

International group increases capital requirements for banks

By: Jenna V. Loceff, Business Journal Staff Reporter

SANTA ROSA — The Basel Committee on Banking Supervision, an international forum for standardization on bank rules, has approved increasing the risk-based ratio for financial institutions from the current 8 percent to about 10.5 percent over the next several years.

“I think it is a good thing, I think banks should hold more capital,” said Tom Duryea, president and chief executive officer of Summit State Bank in Santa Rosa. “If you have to carry more capital you will not have the returns, but you will not have the risk.”

In the North Bay, locally-based banks are all well above the minimum ratios to be considered well capitalized.

Westamerica, headquartered in San Rafael, has \$5.9 billion in assets and a risk-based capital ratio of 15.79 percent.

Luther Burbank Savings has \$3.5 billion in assets and 15.9 percent ratio.

Exchange Bank has \$1.5 billion in assets and a ratio or 13.92 percent.

Bank of Marin has \$1.3 billion in assets and a ratio of 12.98 percent.

First Community Bank has assets totaling \$750 million and a risk based capital ratio of 15.87 percent.

Summit State Bank has \$374 million in assets and a capital ratio of 18.61 percent.

Circle Bank's total assets are \$304 million and the bank has a total risk based capital ratio of 12.64 percent.

First Federal Savings and Loan Association has assets of \$173 million and a ratio of 28.41 percent.

Bank of Napa has \$109 million and capital ratio totaling 21.7 percent.

AltaPacific Bank's total assets are \$83 million and its total risk based capital ratio is 40.67 percent.