

HIGHLANDS INDEPENDENT BANCSHARES, INC.

	CPP Disbursement Date 03/06/2009	RSSD (Holding Company) 2638014	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2008 \$ millions	2009 \$ millions	%chg from prev	
Assets	\$312	\$322	3.1%	
Loans	\$221	\$199	-9.8%	
<i>Construction & development</i>	\$45	\$36	-21.6%	
<i>Closed-end 1-4 family residential</i>	\$53	\$52	-1.6%	
<i>Home equity</i>	\$17	\$17	-2.2%	
<i>Credit card</i>	\$0	\$0		
<i>Other consumer</i>	\$9	\$8	-13.5%	
<i>Commercial & Industrial</i>	\$29	\$21	-27.1%	
<i>Commercial real estate</i>	\$51	\$50	-2.2%	
Unused commitments	\$30	\$22	-24.8%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$30	\$53	78.7%	
Asset-backed securities	\$0	\$0		
Other securities	\$27	\$17	-36.3%	
Cash & balances due	\$13	\$24	86.2%	
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	\$284	\$294	3.4%	
Deposits	\$268	\$278	3.5%	
Total other borrowings	\$14	\$15	2.7%	
FHLB advances	\$14	\$15	2.7%	
Equity				
Equity capital at quarter end	\$27	\$27	-0.3%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$7	NA	
Performance Ratios				
Tier 1 leverage ratio	8.5%	7.0%	--	
Tier 1 risk based capital ratio	12.0%	10.7%	--	
Total risk based capital ratio	13.3%	12.0%	--	
Return on equity ¹	-15.6%	-33.0%	--	
Return on assets ¹	-1.4%	-2.9%	--	
Net interest margin ¹	3.4%	3.4%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	59.6%	45.1%	--	
Loss provision to net charge-offs (qtr)	138.9%	48.9%	--	
Net charge-offs to average loans and leases ¹	3.1%	17.6%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2008	2009	2008	2009
<i>Construction & development</i>	6.9%	18.7%	1.0%	12.6%
<i>Closed-end 1-4 family residential</i>	4.2%	6.1%	0.7%	2.8%
<i>Home equity</i>	2.4%	2.8%	2.2%	0.8%
<i>Credit card</i>	0.0%	0.0%	0.0%	0.0%
<i>Other consumer</i>	0.3%	1.0%	0.8%	0.2%
<i>Commercial & Industrial</i>	0.5%	0.7%	0.6%	5.4%
<i>Commercial real estate</i>	1.9%	6.6%	0.5%	2.1%
<i>Total loans</i>	3.2%	7.3%	0.8%	4.4%