

**HAWTHORN BANCSHARES, INC**

	CPP Disbursement Date 12/19/2008	RSSD (Holding Company) 2038409	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>				
	2008 \$ millions	2009 \$ millions	%chg from prev	
<b>Assets</b>	\$1,270	\$1,218	-4.1%	
Loans	\$1,005	\$978	-2.7%	
<i>Construction &amp; development</i>	\$130	\$109	-16.1%	
<i>Closed-end 1-4 family residential</i>	\$226	\$219	-3.3%	
<i>Home equity</i>	\$9	\$12	31.4%	
<i>Credit card</i>	\$1	\$1	7.9%	
<i>Other consumer</i>	\$30	\$34	14.4%	
<i>Commercial &amp; Industrial</i>	\$137	\$134	-2.1%	
<i>Commercial real estate</i>	\$367	\$362	-1.4%	
Unused commitments	\$150	\$132	-12.2%	
Securitization outstanding principal	\$0	\$1		
Mortgage-backed securities (GSE and private issue)	\$50	\$69	38.6%	
Asset-backed securities	\$0	\$0		
Other securities	\$99	\$83	-15.9%	
Cash & balances due	\$54	\$25	-54.3%	
<b>Residential mortgage originations</b>				
<i>Closed-end mortgage originated for sale (quarter)</i>	\$15	\$28	81.4%	
<i>Open-end HELOC originated for sale (quarter)</i>	\$0	\$0		
<i>Closed-end mortgage originations sold (quarter)</i>	\$16	\$30	88.4%	
<i>Open-end HELOC originations sold (quarter)</i>	\$0	\$0		
<b>Liabilities</b>	\$1,153	\$1,092	-5.3%	
Deposits	\$988	\$972	-1.7%	
Total other borrowings	\$158	\$116	-26.7%	
FHLB advances	\$129	\$79	-38.5%	
<b>Equity</b>				
Equity capital at quarter end	\$117	\$126	7.2%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	8.8%	10.1%	--	
Tier 1 risk based capital ratio	11.1%	12.4%	--	
Total risk based capital ratio	12.3%	13.7%	--	
Return on equity <sup>1</sup>	-99.7%	7.1%	--	
Return on assets <sup>1</sup>	-10.5%	0.7%	--	
Net interest margin <sup>1</sup>	3.4%	4.0%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	71.3%	65.6%	--	
Loss provision to net charge-offs (qtr)	415.0%	95.7%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.4%	1.3%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
<i>Construction &amp; development</i>	5.9%	4.1%	0.4%	0.2%
<i>Closed-end 1-4 family residential</i>	2.1%	2.6%	0.0%	0.8%
<i>Home equity</i>	0.0%	0.0%	0.0%	0.1%
<i>Credit card</i>	0.0%	0.0%	2.1%	0.3%
<i>Other consumer</i>	0.4%	0.8%	0.5%	0.3%
<i>Commercial &amp; Industrial</i>	1.5%	1.5%	0.2%	0.6%
<i>Commercial real estate</i>	0.7%	2.2%	0.0%	0.1%
<i>Total loans</i>	1.7%	2.1%	0.1%	0.3%