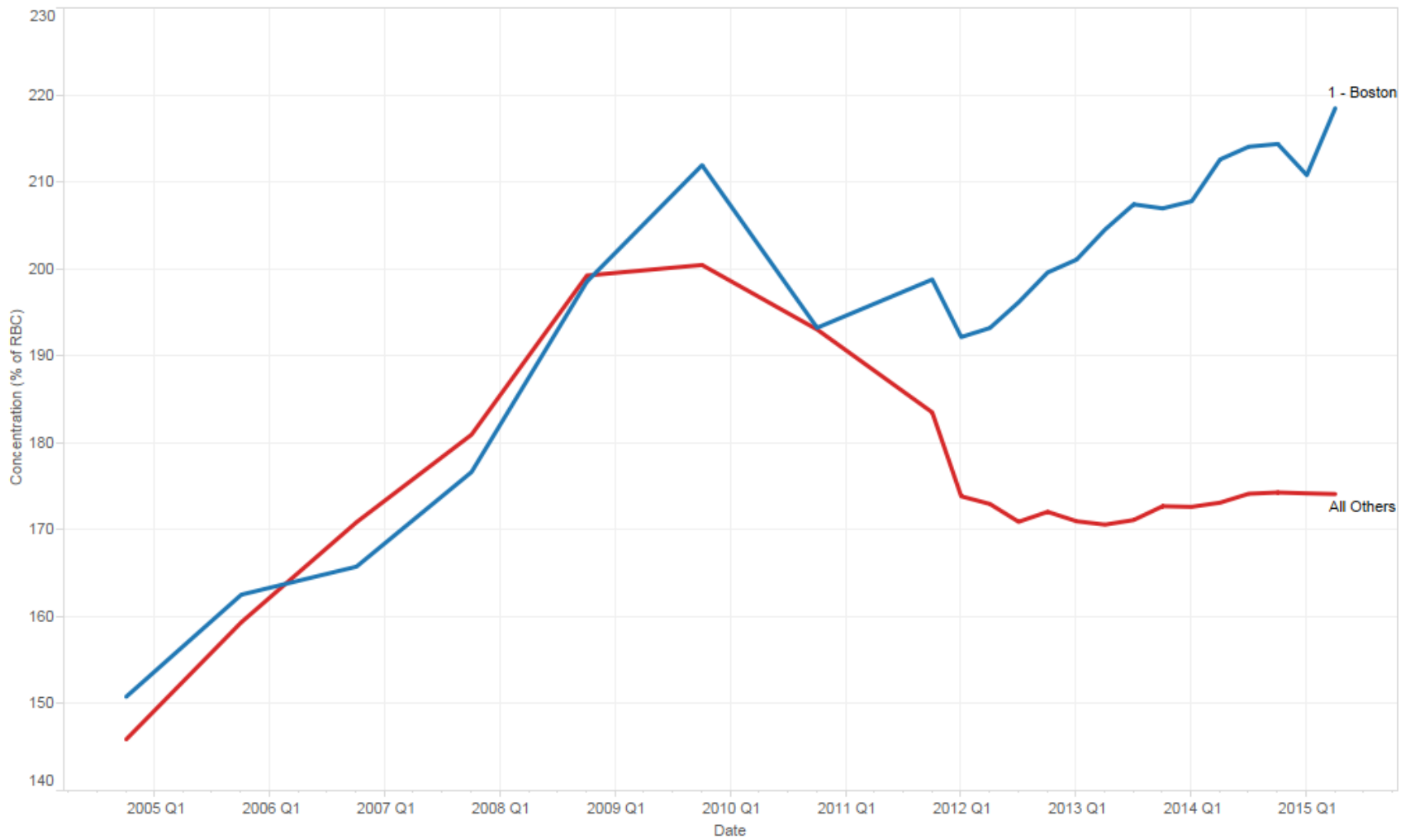


COMMERCIAL REAL ESTATE TRENDS

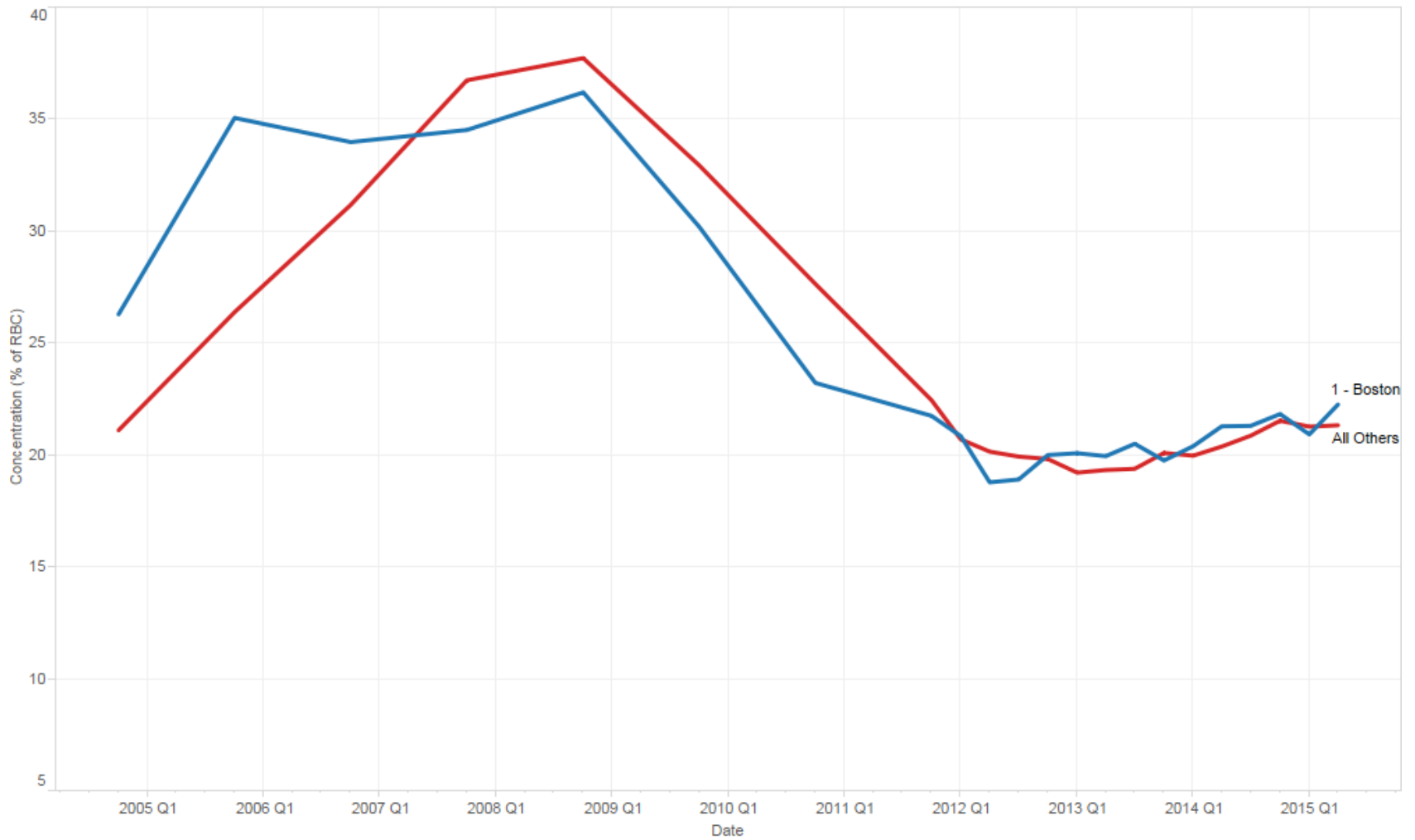
First District vs. the Nation

Community Banks, Total Assets < \$10 Billion

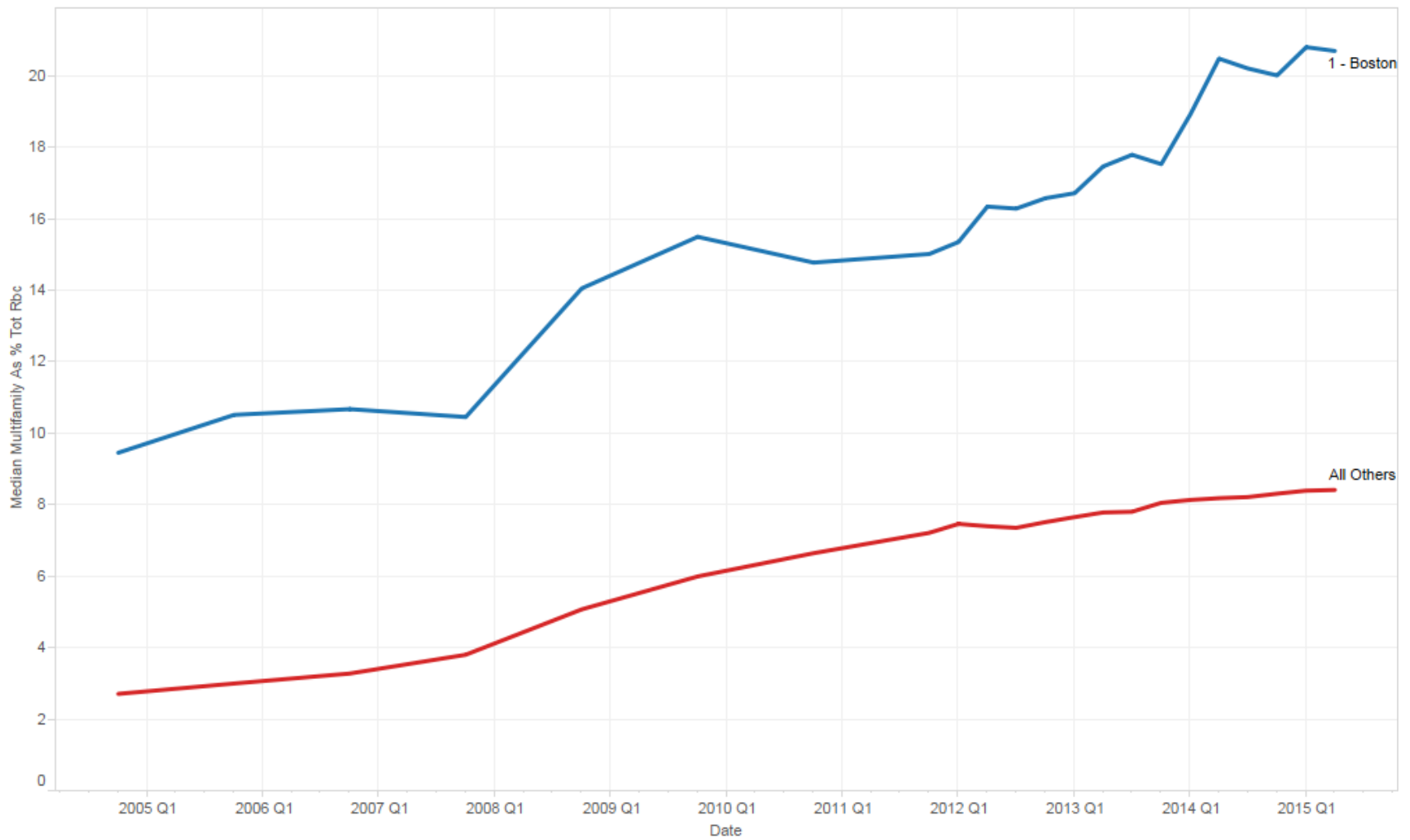
Total CRE Concentration



CLD Concentration

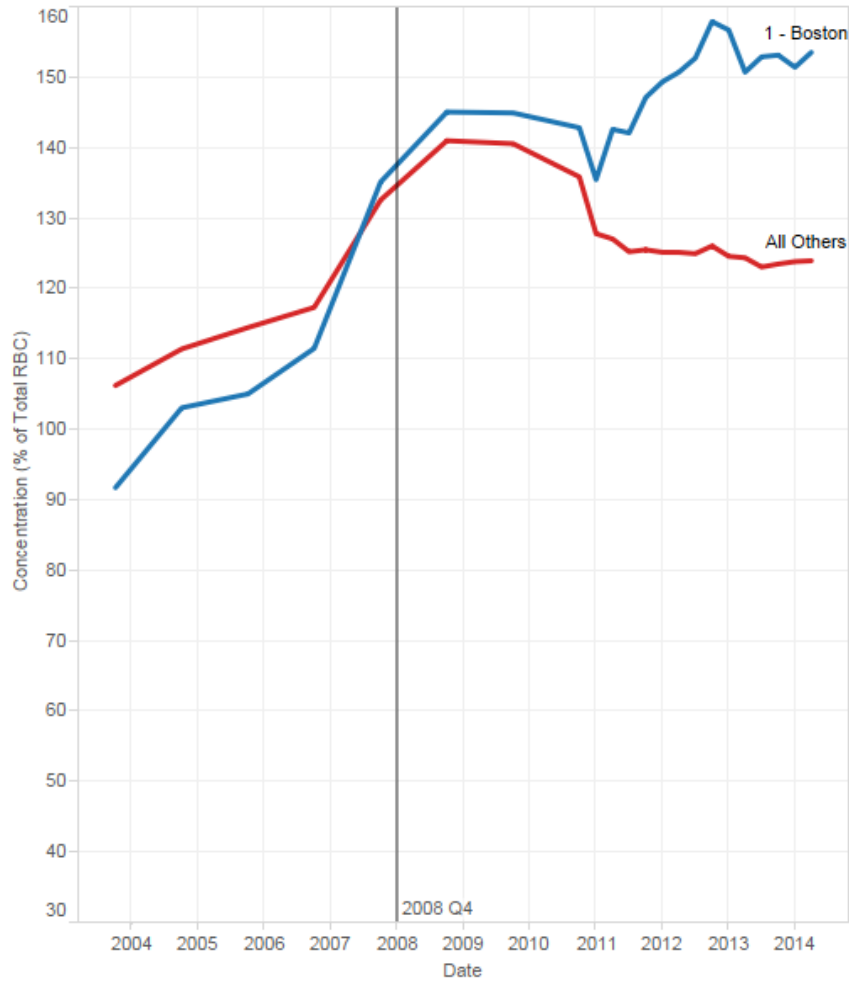


Multifamily Concentration

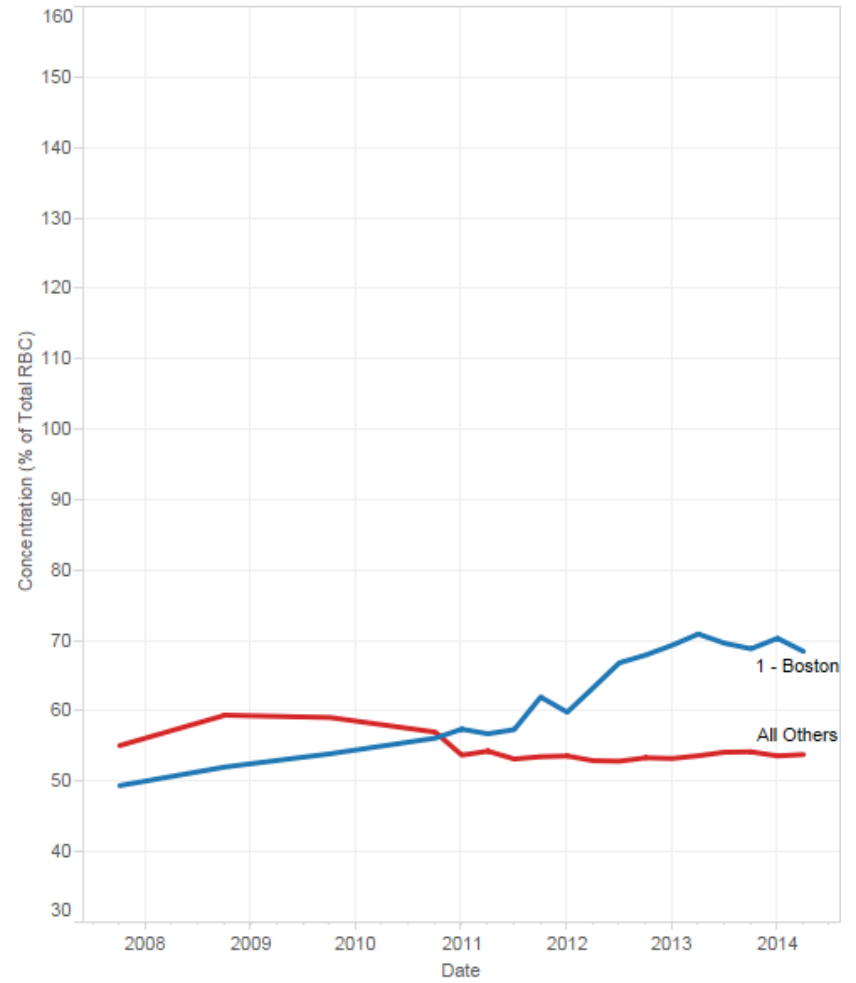


Non-Farm Non-Residential CRE Concentration

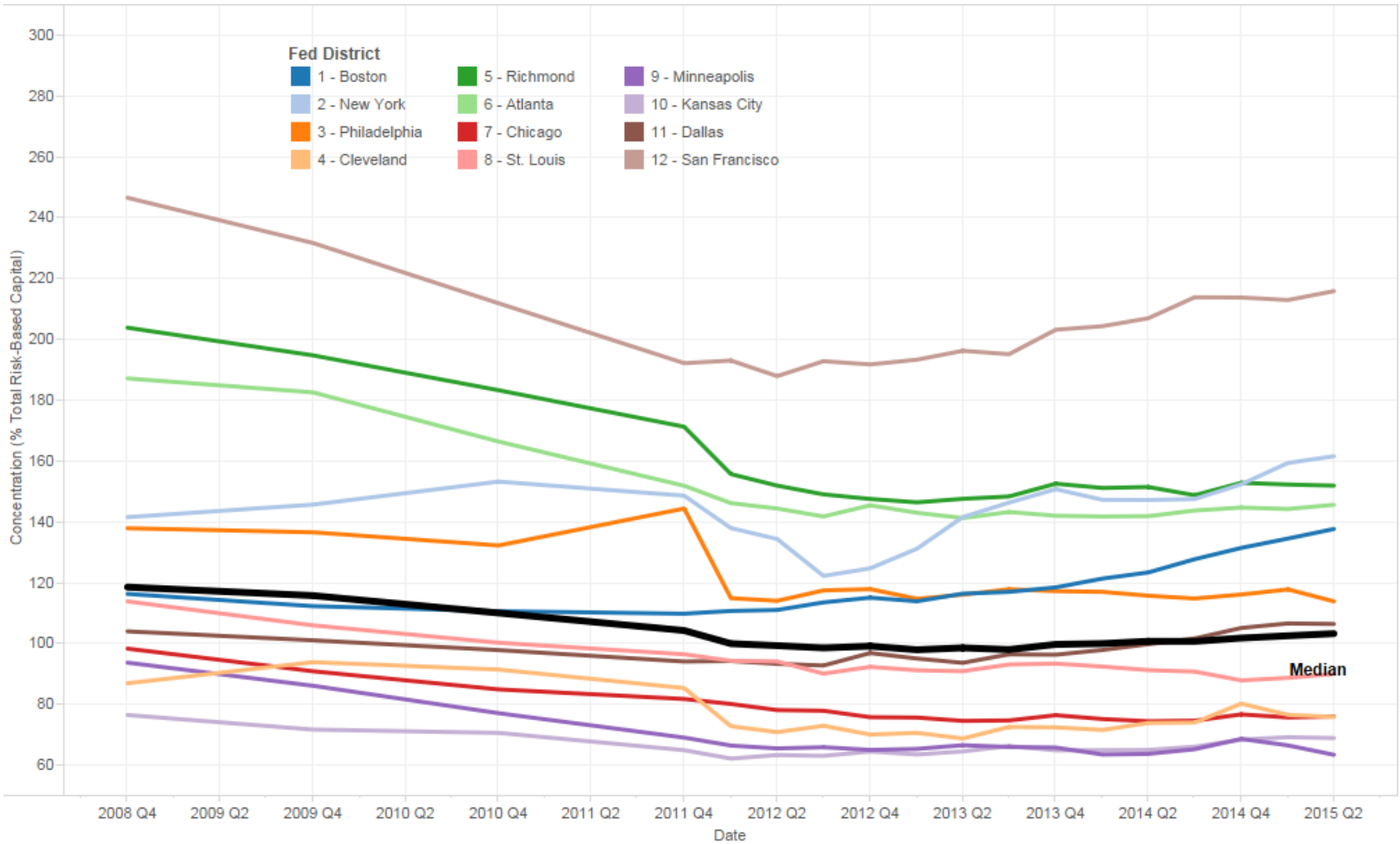
Total Non-Farm Non-Residential CRE



Non-Owner-Occupied Non-Farm Non-Residential CRE

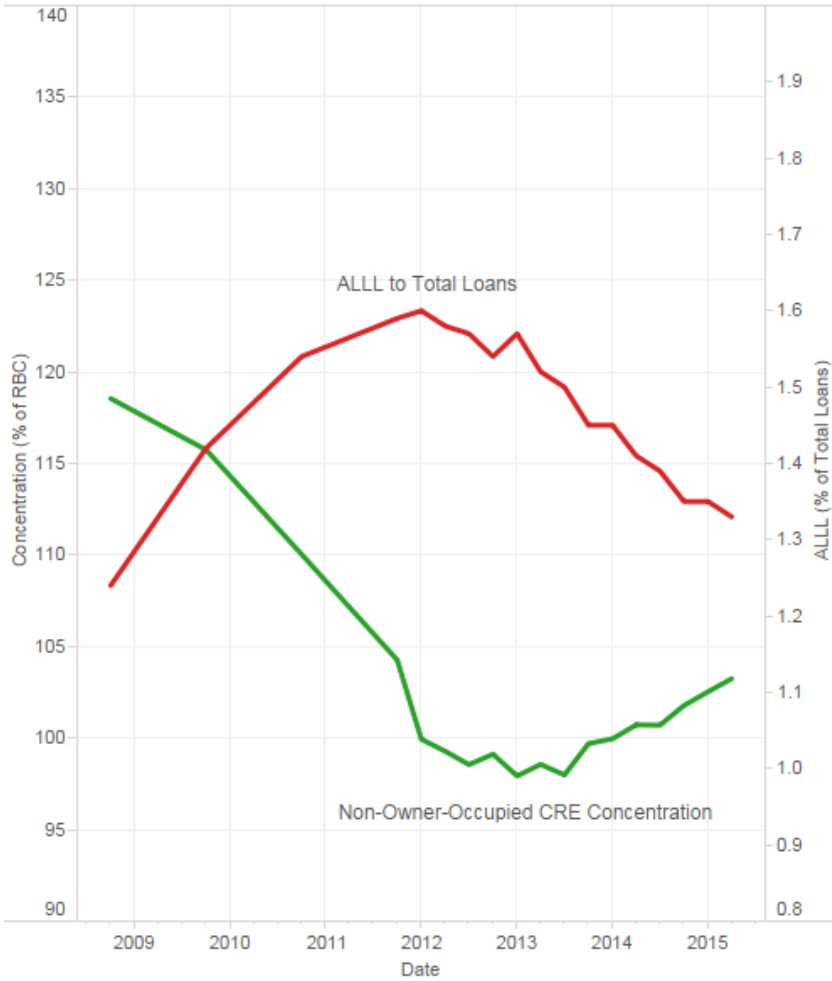


Non-Owner-Occupied CRE Concentration by Federal Reserve District

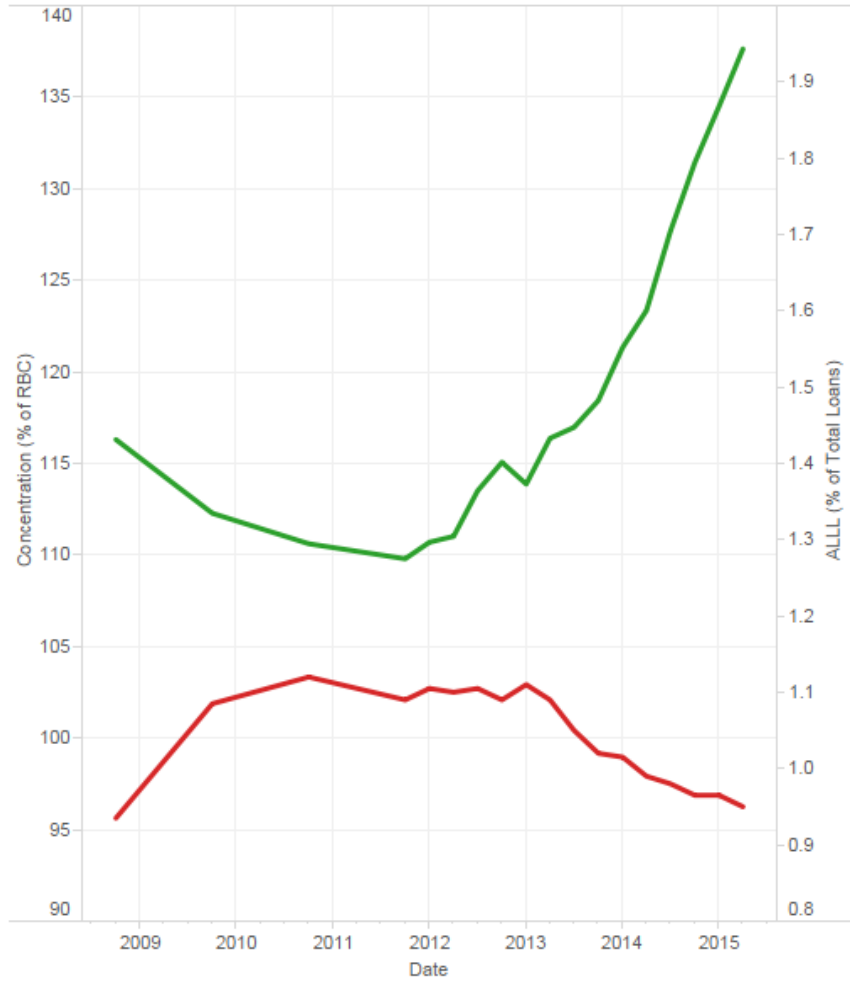


Non-Owner-Occupied CRE Concentration and ALLL

Nation



First District



2006 Interagency Guidance

- Concentrations tend to develop during periods of high liquidity and economic growth
- Excessive concentrations of CRE have been a key factor in many bank losses and failures
- The board of directors is responsible for the establishment and timely review of concentration limits and risk tolerances
- Concentration risk management practices should be forward looking
- Bank capital and reserve levels should be commensurate with the risk profile of CRE exposures