

**BANK OF THE CAROLINAS CORPORATION**

	CPP Disbursement Date 04/17/2009	RSSD (Holding Company) 3447398	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2009</b> \$ millions	<b>2010</b> \$ millions	%chg from prev	
<b>Assets</b>	\$610	\$534	-12.4%	
Loans	\$391	\$366	-6.4%	
Construction & development	\$42	\$35	-15.1%	
Closed-end 1-4 family residential	\$77	\$79	2.6%	
Home equity	\$31	\$31	2.2%	
Credit card	\$0	\$0		
Other consumer	\$3	\$3	-5.1%	
Commercial & Industrial	\$74	\$52	-30.4%	
Commercial real estate	\$155	\$154	-0.6%	
Unused commitments	\$24	\$34	42.0%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$30	\$48	61.6%	
Asset-backed securities	\$0	\$0		
Other securities	\$110	\$62	-43.6%	
Cash & balances due	\$13	\$11	-15.8%	
<b>Residential mortgage originations</b>				
Closed-end mortgage originated for sale (quarter)	\$0	\$0		
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$0	\$0		
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$559	\$486	-13.1%	
Deposits	\$496	\$417	-15.9%	
Total other borrowings	\$62	\$68	9.6%	
FHLB advances	\$15	\$22	46.7%	
<b>Equity</b>				
Equity capital at quarter end	\$50	\$48	-4.2%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$11	\$0	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	7.4%	8.2%	--	
Tier 1 risk based capital ratio	10.0%	10.1%	--	
Total risk based capital ratio	11.2%	11.3%	--	
Return on equity <sup>1</sup>	-13.8%	-18.0%	--	
Return on assets <sup>1</sup>	-1.1%	-1.7%	--	
Net interest margin <sup>1</sup>	3.1%	3.2%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	88.5%	27.8%	--	
Loss provision to net charge-offs (qtr)	277.5%	117.0%	--	
Net charge-offs to average loans and leases <sup>1</sup>	1.1%	3.3%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>
Construction & development	3.6%	6.4%	1.1%	0.4%
Closed-end 1-4 family residential	3.9%	4.6%	0.1%	0.3%
Home equity	0.0%	1.4%	0.0%	0.2%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	0.2%	3.2%	2.9%	1.9%
Commercial & Industrial	4.3%	5.9%	0.4%	3.0%
Commercial real estate	1.0%	9.8%	0.1%	0.6%
Total loans	2.4%	6.7%	0.3%	0.8%