

STEARNS FINANCIAL SERVICES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

	CPP Disbursement Date 06/26/2009	RSSD (Holding Company) 2295837	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev	
Assets	\$68	\$66	-2.3%	
Loans	\$35	\$34	-1.6%	
Construction & development	\$4	\$2	-62.1%	
Closed-end 1-4 family residential	\$1	\$0	-32.5%	
Home equity	\$0	\$0		
Credit card	\$0	\$0		
Other consumer	\$0	\$0	-14.2%	
Commercial & Industrial	\$1	\$1	-20.1%	
Commercial real estate	\$1	\$2	12.8%	
Unused commitments	\$0	\$0	10.3%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$2	\$1	-52.8%	
Asset-backed securities	\$0	\$0		
Other securities	\$0	\$0		
Cash & balances due	\$5	\$21	302.6%	
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	\$61	\$59	-4.3%	
Deposits	\$61	\$59	-4.4%	
Total other borrowings	\$0	\$0		
FHLB advances	\$0	\$0		
Equity				
Equity capital at quarter end	\$6	\$7	17.4%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	13.0%	11.8%	--	
Tier 1 risk based capital ratio	15.2%	20.3%	--	
Total risk based capital ratio	16.5%	21.5%	--	
Return on equity ¹	8.2%	14.3%	--	
Return on assets ¹	0.9%	1.6%	--	
Net interest margin ¹	3.5%	2.8%	--	
Coverage ratio ((ALLL+Alloc transfer risk)/Noncurrent loans)	169.9%	1393.8%	--	
Loss provision to net charge-offs (qtr)	38.9%	0.0%	--	
Net charge-offs to average loans and leases ¹	7.1%	-0.9%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010
Construction & development	0.0%	0.0%	0.0%	0.0%
Closed-end 1-4 family residential	0.0%	0.0%	0.0%	0.0%
Home equity	0.0%	0.0%	0.0%	0.0%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	0.0%	0.0%	0.0%	0.0%
Commercial & Industrial	0.0%	0.0%	0.0%	0.0%
Commercial real estate	18.0%	0.0%	22.9%	0.0%
Total loans	1.0%	0.1%	1.9%	0.2%