

STEARNS FINANCIAL SERVICES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

	CPP Disbursement Date 06/26/2009	RSSD (Holding Company) 2295837	Number of Insured Depository Institutions 3	
Selected balance and off-balance sheet items	2008 \$ millions	2009 \$ millions	%chg from prev	
Assets	\$1,079	\$1,479	37.0%	
Loans	\$847	\$1,027	21.2%	
<i>Construction & development</i>	\$292	\$156	-46.6%	
<i>Closed-end 1-4 family residential</i>	\$13	\$74	477.8%	
<i>Home equity</i>	\$8	\$44	448.0%	
<i>Credit card</i>	\$0	\$0		
<i>Other consumer</i>	\$3	\$19	635.2%	
<i>Commercial & Industrial</i>	\$122	\$126	3.4%	
<i>Commercial real estate</i>	\$207	\$325	57.0%	
Unused commitments	\$64	\$62	-3.7%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$78	\$94	19.6%	
Asset-backed securities	\$0	\$0		
Other securities	\$5	\$13	156.5%	
Cash & balances due	\$119	\$100	-15.7%	
Residential mortgage originations				
<i>Closed-end mortgage originated for sale (quarter)</i>	\$3	\$6	139.3%	
<i>Open-end HELOC originated for sale (quarter)</i>	\$0	\$0		
<i>Closed-end mortgage originations sold (quarter)</i>	\$2	\$6	235.8%	
<i>Open-end HELOC originations sold (quarter)</i>	\$0	\$0		
Liabilities	\$882	\$1,260	42.9%	
Deposits	\$822	\$1,159	40.9%	
Total other borrowings	\$49	\$92	88.6%	
FHLB advances	\$0	\$0		
Equity				
Equity capital at quarter end	\$197	\$219	10.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	17.5%	13.4%	--	
Tier 1 risk based capital ratio	21.7%	24.6%	--	
Total risk based capital ratio	23.0%	25.9%	--	
Return on equity ¹	13.0%	22.7%	--	
Return on assets ¹	2.4%	3.2%	--	
Net interest margin ¹	6.4%	6.9%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	72.8%	232.3%	--	
Loss provision to net charge-offs (qtr)	409.9%	5.3%	--	
Net charge-offs to average loans and leases ¹	0.7%	5.1%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2008	2009	2008	2009
<i>Construction & development</i>	6.0%	2.7%	0.3%	3.5%
<i>Closed-end 1-4 family residential</i>	6.1%	0.4%	0.8%	0.0%
<i>Home equity</i>	0.1%	0.0%	0.4%	0.0%
<i>Credit card</i>	0.0%	0.0%	0.0%	0.0%
<i>Other consumer</i>	0.4%	0.1%	0.0%	0.0%
<i>Commercial & Industrial</i>	1.6%	1.9%	0.6%	0.6%
<i>Commercial real estate</i>	9.6%	1.9%	0.0%	1.8%
<i>Total loans</i>	4.8%	1.3%	0.2%	1.3%