

HIGHLANDS INDEPENDENT BANCSHARES, INC.

	CPP Disbursement Date 03/06/2009	RSSD (Holding Company) 2638014	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev	
Assets	\$286	\$261	-8.9%	
Loans	\$186	\$164	-11.6%	
Construction & development	\$22	\$18	-20.0%	
Closed-end 1-4 family residential	\$52	\$45	-14.3%	
Home equity	\$15	\$14	-9.7%	
Credit card	\$0	\$0		
Other consumer	\$7	\$5	-33.7%	
Commercial & Industrial	\$20	\$17	-15.5%	
Commercial real estate	\$47	\$47	-0.6%	
Unused commitments	\$27	\$25	-7.6%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$36	\$29	-19.2%	
Asset-backed securities	\$0	\$0		
Other securities	\$12	\$15	24.2%	
Cash & balances due	\$27	\$29	8.9%	
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	\$265	\$243	-8.3%	
Deposits	\$263	\$241	-8.4%	
Total other borrowings	\$0	\$0	-5.8%	
FHLB advances	\$0	\$0	-5.8%	
Equity				
Equity capital at quarter end	\$21	\$18	-16.0%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$3	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	6.7%	6.2%	--	
Tier 1 risk based capital ratio	10.5%	9.6%	--	
Total risk based capital ratio	11.8%	10.9%	--	
Return on equity ¹	-127.6%	-45.4%	--	
Return on assets ¹	-10.6%	-3.3%	--	
Net interest margin ¹	2.7%	3.8%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	66.7%	66.2%	--	
Loss provision to net charge-offs (qtr)	132.1%	432.3%	--	
Net charge-offs to average loans and leases ¹	2.9%	1.1%	--	
¹ Quarterly, annualized.				
Asset Quality (% of Total Loan Type)	Noncurrent Loans		Gross Charge-Offs	
	2010	2011	2010	2011
Construction & development	17.6%	3.9%	1.8%	0.1%
Closed-end 1-4 family residential	8.7%	6.4%	0.5%	0.2%
Home equity	2.5%	2.3%	1.3%	1.7%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	1.0%	1.9%	0.5%	0.9%
Commercial & Industrial	0.5%	3.1%	0.0%	0.3%
Commercial real estate	7.6%	13.5%	0.7%	0.0%
Total loans	7.0%	9.1%	0.7%	0.3%