

FIRST FINANCIAL HOLDINGS, INC.

June 30, 2010

Parent Company of First Federal Savings and Loan Association of Charleston; First Southeast Insurance Services, Inc.; The Kimbrell Insurance Group, Inc.; and First Southeast Investor Services, Inc.

- Holding company incorporated in Delaware in September 1987 with reorganization of First Federal into holding company effective June 30, 1988.
- First Financial acquired Peoples Federal Savings and Loan Association, Conway, SC, on October 9, 1992.
- First Financial's acquisition of Investors Savings Bank of South Carolina in Florence, SC was completed on November 7, 1997. Investors Savings was merged into Peoples Federal.
- First Federal and Peoples Federal consolidated into one charter on August 30, 2002.
- First Federal acquired the loans and deposits of the former Cape Fear Bank, Wilmington, NC on April 10, 2009.
- First Southeast Insurance Services, Inc., a subsidiary of First Financial Holdings, Inc., has offices in Beaufort, Bluffton, Charleston, Columbia, Conway, Florence, Hilton Head, Myrtle Beach, Ridgeland, Surfside (SC); Burlington, Sunset Beach, Wilmington (NC). Associated Insurors, Inc., a Myrtle Beach-based independent insurance agency was acquired by First Financial and merged into First Southeast Insurance in June 2000. First Financial purchased the assets of Kinghorn Insurance Agency in June 2001, expanding our insurance market presence to Bluffton, Hilton Head and Ridgeland. In August, 2002, First Financial purchased the assets of Johnson Insurance Associates and Benefit Administrators, Inc. in Columbia. On March 21, 2003, First Financial purchased Woodruff and Company in Columbia. More recently, on June 27, 2006, First Federal purchased Employer Benefits Strategies, Inc. in Summerville, on October 5, 2006 Peoples Insurance Agency in Beaufort, South Carolina and on April 10, 2008 Somers-Pardue Agency in Burlington, North Carolina.
- First Financial acquired The Kimbrell Co., Preferred Markets and Atlantic Acceptance Corporation on January 29, 2004. Kimbrell is a managing general agency providing excess and surplus lines insurance products to retail agents in North and South Carolina, Alabama, Delaware, Florida, Georgia, Maryland, Pennsylvania, Tennessee and Virginia. Preferred Markets utilizes the same retail base as Kimbrell offering standard lines insurance products, which includes workers compensation. Atlantic Acceptance Corporation is a premium finance company.
- First Southeast Investor Services, Inc., a subsidiary of First Financial Holdings, Inc., offering full brokerage services, has 25 registered offices located in Charleston (5), Bluffton, Conway, Florence, Hilton Head (2), Johns Island, Laurens, Litchfield, Little River, Mt. Pleasant (2), Myrtle Beach, Rock Hill, Summerville, Sunset Beach, Surfside Beach, Union, Wilmington (2) and Winnsboro.
- First Federal acquired the assets of American Pensions, Inc. (API), on July 1, 2009. API is one of South Carolina's largest retirement plan consulting, fiduciary and administration firms.
- Visit our website www.firstfinancialholdings.com.

First Financial Stock

- First Federal converted to a federally-chartered stock S & L through the sale of 924,609 shares at \$11 per share in November 1983. (\$1.25 - adjusted for splits)
- 10% stock dividend paid in May 1985
- Secondary Offering of 575,000 shares at \$18 per share in October 1985. (\$2.25 - adjusted for splits)
- Two-for-one stock splits in March 1986, October 1993 and March 1998
- Follow-On Offering of 4,193,550 shares at \$15.50 on September 29, 2009.
- Follow-On Offering of 629,032 shares at \$15.50 on October 9, 2009.
- First cash dividend paid \$.0125 per share (adjusted for splits) in February 1986. The most recent dividend paid \$.05 on May 21, 2010.
- There are 16,526,752 shares outstanding as of June 30, 2010.

Statistical Highlights as of 06/30/2010

(dollars in thousands)

- Total assets = \$3,324,344
- Total stockholders' equity = \$323,797
- Stockholders' equity to assets = 9.74%
- Subsidiary exceeds all regulatory capital requirements and meets the definition of a "well capitalized" financial institution.
- Total employees (all companies): 1,119

First Federal of Charleston

- In business since 1934
- South Carolina operations include 24 offices and an operations center in Charleston metropolitan area, one full service office in Georgetown, one full service office at Pawleys Island, two full service offices in Hilton Head, and one full service office in Bluffton, 11 branch offices in Horry and Florence Counties, a branch in each super Wal*Mart store in Charleston, Conway, Florence (2), Georgetown, Goose Creek, Mt. Pleasant, Myrtle Beach (3), North Charleston, North Myrtle Beach, Summerville, and Surfside Beach, a branch in the Kroger at Carolina Forest in Myrtle Beach, a branch in the Lowes Foods store in Murrells Inlet. North Carolina operations include one full service branch office in Sunset Beach, 3 full service branches in Wilmington, one full service branch office in South Port, one full service branch in Leland, two branches in Lowes Foods stores in Wilmington, and a full service branch office in Hampstead.
- Holds 15.7% of deposits in Charleston County, 15% of deposits in Charleston metropolitan area, 12% in Georgetown County, 7.8% share of deposits in Florence County, 4.6% share in Horry County and a 5.4% share of deposits in Wilmington, NC metropolitan area. (Source: FDIC, June 2009).

FIRST FINANCIAL HOLDINGS, INC.
(dollars in thousands)

Quarter Ended (Unaudited)

BALANCE SHEET	06/30/10	03/31/10	12/31/09	09/30/09	06/30/09	03/31/09	12/31/08	09/30/08	06/30/08
ASSETS									
Cash and cash equivalents	\$ 62,008	\$ 62,087	\$ 66,429	\$ 78,070	\$ 92,097	\$ 66,007	\$ 62,334	\$ 62,949	\$ 72,735
Investments available for sale, at fair value	12,843	12,105	12,785	13,756	16,857	12,240	16,259	17,094	21,080
Investments held to maturity	22,512	22,496	22,481	22,401	22,074	2,733	2,633	2,043	2,043
Investments in capital stock of FHLB	46,141	46,141	46,141	46,141	46,093	37,575	38,693	41,832	38,637
Mortgage-backed securities available for sale, at fair value	400,774	434,309	465,983	478,980	522,355	538,402	403,797	351,110	353,257
Loans receivable, gross	2,590,819	2,612,215	2,644,202	2,661,742	2,663,997	2,381,336	2,375,782	2,348,527	2,284,988
Less allowance for loan losses	86,945	82,731	73,534	68,473	54,499	47,490	41,528	23,990	21,023
Loans receivable, net	2,503,874	2,529,484	2,570,668	2,593,269	2,609,498	2,333,846	2,334,254	2,324,537	2,263,965
Loans held for sale	15,030	12,681	22,903	25,603	63,311	48,319	11,804	8,731	4,519
Accrued interest receivable	10,333	10,808	11,460	12,058	12,509	11,570	11,908	12,035	12,302
Office properties and equipment, net	83,529	83,417	80,113	81,021	81,136	81,751	82,322	78,796	77,673
Real estate and other assets acquired in settlement of loans	12,543	11,957	20,864	22,002	12,927	6,312	5,346	4,286	5,442
Goodwill	28,260	28,024	28,025	29,278	27,996	27,996	27,996	27,892	31,869
Intangible assets	9,997	10,228	10,470	8,683	7,783	7,972	8,160	8,349	8,532
Residential mortgage servicing rights, at fair value	10,593	12,279	12,411	11,166	10,703	8,221	8,225	12,550	12,754
FDIC indemnification receivable, net	66,794	65,461	64,130	62,754	61,541	-	-	-	-
Other assets	39,113	39,390	41,285	25,105	20,186	23,595	23,562	21,790	19,220
Total assets	\$ 3,324,344	\$ 3,380,867	\$ 3,476,148	\$ 3,510,287	\$ 3,607,066	\$ 3,206,539	\$ 3,037,293	\$ 2,973,994	\$ 2,924,028
LIABILITIES AND STOCKHOLDERS' EQUITY									
Liabilities:									
Deposit accounts									
Noninterest-bearing	\$ 207,196	\$ 203,937	\$ 200,233	\$ 190,159	\$ 203,354	\$ 184,451	\$ 159,770	\$ 175,681	\$ 190,895
Interest bearing	2,240,599	2,233,655	2,077,206	2,113,452	2,137,701	1,810,606	1,766,854	1,675,421	1,674,366
Total deposits	2,447,795	2,437,592	2,277,439	2,303,611	2,341,055	1,995,057	1,926,624	1,851,102	1,865,261
Advances from FHLB	478,364	530,493	565,622	492,751	492,880	609,000	746,000	818,000	747,000
Other short-term borrowings	813	812	181,812	258,813	373,812	263,812	78,812	28,813	22,812
Long-term debt	46,392	46,392	46,392	46,392	46,392	46,392	46,392	46,392	46,392
Advance by borrowers for taxes and insurance	4,857	3,889	1,645	5,193	4,316	3,077	1,658	5,152	4,416
Outstanding checks	11,005	12,549	14,343	10,729	10,144	16,139	12,076	11,872	12,257
Accounts payable and other liabilities	11,321	14,139	34,441	41,149	45,438	18,827	5,653	29,185	37,912
Total liabilities	3,000,547	3,045,866	3,121,694	3,158,638	3,314,037	2,952,304	2,817,215	2,790,516	2,736,050
Stockholders' equity:									
Series A preferred stock	1	1	1	1	1	1	1	-	-
Common stock	215	215	214	208	166	166	166	166	166
Additional paid in capital	195,175	194,851	194,654	185,249	124,252	124,084	123,775	58,338	57,677
Retained income, substantially restricted	224,871	238,678	259,511	265,821	269,792	237,308	234,566	244,327	240,992
Accumulated other comprehensive income(loss), net of income taxes	7,098	4,819	3,637	3,933	2,381	(3,761)	(34,867)	(15,966)	(7,583)
Treasury stock, at cost	(103,563)	(103,563)	(103,563)	(103,563)	(103,563)	(103,563)	(103,563)	(103,387)	(103,274)
Total shareholders' equity	323,797	335,001	354,454	351,649	293,029	254,235	220,078	183,478	187,978
Total liabilities and stockholders' equity	\$ 3,324,344	\$ 3,380,867	\$ 3,476,148	\$ 3,510,287	\$ 3,607,066	\$ 3,206,539	\$ 3,037,293	\$ 2,973,994	\$ 2,924,028
Shareholders' equity to total assets	9.74%	9.91%	10.20%	10.02%	8.12%	7.93%	7.25%	6.17%	6.43%
Common shares outstanding	16,527	16,527	16,526	15,897	11,699	11,699	11,697	11,692	11,674
Book value per common share	\$ 15.66	\$ 16.34	\$ 17.52	\$ 18.03	\$ 19.49	\$ 16.18	\$ 13.26	\$ 15.69	\$ 16.10
AVERAGE BALANCES									
Total assets	\$ 3,358,635	\$ 3,429,172	\$ 3,487,674	\$ 3,563,973	\$ 3,338,110	\$ 3,130,253	\$ 3,005,644	\$ 2,949,011	\$ 2,906,266
Earning assets	3,192,199	3,256,664	3,311,040	3,382,326	3,427,813	3,004,582	2,867,614	2,763,247	2,714,252
Gross loans	2,605,316	2,643,273	2,663,543	2,666,444	2,632,478	2,413,270	2,371,209	2,317,902	2,264,167
Costing liabilities	2,997,459	3,057,686	3,057,530	3,262,178	3,232,640	2,950,628	2,807,944	2,730,439	2,671,260
Total deposits	2,449,730	2,318,184	2,293,892	2,347,331	2,233,984	1,963,862	1,888,863	1,858,182	1,870,180
Equity	330,829	346,194	356,897	309,287	265,445	230,051	201,778	185,728	187,302

FIRST FINANCIAL HOLDINGS, INC.

(dollars in thousands)

STATEMENT OF INCOME	Quarter Ended (Unaudited)									Fiscal Year	
	06/30/10	03/31/10	12/31/09	09/30/09	06/30/09	03/31/09	12/31/08	09/30/08	06/30/08	09/30/09	09/30/08
INTEREST INCOME											
Interest and fees on loans	\$ 37,485	\$ 38,267	\$ 40,018	\$ 39,941	\$ 42,092	\$ 36,084	\$ 37,557	\$ 37,885	\$ 37,715	\$ 155,674	\$ 153,539
Interest on mortgage-backed securities	5,434	6,027	6,433	6,675	8,317	7,526	5,904	4,824	4,682	28,422	17,560
Interest and dividends on investments	458	113	534	817	848	114	510	624	801	2,289	3,434
Other	904	1,009	1,115	2,382	9	7	13	37	31	2,411	239
Total interest income	44,281	45,416	48,100	49,815	51,266	43,731	43,984	43,370	43,229	188,796	174,772
INTEREST EXPENSE											
Interest on deposits	8,189	7,835	8,718	9,407	9,457	10,486	11,544	11,113	11,673	40,894	50,646
Interest on borrowed money	4,863	6,085	6,494	6,357	6,270	6,284	7,309	8,103	7,547	26,220	32,762
Total interest expense	13,052	13,920	15,212	15,764	15,727	16,770	18,853	19,216	19,220	67,114	83,408
NET INTEREST INCOME	31,229	31,496	32,888	34,051	35,539	26,961	25,131	24,154	24,009	121,682	91,364
Provision for loan losses	36,373	45,915	25,327	21,280	12,367	12,765	20,471	5,217	4,907	66,883	16,939
Net interest (loss) income after provision for loan losses	(5,144)	(14,419)	7,561	12,771	23,172	14,196	4,660	18,937	19,102	54,799	74,425
NON-INTEREST INCOME											
Net impairment losses recognized in earnings	(311)	(1,818)	(494)	(615)	(377)	(857)	(2,144)	(486)	-	(3,993)	(486)
Gain on sale of investment securities	-	-	-	-	-	-	-	-	4	-	750
Brokerage fees	644	550	496	533	383	632	480	672	665	2,028	2,923
Insurance revenues	6,292	7,502	5,423	5,921	6,535	6,966	5,245	6,342	7,432	24,667	24,830
Service charges and fees on deposit accounts	6,109	5,708	5,817	5,864	5,688	5,280	5,669	6,132	5,912	22,501	23,901
Mortgage banking income	2,437	2,068	2,411	2,672	986	2,652	1,760	818	1,828	8,070	7,456
Gains on disposition of assets	33	46	1,275	37	37	36	52	913	43	162	1,052
Other	2,039	(83)	166	978	(280)	(69)	197	681	504	826	2,475
Total non-interest income	17,243	13,973	15,094	15,390	12,972	14,640	11,259	15,072	16,388	54,261	62,901
NON-INTEREST EXPENSE											
Salaries & employee benefits	19,060	19,139	17,878	18,227	15,640	13,637	17,162	14,675	16,625	64,666	65,271
Occupancy costs	2,306	2,439	2,444	2,446	2,215	2,129	2,145	2,148	2,016	8,935	8,210
Marketing	528	559	568	586	479	422	650	459	685	2,137	2,408
Furniture and equipment expense	2,256	2,052	2,139	2,277	2,202	1,572	1,495	1,622	1,445	7,546	5,867
Amortization of intangibles	231	243	243	222	202	203	189	244	216	816	673
Other	7,260	6,474	7,279	6,866	7,409	5,882	4,955	4,764	4,728	25,112	17,900
Total non-interest expense	31,641	30,906	30,551	30,624	28,147	23,845	26,596	23,912	25,715	109,212	100,329
(Loss) income before income taxes	(19,542)	(31,352)	(7,896)	(2,463)	7,997	4,991	(10,677)	10,097	9,775	(152)	36,997
Income tax (benefit) expense	(7,513)	(12,296)	(3,364)	(1,199)	2,842	1,872	(4,130)	3,788	3,873	(615)	14,359
(Loss) income before extraordinary item	(12,029)	(19,056)	(4,532)	(1,264)	5,155	3,119	(6,547)	\$ 6,309	\$ 5,902	\$ 463	\$ 22,638
EXTRAORDINARY ITEM											
Gain on acquisition, less income tax of \$18,833	-	-	-	-	28,857	-	-	-	-	28,857	-
NET (LOSS) INCOME	(12,029)	(19,056)	(4,532)	(1,264)	34,012	3,119	(6,547)	6,309	5,902	29,320	22,638
Preferred stock dividends	813	813	813	802	813	813	235	-	-	2,663	-
Accretion on preferred stock discount	140	138	136	127	132	130	42	-	-	431	-
NET (LOSS) INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ (12,982)	\$ (20,007)	\$ (5,481)	\$ (2,193)	\$ 33,067	\$ 2,176	\$ (6,824)	\$ 6,309	\$ 5,902	\$ 26,226	\$ 22,638
Pre-tax, pre-provision earnings	\$ 16,831	\$ 14,563	\$ 17,431	\$ 18,817	\$ 20,364	\$ 17,756	\$ 9,794	\$ 15,314	\$ 14,682	\$ 66,731	\$ 53,936

Note: Certain prior period amounts have been reclassified to conform to current period presentation.

Average shares outstanding, basic	16,527	16,526	16,464	11,791	11,699	11,699	11,694	11,683	11,668	11,721	11,664
Average shares outstanding, diluted	16,527	16,526	16,464	11,791	11,699	11,699	11,694	11,688	11,679	11,721	11,692
(Loss) income per common share before extraordinary item - basic	\$ (0.73)	\$ (1.15)	\$ (0.28)	\$ (0.11)	\$ 0.44	\$ 0.27	\$ (0.56)	\$ 0.54	\$ 0.51	\$ 0.04	\$ 1.94
(Loss) income per common share before extraordinary item - diluted	\$ (0.73)	\$ (1.15)	\$ (0.28)	\$ (0.11)	\$ 0.44	\$ 0.27	\$ (0.56)	\$ 0.54	\$ 0.51	\$ 0.04	\$ 1.94
(Loss) income per common share - basic	\$ (0.73)	\$ (1.15)	\$ (0.28)	\$ (0.11)	\$ 2.91	\$ 0.27	\$ (0.56)	\$ 0.54	\$ 0.51	\$ 2.50	\$ 1.94
(Loss) income per common share - diluted	\$ (0.73)	\$ (1.15)	\$ (0.28)	\$ (0.11)	\$ 2.91	\$ 0.27	\$ (0.56)	\$ 0.54	\$ 0.51	\$ 2.50	\$ 1.94
(Loss) income per common share available to common shareholders - basic	\$ (0.79)	\$ (1.21)	\$ (0.33)	\$ (0.19)	\$ 2.83	\$ 0.19	\$ (0.58)	\$ 0.54	\$ 0.51	\$ 2.24	\$ 1.94
(Loss) income per common share available to common shareholders - diluted	\$ (0.79)	\$ (1.21)	\$ (0.33)	\$ (0.19)	\$ 2.83	\$ 0.19	\$ (0.58)	\$ 0.54	\$ 0.51	\$ 2.24	\$ 1.94
Dividends paid per common share, authorized	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.255	\$ 0.255	\$ 0.255	\$ 0.41	\$ 1.02

First Financial Holdings, Inc.
(dollars in thousands)

	Quarter Ended (unaudited)									Fiscal Year	
	06/30/10	03/31/10	12/31/09	09/30/09	06/30/09	03/31/09	12/31/08	09/30/08	06/30/08	09/30/09	09/30/08
OTHER RATIOS											
Return on average equity	(14.54%)	(22.02%)	(5.08%)	(1.57%)	7.16%	5.26%	(12.98%)	13.59%	12.60%	0.17%	12.16%
Return on average assets	(1.43%)	(2.22%)	(0.52%)	(0.14%)	0.57%	0.40%	(0.87%)	0.86%	0.81%	0.01%	0.79%
Average yield on earning assets	5.56%	5.66%	5.76%	5.84%	6.00%	5.90%	6.08%	6.24%	6.40%	5.89%	6.53%
Average cost of paying liabilities	1.75%	1.85%	1.97%	1.90%	1.94%	2.29%	2.64%	2.80%	2.89%	2.22%	3.17%
Gross spread	3.82%	3.81%	3.79%	3.94%	4.06%	3.61%	3.44%	3.44%	3.51%	3.68%	3.36%
Net interest margin	3.92%	3.92%	3.94%	3.99%	4.16%	3.64%	3.48%	3.48%	3.56%	3.79%	3.41%
Operating expenses/average assets	3.77%	3.61%	3.50%	3.44%	3.12%	3.05%	3.54%	3.24%	3.54%	3.31%	3.50%
Efficiency ratio	63.19%	62.87%	60.20%	60.46%	56.42%	55.74%	68.20%	61.36%	63.47%	59.62%	64.33%
Note: Average yields, costs and margins for prior periods adjusted to actual days											
COMPOSITION OF GROSS LOAN PORTFOLIO											
Residential mortgages (1-4 Family)	\$ 997,345	\$ 973,670	\$ 966,211	\$ 949,518	\$ 927,296	\$ 882,511	\$ 882,857	\$ 886,488	\$ 874,173		
Residential construction (1-4 Family)	20,017	31,593	32,804	41,133	56,683	56,438	67,980	70,396	73,064		
Commercial real estate	439,646	434,310	436,842	435,298	435,923	322,663	314,516	307,903	291,712		
Commercial construction	29,893	44,176	48,439	53,219	47,397	41,490	39,380	40,827	36,791		
Commercial business	86,423	86,017	88,728	96,559	106,053	93,024	95,638	89,764	90,070		
Land	222,564	250,925	278,982	300,130	306,810	251,103	252,713	247,862	243,395		
Home equity lines of credit	398,366	401,340	400,803	394,075	394,794	356,281	344,526	325,354	301,184		
Manufactured housing	264,652	255,819	250,124	244,214	239,043	232,515	227,698	223,476	218,312		
Credit cards	18,069	17,797	18,471	17,483	16,949	16,128	16,790	16,125	15,824		
Marine	68,666	70,756	73,799	76,748	77,819	77,836	79,901	83,464	83,964		
Other consumer	45,178	45,812	48,999	53,365	55,230	51,347	53,783	56,868	56,499		
	<u>2,590,819</u>	<u>2,612,215</u>	<u>2,644,202</u>	<u>2,661,742</u>	<u>2,663,997</u>	<u>2,381,336</u>	<u>2,375,782</u>	<u>2,348,527</u>	<u>2,284,988</u>		
Less: Allowance for loan losses	86,945	82,731	73,534	68,473	54,499	47,490	41,528	23,990	21,023		
Total	<u>\$ 2,503,874</u>	<u>\$ 2,529,484</u>	<u>\$ 2,570,668</u>	<u>\$ 2,593,269</u>	<u>\$ 2,609,498</u>	<u>\$ 2,333,846</u>	<u>\$ 2,334,254</u>	<u>\$ 2,324,537</u>	<u>\$ 2,263,965</u>		
Loans held for sale	<u>\$ 15,030</u>	<u>\$ 12,681</u>	<u>\$ 22,903</u>	<u>\$ 25,603</u>	<u>\$ 63,311</u>	<u>\$ 48,319</u>	<u>\$ 11,804</u>	<u>\$ 8,731</u>	<u>\$ 4,519</u>		
LOAN AND REO LOSS RESERVES											
Total allowance for loan losses	\$ 86,945	\$ 82,731	\$ 73,534	\$ 68,473	\$ 54,499	\$ 47,490	\$ 41,528	\$ 23,990	\$ 21,023		
Loan loss reserves/gross loans	3.36%	3.17%	2.78%	2.57%	2.05%	1.99%	1.74%	1.02%	0.92%		
Provision for loan losses	36,373	45,915	25,327	21,280	12,367	12,765	20,471	5,217	4,907		
Net loan charge-offs	32,159	36,718	20,266	7,307	9,490	6,803	2,933	2,251	1,785		
Net charge-offs/average gross loans	1.23%	1.39%	0.76%	0.27%	0.36%	0.28%	0.12%	0.10%	0.08%		
Annualized net charge-offs/average gross loans	4.94%	5.56%	3.04%	1.10%	1.43%	1.13%	0.49%	0.39%	0.32%		
Loan loss reserves/non-performing loans	65.75%	60.94%	67.55%	85.00%	82.01%	86.57%	118.02%	116.27%	126.33%		
COMPOSITION OF DEPOSITS											
Checking	\$ 592,934	\$ 570,872	\$ 562,060	\$ 527,795	\$ 543,232	\$ 500,619	\$ 461,179	\$ 474,301	\$ 488,595		
Savings	163,468	163,451	153,674	154,342	145,541	137,854	126,261	129,466	133,414		
Money Market	346,535	345,752	338,930	344,220	341,209	296,557	303,866	345,327	372,617		
Core Deposits	1,102,937	1,080,075	1,054,664	1,026,357	1,029,982	935,030	891,306	949,094	994,626		
Time Deposits	1,344,858	1,357,517	1,222,775	1,277,254	1,311,073	1,060,027	1,035,318	902,008	870,635		
Total Deposits	<u>\$ 2,447,795</u>	<u>\$ 2,437,592</u>	<u>\$ 2,277,439</u>	<u>\$ 2,303,611</u>	<u>\$ 2,341,055</u>	<u>\$ 1,995,057</u>	<u>\$ 1,926,624</u>	<u>\$ 1,851,102</u>	<u>\$ 1,865,261</u>		

First Financial Holdings, Inc.
(dollars in thousands)

	Quarter Ended (unaudited)			
	06/30/10	03/31/10	12/31/09	09/30/09
DELINQUENT LOANS (30 - 89 days past due, not on nonaccrual)				
Residential mortgages (1-4 Family)	\$ 8,622	\$ 12,253	\$ 12,754	\$ 13,603
Residential construction (1-4 Family)	-	181	947	662
Commercial real estate	4,158	10,148	6,577	4,249
Commercial construction	-	1,420	-	-
Commercial business	1,543	2,769	2,778	586
Land	2,049	3,105	8,474	9,242
Home equity lines of credit	5,320	5,217	4,721	2,231
Manufactured housing	2,992	3,807	3,697	3,132
Credit cards	306	277	239	103
Marine	425	981	1,755	811
Other consumer	221	317	1,057	793
	<u>\$ 25,636</u>	<u>\$ 40,475</u>	<u>\$ 42,999</u>	<u>\$ 35,412</u>

DELINQUENT LOANS TO GROSS LOAN BALANCE

Residential mortgages (1-4 Family)	0.86%	1.26%	1.32%	1.43%
Residential construction (1-4 Family)	-	0.57%	2.89%	1.61%
Commercial real estate	0.95%	2.34%	1.51%	0.98%
Commercial construction	-	3.21%	-	-
Commercial business	1.79%	3.22%	3.13%	0.61%
Land	0.92%	1.24%	3.04%	3.08%
Home equity lines of credit	1.34%	1.30%	1.18%	0.57%
Manufactured housing	1.13%	1.49%	1.48%	1.28%
Credit cards	1.69%	1.56%	1.29%	0.59%
Marine	0.62%	1.39%	2.38%	1.06%
Other consumer	0.49%	0.69%	2.16%	1.49%
	<u>0.99%</u>	<u>1.55%</u>	<u>1.63%</u>	<u>1.33%</u>

PROBLEM ASSETS

Residential mortgages (1-4 Family)	\$ 29,019	\$ 27,692	\$ 25,731	\$ 19,820
Residential construction (1-4 Family)	2,256	4,028	4,041	4,448
Commercial real estate	23,917	20,885	19,217	6,795
Commercial construction	3,481	3,353	-	2,284
Commercial business	3,706	4,270	3,315	678
Land	57,807	62,881	45,314	38,438
Home equity lines of credit	8,531	9,341	7,996	5,466
Manufactured housing	3,189	2,899	2,715	2,280
Marine	136	166	245	142
Other consumer	16	143	168	81
Total nonaccrual loans	132,058	135,658	108,742	80,432
Accruing loans 90 days or more delinquent	170	104	124	121
Real estate and other assets acquired in settlement of loans	12,543	11,957	20,864	22,002
	<u>\$ 144,771</u>	<u>\$ 147,719</u>	<u>\$ 129,730</u>	<u>\$ 102,555</u>
As a percent of gross loans and REO and repossessed assets	5.56%	5.63%	4.87%	3.82%
As a percent of total assets	4.35%	4.37%	3.73%	2.92%

COMPOSITION OF NET CHARGE OFFS

Residential mortgages (1-4 Family)	\$ 5,801	\$ 3,821	\$ 1,328	\$ 943
Residential construction (1-4 Family)	907	1,096	807	569
Commercial real estate	2,307	7,131	1,022	166
Commercial construction	1,264	-	953	-
Commercial business	1,980	1,027	652	654
Land	13,153	18,313	10,657	1,501
Home equity lines of credit	4,966	3,309	2,618	1,549
Manufactured housing	950	638	745	866
Credit cards	187	264	254	228
Marine	401	621	612	377
Other consumer	243	498	618	454
	<u>\$ 32,159</u>	<u>\$ 36,718</u>	<u>\$ 20,266</u>	<u>\$ 7,307</u>

Markets Served by First Federal

- Charleston, Beaufort, Berkeley, Dorchester, Florence, Georgetown, Horry Counties in South Carolina and Brunswick, Pender and New Hanover Counties in North Carolina.
- Unemployment – June 2010: Charleston MSA – 9.4%, Beaufort County – 8.1%, Florence County – 11.1%, Georgetown County – 11.3% and Horry County – 10.3% in SC – 10.7%; and Brunswick – 10.2%, New Hanover – 9.2% and Pender – 10.1% in NC – 10.1%; U.S. – 9.5%.

Charleston MSA

- Charleston MSA is composed of Charleston, Berkeley and Dorchester counties.
- Charleston major employers: Military; tourism; health care and educational facilities.
- TBC Corporation (TBC), one of the largest marketers of automotive replacement tires, plans a 1.1 million square foot distribution center to be developed in Rockefeller Group Foreign Trade Zone/Charleston in Berkeley County, South Carolina. (September 2009)
- Maersk Line has inked an agreement with the S.C. State Ports Authority that will keep the world's largest shipping line calling on Charleston until at least 2014. (September 2009)
- Scientific Research Corporation (SRC), an Atlanta Based advanced engineering company, will add 300 jobs over the next five years. (September 2009)
- Boeing will locate its second 787 Dreamliner final assembly line in the Charleston region to accommodate a growing market demand for the aircraft. (October 2009)
- A new wind turbine drivetrain testing facility will be constructed at Clemson University Restoration Institute (CURI) Wind Energy R&D Center. (November 2009)
- Lonely Planet, a global travel information provider, selected Charleston as one of their Top 10 Cities to visit in 2010. (November 2009)
- Gildan Activewear is consolidating its Eastern U.S. retail distribution operations into a 580,000-square-foot facility in Berkeley County. (December 2009)
- Mankiewicz Coatings LLC plans to locate its new operations to Berkeley County to strengthen its North American market presence. The facility will be used primarily as a distribution center for products coming in through the Port of Charleston. (December 2009)
- *U.S. News & World Reports's* annual ranking of "America's Best High Schools" rated 22 schools in South Carolina among the best in the country. Charleston County's Academic Magnet High School ranked first among magnet schools and twelfth among the nation's top 100 high schools – earning a gold award. (December 2009)
- Permits for single family home construction in 2009 in the region dropped by 37%. A total of 220 permits were issued for multi-family units in 2009, a decline of 80% from the previous year. The forecast is for the total number of residential permits to decrease by 6% in 2010 and remain flat in 2011 as the economy begins to recover. (April 2010)
- Total container volume through the Port of Charleston dropped 28% in 2009. Despite the declines, the Port and related activities are one of the major economic drivers of the region's economy. The total number of TEUs is expected to increase by 2% in 2010 and then increase by 5% in 2011. (April 2010)
- Total passenger activity at Charleston International Airport increased in 2009 by 6%. The forecast calls for total passenger activity to remain relatively flat for the next two years with the number of passengers increasing by 2% in 2011. (April 2010)
- Total attendance at area attractions increased by 1.9% during 2009 as a result of new exhibits and attractions as well as an increased effort to market visitor packages to attract visitors to the region. The forecast is for total attraction attendance to decline slightly in 2010 and increase by 1% in 2011. (April 2010)

Charleston MSA (Cont.)

- The overall occupancy rate for area hotels and accommodations averaged 64% for 2009, a slight decline of nearly 8% from 2008. The average daily rate charged by area accommodations also fell by 5.65% during the year to an average of \$113.51. Occupancy should be flat for 2010. The average daily rate is expected to have a slight decline in 2010 before increasing in 2011. (April 2010)
 - Total retail sales fell by more than 13% in 2009 as a result of consumers cutting back on spending and adjusting to the recession. The forecast for retail sales to grow in both 2010 and 2011 in the region by slightly less than 2% a year in 2010 and 2011. (April 2010)
 - The Family Circle Cup of Tennis on Daniel Island hosted its ninth tournament in April 2010. The tournament brings in over \$3 million annually to the Charleston economy. (April 2010)
 - Charleston will be the last U.S. port outbound on CSAV's new American Express Service, or AMEX. CSAV (Compañía Sud Americana de Vapores) of Chile is the largest ocean carrier in Latin America and, founded in 1872, is one of the oldest shipping companies in the world. The new weekly service will bring 52 additional ship calls annually, linking Charleston directly to markets across Northern China and South Korea. Transshipment in the Caribbean will provide additional market access across Central and South America. (April 2010)
 - MUSC receives one of just seven NIH Clinical Translational Science Awards, designed to speed the process between research and patient treatment. (July 2009)
 - *Outside* magazine ranks Charleston among the top 10 favorite adventure burgs on its "Best Small Towns" list for 2009. This is a powerful endorsement as our community works to attract and retain a world class workforce. (July 2009)
 - The reader's of Condé Nast *Traveler* magazine designate Charleston as the 2nd best travel designation in the U.S., topped only by San Francisco. The ranking maintains Charleston's spot as the No. 1 east coast destination. (October 2009)
 - The SCRA MUSC Innovation Center, a wet lab incubator for bioscience startups, opens its doors. (December 2009)
 - MeadWestvaco recently repurchased a large tract of land between Exit 199 and the new Sheep Head Island Exit with one mile of I-26 Interstate highway frontage. They are in the planning stages of developing a 6 million sq. ft commercial park with a full range of services. They plan to start in 2011 with a hotel and office building. (December 2009)
 - Joint Base Charleston, merging the commands for Charleston Air Force Base and the Naval Weapons Station, is one of the 12 joint base initiatives in the nation. While joint basing is designed to increase efficiency and save money, many predict it will eventually lead to Charleston's designation as a Joint Logistics, Transportation and Engineering Hub. (February 2010)
 - Charleston City Council approves a special tax district to support its plans to redevelop 42 acres as an urban research park. Called the Horizon Project, the redevelopment plan partners the City with MUSC and the S.C. Research Authority. (February 2010)
 - German-based alternative energy company IMO Group is locating its first U.S. facility in the Charleston area to support Clemson University's wind turbine test facility, bringing 190 jobs to Dorchester County and \$47 million in investment. (March 2010)
 - Los Angeles-based Moulton Logistics Management plans to open a new distribution center in Berkeley County, generating 500 new jobs and a \$25 million capital investment over the next five years. (April 2010)
 - The Charleston Trident Association of Realtors reported year-to-date home sales in the Charleston market are up 23% over last year. Prices are up 3%. (April 2010)
- New** ➤ Boeing Fabrication Interiors South Carolina will service the plane maker's new Dreamliner plant, enabling the company to more nimbly put the finishing touches on its new products. The company is expected to create about 150 new jobs. (May 2010)
- New** ➤ The Boeing Co. will add \$6.1 billion to South Carolina's economy each year and add nearly \$3 billion to state taxes over three decades, according to the Alliance for South Carolina's Future, a Columbia-based organization for which the stated mission is to promote economic growth in South Carolina. (May 2010)

Charleston MSA (Cont.)

New ➤ The MUSC Children’s Hospital has been named to the “America’s Best Children’s Hospitals” list in the August issue of *U.S. News and World Report*. They were ranked No. 20 in the pediatric specialty of heart and heart supply. (June 2010)

New ➤ Ladson-based armored truck maker Force Protection Inc. announced today that it has received a \$46.1 million contract award from the Marine Corps for additional modernization of the U.S. military’s Cougar fleet. (June 2010)

Myrtle Beach MSA

- Ocean 10 Studios, Inc. will open a new production facility in Myrtle Beach. The \$2.8 million investment is expected to create 15 new jobs. Its decision to locate to Myrtle Beach is because Myrtle Beach and Horry County are very film friendly. (June 2009)
- Navas Instruments, LLC, will open a new facility in Horry County. The \$1.6 million capital investment is expected to generate 13 jobs for Horry County. This area offers a reasonable cost of doing business, affordable property, and an incredible quality of life with close proximity to the beach and a great climate. (June 2009)
- Coca-Cola Bottling Co. Consolidated will locate its new facility in Horry County. The \$4 million investment is expected to create 10 new jobs. The company will also relocate 40 employees to the facility. (October 2009)
- Horry County is developing the Myrtle Beach International Technology and Aerospace Park (MBITAP). MBITAP is a 460-acre master planned park located within 100 miles of Charleston, SC, and adjacent to the Myrtle Beach International Airport. Horry County is very committed to the continued development of a robust aerospace economy. (April 2010)
- The South Carolina Department of Commerce and the Myrtle Beach Regional Economic Development Corporation (MBREDC) announced that Myrtle Beach Recycling Inc. will locate its new operations in Horry County. The \$5 million investment is expected to generate 15 new jobs. (April 2010)

Florence County

- Johnson Controls Inc. plans to locate its new facility in Florence County. The company expects to invest more than \$100 million and plans to create 250 new jobs. (June 2009)
- Materials Innovation Technology (MIT), a manufacturer of advanced materials, has selected Lake City as the new home of their manufacturing operations. The company will create 120 new jobs and make a capital investment of \$5 million over the next five years. (November 2009)
- Representatives of the North Eastern Strategic Alliance (NESA), an economic development organization encompassing South Carolina’s northeast region, recently joined elected state leaders in Washington to promote efforts to secure federal stimulus funding for a proposed I-73 corridor. Officially named the “Interchange of Hope,” this corridor will provide a modern highway system linking Myrtle Beach with I-95. Construction alone will generate 10,000 jobs. (January 2010)

Beaufort County

- Plumm Design, a manufacturer specializing in customized metal designs will locate its new operations in Beaufort County. The \$3.2 million investment is expected to generate 50 new jobs over the next five years. (January 2010)

Wilmington MSA

- **New** ➤ Container tonnage passing through the state port facilities at Wilmington rose throughout 2009, with especially strong growth during the second quarter of the year. (April 2010)
- **New** ➤ Average monthly sales of existing single-family structures in Brunswick County experienced growth over most of 2009. Wilmington area sales (WRAR) reached a low in late 2008, with growth following and continuing through the present. (April 2010)

Innovative Products and Services

- Health Savings Account – with online calculators
- First Federal Rx – drug savings card
- Checking accounts: 50-Plus Checking, Checking Choice, Moolah Checking, New Start Checking, FastTrack Checking Account
- Free Commercial Checking accounts line-up
- Children's savings programs: Squirrels Club, Student Savings, Educator CD, Bank-In-School
- CDs such as Money Builder CD, Win-Win CD, Escalator CD and Goal Setter CD
- Regular online CD offerings/specials.
- Premium Money Market: Signature Money Management Account; MarketPreferred Account
- "Quick-Close" Mortgage, First-Time Home-buyer Mortgage, 100% Loans, Homeowner First Program, Community Solutions™ mortgages, online mortgage calculators. We will guarantee a mortgage loan closing date.
- Menu of Consumer Loans with debt protection options offered on most consumer loans and online option for manufactured housing loans.
- Indirect Manufactured Home Lending
- Equity AccessLine, Equity AccessLine Prime, Lock-In Equity Lines
- Credit Cards: Visa, MasterCard, MasterCard Gold, Business MasterCard, CashBack Scorecard®
- Training, cross-selling, and incentive programs are used to promote various products and services.
- TeleBanker Interactive Voice Response system allows customers to make loan payments, transfers and other account transactions as well as check balances.
- Online Banking – Personal and Commercial: 24 hour access; *Improved* Bill Pay; online account opening options; e-statements
- ID Theft 911® – Free Identity Theft Resolution Services
- Visit our new improved commercial and retail online banking, including walkthroughs and tutorials at www.firstfederal.com.
- CDARS® – Certificate of Deposit Account Registry Service. A vehicle which allows depositors to receive up to \$50 million in FDIC insurance coverage on CDs.
- *FLASH*depositsm – Remote Deposit Capture allows commercial clients to process deposits right from their business location.
- Community Solutions Mortgages™ are designed to boost home ownership for public servants and enable them to live in the communities they serve.
- First Federal is now a member of the MoneyPass Surcharge-Free ATM Network.
- Extended Call Center hours, Monday – Friday, 7 a.m. – 7 p.m.
- First Federal Excellence in Financial Education and FDIC partnership offering Money Smart – structured online lessons to help enhance money management skills with programs especially designed for youth and adults.
- First Federal Gift Cards in denominations of \$25 to \$500.
- First Federal offers Mortgage Foreclosure Clinics for area communities.
- First Federal accepts online donations for nonprofit clients.
- Non Profit Referral Program offering fund-raising opportunities for nonprofit business customers.
- Wealth Management Services offered through our new Premier Relationship Group.
- Dollars4Debits™ lets personal online banking account holders earn cash back on debit card purchases through targeted offers.
- Mobile Banking through text messaging, mobile website or iPhone site.