

IMPAC MORTGAGE HOLDINGS, INC.

(in thousands, except per share amounts)

(unaudited)

Balance Sheets:

	<u>June 30,</u> <u>2000</u>	<u>December 31,</u> <u>1999</u>
Cash and cash equivalents	\$ 13,041	\$ 20,152
Investment securities available-for-sale	41,612	93,206
Loan receivables:		
CMO collateral	1,182,125	949,677
Finance receivables	296,380	197,119
Mortgage loans held-for-investment	126,229	363,435
Allowance for loan losses	<u>(12,867)</u>	<u>(4,029)</u>
Net Loan Receivables	1,591,867	1,506,202
Investment in Impac Funding Corporation	16,458	17,372
REO properties	6,222	8,820
Due from affiliates	14,500	14,500
Other assets	16,419	15,178
Total Assets	<u><u>\$ 1,700,119</u></u>	<u><u>\$ 1,675,430</u></u>
CMO borrowings	\$ 1,081,738	\$ 850,817
Reverse repurchase agreements	400,100	539,687
Borrowings secured by investment securities available-for-sale	25,935	31,333
11% senior subordinated debt	6,838	6,691
Due to affiliates	-	2,945
Other liabilities	4,849	5,113
Stockholders' Equity	<u>180,659</u>	<u>238,844</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 1,700,119</u></u>	<u><u>\$ 1,675,430</u></u>

Statements of Operations:

	<u>For the Three Months Ended,</u>		<u>For the Six Months Ended</u>
	<u>June 30,</u>		<u>June 30,</u>
	<u>2000</u>	<u>1999</u>	<u>2000</u>
Interest income	\$ 34,530	\$ 30,333	\$ 60,732
Interest expense	<u>29,192</u>	<u>22,170</u>	<u>44,323</u>
Net interest income	5,338	8,163	16,409
Provision for loan losses	<u>3,304</u>	<u>1,490</u>	<u>2,989</u>
Net interest income (loss) after provision for loan losses	2,034	6,673	13,420
Equity in net earnings (loss) of Impac Funding Corporation	(1,488)	1,409	2,499
Other non-interest income	<u>440</u>	<u>610</u>	<u>1,230</u>
Total non-interest income (loss)	<u>(1,048)</u>	<u>2,019</u>	<u>3,729</u>
Write-down on investment securities available-for-sale	29,426	1,256	1,678
Professional services	458	559	1,370
Loss on disposition of real estate owned	880	559	1,110
General and administrative and other expense	377	271	630
Personnel expense	<u>160</u>	<u>93</u>	<u>212</u>
Total non-interest expense	<u>31,301</u>	<u>2,738</u>	<u>5,000</u>
Net earnings (loss)	(30,315)	5,954	12,149
Less: Cash dividends on cumulative convertible preferred stock	<u>(788)</u>	<u>(788)</u>	<u>(1,676)</u>
Net earnings (loss) available to common stockholders	<u><u>\$ (31,103)</u></u>	<u><u>\$ 5,166</u></u>	<u><u>\$ 10,473</u></u>
Earnings (loss) per share:			
Basic	\$ (1.45)	\$ 0.23	\$ 0.44
Diluted	\$ (1.45)	\$ 0.21	\$ 0.41
Dividends declared per common share	\$ 0.12	\$ 0.12	\$ 0.22
Weighted average shares outstanding:			
Basic	21,401	22,726	23,539
Diluted	21,401	28,814	29,627
Common shares outstanding	21,401	22,727	22,727

IMPAC FUNDING CORPORATION

(in thousands)

(unaudited)

Balance Sheets:

	June 30, 2000	December 31, 1999
Cash	\$ 15,036	\$ 8,805
Securities available-for-sale	310	1,887
Mortgage loans held-for-sale	121,905	68,084
Mortgage servicing rights	13,916	15,621
Due from affiliates	-	4,307
Premises and equipment, net	4,367	3,575
Other assets	11,845	13,967
Total Assets	\$ 167,379	\$ 116,246
Warehouse facilities	\$ 120,101	\$ 66,306
Due to affiliates	14,500	14,500
Deferred revenue	5,853	7,635
Other liabilities	10,302	10,257
Shareholders' Equity	16,623	17,548
Total Liabilities and Shareholders' Equity	\$ 167,379	\$ 116,246

Statements of Operations:

	For the Three Months Ended,		he Six Months Ei
	June 30,		June 30,
	2000	1999	20 1999
Interest income	\$ 7,107	\$ 4,662	\$ 9,495
Interest expense	7,014	4,299	9,045
Net interest income (loss)	93	363	450
Gain on sale of loans	4,149	9,483	14,490
Loan servicing income	1,012	1,553	3,694
Other non-interest income	384	145	484
Total non-interest income	5,545	11,181	18,668
Personnel expense	2,259	1,561	3,351
General and administrative and other expense	3,136	2,249	3,445
Amortization of mortgage servicing rights	1,265	1,137	2,564
Provision for repurchases	7	159	179
Write-down on securities available-for-sale	1,537	3,666	4,225
Loss on sale of mortgage servicing rights	-	309	876
Total non-interest expense	8,204	9,081	14,640
Earnings (loss) before income taxes	(2,566)	2,463	4,478
Income taxes	(1,060)	1,040	1,954
Net earnings (loss)	\$ (1,506)	\$ 1,423	\$ 2,524