

Performance Compensation for STAKEHOLDERS™



Monthly Performance Report

Lender 1 Scorecard

August



Based upon results to date, your performance compensation is \$47,674.

Portfolio Performance

KPI Score (Average Hurdle Achieved)
 Portfolio Average Balance (000)
 Portfolio Spread (%)
 + Annl'zd Loan Fee Income (\$/Yr)
 = Portfolio Gross Profit Margin (%)

	Result	Reward
	8.63	\$ 39,110
	33,919	
	4.98%	
\$ 313,101	0.92%	
	5.90%	

Asset Quality & Other KPIs

KPI Score (Average Hurdle Achieved)

8.00	\$ 6,107
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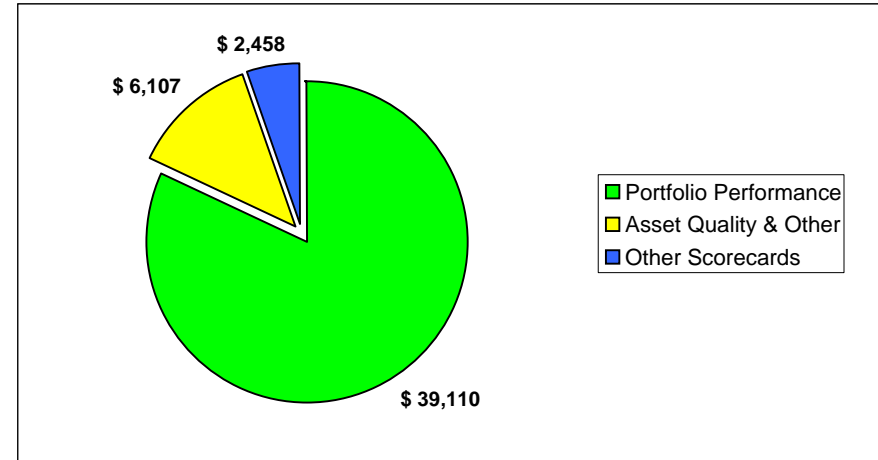
Other Scorecards

KPI Score (Average Hurdle Achieved)

2.92	\$ 2,458
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Total Performance Compensation

\$ 47,674



Performance Compensation Matrix

Portfolio Performance Compensation	Portfolio Average Balance	Portfolio Gross Profit Margin									
		2.00%	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%	4.00%	5.90%
	70,000	\$ 122	\$ 1,190	\$ 4,517	\$ 6,653	\$ 13,185	\$ 16,390	\$ 26,127	\$ 38,001	\$ 43,343	\$ 168,034
	60,000	\$ 15	\$ 931	\$ 1,847	\$ 5,525	\$ 7,357	\$ 13,782	\$ 16,530	\$ 25,703	\$ 29,366	\$ 114,513
	50,000	\$ -	\$ 672	\$ 1,436	\$ 4,397	\$ 5,924	\$ 11,175	\$ 13,464	\$ 15,753	\$ 24,057	\$ 82,774
	40,000	\$ -	\$ 414	\$ 1,024	\$ 1,635	\$ 4,490	\$ 5,711	\$ 6,932	\$ 12,230	\$ 14,061	\$ 56,014
	33,919	\$ -	\$ 256	\$ 774	\$ 1,292	\$ 1,809	\$ 4,654	\$ 5,689	\$ 6,725	\$ 11,640	\$ 39,110
	25,000	\$ -	\$ 26	\$ 407	\$ 789	\$ 1,170	\$ 1,552	\$ 3,867	\$ 4,630	\$ 5,393	\$ 22,407
	20,000	\$ -	\$ -	\$ 201	\$ 507	\$ 812	\$ 1,117	\$ 1,422	\$ 1,728	\$ 4,066	\$ 13,071
	15,000	\$ -	\$ -	\$ -	\$ 225	\$ 454	\$ 683	\$ 911	\$ 1,140	\$ 1,369	\$ 6,225
	10,000	\$ -	\$ -	\$ -	\$ -	\$ 95	\$ 248	\$ 401	\$ 553	\$ 706	\$ 3,736
	5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42	\$ 623

Performance Scorecard: Lender 1

Lender 1	Weight	0	1	2	3	4	5	6	7	8	9	10	Actual	Hurdle	Comp
Portfolio													Portfolio		
Portfolio Average Balance (000)		2,500	5,000	10,000	15,000	20,000	25,000	30,000	40,000	50,000	60,000	70,000	33,919	6.39	\$ 39,110
Portfolio Spread (%)	92.5%	2.15%	2.35%	2.55%	2.75%	2.95%	3.15%	3.35%	3.55%	3.75%	3.95%	4.15%	4.98%	10.00	
Annl'zd Loan Fee Income (\$/Yr)		\$10,000	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000	\$160,000	\$200,000	\$240,000	\$280,000	\$ 313,101	10.83	
Performance Compensation		\$ -	\$ -	\$ 65	\$ 591	\$ 1,239	\$ 4,019	\$ 5,804	\$ 13,695	\$ 25,889	\$ 43,117	\$ 66,114	Average:	8.63	

Asset Quality													Asset Quality		
Past Due Loans (% > 10 Days)	2.5%	3.00%	2.70%	2.40%	2.10%	1.80%	1.50%	1.20%	0.90%	0.60%	0.30%	0.00%	0.15%	9.00	\$ 6,107
CLS Loans (% Loans)	2.5%	3.00%	2.70%	2.40%	2.10%	1.80%	1.50%	1.20%	0.90%	0.60%	0.30%	0.00%	1.48%	5.00	
Other KPIs													Other KPIs		
Portfolio Avg Deposit Bal (000)	2.5%	500	1,000	2,000	3,000	4,000	5,000	6,000	8,000	10,000	12,000	14,000	15,969	10.00	
Performance Compensation		\$ -	\$ 763	\$ 1,527	\$ 2,290	\$ 3,053	\$ 3,817	\$ 4,580	\$ 5,343	\$ 6,107	\$ 6,870	\$ 7,634	Average:	8.00	

Other Scorecards													Other Scorecards		
Bankwide Scorecard	35.0%	0.00	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	2.92	2.92	\$ 2,458
Performance Compensation		\$ -	\$ 842	\$ 1,684	\$ 2,525	\$ 3,389	\$ 4,209	\$ 5,051	\$ 5,892	\$ 6,734	\$ 7,576	\$ 8,418	Average:	2.92	

Trigger(s):

Portfolio Performance Compensation must be greater than zero in order for asset quality and other KPI performance compensation to be paid.

Asset Quality and Other KPI Performance Compensation cannot exceed total of Portfolio Performance Compensation.

Must be employed at time of payout.

Must have satisfactory performance review.

Total Performance Compensation

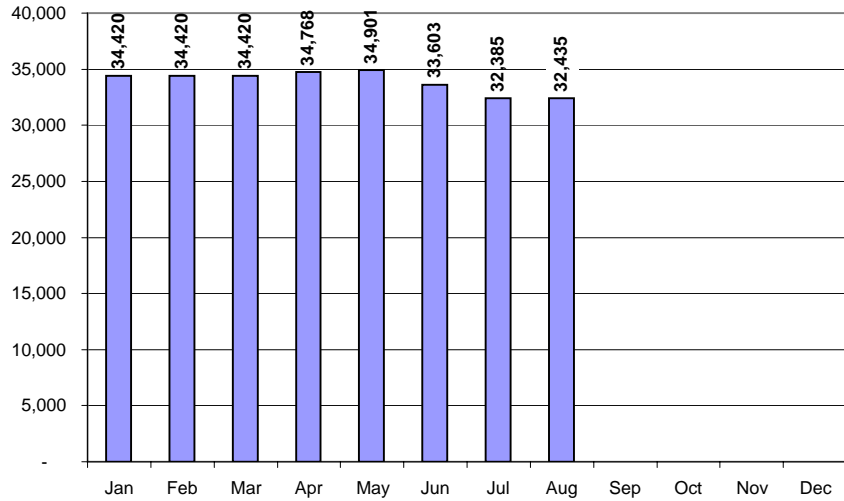
\$47,674

Portfolio Performance Lender 1

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	YTD
Loans													
Average Loan Balance	34,420	34,420	34,420	34,768	34,901	33,603	32,385	32,435					33,919
Funding													
Average Deposit Balance	12,882	12,882	12,882	16,567	15,927	20,494	18,988	17,133					15,969
Average Borrowing Balance	21,538	21,538	21,538	18,201	18,974	13,109	13,397	15,302					17,950
Capital													
Average Capital Balance	1,781	1,781	1,781	1,799	1,806	1,739	1,676	1,679					1,755
Interest & Fee Income													
Loan Interest Income	201.2	201.2	201.2	202.3	200.1	192.1	184.6	186.9					1,569.7
Loan Fee Income	15.1	41.1	37.0	26.6	20.0	25.0	22.0	22.0					208.7
Total Interest & Fee Income	216.3	242.3	238.2	228.9	220.1	217.1	206.6	208.9					1,778.4
Interest Expense													
Cost of Deposits	6.7	6.7	6.7	8.6	8.3	10.6	9.8	8.9					66.2
Cost of Borrowings	50.6	49.4	45.8	48.7	57.4	41.7	40.4	43.2					377.2
Total Interest Expense	57.3	56.1	52.4	57.3	65.7	52.4	50.3	52.1					443.4
Gross Profit	159.0	186.2	185.7	171.6	154.5	164.7	156.3	156.9					1,335.0
Gross Profit Margin	5.54%	6.49%	6.48%	5.92%	5.31%	5.88%	5.79%	5.80%					5.90%
Portfolio Rates													
Portfolio Yield	7.02%	7.02%	7.02%	6.98%	6.88%	6.86%	6.84%	6.92%					6.94%
Portfolio Funding	2.00%	1.96%	1.83%	1.98%	2.26%	1.87%	1.86%	1.93%					1.96%
Portfolio Spread	5.02%	5.06%	5.19%	5.00%	4.62%	4.99%	4.98%	4.99%					4.98%
Fees (% Avg Bal)	0.53%	1.43%	1.29%	0.92%	0.69%	0.89%	0.82%	0.81%					0.92%
Cost of Deposits	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%					0.62%
3 Year FHLB Advance Rate	2.82%	2.75%	2.55%	3.21%	3.63%	3.82%	3.62%	3.39%					3.22%
Asset Quality & Other KPIs													
Past Due Loans (% > 10 Days)	0.17%	0.17%	0.17%	0.01%	0.01%	0.63%	0.00%	0.00%					0.15%
CLSFL Loans (% Loans)	1.34%	1.34%	1.34%	1.30%	1.31%	1.38%	1.95%	1.87%					1.48%

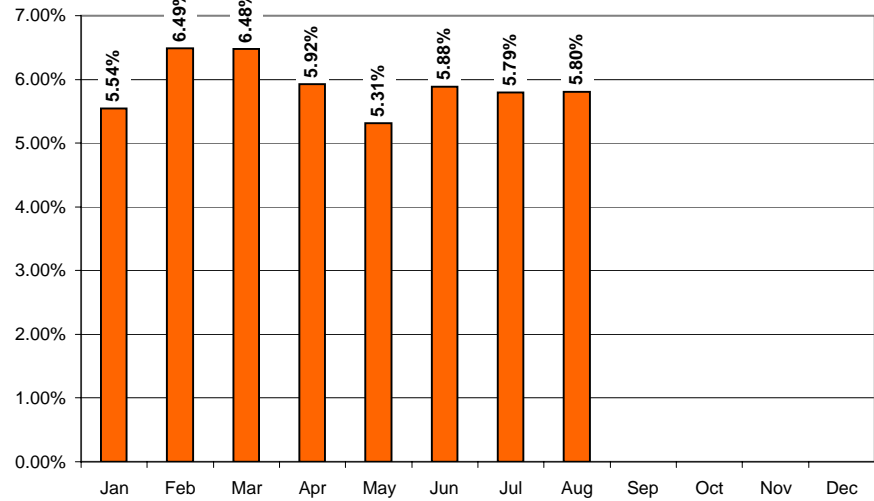
Portfolio Month End Balance (000)

(YTD Average Daily Balance = 33,919)



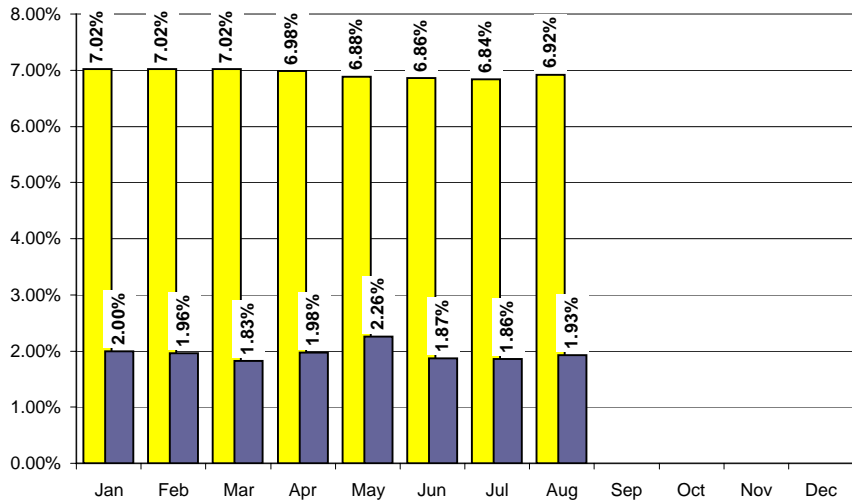
Portfolio Gross Profit Margin (Loan Yield w/Fees - Cost of Funds)

(YTD Gross Profit Margin = 5.90%)



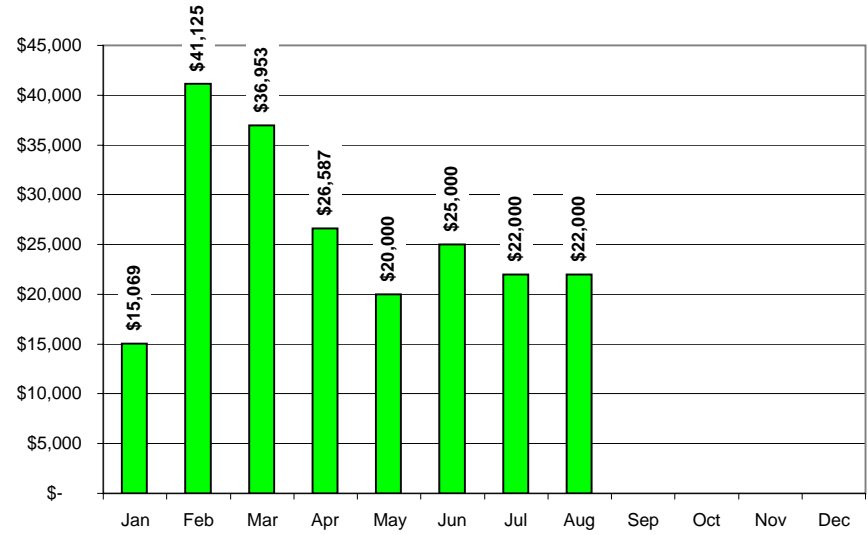
Portfolio Loan Yield and Cost of Funds

(YTD Average Spread = 4.98%)

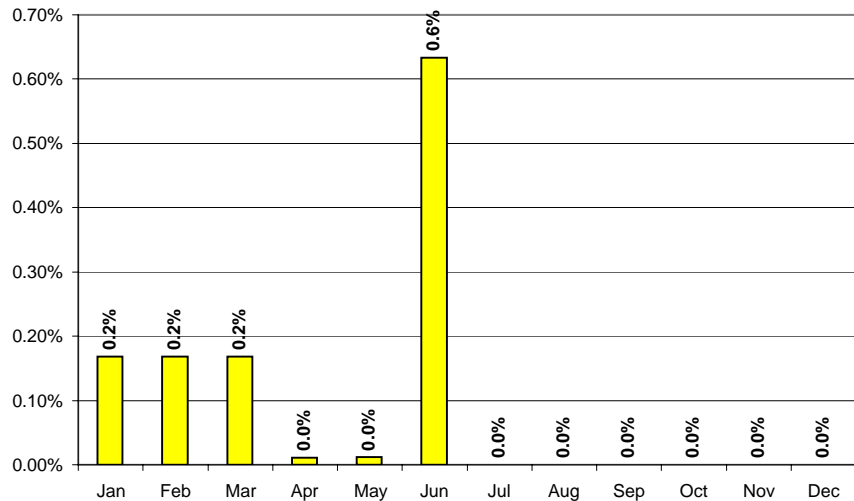


Portfolio Loan Fees (\$)

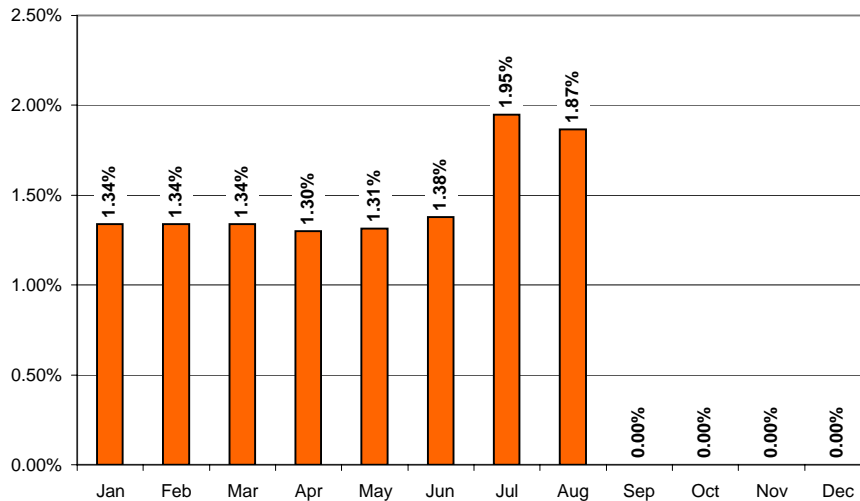
(YTD Loan Fees = \$208,734)



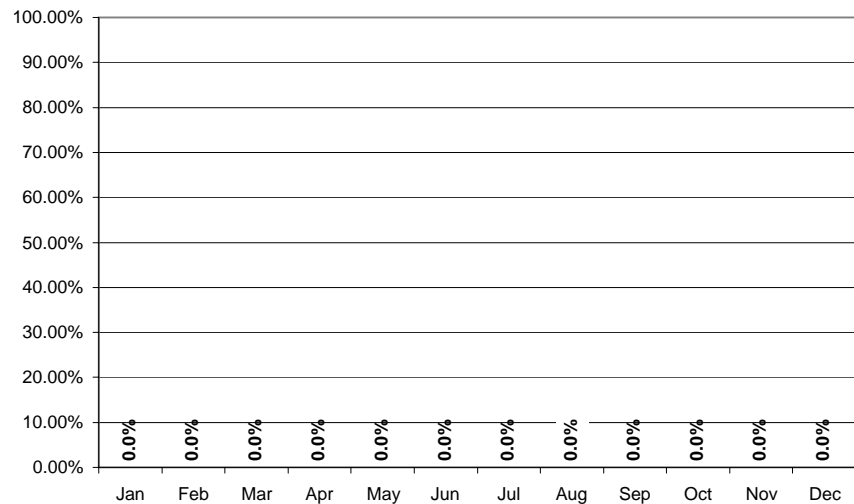
Past Due Loans (% > 10 Days)
(YTD Average = 0.1%)



CLSF Loans (% Loans)
(YTD Average = 1.48%)



Not In Use
(YTD Average = No Data)



Net Charge-Offs (\$)
(YTD = 0.00% of Portfolio Average Balance)

