

FIRST SOUTH BANCORP, INC.

	CPP Disbursement Date 07/17/2009	RSSD (Holding Company) 1132104	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev	
Assets	\$2,069	\$2,074	0.3%	
Loans	\$1,367	\$1,233	-9.8%	
Construction & development	\$154	\$109	-29.0%	
Closed-end 1-4 family residential	\$264	\$287	8.7%	
Home equity	\$181	\$169	-6.6%	
Credit card	\$0	\$0	0.0%	
Other consumer	\$42	\$23	-45.8%	
Commercial & Industrial	\$222	\$203	-8.7%	
Commercial real estate	\$396	\$333	-15.8%	
Unused commitments	\$214	\$247	15.0%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$265	\$587	121.8%	
Asset-backed securities	\$0	\$0		
Other securities	\$77	\$83	8.1%	
Cash & balances due	\$99	\$53	-46.5%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$41	\$124	199.2%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$45	\$104	133.2%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$1,843	\$1,827	-0.9%	
Deposits	\$1,752	\$1,734	-1.0%	
Total other borrowings	\$73	\$71	-1.9%	
FHLB advances	\$40	\$32	-20.8%	
Equity				
Equity capital at quarter end	\$225	\$247	9.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$18	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	8.1%	8.8%	--	
Tier 1 risk based capital ratio	11.9%	13.3%	--	
Total risk based capital ratio	13.6%	15.1%	--	
Return on equity ¹	9.8%	7.6%	--	
Return on assets ¹	1.1%	0.9%	--	
Net interest margin ¹	4.0%	3.5%	--	
Coverage ratio ((ALLL+Alloc transfer risk)/Noncurrent loans)	51.4%	59.7%	--	
Loss provision to net charge-offs (qtr)	39.4%	-3.3%	--	
Net charge-offs to average loans and leases ¹	3.6%	1.1%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011
Construction & development	22.8%	18.7%	3.7%	3.1%
Closed-end 1-4 family residential	3.0%	2.6%	0.6%	0.1%
Home equity	1.4%	1.1%	0.6%	0.3%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	1.3%	0.4%	0.3%	0.1%
Commercial & Industrial	6.1%	4.9%	1.2%	0.2%
Commercial real estate	4.2%	5.2%	0.3%	0.0%
Total loans	6.4%	5.4%	0.9%	0.4%