



School of Business | Camden

Quarterly Business Outlook

April 25, 2012 • Rutgers University–Camden

<u>Sector</u>	<u>Expert Panelist</u>	<u>* April 25, 2012 Rating</u>	<u>**Six Month Forecast</u>
Economy	Joel Naroff, Ph.D. President Naroff Economic Advisors	70	Better
Residential Real Estate	Bruce Paparone President Bruce Paparone Inc.	35	Better
Banking Capital	David Hanrahan President and CEO Capital Bank of New Jersey	65	Better

Moderator: Dr. Jaishankar Ganesh, Dean
Rutgers School of Business-Camden

* Numeric rating: Scale of 1 to 100 (0 = terrible and 100 = terrific)

** B = Better
S = Same
W = Worse

This event is proudly co-sponsored by:



Rutgers University School of Business-Camden
business.camden.rutgers.edu

Comcast Cable Channel 2 Broadcast Dates for the April 25 Outlook

Monday, April 30th at 8 pm
Wednesday, May 2nd at 8:00 pm
Friday, May 4th at 12:00 noon
Sunday, May 6th at 6 pm

Monday, May 7th at 8 pm
Wednesday, May 9th at 8:00 pm
Friday, May 11th at 12:00 noon
Sunday, May 13th at 6 pm

Monday, May 14th at 8 pm
Wednesday, May 16th at 8:00 pm
Friday, May 18th at 12:00 noon
Sunday, May 20th at 6 pm

Rutgers School of Business-Camden Executive Education

The Executive Education office is a single point of contact for business and industry with the Rutgers School of Business-Camden. We offer professional development programs in corporate training for companies with customized requirements. We also provide business and industry with access to faculty and staff who serve as resources to help solve problems in the workplace.

Contact: Ray Compari, Director Phone: (856) 225-6723
E-mail: rcompari@camden.rutgers.edu Fax: (856) 225-6231

The Regional Small Business Development Center at Rutgers-Camden (RSBDC)

The Regional Small Business Development Center is part of a statewide network of university and college-based centers that provide comprehensive small business counseling and educational opportunities to small business owners and potential owners throughout the state of New Jersey.

Contact: Gary Rago, Director Phone: (856) 225-6221
E-mail: rago@camden.rutgers.edu Fax: (856) 225-6621

Rutgers School of Business Internship Program

The Rutgers School of Business Internship Program is an academic program designed to supplement students' campus-based studies through work-learn employment in part-time positions. It is designed to correspond to the students' majors or the fields they wish to explore within business, government or social services agencies.

Contact: Joe Haro, Internship Coordinator Phone: (856) 225-6677
E-mail: jharo@camden.rutgers.edu Fax: (856) 225-6231

Rutgers Career Center

Free job and internship listings. On-campus recruiting program and job fairs.

Contact: Jim Marino, Assistant Dean Phone: (856) 225-6046
E-mail: jmarino@camden.rutgers.edu Fax: (856) 225-6511





School of Business | Camden

PANELIST BIOGRAPHIES: April 25, 2012

Joel Naroff is the President and founder of Naroff Economic Advisors, a strategic economic consulting firm.

A nationally recognized economic forecasting expert, Joel has received numerous honors. In 2011 he received the National Association for Business Economics Outlook Award as the top economic forecaster. In 2008 he was awarded the Lawrence Klein Award for Blue Chip forecasting excellence. Joel was the Bloomberg Business News top economic forecaster in 2008 and in 2006 he was MSNBC's the top forecaster.

Joel received bachelors' degrees in economics and chemistry from the Stony Brook University and his Ph.D. in economics from Brown University. He is a member of the Board of Directors of the Economy League of Greater Philadelphia, teaches at the Central Atlantic Advanced School of Banking, is a past Chair of the American Bankers Association's Economic Advisory Committee and is a past President of the Philadelphia Council of Business Economists.

Bruce Paparone is president of Bruce Paparone, Inc., a company that builds primarily single family move-up luxury homes and communities in the southern New Jersey region. He is also a partner in the Oak Mortgage Company and owner of S.J. Paparone Insurance agency.

Bruce is past president and a member of the Board of Directors of the Builders League of South Jersey. Bruce also sits on a variety of boards, including Kennedy Hospital and Cornerstone Bank. In 1994 and 2010, he was awarded *Home Builder of the Year*, and in 1997, 2001, 2007, 2008 and 2009 was presented the *Commitment to Excellence* Award presented by the Builders League of South Jersey.

He received his bachelor's degree in management from Fairleigh Dickinson University.

David J. Hanrahan is the founding President and CEO of Capital Bank of New Jersey, a commercial bank headquartered in Vineland, New Jersey. Hanrahan also serves on the bank's Board or Directors.

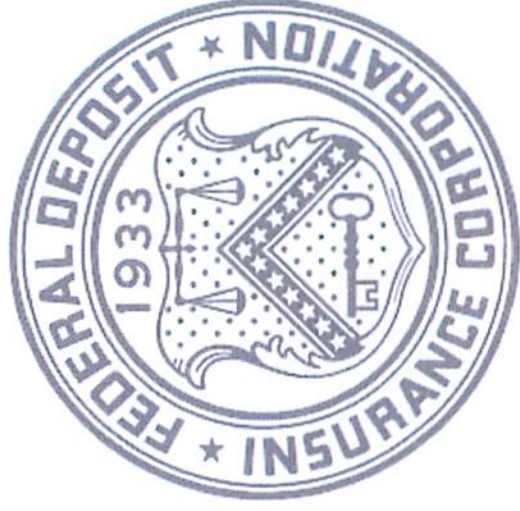
Hanrahan holds a B.S. in Accounting from Rutgers School of Business-Camden. He is also a graduate of the Stonier Graduate School of Banking from the American Bankers Association/University of Delaware.

He currently serves on the Board and as Secretary of the Cumberland County Habitat for Humanity, and on the Investment Committee of the Southern New Jersey Council - Boy Scouts of America. He is a member of the American Bankers Association Community and Economic Development Committee and the Vineland Rotary Club. He is a past Board member of the Gloucester County Chamber of Commerce and past Treasurer of Fellowship Bible Church in Mullica Hill, New Jersey. He also serves as a Guest Professor for the annual Rutgers University Guest Professor Program.

This event is proudly co-sponsored by:



Community Banking by the Numbers

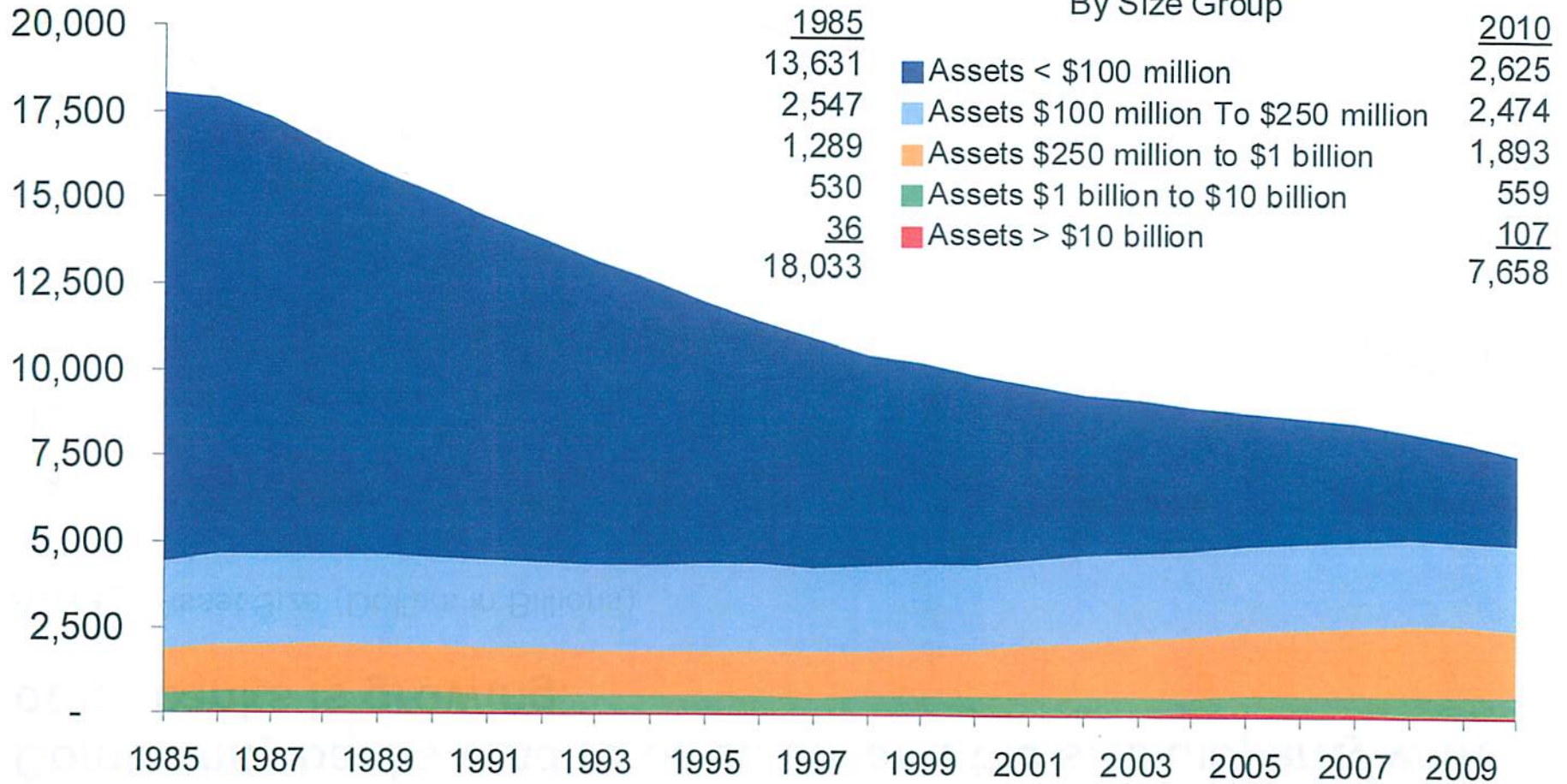


The FDIC Community Banking Research Project

FDIC Future of Community Banking Conference
February 16, 2012

All of the net decline in FDIC-insured institutions since 1985 has come from banks under \$100 million.

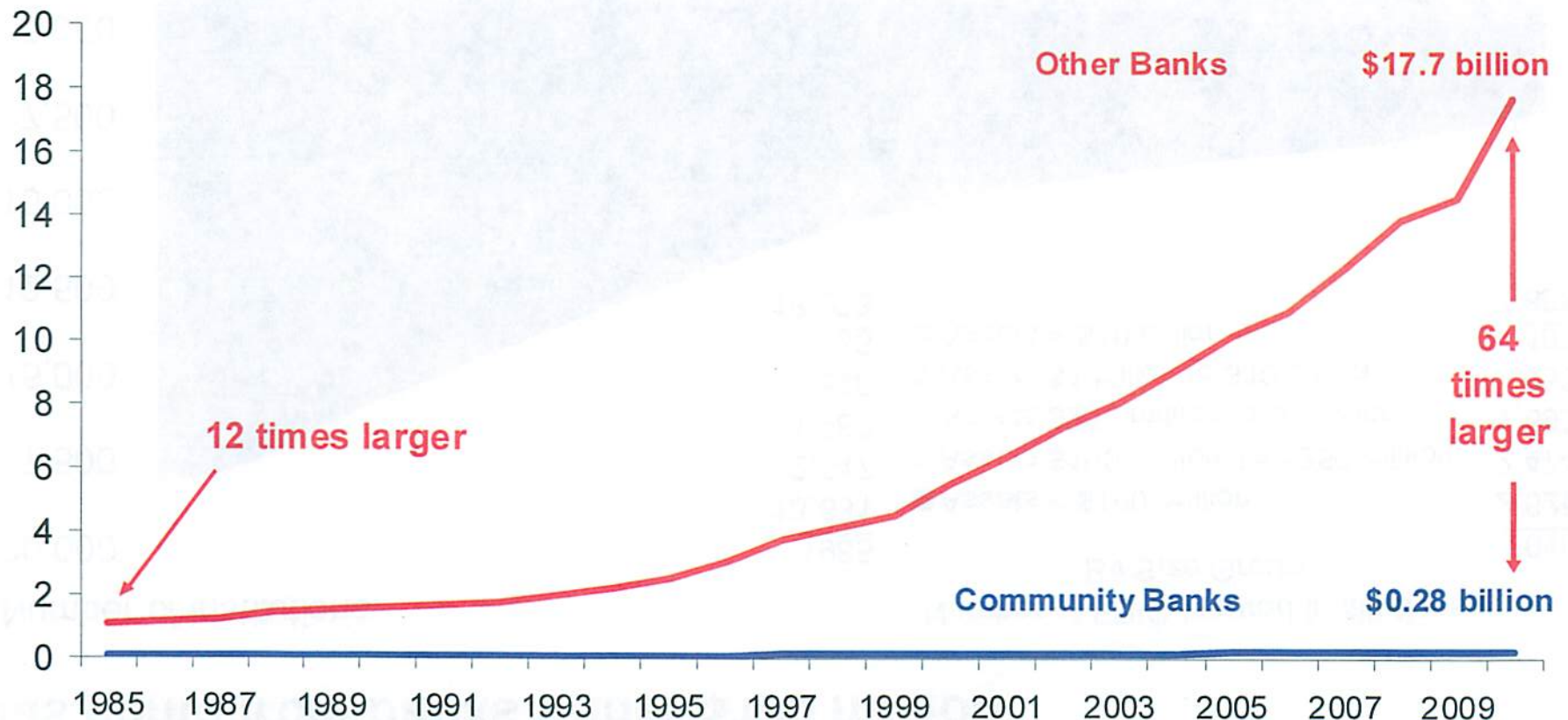
Number of Institutions



Source: FDIC

Community banks tend to be small, and the size disparity with other banks is growing.

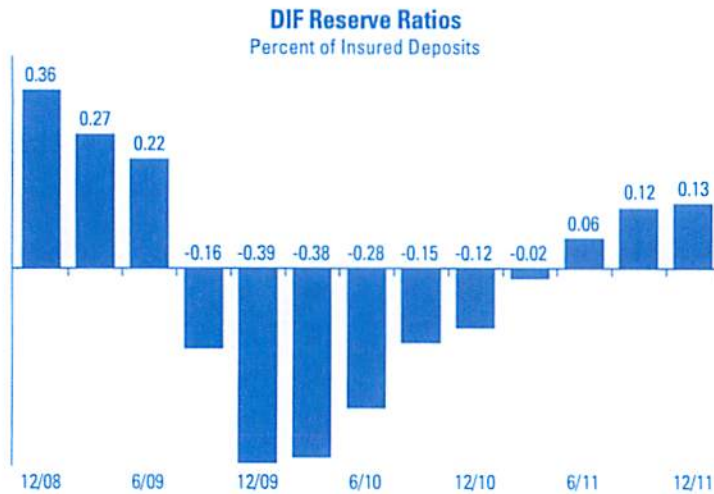
Average Asset Size (Dollars in Billions)



Source: FDIC Community Banking Research Project

Table I-B. Insurance Fund Balances and Selected Indicators

	Deposit Insurance Fund*												
	4th Quarter 2011	3rd Quarter 2011	2nd Quarter 2011	1st Quarter 2011	4th Quarter 2010	3rd Quarter 2010	2nd Quarter 2010	1st Quarter 2010	4th Quarter 2009	3rd Quarter 2009	2nd Quarter 2009	1st Quarter 2009	4th Quarter 2008
<i>(dollar figures in millions)</i>													
Beginning Fund Balance.....	\$7,813	\$3,916	-\$1,023	-\$7,352	-\$8,009	-\$15,247	-\$20,717	-\$20,862	-\$8,243	\$10,368	\$13,007	\$17,276	\$34,588
Changes in Fund Balance:													
Assessments earned.....	3,210	3,642	3,163	3,484	3,498	3,592	3,242	3,278	3,042	2,965	9,095	2,615	996
Interest earned on													
investment securities.....	25	30	37	28	39	40	64	62	76	176	240	212	277
Realized gain on sale of													
investments.....	0	0	0	0	0	0	0	0	0	732	521	136	302
Operating expenses.....	334	433	463	395	452	414	382	345	379	328	298	266	290
Provision for insurance													
losses.....	1,533	-763	-2,095	-3,089	2,446	-3,763	-2,552	3,021	17,766	21,694	11,615	6,637	19,163
All other income,													
net of expenses.....	-41	83	80	66	48	94	55	22	2,721	308	375	2	15
Unrealized gain/(loss) on													
available-for-sale													
securities.....	102	-188	27	57	-30	163	-61	149	-313	-770	-957	-331	551
Total fund balance change.....	1,429	3,897	4,939	6,329	657	7,238	5,470	145	-12,619	-18,611	-2,639	-4,269	-17,312
Ending Fund Balance.....	9,242	7,813	3,916	-1,023	-7,352	-8,009	-15,247	-20,717	-20,862	-8,243	10,368	13,007	17,276
Percent change from													
four quarters earlier.....	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-77.07	-75.39	-67.04
Reserve Ratio (%).....	0.13	0.12	0.06	-0.02	-0.12	-0.15	-0.28	-0.38	-0.39	-0.16	0.22	0.27	0.36
Estimated Insured													
Deposits**.....	6,979,126	6,772,466	6,541,718	6,393,953	6,315,302	5,421,425	5,437,417	5,472,402	5,407,757	5,315,927	4,817,789	4,831,748	4,750,783
Percent change from													
four quarters earlier.....	10.51	24.92	20.31	16.84	16.78	1.98	12.86	13.26	13.83	16.96	7.83	8.87	10.68
Domestic Deposits.....	8,779,282	8,526,668	8,244,865	8,006,888	7,887,732	7,753,409	7,681,284	7,702,451	7,705,353	7,561,334	7,561,996	7,546,996	7,505,408
Percent change from													
four quarters earlier.....	11.30	9.97	7.34	3.95	2.37	2.54	1.58	2.06	2.66	4.58	7.47	6.65	8.43
Number of institutions													
reporting.....	7,366	7,446	7,523	7,584	7,668	7,771	7,840	7,944	8,022	8,109	8,205	8,257	8,315



Deposit Insurance Fund Balance and Insured Deposits (\$ Millions)

	DIF Balance	DIF-Insured Deposits
12/08	\$17,276	\$4,750,783
3/09	13,007	4,831,748
6/09	10,368	4,817,789
9/09	-8,243	5,315,927
12/09	-20,862	5,407,757
3/10	-20,717	5,472,402
6/10	-15,247	5,437,417
9/10	-8,009	5,421,425
12/10	-7,352	6,315,302
3/11	-1,023	6,393,953
6/11	3,916	6,541,718
9/11	7,813	6,772,466
12/11	9,242	6,979,126

Table II-B. Problem Institutions and Failed/Assisted Institutions

<i>(dollar figures in millions)</i>	2011	2010	2009	2008	2007	2006
Problem Institutions						
Number of institutions.....	813	884	702	252	76	50
Total assets.....	\$319,432	\$390,017	\$402,782	\$159,405	\$22,189	\$8,265
Failed Institutions						
Number of institutions.....	92	157	140	25	3	0
Total assets.....	\$34,923	\$92,085	\$169,709	\$371,945	\$2,615	\$0
Assisted Institutions**						
Number of institutions.....	0	0	8	5	0	0
Total assets.....	\$0	\$0	\$1,917,482	\$1,306,042	0	0

* Quarterly financial statement results are unaudited. NM - Not meaningful
 ** Beginning in the third quarter of 2009, estimates of insured deposits are based on a \$250,000 general coverage limit. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) temporarily provides unlimited coverage for noninterest bearing transaction accounts for two years beginning December 31, 2010. Beginning in the fourth quarter of 2010, estimates of insured deposits include the entire balance of noninterest bearing transaction accounts.
 *** Assisted institutions represent five institutions under a single holding company that received assistance in 2008, and eight institutions under a different single holding company that received assistance in 2009.