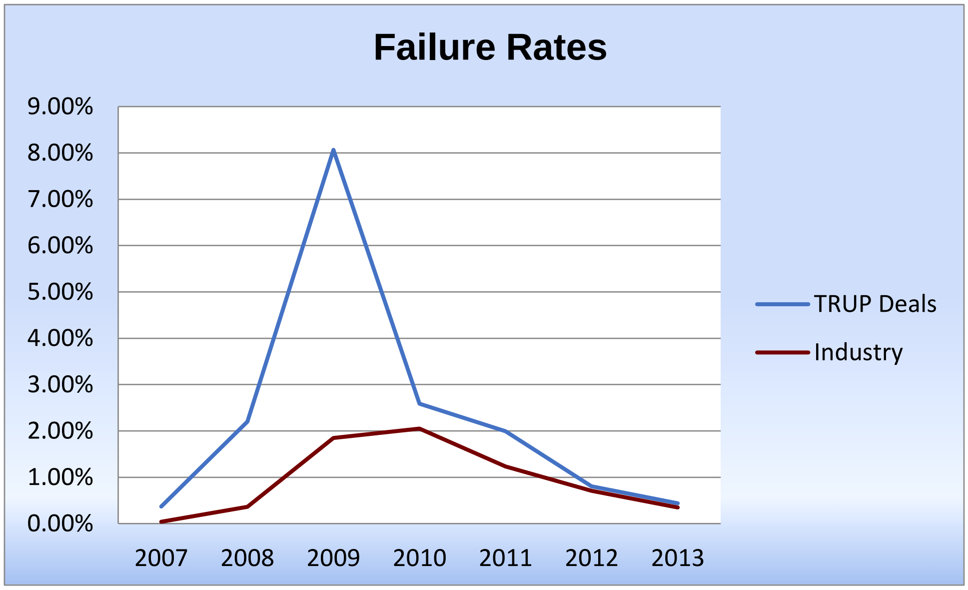
4. **PROFILE OF FDIC BANKS** – In the majority of the deals we value, the issuers we believe will not default are on average financially stronger than the aggregate average of all FDIC-insured institutions (please reference the graphs on page 5). This creates a "survivor bias" and we believe future default rates for these trust preferred securities will likely be consistent with the long-term default rate for the industry versus the relatively higher default rates we observed in 2008 through 2011 for issuers of trust preferred securities.

5. **MARKET LIQUIDITY** – The market for trust preferred CDOs continues to remain highly illiquid. In December 2013, the uncertainty invoked between the original release of the Volcker Rule and the final interim rule caused a noticeable increase in bidding and trading activity. However, we believe most of these trades occurred under distress and do not represent trades made in an orderly market.

ANALYSIS OF COLLATERAL INPUT ASSUMPTIONS

DEFAULT RATES

As shown in the chart below, during the early stages of the financial crisis, the failure rates for the issuers of the trust preferred securities underlying the TruP CDOs we value were markedly higher than failure rates for the industry as a whole.



We believe the decrease in the default rate on trust preferred securities is due to the length of the boom, bust, and recovery cycle. Most of the trust preferred securities were issued since 2000 as the banking industry was booming, and therefore were relatively new when we saw the crisis and a wave of early defaults. Prior to late 2010, very few issuers that deferred were able to cure their deferral and subsequently defaulted and many assumed a deferral was a default. Wilary Winn was not convinced this was necessarily so and we began evaluating the collateral supporting the TruP CDO at the issuer level beginning in early 2009 in order to assess the risk of a near-term default. Beginning in 2010, this difference in failure rates began to narrow significantly and we are now seeing many deferring issuers cure their deferral.

Wilary Winn notes that the bank failure rate in 2013 was 35 basis points. This rate is very close to the average default rate from 1934 to 2008 of 36 basis points.

FORECASTED RATES OF NEAR-TERM DEFAULT

Wilary Winn believes we will continue to see a downward trend in bank failures and defaults. One indicator of stabilization is the leveling off and reduction in the number of banks on the FDIC's "problem banks list."

According to the FDIC[1], additions to this list peaked in 2009 when 450 new banks were added followed by another 182 banks in 2010. The number of banks peaked in the first quarter of 2011 at 888, after which a net of 75 banks were removed from the list in the last three quarters of 2011. In 2012 the list had another net drop of 162 banks. As of September 30, 2013, the most recent disclosure of the list, another 136 banks had been removed, leaving a total of 515 banks on the list of problem institutions after ten consecutive quarters of decline.

In a recent research report, Moody's summarized their 2013 ratings changes on TruP CDOs[2]. In 2013 Moody's upgraded ratings on 217 tranches in 67 deals and only downgraded ratings on seven tranches in five deals. The upgrades ranged from one to ten notches, with an average of 3.1 notches. They listed five reasons for the upgrades, including:

1. Continuing deleveraging of senior notes
2. Improvements in the over-collateralization ratios
3. Increase in the number of cures
4. Improvements in the credit quality of underlying collateral
5. Declines in TruP CDO exposures to bank failures

These observations affirm the predictive nature of the TruP CDO cash flow models Wilary Winn began to model in 2009 and 2010.

FORECASTED LONG-TERM DEFAULT RATES FOR ISSUERS OF TRUST PREFERRED SECURITIES

Wilary Winn's analysis of the TruP CDO pools we value leads us to believe that the issuers within the pools which we believe will not default are on average financially stronger than the average of all FDIC-insured institutions. As the two shaded columns in the tables on the following page indicate, the key ratios of the active issuers for which we currently do not have a default assumption are relatively stronger than the aggregate for all FDIC-insured institutions. The banks have higher Tier 1 capital, fewer non-current loans, and higher loan loss reserves. On the other hand, they have a slightly higher Texas Ratio than the aggregate. These tables are as of March 31, 2011 and September 30, 2013, respectively.

[1] FDIC Speeches and Testimony - Chairman Gruenberg Press Conference Opening Statement on the Third Quarter 2013 Quarterly Banking Profile - November 26, 2013
[2] Moody's 2013 Year-in-Review: Global Structured Credit – February 19, 2014

	All Deals Valued by WWRM				
3/31/2011 Call Report Data	All active Bank issuers [1]	All active Bank issuers excluding issuers assumed to default [1]	All active Bank issuers deferring with no default assumption [1]	All active Bank issuers with a default assumption [1]	FDIC SDI Data - All Institutions
Tier 1 Capital Ratio	12.79%	13.44%	13.44%	8.81%	13.04%
Non-Current Loan to Total Loans	4.37%	3.66%	5.83%	9.01%	4.71%
Loan Loss Reserve to Non-Current Loans	105.38%	115.07%	62.97%	44.32%	63.85%
Texas Ratio	47.39%	36.78%	60.93%	124.71%	35.95%
Net Interest Margin (YTD)	3.68%	3.76%	3.63%	3.16%	3.66%
Efficiency Ratio (YTD)	70.77%	65.65%	80.05%	103.63%	60.75%
ROAA (YTD)	0.51%	0.72%	0.17%	-0.82%	0.87%
Total Loans/ Deposits	80.33%	80.52%	77.81%	79.03%	75.49%
Number of Issuers	1059	909	155	150	7,574

	All Deals Valued by WWRM				
9/30/2013 Call Report Data	All active Bank issuers [1]	All active Bank issuers excluding issuers assumed to default [1]	All active Bank issuers deferring with no default assumption [1]	All active Bank issuers with a default assumption [1]	FDIC SDI Data - All Institutions
Tier 1 Capital Ratio	14.16%	14.40%	15.12%	10.76%	13.09%
Non-Current Loan to Total Loans	2.43%	2.31%	4.32%	4.20%	2.83%
Loan Loss Reserve to Non-Current Loans	142.34%	146.92%	77.78%	77.31%	64.49%
Texas Ratio	27.59%	24.70%	54.46%	72.83%	24.44%
Net Interest Margin (YTD)	3.70%	3.74%	3.52%	3.22%	3.26%
Efficiency Ratio (YTD)	67.62%	65.79%	80.68%	95.28%	60.54%
ROAA (YTD)	0.99%	1.05%	0.52%	0.15%	1.06%
Total Loans/ Deposits	81.73%	82.85%	80.03%	65.98%	70.75%
Number of Issuers	918	848	135	70	6,891

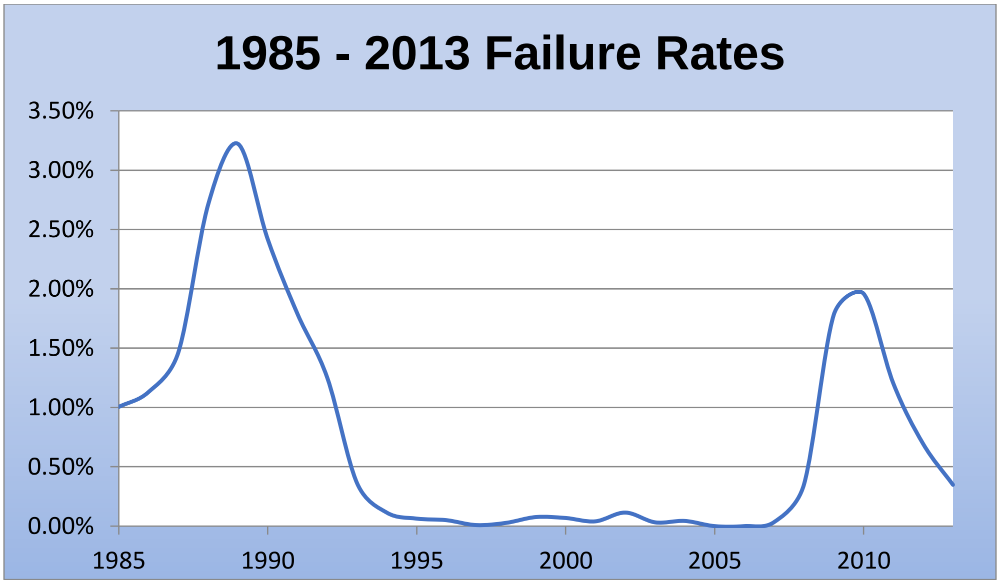
[1] We note that in order to construct the table, we summarized the active issuers by creating a weighted average based on issue size, then divided the issuers into categories based upon their status of deferral and whether or not Wilary Winn assigned a default assumption to the issuer. To ensure an accurate comparison, Wilary Winn calculated the standard deviation across the issuers for each ratio and removed any issuer that fell more than three standard deviations above or below the average for that ratio.

As the tables indicate, the key ratios have drastically improved in the past two years. Wilary Winn believes that the relative strength of the remaining issuers in the deals, excluding those assumed to default, creates a "survivor bias" and we believe future default rates for these trust preferred securities will likely be consistent with the long-term default rate for the industry versus the default rates we observed in 2008 through 2011 for issuers of trust preferred securities. As a result, Wilary Winn believes that there is no need to vector terminal CDRs upwards solely on the basis of high historical TruP failure rates.

In our experience, most experts are basing their estimates for longer-term rates of deferral and defaults on historical averages. For example, FTN Financial has estimated that the annual average default rate (defined as bank failure) from 1934 to 2008 was 36 basis points which is very close to the 0.35% bank failure rate in 2013. As the following chart shows, the rate of failure increased significantly during the financial crisis but dropped to historical levels in 2013.

Year	Failed Institutions	Failure Rate
2007	3	0.04%
2008	30	0.36%
2009	148	1.85%
2010	157	2.05%
2011	92	1.23%
2012	51	0.71%
2013	24	0.35%

Because of spikes in failure rates in 2009 through 2012, some experts expressed the belief that a long-term failure rate should be based on the most recent 25 years, which approximates 75 basis points versus the 36 basis points calculated in the longer duration FTN study. Wilary Winn notes that the 75-basis point failure rate includes two extremely challenging time periods for the banking industry, which may not be indicative of future long-term trends. As the following table shows, the 25-year failure rate resembles a barbell curve, with failures heavily concentrated in the late 1980s during the savings and loan crisis and in the most recent financial crisis of 2008.



Because of the barbell distribution, we base our long-term default rate on the 0.36% provided in the FTN study which is also close to the 0.35% failure rate in 2013.

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LOSS SEVERITY

The fact that a trust preferred issuer defaults does not necessarily mean that an investor will lose all of their investment. Thus, it is important to understand not only the default assumption, but also the expected loss given a default, or the loss severity assumption.

On November 21, 2008, Standard & Poor's (S&P) published, *Global Methodology for Rating Trust Preferred/Hybrid Securities Revised*. In that study, S&P indicated that their assumption for recoveries on hybrid securities issued by banks is 15% equating to a loss severity assumption of 85%.

Moody's Analytics has performed research that confirms that recoveries on defaulted trust preferred securities are low (i.e., less than 20%). Research by Moody's Analytics shows loss severity based on the type of impairment:

Impairment Type	Loss Severity
Dividend Omission	92%
Chapter 11	97%
Missed Payment	92%
Other	98%

Wilary Winn has observed a large range of loss severities anywhere from 0% to 100%. We recognize TruPS holders of certain defaulted issuers will recover some portion of their investment, as some issuers currently in bankruptcy proceedings are expected to have sufficient assets remaining to repay at least a portion of their TruPS. We have also seen an increase in the number of institutions declaring bankruptcy under U.S. Bankruptcy Code Section 363. Under this structure, the bank holding company files for Chapter 11 bankruptcy protection while another entity recapitalizes and purchases the bank subsidiary. According to SNL Financial, this can provide for a quick and cost-effective way to complete the sale while protecting the acquiring group from liability and potentially preventing holders of TruPS from blocking a recapitalization[3]. We believe the appeal of structuring a sale under this code has increased due to the increase in the number of TruP CDO issuers in which the health of the bank subsidiary has improved substantially while the holding company, which is responsible for repaying the issuance in the CDO, has continued to struggle. However, in certain recent cases the holders of the TruPS have been successful in arguing against the original terms set forth in the 363 sale and thereby increasing the payout to the TruP CDO holders.

PREPAYMENTS

Trust preferred securities generally allow for prepayment without a prepayment penalty any time after five years. Prepayments affect the securities in three ways. First, prepayments lower the absolute amount of excess spread, an important credit enhancement. Second, the prepayments are directed to the senior tranches, the effect of which is to increase the overcollateralization of the mezzanine layer. However, the prepayments can lead to adverse selection in which the strongest institutions have prepaid, leaving the weaker institutions in the pool, thus mitigating the effect of the increased overcollateralization. Third, prepayments can limit the numeric and geographic diversity of the pool, leading to concentration risks.

[3] SNL Blogs – Bankruptcy opens the door for bank recaps – Nathan Stovall – February 15, 2011

Prior to August 2007, the spread to the benchmark on trust preferred securities narrowed. Because of the narrowing of spreads, many financial institutions prepaid their outstanding trust preferred securities at the five-year mark (when the lockout expired) and refinanced. However, as a result of the financial crisis in 2008, prepayment of trust preferred securities virtually ceased until 2011. Wilary Winn believes the resumption in prepayment activity is due in part to the Dodd-Frank Act. Under the Act, depository institution holding companies with more than $15 billion of total assets at December 31, 2009, were no longer be able to count trust preferred securities as Tier 1 regulatory capital beginning January 1, 2013 with a three year phase in period. Similarly, U.S. bank holding company subsidiaries of foreign banking organizations with more than $15 billion in total assets will no longer be able to count trust preferred securities as Tier 1 capital beginning July 1, 2015, with a three year phase-in period.

Since the beginning of 2011, we have seen 179 issuers fully redeem their TruPS across the range of deals we value (additional detail is shown in Appendix C). Many of these prepayments have come from larger banks that have prepaid either because they can find less expensive funding elsewhere or because of the restrictions imposed by the Dodd-Frank Act. We have also seen a number of partial prepayments.

WW - Redemptions by Year

Year	Unique Issuers	Number of Issues	Redemption Amount	% of Collateral
2011	49	97	$ 1,094,387,569	4.64%
2012	67	118	$ 1,113,034,785	5.07%
2013	63	114	$ 1,001,681,347	4.85%
Total	**179**	**329**	**$ 3,209,103,702**	**14.56%**

RECENT EVENTS

REGULATORY CHANGE

On December 10, 2013, Federal Banking Regulators issued final rules regarding implementation of Section 619 of the Dodd-Frank Act ("the Volker rule"), more specifically “Prohibitions and Restrictions on Proprietary Trading and Certain Interests In, and Relationships with, Hedge Funds and Private Equity Funds.” The Volcker Rule stated that “a banking entity may not, as principal, directly or indirectly, acquire or retain any ownership interest in or sponsor a covered fund.” The final rules took the community banking marketplace by surprise because it appeared that a very high percentage of TruP and Insurance CDOs would be considered "covered funds." The rules further provide that banks must dispose of their covered funds by July 21, 2015, subject to a regulatory extension of up to five years. The accounting implications related to TruP CDOs were dire. Under the accounting standards, a bank must record only the credit portion of other-than-temporary-impairment ("OTTI") provided the bank does not intend to sell the debt security, or it is more likely than not that a bank will not be required to sell a debt security prior to its anticipated recovery. The July 21, 2015 required sale date tripped the more likely than not threshold and the banks would therefore have to mark their TruP CDOs to fair value through the income statement. The accounting implications created an uproar including the filing of a suit by the American Bankers Association against the Federal Banking regulators.

On January 14, 2014, Regulators released a final interim rule authorizing retention of TruP CDOs backed primarily by bank-issued trust preferred securities. The Regulators provided a non-exclusive list of the TruP CDO funds that are deemed to be "not covered" and therefore not subject to the Volker Rule restrictions on ownership. Unfortunately, not all Pooled Trust Preferred CDOs made the list, specifically CDOs backed by collateral issued by Insurers. Nevertheless, the ABA dropped its suit on February 13, 2014.

Due to the uncertainty invoked between the original release of the Volcker Rule and the final interim rule, there was a noticeable increase in trading activity. However, we believe most of these trades occurred under distress and did not represent trades made in an orderly market.

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Appendix A

Trup CDO General Characteristics

A TRUP CDO is an asset-backed security backed by capital securities and senior and subordinated securities issued by depository institutions or their holding companies, as well as capital securities and senior debt issued by insurance companies or their holding companies. These securities are often referred to as trust preferred securities. The purchase of the trust preferred securities is made using the proceeds of debt and equity issued by the special purpose entity. The debt is in the form of bonds, which are segregated into classes or tranches. The bonds issued generally include senior, mezzanine and an income or equity tranche. The senior bonds receive a payment priority and losses are allocated to the junior bonds according to their hierarchy beginning with the income or equity tranche. In addition, certain tests must be satisfied before cash flow from the CDO collateral can be distributed to the mezzanine and equity tranches.

Trust preferred securities are often thought of as hybrid securities because they have features of both debt and equity. Trust preferred securities generally have a very long term (usually 30 years), are interest only, are unsecured, are subordinate to all other debt issued, or to be issued, by the issuer. In addition, trust preferred securities include a provision that allows the issuer to defer interest payments for up to five years. On the other hand, the holders of trust preferred securities benefit from traditional remedies accorded to a lender including the right to accelerate in the event of a default. The primary issuers of trust preferred securities were bank holding companies, which generally down-streamed the proceeds to their bank subsidiaries, generating favorable tax and regulatory capital treatment.

Appendix B - Trust Preferred Cures - 2011 through 2013

Issuer	Issue Amount	Number of Cures
1st Jackson Bancshares, Inc.	3,000,000	1
2009 TCRT	51,330,000	3
Alea Group	20,000,000	1
Alpine Banks of Colorado	37,000,000	4
Altrust Financial Services, Inc.	5,000,000	1
Ameri-National Corporation	20,000,000	1
BancTrust Financial Group, Inc.	18,000,000	1
Bankshares of Fayetteville, Incorporated	5,500,000	1
BB&T Corporation	123,530,000	10
BBCN Bancorp, Inc.	4,000,000	1
BFC Financial Corporation	10,000,000	1
BNCCORP, Inc.	7,500,000	1
Border Capital Group, Inc.	3,000,000	1
Boston Private Financial Holdings, Inc.	4,000,000	1
Brookline Bancorp	6,000,000	1
Cadence Bancorp LLC (Community Bancorp LLC)	28,000,000	3
Capgen Capital Group III LLC	25,900,000	2
CapGen Capital Group IV LLC	3,000,000	1
Capital Bank Financial Corporation (North American	67,500,000	8
Capital Community Bancorporation, Inc.	4,100,000	1
CBS Banc-Corp.	10,000,000	1
Central Federal Corporation	5,000,000	1
Central Pacific Financial Corp.	42,380,000	4
Citizens National Corporation	16,000,000	2
Citizens Republic Bancorp, Inc.	3,030,000	1
Coastal Banking Company, Inc.	3,000,000	1
Community Bankers Trust Corporation	4,000,000	1
Community Financial Shares, Inc.	3,500,000	1
Community National Bancorporation	3,000,000	1
Covenant Financial Corporation	5,000,000	1
Duke Financial Group, Incorporated	6,000,000	2
EP Loya Group	13,300,000	1
Equity Bancshares Inc.	15,000,000	2
ESSA Bancorp, Inc.	5,000,000	1
F.N.B. Corporation	13,330,000	1
First BanCorp	20,500,000	2
First Bancshares, Inc., of Cold Spring	4,000,000	1
First Bank Lubbock Bancshares, Inc.	9,000,000	2

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Appendix B - Trust Preferred Cures - 2011 through 2013

Issuer	Issue Amount	Number of Cures
First Capital West Bankshares, Inc.	5,000,000	1
First Fidelity Bancorp, Inc.	28,000,000	4
First Independence Corporation	9,000,000	3
First South Bancorp, Inc.	10,000,000	1
First Volunteer Corporation	7,000,000	2
First-West Texas Bancshares, Inc.	9,500,000	3
Guaranty Bancorp	25,000,000	3
H.O.M.E. Incorporated	3,000,000	1
Hanmi	62,280,000	9
Hastings Bancorp, Incorporated	4,000,000	1
Heart of Georgia Bancshares, Inc.	5,000,000	1
Heartland Bancshares, Inc.	3,000,000	1
Heritage Bancshares Group, Inc.	8,500,000	2
Heritage Commerce Corp	23,000,000	4
High Point Financial Services, Incorporated	4,000,000	1
HM Treasury (Royal Bank of Scotland Group Plc)	20,000,000	2
HomeStreet, Inc.	60,000,000	5
IBERIABANK Corp	15,500,000	2
Independent Bank Group Inc.	3,500,000	1
Inland Bancorp, Inc.	15,000,000	2
Intermountain Community Bancorp	16,030,000	2
Intervest Bancshares Corporation	25,000,000	2
Investar Bank (First Community Holding Co.)	3,500,000	1
I-PreTSL IV Class C Notes	6,000,000	1
I-PreTSL IV Class D Notes	6,200,000	1
IT&S of Iowa, Inc.	6,500,000	2
Jacksonville Bancorp, Inc.	10,000,000	3
Johnson Financial Group, Inc.	30,000,000	2
Lakeland Bancorp, Inc.	1,000,000	1
LegacyTexas Group, Inc.	5,000,000	1
Marquette Financial Companies	11,000,000	1
Mercantile Bank Corporation	27,000,000	4
Midland Financial Corporation	3,000,000	1
Mid-Missouri Bancshares, Inc.	24,000,000	5
Midstate Bancorp, Inc.	21,000,000	3
Mountain West Financial Corp.	14,000,000	1
Nicolet Bankshares, Inc.	10,000,000	1
North Valley Bancorp	26,000,000	3

Appendix B - Trust Preferred Cures - 2011 through 2013

Issuer	Issue Amount	Number of Cures
Northeast Securities Corporation	5,000,000	1
Odyssey Re Holdings Corporation	20,000,000	1
Opus Bank	32,000,000	6
Pacific Financial Corporation	8,000,000	2
Park Sterling Corporation	10,000,000	1
Peoples Independent Bancshares, Incorporated	5,000,000	1
Peoples Service Company	6,300,000	1
Piedmont Community Bank Holdings	8,000,000	1
Plumas Bancorp	10,000,000	2
PNC Financial Services Group, Inc.	28,000,000	2
Premier Financial Corp.	2,500,000	1
PreTSL VII	7,249,635	2
Primesouth Bancshares, Inc.	4,000,000	1
Profinium Financial Holdings, Inc.	7,000,000	1
Rock Rivers Bancorp	5,000,000	1
Rosholt Bancorporation, Inc.	2,000,000	1
Royal Bancshares	5,000,000	1
Rurban Financial Corp.	20,000,000	2
Scottish Re Group Ltd.	86,320,000	6
Seacoast Banking Corporation of Florida	9,000,000	1
Security State Bank Holding Company	2,500,000	1
South Plains Financial, Inc.	30,000,000	3
Southwest Bancorp, Inc.	15,000,000	2
Sterling Financial Corporation	118,750,000	10
Sturm Financial Group, Inc.	38,000,000	2
Talmer Bancorp Inc.	2,500,000	1
TD Bank (South Financial Group, Inc.)	13,200,000	2
The Lafayette Life Insurance Company	10,000,000	1
Trenton Bankshares, Incorporated	6,000,000	1
Trinity Capital Corporation	21,000,000	3
United Community Banks, Inc.	15,564,750	3
USAmeriBancorp Inc.	15,000,000	1
Vantage Bancorp Inc.	3,000,000	1
VisionBankshares, Inc.	6,000,000	1
West Coast Bancorp	51,000,000	5
Westex Bancorp, Inc.	2,000,000	1
Yadkin Valley Financial Corporation	10,000,000	2

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Appendix C - Trust Preferred Redemptions - 2011 through 2013

Issuer	Issue Amount	Number of Full Redemptions
1st Source Corporation	10,500,000	1
2009 TCRT	45,000,000	2
AAG Holding Company	4,000,000	1
Accident Fund Insurance Company of America	20,000,000	1
American Financial Group	20,000,000	1
Americo Life Inc	17,000,000	2
Amerisafe, Inc.	10,000,000	1
Associated Banc-Corp	15,000,000	1
Assurity Security Group	10,000,000	1
Astoria Financial Corporation	8,000,000	1
BancFirst Corporation	2,000,000	1
Banco Bilbao Vizcaya Argentaria, S.A.	10,000,000	1
Banco Do Brasil SA	3,000,000	1
Banco Santander, S.A.	8,000,000	1
Bank of America Corporation	27,267,500	7
Bank of Marin Bancorp	5,000,000	1
Bankfirst Capital Corporation	3,000,000	1
BB&T Corporation	192,530,000	17
BBCN Bancorp, Inc.	14,000,000	2
Berkshire Bancorp Inc.	10,000,000	2
BFC Financial Corporation	10,000,000	1
BMO Financial Group	45,000,000	3
BNC Bancorp	8,000,000	1
BNP Paribas SA	30,000,000	1
BOK Financial Corporation	7,000,000	1
Border Capital Group, Inc.	3,000,000	1
Boston Private Financial Holdings, Inc.	20,000,000	3
Bremer Financial Corporation	16,500,000	1
Brookline Bancorp	13,000,000	2
CapGen Capital Group II LLC	18,000,000	2
Capital One Financial Corporation	11,717,000	7
Capitol Federal Financial, Inc.	39,500,000	4
Cascade Bancorp	26,500,000	1
CB&T Holding Corporation	8,000,000	1
CCFNB Bancorp, Inc.	4,500,000	1
Central Bancompany, Inc.	3,000,000	1
Chinatrust Financial Holding Company, LTD	17,005,000	1
Citigroup Inc.	7,278,175	3

Appendix C - Trust Preferred Redemptions - 2011 through 2013

Issuer	Issue Amount	Number of Full Redemptions
CNA Surety Corporation	9,000,000	1
Columbia Banking System, Inc.	73,000,000	7
Comerica	48,000,000	5
Coppermark Bancshares, Inc.	10,000,000	1
CVB Financial Corp.	37,000,000	5
Danvers Bancorp, Inc.	10,000,000	1
Dominion Resources Inc	5,000,000	1
East West Bancorp, Inc.	30,750,000	3
EP Loya Group	13,300,000	1
ESB Financial Corporation	10,000,000	2
ESSA Bancorp, Inc.	5,000,000	1
Everest Re Capital Trust II	70,000	1
F.N.B. Corporation	48,530,000	4
Farmers and Merchants Bankshares, Inc.	2,060,000	1
Fidelity National Insurance	10,000,000	1
Fifth Third Bancorp	94,000,000	8
Financial Institutions, Inc.	16,200,000	1
Financiere Pinault SCA	10,000,000	1
First BanCorp.	13,000,000	1
First Bankers Trustshares, Inc.	5,000,000	1
First Commonwealth Financial Corporation	8,500,000	3
First Financial Bancorp.	11,000,000	1
First Interstate BancSystem, Inc.	18,030,000	2
First Keystone Corporation	1,500,000	1
First National Bancshares, Incorporated	14,000,000	1
First National Bank Group, Inc.	2,000,000	1
First United Bancorp, Inc.	6,000,000	1
FirstComp Insurance Company	15,000,000	1
Fremont Bancorporation	5,000,000	1
Fulton Financial Corporation	4,000,000	1
Glacier Bancorp Inc.	10,000,000	1
Grupo Financiero Banorte, S.A. de C.V.	10,000,000	1
Guaranty Bancorp	10,000,000	1
Guaranty Bancshares, Inc.	2,000,000	1
GUARD Insurance Group	15,000,000	1
Hancock Holding Company	6,000,000	1
Hanmi	52,280,000	8
Hanover Insurance Group, Inc.	53,000,000	3

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Appendix C - Trust Preferred Redemptions - 2011 through 2013

Issuer	Issue Amount	Number of Full Redemptions
Hastings Bancorp, Incorporated	4,000,000	1
Heartland BancCorp	3,000,000	1
Heartland Financial USA, Inc.	5,000,000	1
Heritage Commerce Corp	23,000,000	4
HM Treasury (Royal Bank of Scotland Group Plc)	26,000,000	3
Home BancShares, Inc.	37,640,000	3
Hometown Community Bancorp, Inc.	6,000,000	2
Humana Group	35,000,000	1
Huntington Bancshares Incorporated	51,500,000	11
IBERIABANK Corporation	17,500,000	3
International Bancshares Corporation	5,000,000	1
InvestorsBancorp, Inc	5,000,000	1
Iowa First Bancshares Corp.	4,000,000	1
Jefferson National Financial Corp	1,785,000	2
JPMorgan Chase & Co.	750,000	1
Kearny, MHC	5,000,000	1
KeyCorp	28,500,000	2
Lakeland Bancorp, Inc.	16,430,000	4
Lauritzen Corporation	50,000,000	2
Liberty Bancshares, Inc	6,100,000	1
Mabrey Bancorporation, Inc.	4,500,000	1
MainSource Financial Group, Inc.	4,000,000	1
Marshall & Ilsley Corporation	75,000,000	7
MB Financial, Inc.	6,000,000	1
Mercer Insurance Group	8,000,000	2
Metropolitan Bank Group, Inc.	10,000,000	1
Mitsubishi UFJ Financial Group, Inc.	13,000,000	2
Morrill Bancshares, Inc.	7,000,000	1
MortgageIT Holdings, Inc.	50,000,000	1
NAU Country Insurance Company	31,000,000	2
New York Community Bancorp, Inc.	44,500,000	4
NORCAL Group	25,000,000	2
North American Financial Holdings, Inc.	8,000,000	1
North Valley Bancorp	10,000,000	1
NRBC Holding Corporation	12,000,000	1
Odyssey Re Holdings Corporation	20,000,000	1
Ohio Valley Banc Corp.	5,000,000	1
Old National Bancorp	3,000,000	1

Appendix C - Trust Preferred Redemptions - 2011 through 2013

Issuer	Issue Amount	Number of Full Redemptions
Olney Bancshares of Texas, Inc.	7,000,000	1
Opus Bank	32,000,000	6
Peoples Bancorp Inc.	12,520,000	3
People's United Financial Inc.	19,000,000	2
Pine City Bancorporation, Inc.	2,000,000	1
PMA Capital Corporation	37,500,000	2
PNC Financial Services Group, Inc.	114,000,000	10
Praetorian Financial Group, Inc	20,000,000	1
ProAssurance Corp	10,000,000	1
Prosperity Bancshares, Inc.	7,000,000	1
QBE Insurance Group, Ltd.	40,000,000	2
Scottish Re Group Ltd.	13,000,000	1
Shenandoah Life Group	20,000,000	1
Simmons First National Corporation	10,000,000	1
SKBHC Holdings LLC	22,500,000	2
State Capital Corporation	3,000,000	1
Sterling Insurance Company	1,700,000	1
SunTrust Banks, Inc.	25,000,000	3
TD Bank Financial Group (South Financial)	166,000,000	13
The Lafayette Life Insurance Company	10,000,000	1
Tokio Marine & Nichido Fire Insurance Co.	65,000,000	2
Trustmark Corporation	18,000,000	1
U.S. Bancorp	25,250,000	3
Umpqua Holdings Corporation	5,000,000	1
United America Indemnity	20,000,000	1
United Community Banks, Inc.	564,750	1
United Financial Bancorp Inc.	4,000,000	1
United National Corporation	6,000,000	1
Universal American Financial Corporation	66,000,000	4
Webster Financial Corporation	20,000,000	2
Wells Fargo & Company	62,490,000	13
Westamerica Bancorporation	10,000,000	1
Westex Bancorp, Inc.	2,000,000	1
Wilshire Bancorp, Inc.	25,000,000	2
Woodforest Financial Group, Inc.	25,000,000	3
Xerox Corp	10,000,000	1
Young America Insurance Company	5,000,000	1