

BAUER FINANCIAL RATING



We Recommend All
Five-Star and Four-Star Institutions
"Because peace of mind matters"

STAR RATING FOR: *California Republic Bank*



STAR RATING DEFINITIONS:

★★★★★	Superior (These institutions are on <i>BAUERFINANCIAL's</i> Recommended Reports.)
★★★★☆	Excellent (These institutions are on <i>BAUERFINANCIAL's</i> Recommended Reports.)
★★★★ 1/2	Good
★★★★	Adequate
★★★	Problematic
★★	Troubled
★	
ZERO	Our lowest rating
S.U.	Start-up. Institutions that are too new to rate.
N.R.	Credit Unions that either: have less than \$1.5 million in assets or are not NCUA insured.
FDIC	Institution has failed and/or is operating under FDIC conservatorship.

Explanation of Criteria Used to Determine *BAUERFINANCIAL* Star Rating™

Financial data is compiled for U.S. banks and thrifts from call report data as reported to federal regulators. Although the financial data obtained from these sources is consistently reliable, the accuracy and completeness of the data cannot be guaranteed by *BAUERFINANCIAL, INC.*

All banks are subject to federal regulatory capital requirements, but those requirements vary among institutions and are dependent on many factors. In general, institutions are required to maintain a tangible capital ratio of at least 4%, a tier 1 risk-based capital ratio of at least 4% and a total risk-based capital ratio of at least 8%.

In addition to the capital ratio, other criteria are used to determine *BAUERFINANCIAL'S* Star Rating. Some of these include but are not limited to: profitability/loss trend, evaluating the level of delinquent loans and repossessed assets, the market versus book value of the investment portfolio, regulatory supervisory agreements, the community reinvestment rating (CRA), and liquidity. Potential losses on available-for-sale securities, delinquent loans and repossessed assets are forecasted in assigning our star rating. De Novo banks generally can not qualify for a 5-star rating for at least two years.