

FIRST FINANCIAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except share data)

	As of September 30,	
	2009	2008
ASSETS		
Cash and cash equivalents	\$ 78,070	\$ 62,949
Investments available for sale, at fair value	13,756	17,094
Investments held to maturity	22,401	2,043
Investment in capital stock of FHLB	46,141	41,832
Mortgage-backed securities available for sale, at fair value	478,980	351,110
Loans receivable, net of allowance of \$68,473 and \$23,990	2,593,269	2,324,537
Loans held for sale	25,603	8,731
Accrued interest receivable	12,058	12,035
Office properties and equipment, net	81,021	78,796
Real estate and other assets acquired in settlement of loans	22,002	4,286
Goodwill	29,278	27,892
Intangible assets	8,683	8,349
Residential mortgage servicing rights, at fair value	11,166	12,550
FDIC indemnification receivable, net	62,754	-
Other assets	25,105	21,790
Total assets	\$ 3,510,287	\$ 2,973,994
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposit accounts		
Noninterest-bearing	\$ 190,159	\$ 175,681
Interest bearing	2,113,452	1,675,421
Total deposits	\$ 2,303,611	\$ 1,851,102
Advances from FHLB	492,751	818,000
Other short-term borrowings	258,813	28,813
Long-term debt	46,392	46,392
Advances by borrowers for taxes and insurance	5,193	5,152
Outstanding checks	10,729	11,872
Accounts payable and other liabilities	41,149	29,185
Total liabilities	3,158,638	2,790,516
Commitments and contingencies (Notes 16 and 20)		
Stockholders' equity:		
Series A preferred stock, \$.01 par value, authorized 3,000,000 shares, issued 65,000 and 0 shares at September 30, 2009 and September 30, 2008, respectively. (Redemption value \$65,000)	\$ 1	\$ -
Common stock, \$.01 par value, authorized 24,000,000 shares, issued 20,835,381 and 16,621,485 shares at September 30, 2009 and September 30, 2008, respectively	208	166
Additional paid-in capital	185,249	58,338
Retained income, substantially restricted	265,821	244,327
Accumulated other comprehensive income (loss), net of income taxes	3,933	(15,966)
Treasury stock at cost, 4,938,411 and 4,929,972 shares at September 30, 2009 and September 30, 2008, respectively	(103,563)	(103,387)
Total stockholders' equity	\$ 351,649	\$ 183,478
Total liabilities and stockholders' equity	\$ 3,510,287	\$ 2,973,994

See accompanying notes to consolidated financial statements.

FIRST FINANCIAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share data)

	Year ended September 30,		
	2009	2008	2007
INTEREST INCOME			
Interest and fees on loans	\$ 155,674	\$ 153,539	\$ 151,906
Interest on mortgage-backed securities	28,422	17,560	12,505
Interest and dividends on investments	2,289	3,434	3,142
Other	2,411	239	447
Total interest income	<u>188,796</u>	<u>174,772</u>	<u>168,000</u>
INTEREST EXPENSE			
Interest on deposits	40,894	50,646	55,992
Interest on borrowed money	26,220	32,762	29,181
Total interest expense	<u>67,114</u>	<u>83,408</u>	<u>85,173</u>
NET INTEREST INCOME	121,682	91,364	82,827
Provision for loan losses	66,883	16,939	5,164
Net interest income after provision for loan losses	<u>54,799</u>	<u>74,425</u>	<u>77,663</u>
NON-INTEREST INCOME			
Total other-than-temporary impairment losses	(6,771)	(486)	-
Portion of loss recognized in other comprehensive income (before taxes)	2,778	-	-
Net impairment losses recognized in earnings	(3,993)	(486)	-
Net gain on sale of investment and mortgage-backed securities	-	750	266
Brokerage fees	2,028	2,923	2,551
Commissions on insurance	23,316	23,773	20,865
Other agency income	1,351	1,057	1,181
Service charges and fees on deposit accounts	22,501	23,901	21,566
Mortgage banking income	8,070	7,456	4,255
Gains on disposition of assets	162	1,052	230
Other	826	2,475	2,370
Total non-interest income	<u>54,261</u>	<u>62,901</u>	<u>53,284</u>
NON-INTEREST EXPENSE			
Salaries and employee benefits	64,666	65,271	58,647
Occupancy costs	8,935	8,210	6,709
Marketing	2,137	2,408	2,262
Furniture and equipment expense	7,546	5,867	5,404
Amortization of intangibles	816	673	461
Other	25,112	17,900	17,017
Total non-interest expense	<u>109,212</u>	<u>100,329</u>	<u>90,500</u>
Income (loss) before income taxes	(152)	36,997	40,447
Income tax (benefit) expense	(615)	14,359	15,375
Income before extraordinary item	<u>\$ 463</u>	<u>\$ 22,638</u>	<u>\$ 25,072</u>
EXTRAORDINARY ITEM			
Gain on acquisition, less income tax of \$18,833	28,857	-	-
NET INCOME	<u>\$ 29,320</u>	<u>\$ 22,638</u>	<u>\$ 25,072</u>
Preferred stock dividends	2,663	-	-
Accretion on preferred stock discount	431	-	-
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 26,226</u>	<u>\$ 22,638</u>	<u>\$ 25,072</u>
Income per Common Share before Extraordinary Item - Basic	<u>\$ 0.04</u>	<u>\$ 1.94</u>	<u>\$ 2.10</u>
Income per Common Share before Extraordinary Item - Diluted	<u>\$ 0.04</u>	<u>\$ 1.94</u>	<u>\$ 2.07</u>
Net Income per Common Share - Basic	<u>\$ 2.50</u>	<u>\$ 1.94</u>	<u>\$ 2.10</u>
Net Income per Common Share - Diluted	<u>\$ 2.50</u>	<u>\$ 1.94</u>	<u>\$ 2.07</u>
Net Income per Common Share Available to Common Shareholders - Basic	<u>\$ 2.24</u>	<u>\$ 1.94</u>	<u>\$ 2.10</u>
Net Income per Common Share Available to Common Shareholders - Diluted	<u>\$ 2.24</u>	<u>\$ 1.94</u>	<u>\$ 2.07</u>

See accompanying notes to consolidated financial statements.

FIRST FINANCIAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(in thousands)

	Common Stock		Preferred Stock		Additional	Retained	Accumulated	Treasury Stock		Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Income	Other Comprehensive Income / (Loss)	Shares	Amount	
Balance at September 30, 2006	16,418	\$ 164	-	\$ -	\$ 52,039	\$ 220,689	\$ (2,893)	4,397	\$ (86,234)	\$ 183,765
Net income						25,072				25,072
Other comprehensive income:										
Unrealized net gain on securities available for sale, net of tax of \$1,374							2,157			2,157
Cumulative effect of change in employee benefit plans, net of tax of \$249							(443)			(443)
Total comprehensive income										26,786
Common stock issued pursuant to stock option and employee benefit plans	140	1			3,958					3,959
Stock option tax benefit					109					109
Cash dividends (\$1.00 per share)						(11,941)				(11,941)
Treasury stock purchased								526	(16,963)	(16,963)
Balance at September 30, 2007	16,558	\$ 165	-	\$ -	\$ 56,106	\$ 233,820	\$ (1,179)	4,923	\$ (103,197)	\$ 185,715
Net income						22,638				22,638
Other comprehensive income:										
Unrealized net loss on securities available for sale, net of tax of \$9,378							(14,729)			(14,729)
Change related to employee benefit plans, net of tax of \$36							(58)			(58)
Total comprehensive income										7,851
Common stock issued pursuant to stock option and employee benefit plans	64	1			2,169					2,170
Stock option tax benefit					63					63
Cumulative effect of adoption of FIN 48						(240)				(240)
Cash dividends (\$1.02 per share)						(11,891)				(11,891)
Treasury stock purchased								7	(190)	(190)
Balance at September 30, 2008	16,622	\$ 166	-	\$ -	\$ 58,338	\$ 244,327	\$ (15,966)	4,930	\$ (103,387)	\$ 183,478
Net income						29,320				29,320
Other comprehensive income:										
Unrealized net gain on securities available for sale, net of tax of \$12,678							19,914			19,914
Change related to employee benefit plans, net of tax of \$9							(15)			(15)
Total comprehensive income										49,219
Common stock issued pursuant to public offering	4,194	42			60,596					60,638
to stock option and employee benefit plans	19				874					874
Stock option tax benefit					11					11
Issuance of preferred stock and warrants			65	1	64,999					65,000
Accretion of preferred stock					431	(431)				-
Cash dividends										
Common stock (\$0.405 per share)						(4,732)				(4,732)
Preferred stock (\$0.05 per share)						(2,663)				(2,663)
Treasury stock purchased								8	(176)	(176)
Balance at September 30, 2009	20,835	\$ 208	65	\$ 1	\$ 185,249	\$ 265,821	\$ 3,933	4,938	\$ (103,563)	\$ 351,649

See accompanying notes to consolidated financial statements.

FIRST FINANCIAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year ended September 30,		
	2009	2008	2007
Operating Activities			
Net income	\$ 29,320	\$ 22,638	\$ 25,072
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	6,071	5,705	5,404
Amortization of intangibles	816	617	461
Accretion of FDIC indemnification asset	(2,376)	-	-
Gain on sale of loans, net	(1,995)	(2,088)	(1,852)
Gain on sale of investments and mortgage-backed securities, net	-	(750)	(266)
Gain on sale of property and equipment, net	(162)	(1,052)	(230)
(Gain) loss on sale of real estate owned, net	1,233	(9)	51
Stock compensation expense	524	829	838
Tax benefit resulting from stock options	11	63	109
Amortization of unearned (discounts) premiums on investments, net	3,627	(242)	444
Increase (decrease) in net deferred loan costs and discounts	3,629	(206)	(601)
Net other-than-temporary impairment losses	3,993	-	-
Increase in receivables and other assets	(1,653)	(1,931)	(2,871)
Provision for loan losses	66,883	16,939	5,164
Write downs of real estate and other assets acquired in settlement of loans	1,964	18	21
Deferred income taxes	(24,621)	(13,503)	(2,540)
Capitalized mortgage servicing rights	(5,487)	(2,390)	(2,280)
Decrease in fair value of mortgage servicing rights	6,871	2,671	2,292
Origination of loans held for sale	(455,725)	(203,350)	(174,200)
Proceeds from sales of loans held for sale	440,848	203,018	174,719
(Decrease) increase in accounts payable and other liabilities	3,456	5,406	(3,867)
Net cash provided by operating activities	<u>77,227</u>	<u>32,383</u>	<u>25,868</u>
Investing Activities			
Proceeds from maturity of investments available for sale	92	1,179	8,479
Proceeds from sales of investment securities available for sale	6,000	750	2,973
Net purchases of investment securities available for sale	(1,527)	(2,389)	(5,891)
Net purchases of investment securities held to maturity	(506)	-	(2,042)
Purchase of FHLB stock	(847)	(12,204)	(3,655)
Increase in loans, net	(94,341)	(213,099)	(87,440)
Loan participations purchased	-	(1,661)	-
Proceeds from sales of mortgage-backed securities available for sale	13,670	-	-
Repayments on mortgage-backed securities available for sale	144,805	75,754	73,312
Purchases of mortgage-backed securities available for sale	(234,101)	(145,644)	(70,603)
Proceeds from sales of real estate owned	16,241	5,166	4,905
Increase in intangibles from acquisitions	(2,479)	(18,193)	(382)
Acquisition of Cape Fear Bank, net of cash	(11,676)	-	-
Net purchase of office properties and equipment	(8,134)	(9,088)	(23,397)
Net cash used in investing activities	<u>(172,803)</u>	<u>(319,429)</u>	<u>(103,741)</u>
Financing Activities			
Net decrease in checking, savings and money market accounts	(1,730)	(21,192)	(26,846)
Net increase in certificates of deposit	148,192	18,243	57,869
Net repayments (proceeds) of FHLB advances	(384,244)	264,000	89,000
Issuance of common stock	60,638	-	-
Issuance of preferred stock	62,020	-	-
Issuance of stock warrants	2,980	-	-
Net decrease in securities sold under agreements to repurchase	-	-	(68,755)
Net Increase in other borrowings	230,025	22,998	4,994
Decrease (increase) in advances by borrowers for taxes and insurance	41	(653)	64
Change related to employee benefit plans	(15)	(58)	(443)
Proceeds from exercise of stock options	350	1,341	3,121
Tax benefit resulting from stock options	11	63	109
Dividends paid	(7,395)	(11,891)	(11,941)
Treasury stock purchased	(176)	(190)	(16,963)
Net cash provided by financing activities	<u>110,697</u>	<u>272,661</u>	<u>30,209</u>
Net increase (decrease) in cash and cash equivalents	15,121	(14,385)	(47,664)
Cash and cash equivalents at beginning of period	62,949	77,334	124,998
Cash and cash equivalents at end of period	<u>\$ 78,070</u>	<u>\$ 62,949</u>	<u>\$ 77,334</u>
Supplemental disclosures:			
Cash paid during the period for:			
Interest	\$ 69,596	\$ 84,419	\$ 84,634
Income taxes	11,654	20,666	17,440
Loans foreclosed	29,908	9,687	5,443
Loans securitized into mortgage-backed securities			
Unrealized (loss) gain on securities available for sale, net of income tax	19,914	(14,729)	2,157

See accompanying notes to consolidated financial statements.