

Southeastern Independent Bank Review

Cycles, Examinations & Valuations

We are not ones to blame bank regulators (or any other specific party) for the banking industry's current woes. There were many who had a hand in this mess, and to some extent, downturns like the one we are experiencing are unavoidable. For sure, this correction is particularly severe, but the economy must periodically contract (i.e., recession) to remove unhealthy excesses. This is a normal, healthy, though painful, part of the free market process.

An unfortunate part of "cyclical cleansing" of banks is that regulators may overreact and do so very late in the cycle. Their actions may do more harm than good and in fact exacerbate the severity and duration of the crisis. We believe, by way of numerous stories heard from bankers in the examination trenches, that the current round of safety and soundness examinations is a case in point. It is certainly true that this time around even some experienced bankers forgot some very basic tenets of prudent lending. However, it also seems increasingly true that some very good bankers are being unfairly painted with the same broad regulatory brush and held to ridiculous credit standards that are being "made up on the fly." (See the chart in the next column, *SE Enforcement Actions*) Who gains from this? It's hard to imagine, but certainly not the

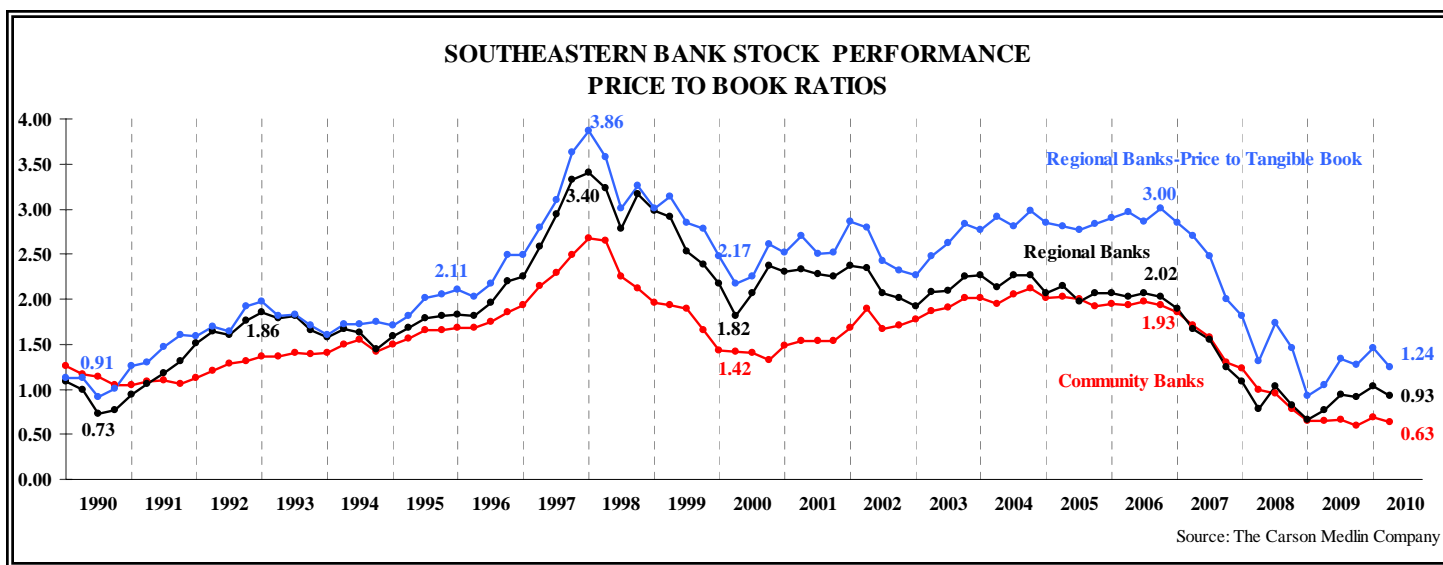
bank's customers or its shareholders or for that matter, even the banking industry as a whole. It just creates an unnecessarily deeper hole to fill, scares away investment dollars, and ultimately costs taxpayers even more.

	Prompt <u>Corrective Action</u>	Formal <u>Agreement (1)</u>	Total	% of <u>Operat. Banks</u>
Alabama	0	15	15	10.3%
Florida	4	51	55	20.7%
Georgia	1	65	66	23.3%
Mississippi	0	3	3	3.3%
North Carolina	1	8	9	8.5%
South Carolina	0	14	14	16.5%
Tennessee	0	16	16	8.4%
Virginia	1	2	10	8.3%
Total	7	181	188	14.6%

Source: SNL Financial, excludes failed banks

(1) Written Agreement, Cease & Desist Order or Consent Order

What to do? Probably very little, except to prepare for at least one very difficult and perhaps unfair examination process during this cycle. When will all this end? We certainly don't know, but we do believe that when absurdities such as "nonperforming performing loans" begin to be discussed, it is surely a sign that a recovery and better times cannot be too far away. Regional bank valuations began increasing more than a year ago and smaller bank stocks will soon begin to follow, as they have in every upturn of the last three decades.



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Location	Banks and Bank Holding Companies	Trading Symbol	Market Ratios				Share & Per Share Data						
			Stock Price at 6/30/10 \$	Price to Earnings X (a)	Price to Book X	Dividend Yield %	1st QTR EPS 3/31/10 \$	LTM EPS 3/31/10 \$	Year End 2009 \$	Book Value per Share 3/31/10 \$	Indicated Annual Dividend \$	Shares O/S 3/31/10 (000)	Monthly Volume (000) (b)
ALABAMA													
Auburn	Auburn National Bancorp.	AUBN	18.80	18.1	1.19	4.1	0.44	1.04	0.66	15.86	0.78	3,643	116
Mobile	BancTrust Financial Group Inc.	BTFG	3.70	nm	0.56	nm	0.02	(6.70)	(7.06)	6.64	0.00	17,639	490
Thomasville	United Security Bancshares	USBI	9.05	8.0	0.64	4.9	0.55	1.13	0.79	14.19	0.44	6,017	371
Alabama average				13.0	0.79	4.5							
FLORIDA													
Boca Raton	1st United Bancorp Inc.	FUBC	7.36	nm	1.05	nm	0.01	(0.05)	0.30	6.98	0.00	24,782	1,521
Bradenton	Horizon Bancorp Inc.	HZNB	0.50	nm	0.23	nm	(1.06)	(5.71)	(4.59)	2.20	0.00	1,770	22
Fort Lauderdale	Stonegate Bank	SGBK	14.10	10.3	1.17	nm	0.11	1.37	1.29	12.05	0.00	7,709	34
Jacksonville	Jacksonville Bancorp Inc.	JAXB	10.90	nm	0.73	nm	(0.56)	(0.46)	0.04	14.98	0.00	1,749	27
Jacksonville Beach	Atlantic BancGroup Inc.	ATBC	2.11	nm	0.28	nm	(0.44)	(6.18)	(5.80)	7.43	0.00	1,248	60
Naples	TIB Financial Corp.	TIBB	0.50	nm	0.47	nm	(0.38)	(4.42)	(4.33)	1.05	0.00	14,888	3,751
Pinellas Park	First Community Bank Corp.	FCFL	1.86	nm	0.35	nm	(0.42)	(1.73)	(1.31)	5.27	0.00	5,457	148
Tallahassee	Capital City Bank Group Inc.	CCBG	12.38	nm	0.81	3.2	(0.20)	(0.44)	(0.20)	15.34	0.40	17,063	666
Tampa	Pilot Bancshares Inc.	PLBN	2.50	nm	0.43	nm	0.02	(0.69)	(1.30)	5.76	0.00	2,527	1
Davenport	CenterState Banks	CSFL	10.09	nm	1.13	0.40	0.02	(0.40)	(0.47)	8.90	0.04	25,779	1,928
Florida average				10.3	0.67	1.8							
GEORGIA													
Augusta	Georgia-Carolina Bancshares	GECR	7.00	5.8	0.55	nm	0.24	1.20	1.07	12.62	0.00	3,506	29
Darien	Southeastern Banking Corp.	SEBC	10.50	nm	0.59	2.5	(0.37)	(0.34)	0.23	17.93	0.26	3,139	1
Macon	Atlantic Southern Financial	ASFN	1.42	nm	0.21	nm	(0.39)	(14.62)	(14.05)	6.67	0.00	4,212	790
Moultrie	Southwest Georgia Financial	SGB	10.20	14.2	0.99	nm	0.16	0.72	0.71	10.29	0.00	2,548	24
Savannah	Savannah Bancorp Inc.	SAVB	9.76	nm	0.74	nm	(0.08)	0.13	0.16	13.12	0.00	5,938	175
Valdosta	PAB Bankshares Inc.	PABK	0.94	nm	0.28	nm	(0.39)	(4.55)	(4.78)	3.34	0.00	13,795	484
Georgia average				10.0	0.56	2.5							
NORTH CAROLINA													
Asheboro	FNB United Corp.	FNBN	0.73	nm	0.18	nm	(0.38)	(9.00)	(9.16)	4.06	0.00	11,426	468
Asheville	Weststar Financial Svcs Corp	WFSC	1.90	nm	0.24	nm	0.04	(0.11)	(0.03)	7.81	0.00	2,168	31
Burlington	MidCarolina Financial Corp.	MCFI	4.00	16.0	0.56	nm	(0.07)	0.25	0.40	7.09	0.00	4,928	19
Cary	Crescent Financial Corp.	CRFN	2.51	nm	0.36	nm	0.01	(3.36)	(3.33)	7.00	0.00	9,627	145
Charlotte	First Trust Bank	NCFT	6.00	10.7	0.61	nm	0.11	0.56	0.58	9.82	0.00	4,776	65
Elkin	Yadkin Valley Financial	YAVY	3.38	nm	0.51	nm	0.01	(4.53)	(5.23)	6.61	0.00	16,135	1,116
Four Oaks	Four Oaks Fincorp Inc.	FOFN	4.60	nm	0.52	0.9	0.01	(0.42)	(0.30)	8.92	0.04	7,458	23
Granite Falls	Bank of Granite Corp.	GRAN	1.15	nm	0.45	nm	(0.60)	(1.98)	(1.66)	2.57	0.00	15,454	5,435
Greensboro	Carolina Bank Holdings Inc.	CLBH	3.71	nm	0.37	nm	0.00	(0.54)	(0.43)	9.91	0.00	3,387	79
Hendersonville	1st Financial Services Corp.	FFIS	1.60	nm	0.28	nm	0.02	(3.91)	(3.91)	5.66	0.00	5,019	27
Mount Airy	Surrey Bancorp	SRYB	6.50	17.6	0.87	nm	0.05	0.37	0.58	7.49	0.00	3,206	6
Raleigh	Capital Bank Corp.	CBKN	3.25	nm	0.42	nm	(0.49)	(0.84)	(0.80)	7.65	0.00	12,881	645
High Point	BNC Bancorp	BNCN	10.66	16.9	0.83	1.9	0.12	0.63	0.62	12.86	0.20	7,342	76
Troy	First Bancorp	FBNC	14.49	4.3	0.85	2.2	0.20	3.38	3.37	16.98	0.32	16,739	1,049
Whiteville	Waccamaw Bankshares Inc.	WBNC	1.53	nm	0.47	nm	0.05	(2.52)	(2.57)	3.26	0.00	5,551	91
Winston-Salem	Southern Community Financial	SCMF	2.24	nm	0.50	nm	(0.31)	(1.25)	(3.91)	4.50	0.00	16,818	258
North Carolina average				13.1	0.50	1.7							
SOUTH CAROLINA													
Beaufort	Coastal Banking Co.	CBCO	3.01	nm	0.28	nm	(0.24)	(5.31)	(5.88)	10.79	0.00	2,569	18
Charleston	Bank of South Carolina Corp.	BKSC	9.86	21.9	1.41	4.1	0.18	0.45	0.47	6.97	0.40	4,003	46
Easley	Peoples Bancorporation Inc.	PBCE	1.75	nm	0.30	nm	(0.19)	(0.30)	(0.03)	5.79	0.00	7,003	18
Florence	First Reliance Bcschs	FSRL	3.10	nm	0.37	nm	0.08	(1.77)	(1.87)	8.32	0.00	3,691	24
Lexington	First Community Corp.	FCCO	5.80	nm	0.60	2.8	0.13	(7.92)	(7.95)	9.64	0.16	3,257	36
Loris	HCSB Financial Corp.	HCFB	5.50	nm	0.64	nm	(0.04)	(0.36)	(0.44)	8.56	0.00	3,787	6
Mount Pleasant	Southcoast Financial Corp.	SOCB	2.65	nm	0.26	nm	0.08	(1.96)	(1.97)	10.11	0.00	4,550	104
Spartanburg	First South Bancorp Inc.	FSBS	5.00	nm	0.35	nm	0.09	(3.04)	(3.01)	14.15	0.00	2,161	6
South Carolina average				21.9	0.53	3.4							
TENNESSEE													
Chattanooga	Comerstone Bancshares Inc.	CSBQ	2.15	nm	0.49	nm	0.05	(0.77)	(1.26)	4.40	0.00	6,500	22
Chattanooga	First Security Group Inc.	FSGI	1.92	nm	0.29	nm	(0.10)	(2.26)	(2.25)	6.61	0.00	16,418	427
Franklin	Tennessee Commerce Bancorp Inc	TNCC	6.45	nm	0.53	nm	0.24	(0.70)	(1.50)	12.17	0.00	5,648	251
Greeneville	Green Bankshares Inc	GRNB	12.77	nm	1.03	nm	0.15	(12.03)	(11.91)	12.36	0.00	13,193	1,172
Nashville	Pinnacle Financial Partners	PNFP	12.85	nm	0.70	nm	(0.16)	(1.76)	(1.46)	18.30	0.00	33,351	5,325
Sevierville	Mountain National Bancshares	MNBT	5.75	nm	0.32	nm	0.13	(1.22)	(1.61)	18.02	0.00	2,632	8
Tennessee average				nm	0.56	nm							
VIRGINIA													
Altavista	Pinnacle Bankshares Corp.	PPBN	7.80	15.3	0.44	nm	0.12	0.51	0.24	17.55	0.00	1,485	7
Berryville	Eagle Financial Services Inc.	EFSS	16.00	12.6	0.97	4.3	0.49	1.27	1.08	16.42	0.68	3,232	9
Charlottesville	Virginia National Bank	VANB	23.50	22.8	1.33	nm	0.15	1.03	0.83	17.67	0.00	2,335	8
Danville	American National Bankshares	AMNB	21.39	16.0	1.22	4.3	0.36	1.34	1.12	17.50	0.92	6,123	244
Lynchburg	Bank of the James Finl Grp Inc	BOJF	8.05	nm	1.08	nm	0.11	(0.16)	(0.20)	7.45	0.00	3,290	13
Middleburg	Middleburg Financial Corp.	MBRG	13.91	nm	0.95	2.9	0.12	0.35	0.37	14.65	0.40	6,909	178
Sterling	Millennium Bankshares Corp.	MBVA	7.00	nm	0.50	nm	(6.75)	(65.25)	(68.50)	13.87	0.00	179	2
Roanoke	Valley Financial Corp.	VYFC	3.88	nm	0.49	nm	0.13	(1.27)	(1.42)	7.96	0.00	4,680	41
Staunton	Community Financial Corp.	CFCC	4.36	6.7	0.52	nm	0.17	0.65	(1.39)	8.44	0.00	4,362	42
Timberville	F & M Bank Corp.	FMBM	19.00	24.1	1.10	3.2	0.33	0.79	0.85	17.33	0.60	2,296	7
Warrenton	Fauquier Bankshares Inc.	FBSS	15.49	17.0	1.29	5.2	0.22	0.91	0.95	11.97	0.80	3,587	28
West Point	C&F Financial Corp.	CFFI	18.00	12.0	0.78	5.6	0.47	1.50	1.44	23.04	1.00	3,076	32
Virginia average				15.8	0.89	4.2							
Southeastern average				13.7	0.63	3.3							

Share and per share data has been adjusted for stock dividends and stock splits

nm = not meaningful

(a) Based on trailing 12 months EPS; averages exclude P/Es over 30

na = not available

(b) YTD average monthly volume

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Banks and Bank Holding Companies	Balance Sheet Highlights				Performance Ratios								
	\$millions (3/31/10)				For the Three Months Ended 3/31/10								
	Assets \$	Loans \$	Deposits \$	Equity \$	ROAA %	ROAE %	Net Int. Margin %	Equity / Assets %	Loans / Deposits %	NPA Ratio (d) %	NCO / Avg. Lns %	Reserves / Loans %	Efficiency Ratio (e) %
ALABAMA													
Auburn National Bancorp.	791.4	384.6	608.6	57.9	0.82	11.5	2.69	7.3	63.2	4.69	1.46	1.70	60.8
BancTrust Financial Group Inc.	2,030.1	1,449.1	1,736.0	165.2	0.23	2.7	3.38	8.1	83.5	11.77	0.26	3.30	78.2
United Security Bancshares	673.8	413.6	521.7	85.4	1.93	15.8	5.47	12.7	79.3	10.99	1.42	2.48	52.0
Alabama average					0.99	10.0	3.85	9.4	75.3	9.15	1.05	2.49	63.7
FLORIDA													
1st United Bancorp Inc.	1,045.6	691.9	842.6	173.1	0.14	0.8	4.22	16.6	82.1	3.09	0.60	1.95	81.3
Horizon Bancorp Inc.	195.2	149.0	172.2	4.9	(3.81)	(127.5)	3.31	2.5	86.6	5.75	5.63	3.57	98.1
Stonegate Bank	588.7	360.7	447.6	92.9	0.60	4.2	4.19	15.8	80.6	4.11	(0.05)	2.30	75.0
Jacksonville Bancorp Inc.	453.4	390.6	386.0	26.2	(0.88)	(14.4)	3.39	5.8	101.2	2.81	1.65	1.95	79.0
Atlantic BancGroup Inc.	285.7	196.5	258.5	12.5	(0.57)	(13.0)	3.06	4.4	76.0	4.38	1.50	3.39	80.5
TIB Financial Corp.	1,690.5	1,127.6	1,369.9	49.6	(1.19)	(37.2)	2.88	2.9	82.3	8.30	2.10	2.47	110.9
First Community Bank Corp.	552.4	400.0	463.4	44.1	(1.35)	(16.7)	2.87	8.0	86.3	8.35	3.17	1.83	82.5
Capital City Bank Group Inc.	2,695.4	1,851.6	2,285.6	262.0	(0.52)	(5.2)	4.10	9.7	81.0	6.47	2.87	2.25	85.9
Pilot Bancshares Inc.	237.9	172.8	206.8	20.2	0.10	1.2	3.88	8.5	83.5	4.27	1.21	2.74	79.9
CenterState Banks	1,776.7	947.0	1,340.9	229.5	0.09	0.7	3.44	12.9	70.6	6.38	1.38	2.54	85.1
Florida average					(0.74)	(20.7)	3.53	8.7	83.0	5.39	2.01	2.50	85.8
GEORGIA													
Georgia-Carolina Bancshares	480.4	370.0	404.1	44.0	0.74	8.1	3.82	9.2	91.6	2.80	0.97	1.42	69.7
Southeastern Banking Corp.	426.3	258.5	366.3	51.7	(1.10)	(9.1)	3.40	12.1	70.6	13.48	5.27	2.57	77.9
Atlantic Southern Financial	942.1	698.1	861.3	28.1	(0.69)	(22.4)	2.05	3.0	81.0	18.71	0.91	3.03	104.7
Southwest Georgia Financial	298.2	160.7	242.0	26.2	0.55	6.3	3.49	8.8	66.4	3.60	0.12	1.64	77.1
Savannah Bancorp Inc.	1,046.6	868.5	901.8	77.9	(0.19)	(2.5)	3.48	7.4	96.3	5.03	1.55	2.26	60.4
PAB Bancshares Inc.	1,249.7	757.7	1,067.2	46.0	(1.72)	(42.9)	1.69	3.7	71.0	27.32	0.40	4.03	174.7
Georgia average					(0.40)	(10.4)	2.99	7.4	79.5	11.83	1.54	2.49	94.1
NORTH CAROLINA													
FNB United Corp.	2,032.5	1,591.4	1,683.3	94.8	(0.69)	(14.5)	3.28	4.7	94.5	14.83	0.77	3.51	70.8
Weststar Financial Svcs Corp	224.2	184.1	198.1	20.3	0.13	1.5	3.61	9.1	92.9	14.45	0.94	1.91	78.9
MidCarolina Financial Corp.	565.1	433.8	494.2	39.8	(0.17)	(2.3)	3.40	7.0	87.8	2.91	1.54	1.90	55.9
Crescent Financial Corp.	1,011.2	744.6	713.8	90.5	0.21	2.4	3.13	8.9	104.3	4.99	1.36	2.26	72.2
First Trust Bank	461.0	324.9	374.7	46.9	0.47	4.6	4.00	10.2	86.7	3.82	1.54	2.48	40.5
Yadkin Valley Financial	2,203.1	1,680.3	1,909.1	152.9	0.17	2.4	3.37	6.9	88.0	4.10	1.81	2.70	67.9
Four Oaks Fincorp Inc.	970.6	722.5	759.4	66.6	0.04	0.6	3.47	6.9	95.1	4.52	0.69	2.28	78.5
Bank of Granite Corp.	1,036.5	715.4	950.8	39.8	(3.54)	(78.2)	3.39	3.8	75.2	10.33	5.11	4.24	70.0
Carolina Bank Holdings Inc.	704.1	534.0	625.7	48.1	0.17	2.5	3.44	6.8	85.3	5.72	1.03	2.00	68.0
1st Financial Services Corp.	810.1	543.7	688.8	44.0	0.17	3.2	2.53	5.4	78.9	7.08	2.06	4.73	88.6
Surrey Bancorp	219.1	182.3	177.5	27.2	0.43	3.4	4.18	12.4	102.7	2.08	0.40	2.98	55.8
Capital Bank Corp.	1,740.5	1,376.1	1,380.8	138.8	(1.23)	(15.4)	3.00	8.0	99.7	5.31	2.48	2.12	82.8
BNC Bancorp	1,628.7	1,089.9	1,351.4	123.8	0.34	4.5	3.11	7.6	80.6	2.96	1.07	1.60	68.4
First Bancorp	3,400.6	2,608.6	2,874.0	345.6	0.51	5.1	4.07	10.2	90.8	9.20	0.80	1.52	59.8
Waccamaw Bankshares Inc.	586.1	342.5	488.2	18.1	0.21	6.1	2.57	3.1	70.2	11.49	0.82	3.05	77.4
Southern Community Financial	1,707.2	1,211.4	1,307.0	116.9	(1.08)	(15.1)	3.37	6.8	92.7	5.66	1.19	2.97	73.7
North Carolina average					(0.24)	(5.6)	3.37	7.4	89.1	6.84	1.48	2.64	69.3
SOUTH CAROLINA													
Coastal Banking Co.	444.7	318.5	361.3	40.3	(0.23)	(2.5)	3.01	9.1	88.2	8.94	0.15	2.09	87.0
Bank of South Carolina Corp.	270.9	214.1	233.9	27.9	1.10	10.7	4.47	10.3	91.5	0.52	0.13	1.44	64.6
Peoples Bancorporation Inc.	552.4	369.1	480.0	53.3	(0.80)	(8.1)	3.85	9.6	76.9	7.65	2.36	2.35	72.9
First Reliance Bcsbs	616.2	392.8	526.7	46.1	0.34	4.7	3.00	7.5	74.6	8.01	2.76	1.71	88.4
First Community Corp.	618.2	342.2	465.4	42.4	0.39	5.6	3.51	6.9	73.5	2.61	0.62	1.42	71.6
HCSB Financial Corp.	776.6	493.0	600.2	44.4	(0.01)	(0.2)	2.79	5.7	82.1	6.26	1.23	1.59	71.3
Southcoast Financial Corp.	504.5	346.3	358.4	46.0	0.28	3.0	2.55	9.1	96.6	11.28	0.81	2.98	83.0
First South Bancorp Inc.	482.9	341.5	430.5	35.5	0.17	2.4	2.32	7.3	79.3	18.09	0.92	2.56	87.7
South Carolina average					0.16	1.9	3.19	8.2	82.8	7.92	1.12	2.02	78.3
TENNESSEE													
Comerstone Bancshares Inc.	562.0	325.9	429.2	28.6	0.26	4.9	3.91	5.1	75.9	5.00	0.19	2.07	69.0
First Security Group Inc.	1,369.0	905.5	1,202.8	140.0	(0.33)	(3.1)	3.08	10.2	75.3	7.92	2.04	2.88	81.4
Tennessee Commerce Bancorp Inc	1,382.9	1,186.2	1,239.8	98.4	0.50	7.1	4.24	7.1	95.7	3.50	1.55	1.70	48.2
Green Bankshares Inc	2,569.7	1,994.6	2,048.6	230.2	0.50	5.6	3.96	9.0	97.4	6.55	0.77	2.52	67.6
Pinnacle Financial Partners	5,021.7	3,491.1	3,836.4	700.3	(0.30)	(2.2)	3.15	13.9	91.0	4.45	1.71	2.58	79.1
Mountain National Bancshares	646.6	404.0	517.6	47.4	0.20	2.8	2.16	7.3	78.1	17.18	0.58	2.72	111.9
Tennessee average					0.14	2.5	3.42	8.8	85.6	7.43	1.14	2.41	76.2
VIRGINIA													
Pinnacle Bankshares Corp.	331.5	268.2	301.6	27.6	0.26	3.1	3.23	8.3	88.9	2.70	0.33	1.41	82.4
Eagle Financial Services Inc.	549.6	404.4	414.6	53.1	1.17	12.1	4.21	9.7	97.6	2.21	0.23	1.56	60.4
Virginia National Bank	440.4	300.5	395.7	41.3	0.33	3.5	4.01	9.4	76.0	2.41	0.03	1.25	88.1
American National Bankshares	810.7	517.6	609.6	107.2	1.08	8.1	3.77	13.2	84.9	1.39	0.26	1.57	61.0
Bank of the James Finl Gp Inc	410.0	327.5	360.0	30.3	0.44	6.2	3.48	7.4	91.0	2.63	0.04	1.42	75.7
Middleburg Financial Corp.	1,018.6	700.7	828.3	101.2	0.33	3.1	3.73	9.9	84.6	2.66	0.14	1.41	90.3
Millennium Bankshares Corp.	231.4	130.7	183.9	2.5	(2.04)	(145.8)	1.94	1.1	71.1	12.26	3.57	3.76	184.0
Valley Financial Corp.	738.2	568.3	578.5	52.6	0.47	6.5	2.89	7.1	98.2	5.77	0.40	2.51	76.0
Community Financial Corp.	549.0	506.3	401.5	48.3	0.69	7.9	4.35	8.8	126.1	3.48	0.30	0.82	61.7
F & M Bank Corp.	530.8	462.9	416.3	39.8	0.57	7.7	3.49	7.5	111.2	2.25	0.20	0.97	60.0
Fauquier Bankshares Inc.	570.6	472.9	467.8	43.3	0.57	7.4	4.23	7.6	101.1	1.19	0.33	1.16	73.6
C&F Financial Corp.	871.8	673.6	603.0	90.1	0.79	7.7	6.56	10.3	111.7	3.23	1.59	3.65	71.4
Virginia average					0.39	(6.1)	3.82	8.4	95.2	3.51	0.62	1.79	82.0
Southeastern average					(0.06)	(6.1)	3.45	8.1	86.5	6.75	1.30	2.32	78.5

(c) Amounts have been adjusted to exclude all nonrecurring items (including securities gains)

(d) NPA ratio = (loans 90 days past due + nonaccrual loans + OREO) / (loans, net of unearned income + OREO)

(e) Efficiency ratio = overhead expenses / (net interest income (FTE) + noninterest income)

nm = not meaningful

na = not available

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Southeastern M&A Activity, Last Six Months

Target			Acquirer		Date Announ.	Cash / Stock	Announcement Terms					Target Financials				
Name	City	State	Name	State			Purch. Price (\$ Mil)	Book %	Earnings X	Price to Assets (%)	Deposits (%)	Deposit Premium (%)	Assets (\$000)	ROA (%)	Equity/Assets (%)	NPAs/Assets (%)
1	Palm Bancorp Inc. (T)	Tampa	FL	Investor group	Jan-10	NA	NA	NA	NA	NA	NA	164,595	0.03	7.4	5.80	
2	First Southern Bancorp Inc.	Boca Raton	FL	Investor group	Feb-10	NA	NA	NA	NA	NA	NA	394,347	(1.52)	10.3	10.18	
3	Cortez Community Bank	Brooksville	FL	BCOM Financial Holdings LLC	FL	Feb-10	NA	27.1	NM	NM	NM	84,145	(2.06)	18.2	18.22	
4	National Bank of Southwest FL	Port Charlotte	FL	Ovation Holdings Inc.		Mar-10	Cash	9.9	125.9	NM	NM	37,569	(2.02)	21.0	1.73	
5	Bank of Virginia	Midlothian	VA	Cordia Bancorp	DC	Apr-10	NA	79.5	NM	NM	NM	221,552	(1.90)	7.8	3.05	
6	Atlantic BancGroup Inc.	Jacksonville Bch	FL	Jacksonville Bancorp Inc.	FL	May-10	Mixed	3.2	32.8	NM	1.1	1.2	297,366	(2.43)	3.3	8.68
7	South Financial Group Inc.	Greenville	SC	Toronto-Dominion Bank		May-10	Mixed	191.7	10.4	NM	1.5	2.0	12,428,152	(2.70)	7.4	4.53
8	Palmetto Bancshares Inc.	Greenville	SC	Investor group		May-10	NA	NA	25.1	NM	NM	1,348,463	(1.55)	5.3	11.74	
9	Atlantic Banc Holdings Inc.	Charleston	SC	ABHI Holdings LLC	NY	May-10	NA	NA	NM	NM	NM	283,718	(5.90)	7.6	6.86	
10	Home Bancgroup Inc.	Hollywood	FL	Max Holding Corp.		May-10	NA	NA	NA	NA	NA	87,214	(0.72)	6.3	15.90	
11	First B&TC of Indiantown	Indiantown	FL	HCBF Holding Company Inc.	FL	Jun-10	NA	NA	NA	NA	NA	97,141	1.05	8.4	3.83	
12	LaFollette First Natl Corp.	LaFollette	TN	Community Trust Bancorp Inc.	KY	Jun-10	Stock	16.1	105.5	NM	8.8	9.8	182,992	(2.14)	8.4	4.47
13	Aliant Financial Corp.	Alexander City	AL	USAmeriBancorp	FL	Jun-10	NA	NA	NA	NA	NA	1,026,794	0.20	6.5	6.26	
14	Americus Financial Services	Birmingham	AL	Charles Investment Group LLC	AL	Jun-10	NA	NA	NA	NA	NA	351,648	(0.54)	8.7	3.02	
15	TIB Financial Corp.	Naples	FL	North American Financial Hldgs	FL	Jun-10	NA	NA	25.4	NM	NM	1,690,657	(3.60)	3.0	7.16	
16	Sunrise Bank	Cocoa Beach	FL	Investor group	FL	Jul-10	NA	NA	83.6	NM	7.3	8.6	131,002	(10.88)	2.7	10.01

(T) Represents terminated deals

Pricing Multiples

	Average	57.2	NM	4.7	5.4	0.7	1,176,710	(2.29)	8.3	7.59
Median	32.8	NM	4.4	5.3	0.7	252,635	(1.96)	7.5	6.56	

March 15, 2010



Port Charlotte, Florida

has agreed to sell to


Ovation Holdings, Inc.
Investor Group

\$37.6 million
Total Assets



ATLANTA HOUSTON RALEIGH SALT LAKE CITY TAMPA

December 3, 2009




Community Bank

Community Bank of Manatee
Bradenton, Florida

has completed a recapitalization with

CBM Florida
Holding Company, Inc.

\$11.5 million
Equity Capital




ATLANTA HOUSTON RALEIGH SALT LAKE CITY TAMPA

November 24, 2009

TLCM Holdings, LLC

Richardson, Texas


has agreed to acquire



EQUITY BANK

Dallas, Texas

\$251 Million
Assets



ATLANTA HOUSTON RALEIGH SALT LAKE CITY TAMPA

October 30, 2009



AQUESTA BANK

Cornelius, North Carolina

has acquired



OTC

Oswald, Trippe & Co, Inc.
of the Carolinas

Cornelius, Denver, Kannapolis & Wilmington, NC



ATLANTA HOUSTON RALEIGH SALT LAKE CITY TAMPA

THE CARSON MEDLIN COMPANY

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Member: SIPC