

STERLING FINANCIAL CORPORATION

	CPP Disbursement Date 12/05/2008	RSSD (Holding Company) 3152245	Number of Insured Depository Institutions 2	
Selected balance and off-balance sheet items	2008 \$ millions	2009 \$ millions	%chg from prev	
Assets	\$12,784	\$10,894	-14.8%	
Loans	\$9,138	\$7,885	-13.7%	
<i>Construction & development</i>	\$2,624	\$1,567	-40.3%	
<i>Closed-end 1-4 family residential</i>	\$1,722	\$1,721	0.0%	
<i>Home equity</i>	\$95	\$89	-6.3%	
<i>Credit card</i>	\$0	\$0		
<i>Other consumer</i>	\$467	\$391	-16.3%	
<i>Commercial & Industrial</i>	\$907	\$739	-18.5%	
<i>Commercial real estate</i>	\$2,537	\$2,581	1.7%	
Unused commitments	\$1,740	\$999	-42.6%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$2,420	\$1,945	-19.6%	
Asset-backed securities	\$0	\$0		
Other securities	\$373	\$215	-42.2%	
Cash & balances due	\$142	\$584	311.7%	
Residential mortgage originations				
<i>Closed-end mortgage originated for sale (quarter)</i>	\$287	\$680	137.3%	
<i>Open-end HELOC originated for sale (quarter)</i>	\$0	\$0		
<i>Closed-end mortgage originations sold (quarter)</i>	\$245	\$652	166.1%	
<i>Open-end HELOC originations sold (quarter)</i>	\$0	\$0		
Liabilities	\$11,491	\$10,343	-10.0%	
Deposits	\$8,371	\$7,793	-6.9%	
Total other borrowings	\$2,977	\$2,420	-18.7%	
FHLB advances	\$1,727	\$1,337	-22.6%	
Equity				
Equity capital at quarter end	\$1,293	\$551	-57.4%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$237	\$60	NA	
Performance Ratios				
Tier 1 leverage ratio	8.4%	4.6%	--	
Tier 1 risk based capital ratio	10.8%	6.4%	--	
Total risk based capital ratio	12.1%	7.8%	--	
Return on equity ¹	-104.2%	-180.9%	--	
Return on assets ¹	-11.1%	-11.4%	--	
Net interest margin ¹	3.0%	3.1%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	41.6%	38.7%	--	
Loss provision to net charge-offs (qtr)	182.6%	124.9%	--	
Net charge-offs to average loans and leases ¹	5.1%	13.3%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2008	2009	2008	2009
<i>Construction & development</i>	15.5%	41.9%	3.6%	12.0%
<i>Closed-end 1-4 family residential</i>	1.9%	3.3%	0.2%	0.5%
<i>Home equity</i>	2.3%	1.9%	0.0%	0.9%
<i>Credit card</i>	0.0%	0.0%	0.0%	0.0%
<i>Other consumer</i>	0.7%	0.4%	0.4%	0.5%
<i>Commercial & Industrial</i>	2.2%	3.7%	1.6%	2.8%
<i>Commercial real estate</i>	1.0%	4.1%	0.0%	0.9%
<i>Total loans</i>	5.5%	11.3%	1.3%	3.4%