

NORTHERN STATES FINANCIAL CORPORATION

	CPP Disbursement Date 02/20/2009	RSSD (Holding Company) 1210589	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev	
Assets	\$622	\$532	-14.5%	
Loans	\$432	\$385	-10.8%	
Construction & development	\$39	\$30	-23.7%	
Closed-end 1-4 family residential	\$44	\$41	-5.9%	
Home equity	\$27	\$23	-11.7%	
Credit card	\$0	\$0		
Other consumer	\$2	\$2	-18.3%	
Commercial & Industrial	\$27	\$16	-42.1%	
Commercial real estate	\$233	\$224	-3.9%	
Unused commitments	\$59	\$37	-37.8%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$119	\$83	-30.4%	
Asset-backed securities	\$0	\$0		
Other securities	\$15	\$9	-37.5%	
Cash & balances due	\$13	\$24	77.4%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$0	\$0		
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$0	\$0		
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$573	\$487	-14.9%	
Deposits	\$519	\$449	-13.6%	
Total other borrowings	\$49	\$36	-28.1%	
FHLB advances	\$0	\$0		
Equity				
Equity capital at quarter end	\$50	\$44	-10.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$22	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	8.1%	8.3%	--	
Tier 1 risk based capital ratio	11.1%	11.8%	--	
Total risk based capital ratio	12.3%	13.1%	--	
Return on equity ¹	-28.9%	-29.2%	--	
Return on assets ¹	-2.4%	-2.6%	--	
Net interest margin ¹	3.5%	4.0%	--	
Coverage ratio ((ALLL+Alloc transfer risk)/Noncurrent loans)	43.3%	67.2%	--	
Loss provision to net charge-offs (qtr)	46.3%	423.9%	--	
Net charge-offs to average loans and leases ¹	9.0%	1.2%	--	
¹ Quarterly, annualized.				
Asset Quality (% of Total Loan Type)	Noncurrent Loans		Gross Charge-Offs	
	2009	2010	2009	2010
Construction & development	23.8%	13.8%	0.9%	0.1%
Closed-end 1-4 family residential	5.4%	6.5%	0.1%	0.0%
Home equity	9.0%	6.5%	0.0%	0.5%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	1.2%	1.8%	0.4%	0.3%
Commercial & Industrial	0.3%	3.2%	25.3%	1.4%
Commercial real estate	6.7%	4.4%	0.2%	0.1%
Total loans	9.6%	7.1%	2.2%	0.3%