



**INVICTUS**  
CONSULTING GROUP LLC

***State Invictus Bank Intelligence List (SIBIL)***

**Bank:**

***Bank A***

**FDIC Certificate No.**

***99999***

**Publishing Date:**

***16-Dec-10***

**Period:**

***Q310***

**Version:**

***SIBIL 3.0***

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## State Invictus Bank Intelligence List (SIBIL™)

### DESCRIPTION OF METHOD

Invictus has developed a forward looking stress test model that uses public data to predict with considerable accuracy a bank's post stress Tier 1 capital level over the intermediate term horizon. This unique methodology, known as the *Invictus Capital Assessment Model™* (or ICAM™), forms the foundation for the Invictus suite of products. The ICAM model has been heuristically structured and has been extensively back tested. It comprehensively captures, quantifies and predicts the impact of recessionary stresses and asset reallocations on the bank's expected operating performance and financial strength.

Essentially, the ICAM "sees through" each bank's loan portfolio and accurately predicts the change in the Bank's Tier 1 regulatory capital over the stress horizon given the bank's specific customer base, geographic footprint, historical performance and competitive environment.

The SIBIL model focuses on sustainability. Similar to the other Invictus products, SIBIL relies extensively on the output of the ICAM. It then incorporates a series of secondary filters or risk factors applied to a post stress/recovery environment to further delineate and rank the potential sustainability differences among banks.

The SIBIL rating is on a 1-5 scale with plus and minus gradations ( 1 = strongest; 5 = most vulnerable)

*Invictus Consulting Group is a specialty bank-oriented financial advisory firm providing information, advisory, consulting, and transaction related services to banks and their directors, the bank regulatory market, the bank D&O underwriting market, investment banks and the alternative investment community. Invictus distributes a series of analytical products focused on bank sustainability, liability and enterprise value.*

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### STRESS TEST SUMMARY

**Current Quarter Date:** Q310

Bank Name	FDIC Cert. #	FINAL SIBIL RATING (1)	Average Rating for this size Bank (Region)	Average Rating for this size Bank (Country)	Assets (\$M)	Tier 1 Capital				Approx Time to 6% Threshold (5)	City	State
						Current Period Reported	ICAM Baseline (2)	Without Earnings (3)	With Earnings (4)			
Bank A	99999	3-	2.61	2.90	\$ 365.5	10.5%	9.5%	6.9%	8.6%	n/a	Anytown	USA

**(1) FINAL SIBIL RATING:** Reflects the bank's competitive positioning and expected future performance on a 1-5 scale with plus and minus gradations ( 1 = strongest; 5 = most vulnerable ).

**(2) Current Period ICAM Baseline:** Using the bank's historical data, market information, regional demographics and economics, the ICAM baseline calculates a standardized provisioning policy, making an adjustment for a bank's own provisioning. This number may be above or below the bank's recognized provisioning, and reflects a "mark to market" Tier 1 capital level as of the current reporting period.

**(3) Post Stress Without Earnings:** Provides the post stress projected Tier 1 capital without considering the potential contribution of earnings. This step is important because it isolates the balance sheet impact from the income statement impact. Major market impacts such as sudden shocks to interest rates could jeopardize earnings expected to contribute to regulatory capital.

**(4) Post Stress With Earnings:** Reflects the post stress projected Tier 1 capital for earnings allocated to support regulatory capital levels. The difference between the "Without Earnings" and "With Earnings" columns reflects the earnings available to either support regulatory capital levels or to be used for other purposes.

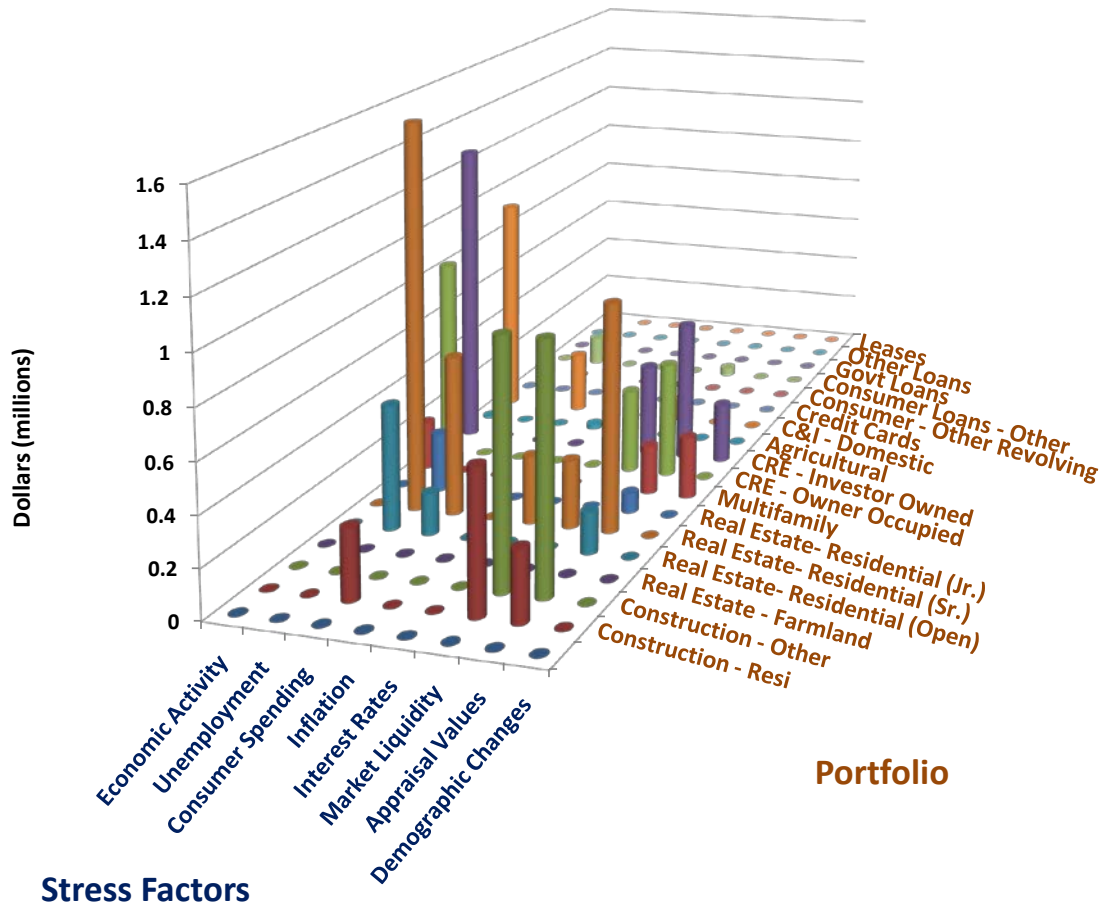
**(5) Approximate Time to 6% Threshold:** The point at which, if applicable, a bank falls through the regulatory Tier 1 capital threshold of 6%.

Bank A	
FDIC Cert#	99999
ReportingQuarter	Q310
<b>SIBIL Rating</b>	<b>3-</b>

SECONDARY FILTERS (* indicates a downgrade)		
A1.	Secondary Filter #1	
A2.	Secondary Filter #2	
A3.	Secondary Filter #3	
B1.	Secondary Filter #4	
C1.	Secondary Filter #5	*
C2.	Secondary Filter #6	
C3.	Secondary Filter #7	
C4.	Secondary Filter #8	
C5.	Secondary Filter #9	
C6.	Secondary Filter #10	*
D1.	Secondary Filter #11	
E1.	Secondary Filter #12	
F1.	Secondary Filter #13	

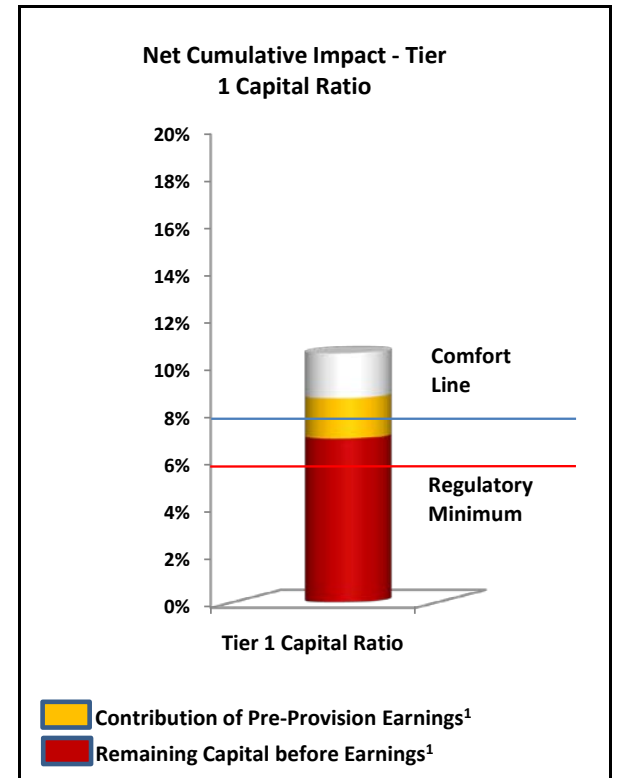
## ICAM™ OUTPUT: LOSS OF REGULATORY CAPITAL UNDER STRESS, BY PORTFOLIO

**Dowel Chart:** The height of each dowel is associated with a distinct loan category and represents that category's contribution to the decline of Tier 1 capital over the stress horizon. The decline in capital is then distributed based on various stress factors. The sum of all the heights of the dowel represents the net cumulative impact to the decline of Tier 1 capital.



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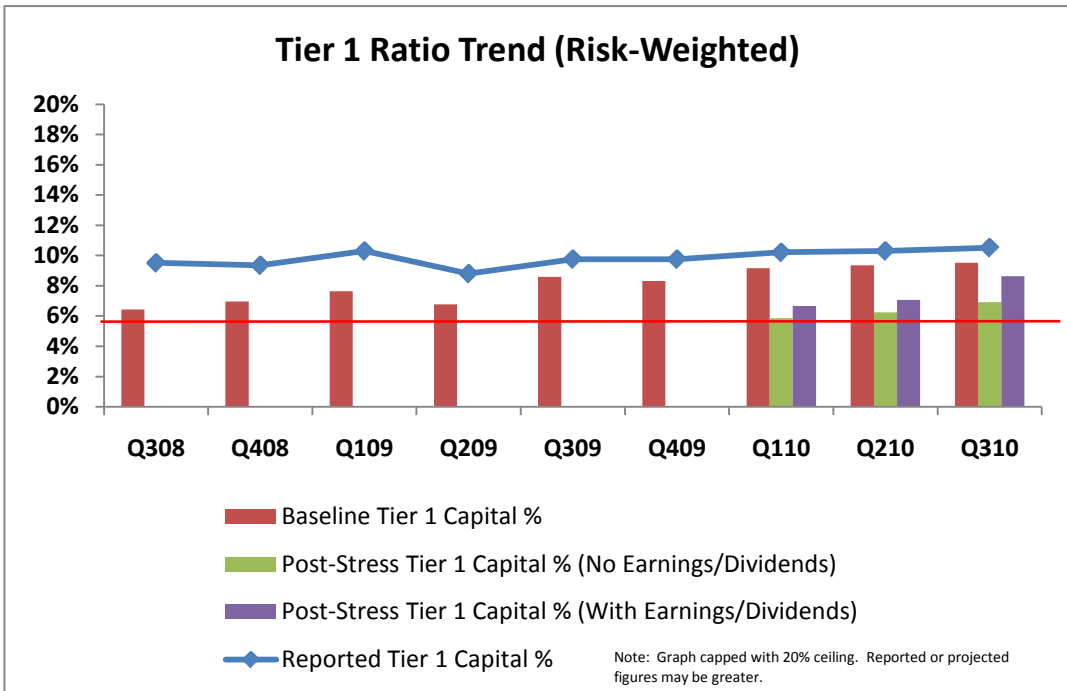
**Thermometer:** Represents the total impact of the decline of Tier 1 capital. The top of the white section is the beginning Tier 1 capital. The top of the red shows the impact without earnings (the sum of the decline portrayed by the individual dowels), and the yellow represents the impact of earnings over the stress horizon adjusted for a wide range of factors including maturity of assets, reallocation of assets, and changing liability structure.



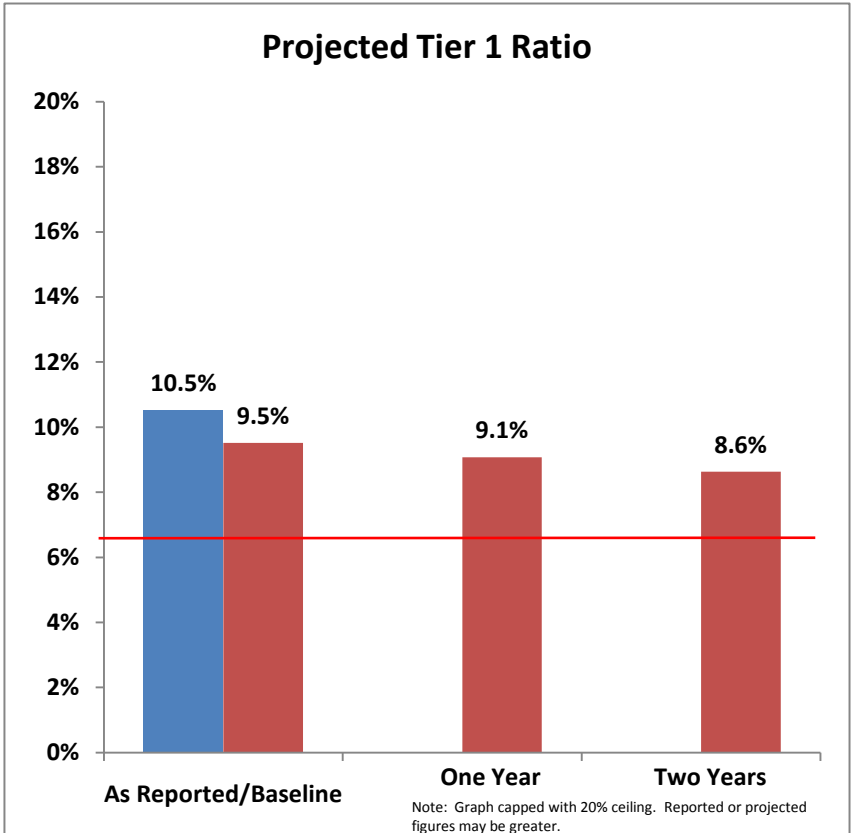
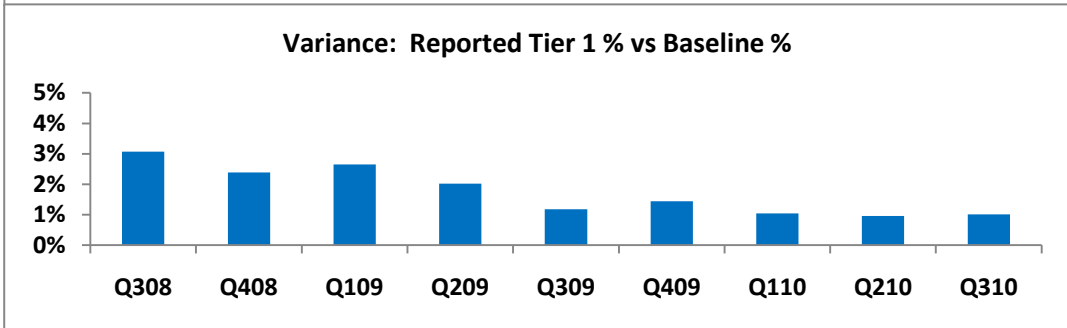
# THE TIME FACTOR

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**Tier 1 Ratio Trend:** Heuristic process updated on a continuous basis. It directly identifies and incorporates the impact of extraordinary income/losses, capital raises, and regulatory mandates.



**Time Factor:** This chart shows the decline in Tier 1 capital over a stress horizon taking timing factors into account. It shows the time available for a bank to take appropriate curative measures if necessary.



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This report uses information and findings, in whole or in part, derived from the patent-pending Invictus Capital Assessment Model ("ICAM™"), including but not limited to one or more of the following Invictus filtering models: SIBIL™, IBIS™, and/or IBARS™.

This report is based on data downloaded from the June 30, 2010 FFIEC Central Data Depository downloadable call report database and similar data publicly reported from previous annual quarters. These downloadable databases contain limited information from reporting banks' submitted Call Reports and TFR reports. Certain information contained in this report is based upon, and limited to, FDIC Call Reports available through the bulk data download service, which service summarizes certain information presented in greater detail in the Call Reports themselves.

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