

# AMERIS BANCORP

## FINANCIAL HIGHLIGHTS

(unaudited)

(dollars in thousands except per share data and FTE headcount)

	Three Months Ended					Six Months Ended	
	Jun. 2010	Mar. 2010	Dec. 2009	Sept. 2009	Jun. 2009	Jun. 2010	Jun. 2009
<b>EARNINGS</b>							
Net Income/(Loss) Available to Common Shareholder	\$ (4,218)	\$ (2,330)	\$ (39,139)	\$ (791)	\$ (3,498)	\$ (6,548)	\$ (4,835)
<b>PER COMMON SHARE DATA</b>							
Earnings per share available to common shareholders:							
Basic	\$ (0.20)	\$ (0.17)	\$ (2.81)	\$ (0.06)	\$ (0.25)	\$ (0.37)	\$ (0.33)
Diluted	\$ (0.20)	\$ (0.17)	\$ (2.81)	\$ (0.06)	\$ (0.25)	\$ (0.37)	\$ (0.33)
Cash Dividends per share	\$ -	\$ -	\$ -	\$ -	\$ 0.05	\$ -	\$ 0.05
Stock dividend	1 for 210	1 for 130	1 for 130	1 for 130	-	2 for 170	-
Common Book value per share (period end)	\$ 9.57	\$ 10.23	\$ 10.51	\$ 13.52	\$ 13.17	\$ 9.57	\$ 13.17
Tangible book value per share (period end)	\$ 9.43	\$ 9.94	\$ 10.13	\$ 9.00	\$ 9.00	\$ 9.43	\$ 9.00
Weighted average number of shares:							
Basic	21,231,367	13,906,137	13,912,458	13,906,299	13,904,215	17,568,752	13,906,073
Diluted	21,231,367	13,906,137	13,912,458	13,906,299	13,904,215	17,568,752	13,906,073
Period-end number of shares	23,515,468	14,108,672	14,001,044	13,961,597	13,963,184	18,812,070	13,964,689
Market data:							
High closing price	\$ 11.55	\$ 10.32	\$ 7.25	\$ 7.47	\$ 8.09	\$ 11.73	\$ 16.55
Low closing price	\$ 9.00	\$ 7.36	\$ 5.13	\$ 5.93	\$ 5.29	\$ 3.66	\$ 7.19
Period end closing price	\$ 9.66	\$ 9.03	\$ 7.16	\$ 7.15	\$ 6.32	\$ 7.16	\$ 11.85
Average daily volume	205,389	37,715	38,583	30,407	28,778	32,228	49,736
<b>PERFORMANCE RATIOS</b>							
Return on average assets	(0.69%)	(0.26%)	(6.54%)	(0.14%)	(0.61%)	(0.47%)	(0.22%)
Return on average common equity	(7.79%)	(4.33%)	(75.56%)	(1.68%)	(7.45%)	(6.08%)	(2.53%)
Earning asset yield (TE)	5.74%	5.36%	5.01%	5.42%	5.60%	5.56%	5.59%
Total cost of funds	1.34%	1.41%	1.51%	1.83%	2.08%	1.37%	2.27%
Net interest margin (TE)	4.43%	3.92%	3.55%	3.65%	3.59%	4.19%	3.39%
Non-interest income excluding securities transactions, as a percent of total revenue (TE)	12.40%	14.15%	7.12%	13.89%	13.27%	13.65%	13.41%
Efficiency ratio	63.35%	66.93%	119.77%	65.83%	76.63%	64.81%	73.36%
<b>CAPITAL ADEQUACY (period end)</b>							
Stockholders' equity to assets	11.35%	8.22%	8.04%	10.56%	10.20%	11.35%	7.91%
Tangible common equity to tangible assets	9.17%	5.97%	5.86%	5.84%	5.65%	9.17%	5.65%
<b>EQUITY TO ASSETS RECONCILIATION</b>							
Tangible common equity to tangible assets	9.17%	5.97%	5.86%	5.84%	5.65%	9.17%	5.65%
Effect of preferred equity	2.06%	2.11%	2.04%	2.24%	2.16%	2.06%	2.16%
Effect of goodwill and other intangibles	0.12%	0.13%	0.14%	2.47%	2.40%	0.12%	2.40%
Equity to assets (GAAP)	<u>11.35%</u>	<u>8.22%</u>	<u>8.04%</u>	<u>10.56%</u>	<u>10.20%</u>	<u>11.35%</u>	<u>10.20%</u>
<b>OTHER PERIOD-END DATA</b>							
FTE Headcount	581	594	615	595	589	581	589
Assets per FTE	\$ 4,169	\$ 3,959	\$ 3,928	\$ 3,710	\$ 3,880	\$ 4,169	\$ 3,959
Branch locations	53	53	53	50	50	53	50
Deposits per branch location	\$ 39,246	\$ 39,402	\$ 40,059	\$ 37,751	\$ 39,527	\$ 39,246	\$ 39,402

<sup>(1)</sup> Excludes gain from acquisition of \$38.6 million, net of income tax expense of \$13.5 million in the fourth quarter of 2009.

<sup>(2)</sup> Excludes the non-recurring, non-cash goodwill impairment charge of \$54.8 million in the fourth quarter of 2009.

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	Three Months Ended				Six Months Ended		
	Jun. 2010	Mar. 2010	Dec. 2009	Sept. 2009	Jun. 2009	Jun. 2009	
<b>INCOME STATEMENT</b>							
<b>Interest income</b>							
Interest and fees on loans	\$ 28,187	\$ 25,156	\$ 24,864	\$ 24,888	\$ 25,829	\$ 53,343	\$ 51,556
Interest on taxable securities	2,502	2,462	2,570	2,725	2,906	4,964	6,563
Interest on nontaxable securities	299	304	319	329	255	603	422
Interest on deposits in other banks	97	57	60	68	109	154	134
Interest on federal funds sold	12	12	18	12	1	24	42
Total interest income	<u>31,097</u>	<u>27,991</u>	<u>27,831</u>	<u>28,022</u>	<u>29,100</u>	<u>59,088</u>	<u>58,717</u>
<b>Interest expense</b>							
Interest on deposits	\$ 7,084	\$ 7,332	\$ 7,637	\$ 8,684	\$ 10,030	14,416	22,185
Interest on other borrowings	154	246	493	526	531	400	1,025
Total interest expense	<u>7,238</u>	<u>7,578</u>	<u>8,130</u>	<u>9,210</u>	<u>10,561</u>	<u>14,816</u>	<u>23,210</u>
Net interest income	23,859	20,413	19,701	18,812	18,539	44,272	35,507
Provision for loan losses	18,608	10,770	16,468	8,298	9,390	29,378	17,302
Net interest income/(loss) after provision	<u>\$ 5,251</u>	<u>\$ 9,643</u>	<u>\$ 3,233</u>	<u>\$ 10,514</u>	<u>\$ 9,149</u>	<u>\$ 14,894</u>	<u>\$ 18,205</u>
<b>Noninterest income</b>							
Service charges on deposit accounts	\$ 3,620	\$ 3,439	\$ 3,654	\$ 3,510	\$ 3,393	7,059	6,428
Mortgage banking activity	675	554	718	692	877	1,229	1,640
Other service charges, commissions and fees	232	213	259	131	77	445	140
Gain(loss) on sale of securities	-	200	77	(20)	101	200	814
Gains from acquisitions	8,209	-	38,566	-	-	8,209	0
Other non-interest income	313	479	465	208	148	792	1,070
Total noninterest income	<u>13,049</u>	<u>4,885</u>	<u>43,739</u>	<u>4,521</u>	<u>4,596</u>	<u>17,934</u>	<u>10,092</u>
<b>Noninterest expense</b>							
Salaries and employee benefits	8,027	7,826	8,616	7,431	7,899	15,853	15,890
Occupancy and equipment expenses	2,025	2,027	2,417	2,114	2,224	4,052	4,382
Amortization of intangible assets	239	271	205	146	147	510	293
Data processing & telecommunications expenses	2,077	1,763	1,801	1,746	1,704	3,840	3,331
Business restructuring	-	-	-	-	-	-	-
Advertising and marketing expenses	143	159	336	301	439	302	1,013
Goodwill impairment	-	-	54,813	-	-	-	-
Other non-interest expenses	10,872	4,885	7,794	3,622	5,316	15,757	8,547
Total noninterest expense	<u>23,383</u>	<u>16,931</u>	<u>75,982</u>	<u>15,360</u>	<u>17,729</u>	<u>40,314</u>	<u>33,456</u>
<b>Operating profit/(loss)</b>	<u>\$ (5,083)</u>	<u>\$ (2,403)</u>	<u>\$ (29,010)</u>	<u>\$ (325)</u>	<u>\$ (3,984)</u>	<u>\$ (7,486)</u>	<u>\$ (5,159)</u>
Income tax (benefit)/expense	(1,664)	(869)	9,323	(198)	(1,290)	(2,533)	(1,829)
<b>Net income/(loss)</b>	<u>\$ (3,419)</u>	<u>\$ (1,534)</u>	<u>\$ (38,333)</u>	<u>\$ (127)</u>	<u>\$ (2,694)</u>	<u>\$ (4,953)</u>	<u>\$ (3,330)</u>
Preferred stock dividends	\$ 799	796	859	796	804	1,595	1,505
<b>Net income/(loss) available to common shareholders</b>	<u>\$ (4,218)</u>	<u>\$ (2,330)</u>	<u>\$ (39,192)</u>	<u>\$ (923)</u>	<u>\$ (3,498)</u>	<u>\$ (6,548)</u>	<u>\$ (4,835)</u>
Diluted earnings available to common shareholders	<u>(0.20)</u>	<u>(0.17)</u>	<u>(2.84)</u>	<u>(0.06)</u>	<u>(0.25)</u>	<u>(0.37)</u>	<u>(0.35)</u>

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	Three Months Ended				
	Jun. 2010	Mar. 2010	Dec. 2009	Sept. 2009	Jun. 2009
<b>PERIOD-END BALANCE SHEET</b>					
<b>Assets</b>					
Cash and due from banks	\$ 54,444	\$ 68,859	\$ 81,060	\$ 43,761	\$ 46,773
Federal funds sold and interest bearing balances	240,075	200,942	220,363	114,335	163,343
Investment securities available for sale, at fair value	237,985	248,013	245,556	251,189	257,771
Other investments	7,531	7,260	7,260	4,441	4,441
Loans, net of unearned income	1,493,126	1,536,528	1,584,359	1,652,689	1,677,045
Less allowance for loan losses	34,468	33,562	35,762	41,946	44,998
Loans, net	1,458,658	1,502,966	1,548,597	1,610,743	1,632,047
Covered loans	192,545	123,771	137,248	-	-
Total loans	1,651,204	1,626,737	1,685,845	1,610,743	1,632,047
Other real estate owned	41,079	34,682	23,316	21,923	19,180
Covered other real estate owned	25,845	17,862	9,337	-	-
Total other real estate owned	66,924	52,544	32,653	21,923	19,180
Premises and equipment, net	66,708	66,523	67,637	67,641	67,334
Intangible assets, net	3,314	3,364	3,586	3,193	3,339
Goodwill	-	-	-	54,813	54,813
FDIC loss sharing receivable	57,946	47,579	45,840	-	-
Other assets	35,779	29,711	34,171	35,436	36,204
Total assets	<u>\$ 2,421,910</u>	<u>\$ 2,351,658</u>	<u>\$ 2,423,971</u>	<u>\$ 2,207,475</u>	<u>\$ 2,285,245</u>
<b>Liabilities</b>					
Deposits:					
Noninterest-bearing	\$ 218,012	\$ 222,454	\$ 236,962	\$ 205,699	\$ 210,456
Interest-bearing	1,862,014	1,865,852	1,886,154	1,681,830	1,765,915
Total deposits	2,080,026	2,088,306	2,123,116	1,887,529	1,976,371
Federal funds purchased & securities sold under agreements to repurchase	17,600	20,640	55,254	30,393	16,484
Other borrowings	-	2,000	2,000	7,000	7,000
Other liabilities	7,145	5,082	6,368	7,268	9,967
Subordinated deferrable interest debentures	42,269	42,269	42,269	42,269	42,269
Total liabilities	<u>2,147,040</u>	<u>2,158,297</u>	<u>2,229,007</u>	<u>1,974,459</u>	<u>2,052,091</u>
<b>Stockholders' equity</b>					
Preferred stock	\$ 49,832	\$ 49,691	\$ 49,552	\$ 49,411	\$ 49,279
Common stock	24,851	15,269	15,163	15,018	15,018
Capital surplus	164,378	87,830	87,790	86,432	86,286
Retained earnings	38,795	43,707	46,031	86,425	87,348
Accumulated other comprehensive income/(loss)	7,834	7,676	7,240	6,542	6,033
Less treasury stock	(10,820)	(10,812)	(10,812)	(10,812)	(10,810)
Total stockholders' equity	274,870	193,361	194,964	233,016	233,154
Total liabilities and stockholders' equity	<u>\$ 2,421,910</u>	<u>\$ 2,351,658</u>	<u>\$ 2,423,971</u>	<u>\$ 2,207,475</u>	<u>\$ 2,285,245</u>
<b>Other Data</b>					
Earning Assets	2,171,262	2,270,427	2,188,622	2,024,442	2,099,947
Intangible Assets	3,314	3,364	4,053	58,006	58,152
Interest Bearing Liabilities	1,921,883	1,930,761	1,985,677	1,761,492	1,831,668
Average Assets	2,444,425	2,377,348	2,374,352	2,244,527	2,285,190
Average Common Stockholders' Equity	217,042	143,655	205,500	186,858	188,442

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<b>ASSET QUALITY INFORMATION <sup>(1)</sup></b>							
<b>Allowance for loan losses</b>							
Balance at beginning of period	\$ 33,563	\$ 35,762	\$ 41,946	\$ 44,998	\$ 42,417	\$ 44,998	\$ 39,652
Acquired Reserves	-	-	-	-	-	-	-
Provision for loan loss	18,608	10,770	16,468	8,298	9,390	29,378	17,302
Charge-offs	18,756	13,246	22,515	11,993	7,102	32,002	12,623
Recoveries	1,053	277	(137)	643	293	1,330	667
Net charge-offs (recoveries)	17,703	12,969	22,652	11,350	6,809	30,672	11,956
Ending balance	<u>\$ 34,468</u>	<u>\$ 33,563</u>	<u>\$ 35,762</u>	<u>\$ 41,946</u>	<u>\$ 44,998</u>	<u>\$ 43,704</u>	<u>\$ 44,998</u>
As a percentage of loans	2.31%	2.18%	2.26%	2.54%	2.68%	2.31%	2.93%
As a percentage of nonperforming loans	37.33%	37.44%	37.20%	49.99%	65.35%	47.33%	65.35%
As a percentage of nonperforming assets	25.34%	27.41%	30.39%	39.63%	51.11%	32.13%	51.11%
<b>Net charge-off information</b>							
<b>Charge-offs</b>							
Commercial, Financial and Agricultural	\$ 703	\$ 2,008	\$ 1,831	\$ 601	\$ 815	\$ 2,711	\$ 2,204
Real Estate - Residential	4,739	924	3,911	3,846	1,364	5,663	3,102
Real Estate - Commercial and Farmland	5,023	4,593	4,571	482	902	9,616	1,179
Real Estate - Construction and Development	8,202	5,576	11,831	6,871	3,731	13,778	5,661
Consumer Installment	89	145	371	193	290	234	477
Other	-	-	-	-	-	-	-
Total charge-offs	<u>18,756</u>	<u>13,246</u>	<u>22,515</u>	<u>11,993</u>	<u>7,102</u>	<u>32,002</u>	<u>12,623</u>
<b>Recoveries</b>							
Commercial, Financial and Agricultural	430	78	79	64	16	508	98
Real Estate - Residential	84	28	(174)	228	216	112	224
Real Estate - Commercial and Farmland	202	64	11	3	13	266	243
Real Estate - Construction and Development	140	64	(88)	314	8	204	18
Consumer Installment	197	43	35	34	40	240	84
Other	-	-	-	-	-	-	-
Total recoveries	<u>1,053</u>	<u>277</u>	<u>(137)</u>	<u>643</u>	<u>293</u>	<u>1,330</u>	<u>667</u>
<b>Net charge-offs (recoveries)</b>	<u>\$ 17,703</u>	<u>\$ 12,969</u>	<u>\$ 22,652</u>	<u>\$ 11,350</u>	<u>\$ 6,809</u>	<u>\$ 30,672</u>	<u>\$ 11,956</u>
Non-accrual loans	92,336	89,649	96,131	83,917	68,858	92,336	68,858
Foreclosed assets	43,686	32,800	21,551	21,923	19,180	43,686	19,180
Accruing loans delinquent 90 days or more	-	-	-	-	-	-	-
<b>Total non-performing assets</b>	<u>136,022</u>	<u>122,449</u>	<u>117,682</u>	<u>105,840</u>	<u>88,038</u>	<u>136,022</u>	<u>88,038</u>
Non-performing assets as a percent of loans and foreclosed assets	7.75%	7.16%	6.72%	6.32%	5.19%	7.75%	5.19%
Net charge offs as a percent of loans (Annualized)	4.21%	3.08%	5.18%	2.72%	1.63%	3.64%	1.43%

(1) Excludes loans and OREO covered under loss-sharing agreements with the FDIC

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<b>AVERAGE BALANCES</b>							
Federal funds sold	\$ 54,245	\$ 25,831	\$ 25,652	\$ 25,000	\$ 2,444	\$ 40,038	\$ 17,739
Interest bearing deposits in banks	232,733	173,125	127,092	112,827	159,510	202,929	121,467
Investment securities - taxable	209,532	209,465	215,610	216,471	229,493	209,499	286,289
Investment securities - nontaxable	35,650	36,430	39,038	38,693	27,488	36,040	22,973
Other investments	8,061	5,495	5,472	4,441	6,226	6,778	6,511
Loans	1,528,220	1,563,307	1,669,753	1,666,821	1,671,808	1,545,764	1,677,712
Covered loans	155,302	120,211	79,795	-	-	137,757	-
<b>Total Earning Assets</b>	<u>\$ 2,223,743</u>	<u>\$ 2,133,864</u>	<u>\$ 2,162,412</u>	<u>\$ 2,064,253</u>	<u>\$ 2,096,969</u>	<u>\$ 2,178,804</u>	<u>\$ 2,132,691</u>
Noninterest bearing deposits	\$ 237,276	\$ 231,765	\$ 232,215	\$ 207,495	\$ 205,403	\$ 234,521	\$ 204,706
NOW accounts	482,798	505,566	492,434	493,253	475,498	494,182	422,636
MMDA	441,445	424,913	410,909	384,266	333,998	433,179	301,472
Savings accounts	64,887	63,436	61,645	57,532	57,503	64,162	56,516
Retail CDs < \$100,000	375,339	331,294	382,131	341,495	365,771	353,317	402,776
Retail CDs > \$100,000	371,754	393,473	338,378	331,763	381,719	382,614	428,338
Brokered CDs	138,113	151,333	125,439	\$ 116,186	151,780	144,723	170,659
<b>Total Deposits</b>	<u>2,111,612</u>	<u>2,101,780</u>	<u>2,043,151</u>	<u>1,931,990</u>	<u>1,971,672</u>	<u>2,106,696</u>	<u>1,987,103</u>
FHLB advances	747	2,000	2,583	2,000	2,000	1,374	13,607
Subordinated debentures	42,269	42,269	42,269	42,269	42,269	42,269	42,269
Federal funds purchased and securities sold under agreements to repurchase	18,698	30,650	48,375	20,047	15,211	24,674	17,222
Other borrowings	-	-	4,946	5,000	5,000	-	5,000
<b>Total Non-Deposit Funding</b>	<u>61,714</u>	<u>74,919</u>	<u>98,173</u>	<u>69,316</u>	<u>64,480</u>	<u>68,317</u>	<u>78,098</u>
<b>Total Funding</b>	<u>\$ 2,173,326</u>	<u>\$ 2,176,699</u>	<u>\$ 2,141,324</u>	<u>\$ 2,001,306</u>	<u>\$ 2,036,152</u>	<u>\$ 2,175,013</u>	<u>\$ 2,065,201</u>

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<b>INTEREST INCOME/EXPENSE</b>						
<b>INTEREST INCOME</b>						
Federal funds sold	\$ 12	\$ 12	\$ 18	\$ 12	\$ 1	\$ 24
Interest bearing deposits in banks	97	57	60	68	109	154
Investment securities - taxable	2,438	2,462	2,570	2,725	2,890	4,900
Investment securities - nontaxable (TE)	460	468	491	506	392	928
Loans (TE)	22,986	22,849	23,668	24,895	25,886	45,835
Covered loans	5,832	2,375	1,261			8,207
<b>Total Earning Assets</b>	<b>\$ 31,825</b>	<b>\$ 28,223</b>	<b>\$ 28,068</b>	<b>\$ 28,206</b>	<b>\$ 29,278</b>	<b>\$ 60,048</b>
<b>INTEREST EXPENSE</b>						
Non-interest bearing deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOW accounts	1,135	1,234	1,300	1,433	1,504	2,369
MMDA	1,446	1,484	1,520	1,510	1,404	2,930
Savings accounts	75	90	107	102	106	165
Retail CDs < \$100,000	1,689	1,568	1,769	2,165	2,625	3,257
Retail CDs > \$100,000	1,674	1,881	1,894	2,304	2,970	3,555
Brokered CDs	1,065	1,076	1,047	1,169	1,424	2,141
<b>Total Deposits</b>	<b>7,084</b>	<b>7,333</b>	<b>7,637</b>	<b>8,683</b>	<b>10,033</b>	<b>14,417</b>
FHLB advances	12	30	49	31	31	42
Subordinated debentures	113	178	351	438	443	291
Repurchase agreements	26	36	70	33	33	62
Correspondent bank line of credit and other	2	2	22	23	35	4
<b>Total Non-Deposit Funding</b>	<b>153</b>	<b>246</b>	<b>492</b>	<b>525</b>	<b>542</b>	<b>399</b>
<b>Total Funding</b>	<b>\$ 7,237</b>	<b>\$ 7,579</b>	<b>\$ 8,129</b>	<b>\$ 9,208</b>	<b>\$ 10,575</b>	<b>\$ 14,816</b>
<b>Net Interest Income (TE)</b>	<b>\$ 24,588</b>	<b>\$ 20,644</b>	<b>\$ 19,939</b>	<b>\$ 18,998</b>	<b>\$ 18,703</b>	<b>\$ 45,232</b>

# AMERIS BANCORP

## FINANCIAL HIGHLIGHTS

(unaudited)

(dollars in thousands except per share data and FTE headcount)

	Three Months Ended				Six Months Ended		
	Jun. 2010	Mar. 2010	Dec. 2009	Sept. 2009	Jun. 2009	Jun. 2010	
<b>YIELDS (1)</b>							
Federal funds sold	0.09%	0.19%	0.28%	0.19%	0.16%	0.12%	0.48%
Interest bearing deposits in banks	0.17%	0.13%	0.19%	0.24%	0.27%	0.15%	0.22%
Investment securities - taxable	4.67%	4.77%	4.73%	4.99%	5.05%	4.72%	4.62%
Investment securities - nontaxable <sup>(1)</sup>	5.18%	5.21%	4.99%	5.19%	5.72%	5.19%	5.71%
Loans <sup>(1)</sup>	6.03%	5.93%	5.62%	5.93%	6.21%	5.98%	6.21%
Covered loans	15.06%	8.01%	6.27%	0.00%	0.00%	0.00%	0.00%
<b>Total Earning Assets</b>	<b>5.74%</b>	<b>5.36%</b>	<b>5.15%</b>	<b>5.42%</b>	<b>5.60%</b>	<b>5.56%</b>	<b>5.59%</b>
Noninterest bearing deposits	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NOW accounts	0.94%	0.99%	1.05%	1.15%	1.27%	0.97%	1.18%
MMDA	1.31%	1.42%	1.47%	1.56%	1.69%	1.36%	1.64%
Savings accounts	0.46%	0.58%	0.69%	0.70%	0.74%	0.52%	0.75%
Retail CDs < \$100,000	1.80%	1.92%	1.84%	2.52%	2.88%	1.86%	3.28%
Retail CDs > \$100,000	1.81%	1.94%	2.22%	2.76%	3.12%	1.87%	3.56%
Brokered CDs	3.09%	2.88%	3.31%	3.99%	3.76%	2.98%	3.46%
<b>Total Deposits</b>	<b>1.35%</b>	<b>1.41%</b>	<b>1.48%</b>	<b>1.78%</b>	<b>2.04%</b>	<b>1.38%</b>	<b>2.25%</b>
FHLB advances	6.44%	6.08%	7.53%	6.15%	6.22%	6.17%	0.34%
Subordinated debentures	1.07%	1.71%	3.29%	4.11%	4.20%	1.39%	4.19%
Repurchase agreements	0.56%	0.48%	0.57%	0.65%	0.87%	0.00%	5.12%
Correspondent bank line of credit and other	0.00%	0.00%	1.76%	1.83%	2.81%	1.18%	2.68%
<b>Total Non-Deposit Funding</b>	<b>0.99%</b>	<b>1.33%</b>	<b>1.99%</b>	<b>3.00%</b>	<b>3.37%</b>	<b>1.18%</b>	<b>2.68%</b>
Total funding <sup>(3)</sup>	1.34%	1.41%	1.51%	1.83%	2.08%	1.37%	2.27%
Net interest spread	4.40%	3.95%	3.64%	3.60%	3.53%	4.18%	3.32%
Net interest margin <sup>(2)</sup>	4.43%	3.92%	3.66%	3.65%	3.59%	4.19%	3.39%

(1) Interest and average rates are calculated on a tax-equivalent basis using an effective tax rate of 35%.

(2) Rate calculated based on average earning assets.

(3) Rate calculated based on total average funding including non-interest bearing liabilities.

# FINANCIAL HIGHLIGHTS

(unaudited)

(dollars in thousands except per share data and FTE headcount)

	Three Months Ended				Six Months Ended		
	Jun. 2010	Mar. 2010	Dec. 2009	Sept. 2009	Jun. 2009	Jun. 2009	
<b>Core Earnings Reconciliation</b>							
Pre-tax operating profit/(loss)	\$ (5,083)	\$ (2,403)	\$ (29,010)	\$ (325)	\$ (3,984)	\$ (7,486)	\$ (5,159)
Plus: Credit Related Costs							
Provision for loan losses	18,608	10,770	16,468	8,298	9,390	29,378	17,302
(Gains)/Losses on the sale of OREO	4,173	487	3,572	(76)	621	4,660	782
Problem loan and OREO expense	2,051	1,533	990	1,069	793	3,584	1,306
Interest reversed on non-accrual loans	1,017	575	1,398	1,267	605	1,592	1,339
Total Credit-Related Costs	25,849	13,365	22,428	10,558	11,409	39,214	20,729
Plus: Non-recurring impairment charges	-	-	54,813	-	-	-	-
Plus: Costs associated with capital raise	933	-	-	-	-	933	-
Less: Non-recurring accretable differences	(1,776)	-	-	-	-	-	-
Less: Non-recurring gains	-	-	-	-	-	-	-
Gains related to FDIC acquisitions	(8,208)	-	(38,566)	-	-	(8,208)	-
Gains on sales of securities	-	(200)	(77)	20	(101)	(200)	(814)
Gains on sales of bank premises	(149)	(249)	-	-	-	(398)	-
Other non-recurring adjustments	310	-	-	(812)	-	310	-
Pretax, Pre-provision earnings	\$ 11,876	\$ 10,513	\$ 9,588	\$ 9,441	\$ 7,324	\$ 24,165	\$ 14,756

# FINANCIAL HIGHLIGHTS

(unaudited)

(dollars in thousands except per share data and FTE headcount)

	Three Months Ended				Six Months Ended		
	Jun. 2010	Mar. 2010	Dec. 2009	Sept. 2009	Jun. 2009	Jun. 2009	
<b>Recurring Operating Expenses</b>							
Total Operating Expenses	23,383	16,931	75,982	15,360	17,729	40,314	33,456
Less: Credit costs & non-recurring charges							
(Gains)/Losses on the sale of OREO	(4,173)	(487)	(3,572)	76	(621)	(4,660)	(782)
Problem loan and OREO expense	(2,051)	(1,533)	(990)	(1,069)	(793)	(3,584)	(1,306)
Costs associated with capital raise	(933)	-	-	-	-	(933)	-
Goodwill impairment	-	-	(54,813)	-	-	-	-
Severance payments	(310)	-	-	-	-	(310)	-
(Gains)/Losses on the sale of premises	149	249	-	-	-	398	-
Recurring operating expenses	<u>\$ 16,065</u>	<u>\$ 15,160</u>	<u>\$ 16,607</u>	<u>\$ 14,367</u>	<u>\$ 16,315</u>	<u>\$ 31,225</u>	<u>\$ 31,368</u>