

**STERLING FINANCIAL CORPORATION**

	CPP Disbursement Date 12/05/2008	RSSD (Holding Company) 3152245	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2011</b> \$ millions	<b>2012</b> \$ millions	%chg from prev	
<b>Assets</b>	\$9,208	\$9,246	0.4%	
Loans	\$5,793	\$6,723	16.1%	
Construction & development	\$319	\$187	-41.4%	
Closed-end 1-4 family residential	\$1,345	\$1,646	22.4%	
Home equity	\$70	\$140	100.7%	
Credit card	\$0	\$0		
Other consumer	\$62	\$57	-8.8%	
Commercial & Industrial	\$350	\$486	38.7%	
Commercial real estate	\$2,365	\$2,265	-4.2%	
Unused commitments	\$759	\$955	25.7%	
Securitization outstanding principal	\$18	\$10	-46.3%	
Mortgage-backed securities (GSE and private issue)	\$2,321	\$1,309	-43.6%	
Asset-backed securities	\$0	\$0		
Other securities	\$227	\$204	-10.0%	
Cash & balances due	\$512	\$359	-29.9%	
<b>Residential mortgage originations</b>				
Closed-end mortgage originated for sale (quarter)	\$644	\$925	43.6%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$658	\$775	17.9%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$8,118	\$7,829	-3.6%	
Deposits	\$6,454	\$6,387	-1.0%	
Total other borrowings	\$1,522	\$1,236	-18.8%	
FHLB advances	\$406	\$605	49.2%	
<b>Equity</b>				
Equity capital at quarter end	\$1,090	\$1,417	30.0%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	11.1%	12.0%	--	
Tier 1 risk based capital ratio	17.4%	17.2%	--	
Total risk based capital ratio	18.7%	18.5%	--	
Return on equity <sup>1</sup>	6.8%	7.4%	--	
Return on assets <sup>1</sup>	0.8%	1.1%	--	
Net interest margin <sup>1</sup>	3.6%	3.8%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	68.2%	109.8%	--	
Loss provision to net charge-offs (qtr)	18.6%	88.2%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.7%	0.0%	--	
<sup>1</sup> Quarterly, annualized.				
<b>Asset Quality (% of Total Loan Type)</b>	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>
Construction & development	32.2%	6.6%	2.2%	0.2%
Closed-end 1-4 family residential	2.6%	1.9%	0.3%	0.2%
Home equity	0.4%	0.3%	0.0%	0.1%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	1.3%	1.8%	0.6%	0.6%
Commercial & Industrial	2.7%	0.7%	0.3%	0.0%
Commercial real estate	4.2%	3.6%	0.2%	0.1%
Total loans	4.5%	2.1%	0.3%	0.1%