



Monday, March 2, 2009

Mr. Neil Barofsky Special Inspector General 1500 Pennsylvania Avenue N.W. Suite 1064 Washington, DC 20220

Dear Mr. Barofsky,

In connection with your request dated February 6, 2009, Magna Bank hereby provides the following responses to the information requested by your office (responses appear in numerical sequence corresponding to the item numbers in the original request):

1. (a) Anticipated use of TARP funds.

TARP funds were used to increase Magna's tier 1 risk-based capital from 10.51% as of September 30, 2008, to 12.73% as of December 31, 2008 (see exhibit A). Without this additional capital, Magna would have continued to execute on its strategy, begun at the end of the second quarter of 2008, of reducing its balance sheet in order to increase capital ratios, as the economies in the markets we serve continued to deteriorate. Between June 30, 2008 and December 31, 2008, Magna had reduced its outstanding loan balances by \$10.7 million, or 2.6% (see exhibit B). With the additional capital in place, Magna has curtailed the strategy of balance sheet reduction in favor of one of slow, steady growth.

(b) (4)

1. (b) Segregation of TARP Funds.

Magna has not segregated the TARP funds from other general corporate resources as we have no specific methodology for identifying, and thus segregating, cash inflows and outflows from our operations. As you know, specific identification of cash is virtually impossible as financial assets and liabilities are originated, payments and advances are made, and these instruments are liquidated and the proceeds reinvested.

1.(c) Actual Use of TARP Funds to Date.

Loans grew by \$1.6 million during the month of January, 2009, the first full month since the sale of preferred stock to Treasury, as may also be seen on exhibit B.

1.(d) Expected Use of Unspent TARP Funds.

Magna expects to continue to leverage the TARP capital through additional loan growth as outlined in item 1.(a), above.

 Mr. Neil Barofsky
 Office of the Special Inspector General March 2, 2009

2. Implementation of Plans to Address Executive Compensation.

Magna's Board Compensation Committee has reviewed and compared all of the incentive plans effective for its officers to the limitations imposed by the Emergency Economic Stimulus Act of 2008 and the American Recovery and Reinvestment Act of 2009. We understand that Treasury intends to issue regulations in the near future to provide guidance on compliance with the new requirements set forth in ARRA, and upon issuance of this guidance, the Bank will evaluate its executive compensation practices to ensure compliance with these new



As part of their review, the Compensation Committee specifically addressed whether any of the incentive plans were structured so as to promote undue risk taking by the participant. Their conclusion was that none of the plans contained such a feature.

Magna's equity incentive plan for officers is limited to the award of non-qualified stock options, which are not allowed to be awarded to the Company's most highly compensated executive. Consequently, Magna's shareholders will be asked to approve a new equity incentive plan at the 2009 annual shareholders meeting adding restricted stock, which is awardable under ARRA.

We acknowledge your request that Magna segregate and preserve all documents referencing its use or anticipated use of TARP funds. Our policy is, and has always been, to follow a very strict document retention program so as to be able to respond to inquiries from our regulators and others. Be assured that those policies will not be amended or disregarded.

The undersigned hereby certifies that the information provided in this letter and the supplemental information attached is accurate, and acknowledges that the provision of false information is subject to penalties set forth in 18 U.S.C. Section 1001. Please feel free to contact me with any questions or concerns regarding Magna Bank and its participation in the TARP CPP.

Regards,

David C. Wadlington

Executive Vice President/CFO

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Association
Magna Bank

Office of Thrift Supervision 2008 Thrift Financial Report

Schedule CCR - Consolidated Capital Requirement

Docket	15525	Schedule CCR - Consolidated Capital Requirement				
Report Date	12-2008	Original Submitted on Jan/30/2009 02:10 PM				
TOTAL RISK-BA	SED CAPITAL REQU	JIREMENT: - continued	(Report in Thous	ands of Dollars		
			Lines	Bil Mil Thou		
100% Risk-Weig			<u> </u>	0.400		
Securities Risk	Weighted at 100% (or M	ore) Under the Ratings-Based Approach		8,190		
All Other Assets			CCR506	381,521		
Total (501 + 50	6)		CCR510	389,711		
100% Risk-Weig	jht Total (510 x 100%) _		CCR55	389,711		
		D. C. Dieb Michael	CODENE	0		
		sidual Interests Before Risk-Weighting				
Risk-Weighted	Assets for Low-Level R	ecourse and Residual Interests (605 x 12.5)	[CCR62]	U		
Accore to Rick-	Naight (420 + 455 + 485	+ 510 + 605)	CCR64	570,573		
		5 + 50 + 55 + 62)		456,802		
		Losses		0		
			CCR78	456,802		
		(78 × 8%)	CCR80	36,544		
rotal Man-Dasc	a oupital residential					
CAPITAL AND F	ROMPT CORRECTIV	/E ACTION RATIOS:				
	pital Ratio		CCR810	10.28%		
• •	Capital + Adjusted Total A					
(1161 1 (0016) 0	Japitai - Adjusted Total /	oddio,				
Total Risk-Rase	d Capital Ratio		CCR820	12.73%		
	ed Capital + Risk-Weigh		,			
(10iai 1tian-bas	ica Capitai - Mak 970igii	, , , , , , , , , , , , , , , , , , , ,		_		
Tier 1 Risk-Rase	d Capital Ratio		CCR830	11.72%		
		ow-level Recourse and Residual				
	Risk-Weighted Assets)					
				40.000		
	Ratio		CCR840	10.28%		
((Tangible Capi	tal + Cumulative Perpetu	al Preferred Stock) ÷ Tangible Assets)				

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Office of Thrift Supervision 2008 Thrift Financial Report

Magna Bank
Docket 15525

Schedule CCR - Consolidated Capital Requirement

Amended Submitted on Dec/10/2008 03:31 PM

Report Date	09-2008	Amended Submitted on Deci	/10/2008 03:31 PM	
TOTAL RISK-BA	SED CAPITAL REQUIF	REMENT: - continued	(Report in Thous	
			Lines	Bil Mil Thou
100% Risk-Weigl			Toopen	11,606
Securities Risk	Weighted at 100% (or More	e) Under the Ratings-Based Approach	CCR501	
All Other Assets	\$		CCR506	
•	•		CCR510	£
100% Risk-Weig	jht Total (510 x 100%)		CCR55	394,682
		It to all Defens Diels Maighting	CCR605	0
Amount of Low-	Level Recourse and Residu	ual Interests Before Risk-Weighting		0
Risk-Weighted /	Assets for Low-Level Rec	ourse and Residual Interests (605 x 12.5)	COROZ	<u> </u>
Assets to Dink \	Najah+ (420 ± 455 ± 485 ±	510 + 605)	CCR64	577,378
		· 50 + 55 + 62)		459,846
		sses		459,846
				36,788
Total Risk-Base	d Capital Requirement (7)	8 x 8%)	Johns	<u> </u>
CAPITAL AND F	ROMPT CORRECTIVE	ACTION RATIOS:		
	pital Ratio		CCR810	8.37%
	Capital + Adjusted Total Ass	ets)		
Total Risk-Based	d Capital Ratio		CCR820	10.51%
(Total Risk-Bas	sed Capital + Risk-Weighted	I Assets)		
Tier & Diele Dane	d Caribal Datia		CCR830	9.66%
	ed Capital Ratio			1
		-level Recourse and Residual		
Interests) ÷	Risk-Weighted Assets)			
Tangible Equity	Ratio		CCR840	8.37%
		Preferred Stock) ÷ Tangible Assets)		
((Tarrgible Capit	ar - Outhalauve r expereur	, your and other than the same of the same		
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		443000		

31

MAGNA BANK CHANGE IN GROSS LOANS BETWEEN JUNE 30, 2008 AND DECEMBER 31, 2008 (\$ in 000's)

TFR LINE								ncrease	
<u>REF</u>	DESCRIPTION	<u>1/31/20</u>	<u> 2009</u>	12/31/2008	<u>6/</u>	/30/2008	<u>(D</u>	ecrease)	<u>%</u>
SC26	Mortgage Loans ¹		ç	356,548	\$	361,755	\$	(5,207)	1.4%
SC31	Non-mortgage Loans			37,209		43,617		(6,408)	<u>14.7%</u>
				393,757		405,372		(11,615)	2.9%
	Add: Allowance for Loan Losses								
SC283	Mortgage Loans			4,567		3,490		1,077	-30.9%
SC357	Non-mortgage Loans			60		48		12	<u>-25.0%</u>
				4,627		3,538		1,089	-30.8%
	Less: Accrued Interest Receivable								
SC272	Mortgage Loans			(1,563)		(1,723)		160	9.3%
SC348	Non-mortgage Loans			(594)		(547)		(47)	<u>-8.6%</u>
				(2,157)		(2,270)		113	5.0%
SC275	Less: Escrow advances			(742)	-	(415)	***************************************	(327)	<u>-78.8%</u>
	GROSS LOANS	\$ 397	7,111 \$	395,485	\$	406,225	\$	(10,740)	<u>2.6%</u>

¹ Excludes loans helf for sale (i.e. portfolio loans only).

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Office of Thrift Supervision 2008 Thrift Financial Report

Schedule SC - Consolidated Statement of Condition

Cash, Deposits and Investment Securities: Total S Cash and Non-Interest-Earning Deposits Sinterest-Earning Deposits in FHLBs Sinterest-Earning Deposits in FHLBs Sinterest-Earning Deposits Sinterest-Earning Depos	Lines	nds of Dollars) Bil Mil Thou 16,131 6,355 332 0 1,556 4,760
Cash, Deposits and Investment Securities: Total S Cash and Non-Interest-Earning Deposits Sinterest-Earning Deposits Sinterest-Ea	Lines	Bil Mil Thou 16,131 6,355 332 0 1,556 4,760
Cash and Non-Interest-Earning Deposits Si Interest-Earning Deposits in FHLBs Si Other Interest-Earning Deposits Si Federal Funds Sold and Securities Purchased Under Agreements to Resell Si U.S. Government, Agency, and Sponsored Enterprise Securities Si Equity Securities Subject to FASB No. 115 Si State and Municipal Obligations Si State and Municipal Obligations Si Securities Backed by Nonmortage Loans Si Other Investment Securities Si Accrued Interest Receivable Si Mortgage-Backed Securities: Total Si Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Si Other Pass-Through Si Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Si Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Si Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Si Other Si Accrued Interest Receivable Si General Valuation Allowances Si Mortgage Loans: Total Si Construction Loans on: 1-4 Dwelling Units Si Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units Si Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units Si All Other: Secured by First Liens Si	SC110 SC112 SC118 SC125 SC130 SC140 SC180 SC182 SC182	6,355 332 0 1,556 4,760
Cash and Non-Interest-Earning Deposits Si Interest-Earning Deposits in FHLBs Si Other Interest-Earning Deposits Si Federal Funds Sold and Securities Purchased Under Agreements to Resell Si U.S. Government, Agency, and Sponsored Enterprise Securities Si Equity Securities Subject to FASB No. 115 Si State and Municipal Obligations Si State and Municipal Obligations Si Securities Backed by Nonmortage Loans Si Other Investment Securities Si Accrued Interest Receivable Si Mortgage-Backed Securities: Total Si Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Si Other Pass-Through Si Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Si Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Si Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Si Other Si Accrued Interest Receivable Si General Valuation Allowances Si Mortgage Loans: Total Si Construction Loans on: 1-4 Dwelling Units Si Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units Si Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units Si All Other: Secured by First Liens Si	SC110 SC112 SC118 SC125 SC130 SC140 SC180 SC182 SC182	6,355 332 0 1,556 4,760
Interest-Earning Deposits in FHLBs Other Interest-Earning Deposits Federal Funds Sold and Securities Purchased Under Agreements to Resell U.S. Government, Agency, and Sponsored Enterprise Securities Equity Securities Subject to FASB No. 115 State and Municipal Obligations Securities Backed by Nonmortage Loans Other Investment Securities Accrued Interest Receivable Mortgage-Backed Securities: Total Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Secured Interest Receivable General Valuation Allowances Mortgage Loans: Total Secured Interest Receivable Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units Revolving, Open-End Loans All Other: Secured by First Liens Secured by First Liens Secured by First Liens Secured by First Liens	SC112 SC118 SC125 SC130 SC140 SC180 SC182 SC185	0 1,556 4,760
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U.S. Government, Agency, and Sponsored Enterprise Securities Equity Securities Subject to FASB No. 115 State and Municipal Obligations Securities Backed by Nonmortage Loans Other Investment Securities Accrued Interest Receivable Mortgage-Backed Securities: Total Ses-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Multifamily (5 or More) Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens	SC130 SC140 SC180 SC182 SC185	
Equity Securities Subject to FASB No. 115 State and Municipal Obligations Securities Backed by Nonmortage Loans Other Investment Securities Accrued Interest Receivable Mortgage-Backed Securities: Total Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Total S Multifamily (5 or More) Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units Revolving, Open-End Loans All Other: Secured by First Liens	SC140 SC180 SC182 SC185	***************************************
State and Municipal Obligations Securities Backed by Nonmortage Loans Other Investment Securities Accrued Interest Receivable Mortgage-Backed Securities: Total Securities Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Multifamily (5 or More) Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens	SC180 SC182 SC185	13
Securities Backed by Nonmortage Loans Schriftes Securities Other Pass-Through Securities	SC182 SC185	0
Other Investment Securities Other Pass-Through Securities Securiti	SC185	0
Accrued Interest Receivable Mortgage-Backed Securities: Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Secured by First Liens		2,825
Mortgage-Backed Securities: Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Secured by First Liens	SC191	290
Pass-Through: Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Secured by First Liens	201011	
Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S. Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Secured by First Liens	SC22	54,941
Other Pass-Through Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Multifamily (5 or More) Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Secured by First Liens Secured Securities (Excluding Bonds): Signature (Excluding Bonds): Signatu		
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Issued or Guaranteed by FNMA, FHLMC, or GNMA Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Secured Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Signature Secured by First Liens Secured Secured Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Signature Secured by	SC215	0
Collateralized by Mortgage-Backed Securities Issued or Guaranteed by FNMA, FHLMC, or GNMA Other Accrued Interest Receivable General Valuation Allowances Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Multifamily (5 or More) Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Signal or Guaranteed by FNMA, FHLMC, or GNMA Signal or GNMA Si		
Other	SC217	0
Accrued Interest Receivable Sceneral Valuation Allowances Sceneral Sceneral Valuation Loans on: 1-4 Dwelling Units Sceneral Valuation Units Sceneral Valuation Valuat	SC219	3,605
Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens SMortgage Loans: Total SMURITIAN	SC222	27,580
Mortgage Loans: Construction Loans on: 1-4 Dwelling Units Nonresidential Property Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens Sometimes Secured S	SC228	56
Construction Loans on: 1-4 Dwelling Units	SC229	0
1-4 Dwelling Units	SC26	380,763
Multifamily (5 or More) Dwelling Units		
Nonresidential Property	SC230	15,639
Permanent Mortgages on: 1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens	SC235	10,075
1-4 Dwelling Units: Revolving, Open-End Loans All Other: Secured by First Liens S	SC240	19,590
Revolving, Open-End Loans All Other: Secured by First Liens S		
All Other: Secured by First Liens	accessamentos socios sociedos	LOCUMENT CONTROL OF THE PARTY O
All Other: Secured by First LiensS	SC251	43,189
Secured by First Liens		
	SC254	116,307
Secured by Junior Liens S	SC255	24,778
	SC256	18,395
	SC260	94,155
	SC265	40,897
Accrued Interest Receivable S	SC272	1,563
	SC275	742
Allowance for Loan and Lease Losses S		4,567

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Office of Thrift Supervision 2008 Thrift Financial Report

Magna Bank						
Docket 15525	Schedule SC - Consolidated Statement of Condition					
Report Date 12-2008	Original Submitted on Jan/30/2009 (iginal Submitted on Jan/30/2009 02:10 PM				
•		(Report in Thous	ands of Dollars			
		Lines	Bil Mil Thou			
Nonmortgage Loans:	Total	SC31	37,209			
		*				
Commercial Loans:	Total	SC32	33,256			
Secured		SC300	21,743			
Unsecured		SC303	11,513			
		SC306	0			
Consumer Loans:	Total	SC35	3,419			
Loans on Deposits		SC310	90			
	ed by real estate)	SC316	0			
		SC320	0			
		SC323	192			
		SC326	0			
		SC328	0			
		SC330	3,137			
			•			
Accrued Interest Receivable		SC348	594			
		***************************************	T co			
Allowance for Loan and Lease Losses_		SC357	60			
	Total	SC40	2,794			
Repossessed Assets:	ı Otal	3040	1 2,/34			
Real Estate:		SC405	1,838			
Construction		SC405				
-		SC415	1			
1						
· · · · · · · · · · · · · · · · · · ·		SC428	l 0			
Land	d Paal Estata Ownad	SC429	1 0			
		SC430				
Other Repossessed Assets General Valuation Allowances		SC441				
General valuation Allowances						
Real Estate Held for Investment		SC45	0			
	PAOD No. 448 Total	l one	2 000			
Equity Investments Not Subject to			3,903 3,903			
		SC510 SC540	-			
Other		SC540	1			
Office Premises and Fauinment		SC55	5,721			
omor remess and Equipment						

For information purposes only: not for data entry Association

Report Date

Office of Thrift Supervision 2008 Thrift Financial Report

Magna Bank Docket 15525 06-2008

Schedule SC - Consolidated Statement of Condition

Original Submitted on Jul/30/2008 03:20 PM

Nopole Date	(Report <u>in Thou</u>	sands of Dollars)
ASSETS	Lines	Bil Mil Thou
Cash, Deposits and Investment Securities: Total	SC11	
Cash and Non-Interest-Earning Deposits	SC110	1
Interest-Earning Deposits in FHLBs	SC112	
Other Interest-Earning Deposits	SC118	
Federal Funds Sold and Securities Purchased Under Agreements to Rese	II SC125	
U.S. Government, Agency, and Sponsored Enterprise Securities		103
Equity Securities Subject to FASB No. 115	SC140	
State and Municipal Obligations	SC180	
Securities Backed by Nonmortage Loans	SC182	
Other Investment Securities	SC185	6,193
Accrued Interest Receivable	00404	211
	SC22	52,691
Pass-Through:		
Insured or Guaranteed by an Agency or Sponsored Enterprise of the U.S	SC210	17,329
Other Pass-Through	SC215	0
Other Mortgage-Backed Securities (Excluding Bonds): Issued or Guaranteed by FNMA, FHLMC, or GNMA	SC217	0
Collateralized by Mortgage-Backed Securities Issued or Guaranteed by F	FNMA, FHLMC, or GNMA SC219	3,848
Other	SC222	31,452
Accrued Interest Receivable	SC228	62
General Valuation Allowances		0
	SC26	393,670
Construction Loans on:		
1-4 Dwelling Units	SC230	20,136
Multifamily (5 or More) Dwelling Units	1	17,572
Nonresidential Property	SC240	46,845
Permanent Mortgages on:		
1-4 Dwelling Units:	gotantolitalitetarium	
Revolving, Open-End Loans	SC251	41,716
All Other:	grano manual Middle (1940-1940)	
Secured by First Liens	SC254	
Secured by Junior Liens	SC255	
MultiFamily (5 or More) Dwelling Units	SC256	Commission of the Commission o
Nonresidential Property (Except Land)	SC260	
Land	SC265	43,690
Accrued Interest Receivable	SC272	1,723
Advances for Taxes and Insurance	SC275	415
Allowance for Loan and Lease Losses	SC283	3,490
3	Davined	March 2008

For information purposes only: not for data entry
Association

Office of Thrift Supervision 2008 Thrift Financial Report

Magna Bank
Docket 15525

Schedule SC - Consolidated Statement of Condition

06-2008 Original Submitted on Jul/30/2008 03:20 PM Report Date (Report in Thousands of Dollars) Lines | Bil | Mil | Thou SC31 43,617 Nonmortgage Loans: SC32 39,629 Commercial Loans: 27,853 SC300 Secured 11,776 SC303 Unsecured SC306 Lease Receivables _____ SC35 3,489 Total _____ Consumer Loans: 125 SC310 Loans on Deposits ____ 0 Home Improvement Loans (Not secured by real estate)____ SC316 0 SC320 231 SC323 Auto Loans ____ 0 SC326 Mobile Home Loans 0 SC328 Credit Cards _ 3,133 SC330 Other, Including Lease Receivables 547 SC348 Accrued Interest Receivable SC357 48 Allowance for Loan and Lease Losses Total _____ SC40 502 Repossessed Assets: Real Estate: 0 SC405 Construction 502 SC415 1-4 Dwelling Units _____ 0 SC425 Multifamily (5 or More) Dwelling Units _____ 0 SC426 Nonresidential (Except Land) 0 SC428 0 U.S. Government-Guaranteed or -Insured Real Estate Owned SC429 0 SC430 Other Repossessed Assets 0 SC441 General Valuation Allowances ___ 0 SC45 Real Estate Held for Investment _____ Equity Investments Not Subject to FASB No. 115 Total ____ SC51 3,851 3,851 Federal Home Loan Bank Stock _____ SC510 0 SC540 5,703 SC55 Office Premises and Equipment ______



Exhibit C

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PROJECTED YEAR END BALANCE SHEETS

Month End 12-2008 Projected 12-2009

	12-2008	12-2009	Var \$
ASSETS			
Cash and Due From Banks	6,307,173		
ShortTerm Investments	1,887,844		
Securities Available For Sale	50,944,920	$\setminus \mathcal{O}$	
Securities Held to Maturity	15,441,866		
Total Securities	66,386,787		
1-4 Mortgage Loans	91,268,632		
Construction/Land Loans	61,846,645		
Comml Real Estate Loans	132,345,296		
Other Real Estate Loans	28,085,609		
Total Real Estate Loans	313,546,183		
Commercial Loans	33,255,730		
Home Equity LOC	43,315,309		
Consumer & Other Loans	3,416,474		
Total Non Real Estate Loans	79,987,514		
Loan Clearings	3,476		
Non-Accrual Loan	2,770,322		
Gross Loans	396,307,494		
Allowance For Loan Loss	-5,283,639		
Net Loans	391,023,855		
Mortgage Loans HFS	24,214,907		
Fixed Assets	5,721,304		
Mortgage Servicing Rights	9,287,775		
Accrued Interest Receivable	2,501,910		
REO & FHA/VA Claims Receivable	4,139,913		
Other Assets	9,575,998		
TOTAL ASSETS	521,047,466		
LIABILITIES & EQUITY			
Servicing Escrow A/C's	10,086,205		
Non-Interest BearingTrans A/C	14,968,665		
Interest Bearing Transaction	18,178,918		
MMDA & Sweep A/C's	43,888,193		
Regular Savings	40,964,893		
Certificates of Deposit	181,311,411		
Brokered Deposits	64,032,996		
Total Deposits	373,431,280		
Short Term Borrowings	10,600,000		
FHLB Term Advances	75,500,000		
Total Borrowings	86,100,000		
Taxes Payable	993,682		
Accrued Interest Payable	2,767,975		
Accrued Expenses	934,850		
A/C Payable & Other Liab	3,472,262		
Total Other Liabilities EQUITY	8,168,768		

BÀSE MODEL DATA Figures are in Whole Dollars



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PROJECTED YEAR END BALANCE SHEETS

	Month End 12-2008	Projected 12-2009	Var:
Preferred Stock Series A	13,795,000	/1 \	
Common Stock	5,448,209		
Treasury Stock	-200,374		
Additional Paid-in Capital	31,214,117		'
Retained Earnings	4,253,365		•
MTM G/L Security	-1,162,899		
Total Equity Capital	53,347,417		
TOTAL LIABILITIES AND EQUITY	521,047,466		