

FRONTIER BANK FSB

| | CPP Disbursement Date 12/23/2008 | Cert 34738 | Number of Insured Depository Institutions 1 | |
|---|-------------------------------------|----------------------------|---|-------------|
| Selected balance and off-balance sheet items | 2008 \$ millions | 2009 \$ millions | %chg from prev | |
| Assets | \$320 | \$372 | 16.2% | |
| Loans | \$264 | \$261 | -1.2% | |
| <i>Construction & development</i> | \$67 | \$46 | -31.1% | |
| <i>Closed-end 1-4 family residential</i> | \$97 | \$117 | 20.5% | |
| <i>Home equity</i> | \$13 | \$14 | 6.0% | |
| <i>Credit card</i> | \$0 | \$0 | | |
| <i>Other consumer</i> | \$7 | \$8 | 12.0% | |
| <i>Commercial & Industrial</i> | \$14 | \$16 | 16.6% | |
| <i>Commercial real estate</i> | \$53 | \$48 | -9.4% | |
| Unused commitments | \$30 | \$24 | -20.5% | |
| Securitization outstanding principal | \$0 | \$0 | | |
| Mortgage-backed securities (GSE and private issue) | \$0 | \$4 | 4482.4% | |
| Asset-backed securities | \$0 | \$0 | | |
| Other securities | \$0 | \$0 | | |
| Cash & balances due | \$32 | \$63 | 94.8% | |
| Residential mortgage originations | | | | |
| <i>Closed-end mortgage originated for sale (quarter)</i> | \$0 | \$0 | | |
| <i>Open-end HELOC originated for sale (quarter)</i> | \$0 | \$0 | | |
| <i>Closed-end mortgage originations sold (quarter)</i> | \$0 | \$0 | | |
| <i>Open-end HELOC originations sold (quarter)</i> | \$0 | \$0 | | |
| Liabilities | \$286 | \$339 | 18.6% | |
| Deposits | \$250 | \$304 | 21.3% | |
| Total other borrowings | \$35 | \$35 | 0.0% | |
| FHLB advances | \$0 | \$0 | | |
| Equity | | | | |
| Equity capital at quarter end | \$34 | \$33 | -3.8% | |
| Stock sales and transactions with parent holding company (cumulative through calendar year) | \$0 | \$0 | NA | |
| Performance Ratios | | | | |
| Tier 1 leverage ratio | 10.7% | 8.8% | -- | |
| Tier 1 risk based capital ratio | 14.2% | 13.6% | -- | |
| Total risk based capital ratio | 15.3% | 14.9% | -- | |
| Return on equity ¹ | 4.9% | 5.0% | -- | |
| Return on assets ¹ | 0.5% | 0.4% | -- | |
| Net interest margin ¹ | 4.5% | 3.9% | -- | |
| Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans) | 139.9% | 53.2% | -- | |
| Loss provision to net charge-offs (qtr) | 1147.8% | 282.3% | -- | |
| Net charge-offs to average loans and leases ¹ | 0.1% | 0.5% | -- | |
| ¹ Quarterly, annualized. | | | | |
| | Noncurrent Loans | | Gross Charge-Offs | |
| Asset Quality (% of Total Loan Type) | 2008 | 2009 | 2008 | 2009 |
| <i>Construction & development</i> | 2.1% | 5.0% | 0.0% | 0.2% |
| <i>Closed-end 1-4 family residential</i> | 0.2% | 1.7% | 0.0% | 0.1% |
| <i>Home equity</i> | 1.9% | 0.0% | 0.0% | 0.9% |
| <i>Credit card</i> | 0.0% | 0.0% | 0.0% | 0.0% |
| <i>Other consumer</i> | 0.9% | 1.7% | 0.5% | 0.1% |
| <i>Commercial & Industrial</i> | 0.7% | 2.4% | 0.4% | 0.3% |
| <i>Commercial real estate</i> | 0.0% | 6.8% | 0.0% | 0.0% |
| <i>Total loans</i> | 0.8% | 3.1% | 0.0% | 0.1% |