

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	2011 \$ millions	2012 \$ millions	%chg from prev	
Assets	\$463	\$413	-10.9%	
Loans	\$323	\$273	-15.5%	
Construction & development	\$29	\$21	-25.9%	
Closed-end 1-4 family residential	\$36	\$32	-9.3%	
Home equity	\$21	\$17	-18.3%	
Credit card	\$0	\$0		
Other consumer	\$1	\$1	-6.2%	
Commercial & Industrial	\$11	\$9	-17.9%	
Commercial real estate	\$184	\$160	-13.1%	
Unused commitments	\$32	\$29	-11.4%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$80	\$72	-9.4%	
Asset-backed securities	\$0	\$0		
Other securities	\$7	\$7	-6.7%	
Cash & balances due	\$38	\$57	50.7%	
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	\$422	\$383	-9.3%	
Deposits	\$399	\$360	-9.8%	
Total other borrowings	\$19	\$19	-1.0%	
FHLB advances	\$0	\$0		
Equity				
Equity capital at quarter end	\$41	\$30	-27.2%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	8.2%	6.7%	--	
Tier 1 risk based capital ratio	12.6%	10.8%	--	
Total risk based capital ratio	13.9%	12.1%	--	
Return on equity ¹	-13.9%	-61.7%	--	
Return on assets ¹	-1.2%	-4.8%	--	
Net interest margin ¹	4.3%	4.0%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	95.2%	99.1%	--	
Loss provision to net charge-offs (qtr)	228.6%	601.0%	--	
Net charge-offs to average loans and leases ¹	0.6%	1.2%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2011	2012	2011	2012
Construction & development	16.1%	0.1%	0.0%	3.1%
Closed-end 1-4 family residential	3.5%	3.3%	0.7%	0.0%
Home equity	3.6%	5.3%	0.7%	0.5%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	1.1%	1.1%	0.2%	2.0%
Commercial & Industrial	5.0%	0.2%	0.0%	0.0%
Commercial real estate	4.8%	11.3%	0.1%	0.0%
Total loans	6.2%	7.7%	0.2%	0.3%