



BANK ANALYTICAL REPORT

Wesbanco Bank

Wheeling, WV

Star Rating: ★★★★★

Derived from Financial Data Reported as of March 31, 2009

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Compiled from financial 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.

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INTRODUCTION

The financial data used to prepare this report, unless otherwise noted, was compiled from data reported to the Federal Regulators and distributed by the U.S. Department of Commerce. Although the information obtained from these sources is consistently reliable, the accuracy and completeness of this data cannot be guaranteed by BauerFinancial Inc.

In fact, an astute investor would agree, and experience has shown, that marginally performing institutions sometimes give themselves the benefit of the doubt when filing their reports. Our historical data helps us detect these variances.

STAR RATING SYSTEM

BauerFinancial's star ratings classify each institution based upon a complex formula which factors in relevant data including, but not limited to: current capital levels, proposed regulations, profitability, historical trends, loan delinquencies, repossessed assets, reserves, regulatory compliance and asset quality. Negative trends are projected forward to compensate for the lag time in the data. We employ conservative measures when assigning these ratings and consequently our analysis may be lower than those supplied by other analysts or the institutions themselves. Over twenty-five years of experience has shown this to be a prudent course of action. As a general guideline, however, the following groupings were used:

★★★★★ :Superior. These institutions are on BauerFinancial's Recommended Report.

★★★★ :Excellent. These institutions are also on BauerFinancial's Recommended Report.

★★★½ :Good.

★★★ :Adequate.

★★ :Problematic.

★ :Troubled.

ZERO :Our lowest rating.

FDIC :Institution has failed and/or is operating under FDIC conservatorship.

START-UP :Start-up bank. Institutions that are too new to rate.

Institutions with three or more stars meet all current regulatory capital requirements.

PEER GROUPS

Group 1- Institutions with Domestic & Foreign Offices

Group 2- Domestic Offices only – Assets \$1 billion and up

Group 3- \$500 – 999 million

Group 4- \$300 – 499 million

Group 5- \$200 – 299 million

Group 6- \$100 – 199 million

Group 7- \$50 – 99 million

Group 8- \$25 – 49 million

Group 9- \$0 – 24 million

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A. ABBREVIATED FINANCIAL STATEMENTS

Balance Sheet: (\$ millions)

Assets:

Cash & Due From Banks	387.025
Securities & Fed Funds Sold	1,411.944
Loans (net)	3,530.379
Real Estate Owned	2.752
Premises & Fixed Assets	89.774
Investments in Subsidiaries	0.000
Intangible Assets	291.296
Other Assets	198.056

Total Assets: \$5,911.226

Liabilities & Owner's Equity:

Non-Interest Bearing Deposits	511.583
Interest Bearing Deposits	3,694.444
Fed Funds Purch. & Repos	253.899
Subordinated Debt	0.000
Other Borrowed Money	593.737
Other Liabilities	137.006
Limited-Life Preferred Stock	0.000

Total Liabilities: \$5,190.669

Owner's Equity

Preferred Stock	0.000
Common Stock & Surplus	299.921
Retained Earnings	420.119
Other Equity	0.517

Total Equity: 720.557

Total Liabilities and Equity: \$5,911.226

**Income Statement (\$ millions)
For the Calendar Year-to-date Ended March 31, 2009**

Interest Income:	63.251
Interest Expense:	23.583

Net Interest Income: 39.668

(plus) Non-Interest Income	11.607
(plus) Gains (losses Securities Transactions)	0.197
(minus) Non-Interest Expense	33.670
(minus) Provisions	9.550
(minus) Tax Provision (per Call Report)	1.585

(plus) Other Income (Expense) 0.000

Net Income: \$6.667

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- B. **CAPITAL ADEQUACY.** Current regulatory capital requirements include a leverage capital ratio greater than or equal to 4% and a risk-based capital ratio greater than or equal to 8%. The risk-based capital ratio requirement of 8%, also includes a limitation that at least 4% of the 8% must be tier 1 capital (stock equity and retained earnings).

	<u>Bank</u>	<u>Peer Group</u>
Leverage Capital Ratio:	8.8%	9.22%
Tier 1 Risk-based Capital Ratio:	11.55%	11.66%
Total Risk-based Capital Ratio:	12.8%	13.29%
Regulatory Capital Classification:	WELL-CAPITALIZED	

- C. **ASSET QUALITY.** The quality of an institution's assets is determined by two factors: what specifically is the asset and how does it relate to the entire portfolio. Asset quality can be the difference between survival and insolvency during periods of poor economic conditions. Please see page 2 for the Peer Group definitions.

	<u>Bank</u>	<u>Peer Group</u>
Reposessed Assets/Net Worth:	0.29%	2.87%
Nonaccrual Loans & Other Loans Past Due Over 89 Days/Net Worth:	8.55%	20.03%
Nonperforming Assets/Net Worth + Reserves:	8.22%	20.41%

The following five ratios describe the nonperforming assets and reserves in the bank's portfolio:

	<u>Bank</u>	<u>Peer Group</u>
Nonperforming Assets/Total Assets:	1.08%	2.42%
Delinquent Loans/Total Loans:	1.72%	3.42%
Reposessed Assets/Total Assets:	0.04%	0.3%
Net Year-to-Date Chargeoffs/Total Loans:	0.57%	0.4%
Loan Loss Reserve/Total Loans:	1.51%	2.09%

C. **ASSET QUALITY, Continued.** Generally speaking, the more risky loans in a bank's portfolio are construction, commercial real estate, and foreign loans. Local economic conditions cause regional variances. Individuals or businesses interested in obtaining a loan or line of credit should check that the bank is actively engaged in that type of lending. Undercapitalized banks may be required to limit their lending activity due to an effort to shrink their asset size (thus increasing their capital ratios).

	<u>Bank</u>	<u>Peer Group</u>
Construction & Land Development/Total Loans:	7.08%	11.91%
Secured by Farmland/Total Loans:	0.21%	1.09%
Secured by 1-4 Family Residences/Total Loans:	34.53%	29.58%
Commercial Real Estate/Total Loans:	37.05%	26.8%
Commercial & Industrial Loans/Total Loans:	10.79%	16.99%
Loans to Individuals/Total Loans:	7.77%	9.95%
Loans to Foreign Governments/Total Loans:	0.0%	0.02%
Other Loans/Total Loans:	2.56%	3.67%

Loans to executive officers, principal shareholders and their related parties (with or without collateral) are not unusual in the banking industry. However, excessive lending to insiders can cause problems if the loans are not subject to the same arm's length underwriting standards as similar loans to other customers.

	<u>Bank</u>	<u>Peer Group</u>
Loans to Insiders/Total Loans:	0.45%	0.84%
Loans to Insiders/Total Net Worth:	2.21%	4.94%

Intangible assets are acquired by various transactions in which the purchase price exceeds the book value. For example, a bank may buy a branch of another bank for more than its book value; the premium paid would be an intangible asset to the purchaser known as "goodwill". The leverage capital ratio on page 4 excludes most intangible assets.

	<u>Bank</u>	<u>Peer Group</u>
Intangible Assets/Net Worth:	40.43%	18.89%

Investments in unconsolidated subsidiaries and related companies can be a drain on a bank's net worth. If the book value of the subsidiary declines, so does that of the bank.

	<u>Bank</u>	<u>Peer Group</u>
Investments in Subsidiaries/Net Worth:	0.0%	0.0%

D. **LIQUIDITY.** Liquidity ratios measure the relationship between current assets and current liabilities; they are indicators of an institution's ability to meet current obligations. Higher ratios reflect a reliance on funding sources that may not be available in times of financial stress or adverse changes in market conditions.

	<u>Bank</u>	<u>Peer Group</u>
Loans to Deposits:	85.23%	94.0%
Non-core Funding Dependence:	27.42%	36.54%

E. **GROWTH.** As a general rule, growth in a bank is considered normal and desirable. If the growth accelerates to a point where it becomes unmanageable, however, it can lead to a situation of capital inadequacy and/or unprofitability. Asset shrinkage could indicate a cutback in lending.

	<u>Bank</u>	<u>Peer Group</u>
% Change in Assets (year):	48.28%	21.84%
% Change in Equity (year):	48.68%	20.06%

If an institution has to buy high-cost deposits in order to facilitate its growth, it may have to pay a higher rate for the funds than can be obtained on the asset side, thus negatively impacting earnings. Brokered deposits are a very expensive way to fund growth.

	<u>Bank</u>	<u>Peer Group</u>
Brokered Deposits/Total Deposits:	4.27%	22.37%

F. **PROFITABILITY.** Standard measures of profitability are Return on Assets and Return on Equity which reflect the percentage of each that has been earned during the current period. The ratios facilitate comparisons between institutions and time periods, as the same dollar figure of net income may be good or bad, depending on the balance sheet of the institution.

Current quarter's profit:	\$6.667 million	
Year-to-date profit:	\$6.667 million	
Year ended 12/31/08 profit:	\$43.048 million	
Year ended 12/31/07	\$47.664 million	
	<u>Bank</u>	<u>Peer Group</u>
Annualized Return on Assets:	0.51%	0.19%
Annualized Return on Equity:	3.71%	1.75%