

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	2008 \$ millions	2009 \$ millions	%chg from prev	
Assets	\$633	\$626	-1.1%	
Loans	\$481	\$432	-10.2%	
Construction & development	\$58	\$39	-32.4%	
Closed-end 1-4 family residential	\$47	\$44	-7.4%	
Home equity	\$26	\$27	1.1%	
Credit card	\$0	\$0		
Other consumer	\$3	\$2	-19.9%	
Commercial & Industrial	\$50	\$27	-45.5%	
Commercial real estate	\$235	\$233	-0.9%	
Unused commitments	\$83	\$59	-29.6%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$83	\$119	43.0%	
Asset-backed securities	\$0	\$0		
Other securities	\$20	\$15	-27.0%	
Cash & balances due	\$14	\$13	-6.6%	
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	\$571	\$573	0.3%	
Deposits	\$504	\$519	3.1%	
Total other borrowings	\$63	\$49	-21.1%	
FHLB advances	\$20	\$0	-100.0%	
Equity				
Equity capital at quarter end	\$62	\$54	-13.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$22	NA	
Performance Ratios				
Tier 1 leverage ratio	7.7%	8.5%	--	
Tier 1 risk based capital ratio	9.2%	11.5%	--	
Total risk based capital ratio	10.5%	12.8%	--	
Return on equity ¹	-36.7%	2.2%	--	
Return on assets ¹	-3.8%	0.2%	--	
Net interest margin ¹	3.0%	3.5%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	28.5%	42.2%	--	
Loss provision to net charge-offs (qtr)	114.1%	41.6%	--	
Net charge-offs to average loans and leases ¹	2.7%	9.0%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2008	2009	2008	2009
Construction & development	4.0%	23.8%	1.4%	0.9%
Closed-end 1-4 family residential	4.1%	5.4%	3.9%	0.1%
Home equity	0.0%	9.0%	2.3%	0.0%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	0.4%	1.2%	0.1%	0.4%
Commercial & Industrial	1.5%	0.3%	0.0%	25.3%
Commercial real estate	8.5%	6.7%	0.0%	0.2%
Total loans	7.6%	9.6%	0.7%	2.2%