

**SOVEREIGN BANCSHARES, INC.**

	CPP Disbursement Date 03/13/2009	RSSD (Holding Company) 3269602	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2008</b> \$ millions	<b>2009</b> \$ millions	%chg from prev	
<b>Assets</b>	\$756	\$762	0.7%	
Loans	\$546	\$535	-2.1%	
<i>Construction &amp; development</i>	\$159	\$101	-36.4%	
<i>Closed-end 1-4 family residential</i>	\$29	\$35	18.8%	
<i>Home equity</i>	\$4	\$8	87.0%	
<i>Credit card</i>	\$0	\$0		
<i>Other consumer</i>	\$5	\$3	-43.7%	
<i>Commercial &amp; Industrial</i>	\$208	\$208	-0.1%	
<i>Commercial real estate</i>	\$111	\$138	24.1%	
Unused commitments	\$126	\$104	-17.4%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$133	\$111	-16.5%	
Asset-backed securities	\$0	\$0		
Other securities	\$0	\$28		
Cash & balances due	\$10	\$12	19.7%	
<b>Residential mortgage originations</b>				
<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		
<b>Liabilities</b>	\$689	\$675	-2.1%	
Deposits	\$607	\$612	0.7%	
Total other borrowings	\$80	\$61	-23.2%	
FHLB advances	\$80	\$60	-25.0%	
<b>Equity</b>				
Equity capital at quarter end	\$67	\$86	29.6%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$10	\$18	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	9.0%	11.2%	--	
Tier 1 risk based capital ratio	10.8%	14.4%	--	
Total risk based capital ratio	11.9%	15.6%	--	
Return on equity <sup>1</sup>	0.4%	3.1%	--	
Return on assets <sup>1</sup>	0.0%	0.3%	--	
Net interest margin <sup>1</sup>	3.2%	3.6%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	117.7%	817.3%	--	
Loss provision to net charge-offs (qtr)	4722.2%	821.3%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.0%	0.2%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
<i>Construction &amp; development</i>	3.3%	1.1%	0.0%	0.0%
<i>Closed-end 1-4 family residential</i>	0.1%	0.6%	0.0%	0.0%
<i>Home equity</i>	0.0%	0.0%	0.0%	0.0%
<i>Credit card</i>	0.0%	0.0%	0.0%	0.0%
<i>Other consumer</i>	4.3%	0.0%	0.2%	0.0%
<i>Commercial &amp; Industrial</i>	0.0%	0.0%	0.0%	0.1%
<i>Commercial real estate</i>	0.0%	0.0%	0.0%	0.0%
<i>Total loans</i>	1.0%	0.2%	0.0%	0.0%