

Exhibit 1
Detailed Risk Identification Matrix

| Short Description of the Risk | Credit Risk | Int. Rate Risk | Legal/Comp Risk | Strategic Risk | Transaction Risk | Reputation Risk | Liquidity Risk | Other Risks |
|--|-------------|----------------|-----------------|----------------|------------------|-----------------|----------------|-------------|
| SERVICE AREAS ECONOMY: | | | | | | | | |
| Employment | X | | | X | | | | |
| Housing | X | X | | X | | X | X | |
| Commercial real estate | X | X | | X | | X | X | |
| Retail real estate | X | X | | X | | X | X | |
| Inflation | X | X | | X | | X | X | |
| Domestic Product Growth | X | X | | X | | X | X | |
| CREDIT: | | | | | | | | |
| Commercial lending losses due to poor credit underwriting | X | X | | X | | X | X | |
| Commercial lending losses due to poor controls & administration | X | X | X | X | | X | | |
| Real estate lending losses due to poor credit underwriting | X | X | | X | | X | X | |
| Real estate lending losses due to poor control & administration | X | X | X | X | | X | | |
| Consumer lending losses due to poor credit underwriting | X | X | | X | | X | X | |
| Consumer lending losses due to poor control & administration | X | X | X | X | | X | | |
| Construction lending losses due to poor credit underwriting | X | X | | X | | X | X | |
| Construction lending losses due to poor control & administration | X | X | X | X | | X | | |
| SBA lending losses due to poor credit underwriting | X | X | | X | | X | X | |
| SBA lending losses due to poor control & administration | X | X | X | X | | X | | |
| Lender liability | X | | X | | | X | | |
| Environmental liability | X | | X | | | X | | |
| Improper overdraft approved and funded | X | | | | | | | |
| LOAN DOCUMENTATION / PERFECTION ERRORS: | | | | | | | | |
| Commercial credit | X | | X | | | | | |

RISK MANAGEMENT
Risk Management System
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| Short Description of the Risk | Credit Risk | Int. Rate Risk | Legal/ Comp. Risk | Strategic Risk | Transaction Risk | Reputation Risk | Liquidity Risk | Other Risks |
|--|----------------|-------------------|-------------------------|-------------------|---------------------|--------------------|-------------------|----------------|
| External fraud due to improper new accounts procedures | | | X | | X | X | | |
| External fraud due to improper teller procedures | | | X | | X | X | | |
| Embezzlement loss due to employee fraud | | | X | | X | X | | |
| OPERATIONS: | | | | | | | | |
| Check kiting scheme goes undetected by bank | | | | | X | X | X | |
| Midnight deadline missed for dishonored large check | | | | | X | X | | |
| Accidental loss of checks in transit | | | | | X | X | | |
| Improper controls of blank CDs, cashier's checks, money orders, etc. | | | | | X | X | X | |
| Losses due to inadequate controls on cash/accounts/computers/etc. | | | | | X | X | X | |
| SECURITY: | | | | | | | | |
| Inadequate security training causes large robbery loss | | | | | X | X | | |
| Bomb threats | | | | | X | X | | |
| Kidnap | | | | | | X | | |
| Run on The Bank | | | X | X | | X | X | |
| Losses due to inadequate internal audit system | | | | | X | X | | |
| MISCELLANEOUS: | | | | | | | | |
| Executive management succession | | | | X | | X | | |
| Inadequate training of bank employee causes large loss | | | | X | X | X | | |
| Difficulties in recovering from loss of key personnel | | | | X | | X | | |

Exhibit 2
Detailed Risk Management Matrix

| Short Description of the Risk | Risk Probability | Risk Severity | P x S Factor | Control Adequacy | Tab Number | Risk Manager |
|---|------------------|---------------|--------------|------------------|------------|--------------|
| SERVICE AREAS ECONOMY: | | | | | | |
| Employment | 7 | 5 | 35 | 8 | EC-1 | |
| Housing | 7 | 7 | 49 | 7 | EC-2 | |
| Commercial real estate | 7 | 8 | 56 | 7 | EC-3 | |
| Retail real estate | 7 | 8 | 56 | 7 | EC-4 | |
| Inflation | 6 | 3 | 18 | 8 | EC-5 | |
| Domestic Product Growth | 6 | 6 | 36 | 8 | EC-6 | |
| CREDIT: | | | | | | |
| Commercial lending losses due to poor credit underwriting | 5 | 6 | 30 | 9 | CR-1 | |
| Commercial lending losses due to poor controls and administration | 6 | 7 | 42 | 8 | CR-2 | |
| Real estate lending losses due to poor credit underwriting | 5 | 8 | 40 | 9 | CR-3 | |
| Real estate lending losses due to poor control & administration | 6 | 7 | 42 | 8 | CR-4 | |
| Consumer lending losses due to poor credit underwriting | 3 | 5 | 15 | 9 | CR-5 | |
| Consumer lending losses due to poor control & administration | 6 | 7 | 42 | 8 | CR-6 | |
| Construction lending losses due to poor underwriting | 3 | 8 | 24 | 9 | CR-7 | |
| Construction lending losses due to poor control & administration | 6 | 7 | 42 | 8 | CR-8 | |
| SBA lending losses due to poor underwriting | 8 | 9 | 72 | 8 | CR-9 | |
| SBA lending losses due to poor control & administration | 6 | 7 | 42 | 8 | CR-10 | |
| Lender liability | 4 | 5 | 20 | 7 | CR-11 | |
| Environmental liability | 5 | 8 | 40 | 7 | CR-12 | |
| Improper overdraft approved and funded | 3 | 3 | 9 | 9 | CR-13 | |
| LOAN DOCUMENTATION / PERFECTION ERRORS: | | | | | | |
| Commercial credit | 3 | 7 | 21 | 7 | DOC-1 | |
| Real estate credit | 3 | 8 | 24 | 8 | DOC-2 | |
| Consumer credit | 3 | 4 | 12 | 7 | DOC-3 | |

| Short Description of the Risk | Risk Probability | Risk Severity | P x S Factor | Control Adequacy | Tab Number | Risk Manager |
|---|------------------|---------------|--------------|------------------|------------|--------------|
| Construction lending | 3 | 8 | 24 | 9 | DOC-4 | |
| SBA lending | 7 | 8 | 56 | 6 | DOC-5 | |
| ASSET / LIABILITY MANAGEMENT: | | | | | | |
| Asset/liability gaps and interest rate risk | 10 | 6 | 60 | 8 | AL-1 | |
| Investment portfolio mismanagement | 5 | 8 | 40 | 9 | AL-2 | |
| Bank becomes illiquid | 8 | 8 | 64 | 9 | AL-3 | |
| Bank becomes undercapitalized | 8 | 8 | 64 | 5 | AL-4 | |
| EDP: | | | | | | |
| EDP data lost with no backup/usable data | 2 | 10 | 20 | 10 | EDP-1 | |
| EDP data lost due to virus, vandalism, hacker, disgruntled employee | 2 | 3 | 6 | 8 | EDP-2 | |
| EDP contractor unable to meet contract obligations | 1 | 3 | 3 | 9 | EDP-3 | |
| Compliance violations due to EDP contractor mistakes | 1 | 2 | 2 | 9 | EDP-4 | |
| EDP service center natural disaster or conversion | 2 | 3 | 6 | 9 | EDP-5 | |
| EMERGENCY PREPAREDNESS: | | | | | | |
| Power disruption | 6 | 5 | 30 | 7 | EM-1 | |
| Civil unrest | 6 | 4 | 24 | 9 | EM-2 | |
| Natural disasters | 2 | 5 | 10 | 9 | EM-3 | |
| FRAUD: | | | | | | |
| Loan fraud by employee and/or loan customer | 3 | 5 | 15 | 7 | FR-1 | |
| Check fraud due to forged signatures or endorsements | 4 | 2 | 8 | 8 | FR-2 | |
| Other forms of check fraud | 2 | 3 | 6 | 8 | FR-3 | |
| Wire transfer fraud | 2 | 3 | 6 | 8 | FR-4 | |
| Internal fraud by bank operations personnel | 3 | 2 | 6 | 8 | FR-5 | |
| External fraud due to improper new accounts procedures | 3 | 2 | 6 | 8 | FR-6 | |
| External fraud due to improper teller procedures | 3 | 2 | 6 | 8 | FR-7 | |
| Embezzlement loss due to employee | 3 | 3 | 9 | 8 | FR-8 | |

RISK MANAGEMENT
Risk Management System
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| Short Description of the Risk | Risk Probability | Risk Severity | P x S Factor | Control Adequacy | Tah Number | Risk Manager |
|--|------------------|---------------|--------------|------------------|------------|--------------|
| OPERATIONS: | | | | | | |
| Check kiting scheme goes undetected by Bank | 4 | 5 | 20 | 9 | OPS-1 | |
| Midnight deadline missed for dishonored large check | 4 | 4 | 16 | 7 | OPS-2 | |
| Accidental loss of checks in transit | 2 | 4 | 8 | 9 | OPS-3 | |
| Improper controls of blank CDs, cashier's checks, money orders, etc. | 2 | 2 | 4 | 8 | OPS-4 | |
| Losses due to inadequate controls on cash/accounts/computers/etc. | 2 | 3 | 6 | 7 | OPS-5 | |
| SECURITY: | | | | | | |
| Inadequate security training causes large robbery loss | 3 | 2 | 6 | 8 | SEC-1 | |
| Bomb threats | 2 | 2 | 4 | 7 | SEC-2 | |
| Kidnap | 2 | 3 | 6 | 7 | SEC-3 | |
| Run on The Bank | 2 | 7 | 14 | 7 | SEC-4 | |
| Losses due to inadequate internal audit system | 2 | 2 | 4 | 7 | SEC-5 | |
| MISCELLANEOUS: | | | | | | |
| Executive management succession | 3 | 2 | 6 | 9 | MIS-1 | |
| Inadequate training of bank employee causes large loss | 4 | 4 | 16 | 7 | MIS-2 | |
| Difficulties in recovering from loss of key personnel | 2 | 5 | 10 | 8 | MIS-3 | |