

**TIMBERLAND BANCORP, INC.**

	CPP Disbursement Date 12/23/2008	RSSD (Holding Company) 2621548	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2008</b> \$ millions	<b>2009</b> \$ millions	%chg from prev	
<b>Assets</b>	\$659	\$708	7.3%	
Loans	\$568	\$564	-0.7%	
<i>Construction &amp; development</i>	\$198	\$164	-17.2%	
<i>Closed-end 1-4 family residential</i>	\$156	\$146	-6.6%	
<i>Home equity</i>	\$8	\$7	-11.6%	
<i>Credit card</i>	\$0	\$0		
<i>Other consumer</i>	\$10	\$9	-4.0%	
<i>Commercial &amp; Industrial</i>	\$19	\$13	-30.3%	
<i>Commercial real estate</i>	\$152	\$197	30.2%	
Unused commitments	\$79	\$65	-18.4%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$27	\$18	-33.4%	
Asset-backed securities	\$1	\$0	-62.0%	
Other securities	\$1	\$1	0.8%	
Cash & balances due	\$12	\$75	501.6%	
<b>Residential mortgage originations</b>				
<i>Closed-end mortgage originated for sale (quarter)</i>	\$11	\$21	89.3%	
<i>Open-end HELOC originated for sale (quarter)</i>	\$0	\$0		
<i>Closed-end mortgage originations sold (quarter)</i>	\$11	\$19	78.9%	
<i>Open-end HELOC originations sold (quarter)</i>	\$0	\$0		
<b>Liabilities</b>	\$586	\$633	8.1%	
Deposits	\$478	\$541	13.3%	
Total other borrowings	\$104	\$89	-14.3%	
FHLB advances	\$100	\$75	-24.7%	
<b>Equity</b>				
Equity capital at quarter end	\$74	\$74	0.9%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$6	\$2	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	10.5%	10.2%	--	
Tier 1 risk based capital ratio	12.4%	12.4%	--	
Total risk based capital ratio	13.7%	13.7%	--	
Return on equity <sup>1</sup>	2.0%	1.4%	--	
Return on assets <sup>1</sup>	0.2%	0.1%	--	
Net interest margin <sup>1</sup>	4.3%	4.1%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	60.4%	43.2%	--	
Loss provision to net charge-offs (qtr)	109.7%	141.2%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.8%	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%	16.0%	0.5%	0.8%
<i>Closed-end 1-4 family residential</i>	0.4%	1.3%	0.0%	0.1%
<i>Home equity</i>	0.0%	0.0%	0.0%	0.0%
<i>Credit card</i>	0.0%	0.0%	0.0%	0.0%
<i>Other consumer</i>	0.3%	1.2%	2.5%	0.1%
<i>Commercial &amp; Industrial</i>	0.0%	0.0%	0.0%	0.0%
<i>Commercial real estate</i>	0.8%	3.3%	0.0%	0.2%
<i>Total loans</i>	2.4%	6.1%	0.2%	0.3%