

**FRONTIER BANK FSB**

	CPP Disbursement Date 12/23/2008	Cert 34738	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2010</b> \$ millions	<b>2011</b> \$ millions	%chg from prev	
<b>Assets</b>	\$313	\$261	-16.6%	
Loans	\$237	\$181	-23.6%	
<i>Construction &amp; development</i>	\$33	\$21	-35.5%	
<i>Closed-end 1-4 family residential</i>	\$113	\$82	-27.3%	
<i>Home equity</i>	\$15	\$15	-2.6%	
<i>Credit card</i>	\$0	\$0		
<i>Other consumer</i>	\$6	\$2	-61.9%	
<i>Commercial &amp; Industrial</i>	\$15	\$7	-55.4%	
<i>Commercial real estate</i>	\$45	\$44	-1.9%	
Unused commitments	\$42	\$12	-70.5%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$2	\$26	1176.0%	
Asset-backed securities	\$0	\$0		
Other securities	\$0	\$0		
Cash & balances due	\$13	\$4	-72.1%	
<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>	\$296	\$252	-14.9%	
Deposits	\$268	\$226	-15.5%	
Total other borrowings	\$28	\$25	-9.1%	
FHLB advances	\$0	\$0		
<b>Equity</b>				
Equity capital at quarter end	\$17	\$9	-46.3%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	5.4%	3.4%	--	
Tier 1 risk based capital ratio	8.1%	5.3%	--	
Total risk based capital ratio	9.3%	6.6%	--	
Return on equity <sup>1</sup>	-62.9%	-188.5%	--	
Return on assets <sup>1</sup>	-3.6%	-8.3%	--	
Net interest margin <sup>1</sup>	4.3%	3.9%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	17.6%	36.4%	--	
Loss provision to net charge-offs (qtr)	74.5%	164.7%	--	
Net charge-offs to average loans and leases <sup>1</sup>	1.8%	5.6%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>
<i>Construction &amp; development</i>	25.0%	23.4%	1.5%	8.0%
<i>Closed-end 1-4 family residential</i>	7.0%	5.3%	0.3%	0.2%
<i>Home equity</i>	0.4%	2.1%	0.2%	3.1%
<i>Credit card</i>	0.0%	0.0%	0.0%	0.0%
<i>Other consumer</i>	13.6%	0.0%	0.0%	18.0%
<i>Commercial &amp; Industrial</i>	25.7%	18.7%	1.0%	0.6%
<i>Commercial real estate</i>	12.4%	9.5%	-0.1%	-0.4%
<i>Total loans</i>	11.2%	8.4%	0.4%	1.5%