

THE SOUTH **FINANCIAL** | **GROUP**

Quarterly Financial Data Supplement (Unaudited) **First Quarter 2006**

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See disclosure of explanation of TSFG's use of certain Non-GAAP financial measures in the earnings release.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(dollars in thousands, except share data) (unaudited)

| | Three Months Ended | | | | |
|---|--------------------|--------------------|------------------|------------------|------------------|
| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
| Interest Income | | | | | |
| Interest and fees on loans | \$ 169,188 | \$ 162,114 | \$ 149,788 | \$ 134,842 | \$ 121,478 |
| Interest and dividends on securities: | | | | | |
| Taxable | 32,543 | 38,548 | 41,657 | 47,304 | 46,148 |
| Exempt from Federal income taxes | 3,344 | 3,213 | 2,973 | 2,595 | 2,462 |
| Total interest and dividends on securities | 35,887 | 41,761 | 44,630 | 49,899 | 48,610 |
| Interest on short-term investments | 292 | 537 | 317 | 160 | 161 |
| Total interest income | <u>205,367</u> | <u>204,412</u> | <u>194,735</u> | <u>184,901</u> | <u>170,249</u> |
| Interest Expense | | | | | |
| Interest on deposits | 62,479 | 58,806 | 52,333 | 45,573 | 39,977 |
| Interest on borrowed funds | 39,976 | 40,673 | 38,813 | 37,043 | 32,023 |
| Total interest expense | <u>102,455</u> | <u>99,479</u> | <u>91,146</u> | <u>82,616</u> | <u>72,000</u> |
| Net Interest Income | 102,912 | 104,933 | 103,589 | 102,285 | 98,249 |
| Provision for Credit Losses | 9,911 | 10,833 | 8,853 | 9,944 | 10,962 |
| Net interest income after provision for credit losses | 93,001 | 94,100 | 94,736 | 92,341 | 87,287 |
| Noninterest Income (Loss) | 29,320 | (24,960) | 16,428 | 50,471 | 13,271 |
| Noninterest Expenses | 79,834 | 100,973 | 81,035 | 79,535 | 66,510 |
| Income (loss) from continuing operations before income taxes and discontinued operations | 42,487 | (31,833) | 30,129 | 63,277 | 34,048 |
| Income tax expense (benefit) | 14,680 | (15,436) | 9,039 | 20,565 | 11,236 |
| Income (loss) from continuing operations | 27,807 | (16,397) | 21,090 | 42,712 | 22,812 |
| Discontinued operations, net of income tax | - | - | - | - | (396) |
| Net Income (Loss) | <u>\$ 27,807</u> | <u>\$ (16,397)</u> | <u>\$ 21,090</u> | <u>\$ 42,712</u> | <u>\$ 22,416</u> |
| Average Common Shares Outstanding, Basic | 74,685,192 | 74,453,225 | 74,272,867 | 73,083,009 | 71,376,085 |
| Average Common Shares Outstanding, Diluted | 75,339,283 | 75,485,436 | 75,414,866 | 74,421,103 | 73,021,005 |
| Per Common Share, Basic | | | | | |
| Income (loss) from continuing operations | \$ 0.37 | \$ (0.22) | \$ 0.28 | \$ 0.58 | \$ 0.32 |
| Discontinued operations | - | - | - | - | (0.01) |
| Net income (loss) | <u>\$ 0.37</u> | <u>\$ (0.22)</u> | <u>\$ 0.28</u> | <u>\$ 0.58</u> | <u>\$ 0.31</u> |
| Per Common Share, Diluted | | | | | |
| Income (loss) from continuing operations | \$ 0.37 | \$ (0.22) | \$ 0.28 | \$ 0.57 | \$ 0.32 |
| Discontinued operations | - | - | - | - | (0.01) |
| Net income (loss) | <u>\$ 0.37</u> | <u>\$ (0.22)</u> | <u>\$ 0.28</u> | <u>\$ 0.57</u> | <u>\$ 0.31</u> |
| Cash Dividends Declared Per Common Share | <u>\$ 0.17</u> | <u>\$ 0.17</u> | <u>\$ 0.16</u> | <u>\$ 0.16</u> | <u>\$ 0.16</u> |

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
DETAILS FOR NONINTEREST INCOME (LOSS) AND NONINTEREST EXPENSES
(dollars in thousands) (unaudited)

| | Three Months Ended | | | | |
|--|--------------------|--------------------|------------------|------------------|------------------|
| | 3/31/06 | 12/31/05 | 9/30/05 | 6/30/05 | 3/31/05 |
| Noninterest Income (Loss) | | | | | |
| Service charges on deposit accounts | \$ 11,288 | \$ 11,844 | \$ 12,245 | \$ 9,979 | \$ 8,577 |
| Debit card income | 1,921 | 1,611 | 1,770 | 1,652 | 1,515 |
| Customer service fee income | 1,009 | 1,001 | 1,097 | 1,120 | 831 |
| Total customer fee income | <u>14,218</u> | <u>14,456</u> | <u>15,112</u> | <u>12,751</u> | <u>10,923</u> |
| Retail investment services | 2,023 | 2,091 | 2,054 | 1,467 | 1,290 |
| Insurance income | 2,977 | 2,702 | 2,010 | 1,449 | 1,286 |
| Trust and investment management income | 1,457 | 1,312 | 1,268 | 1,261 | 978 |
| Benefits administration fees | 667 | 638 | 818 | 650 | 587 |
| Total wealth management income | <u>7,124</u> | <u>6,743</u> | <u>6,150</u> | <u>4,827</u> | <u>4,141</u> |
| Mortgage banking income | 1,884 | 1,720 | 2,087 | 2,140 | 1,487 |
| Bank-owned life insurance | 2,819 | 3,253 | 2,835 | 2,759 | 2,761 |
| Merchant processing income | 2,686 | 2,202 | 2,864 | 2,713 | 2,038 |
| (Loss) gain on trading and certain derivative activities ⁽¹⁾ | (1,125) | (610) | 403 | (1,032) | 904 |
| Net cash settlement of certain interest rate swaps ⁽²⁾ | - | (288) | 2,377 | 3,534 | 4,737 |
| Other | 1,039 | 2,123 | 1,618 | 1,355 | 1,544 |
| Operating noninterest income (noninterest income, excluding non-operating items) | <u>28,645</u> | <u>29,599</u> | <u>33,446</u> | <u>29,047</u> | <u>28,535</u> |
| Change in fair value of interest rate swaps ⁽²⁾ | - | (2,106) | (16,240) | 22,277 | (17,209) |
| (Loss) gain on sale of available for sale securities | (183) | (52,677) | (1,032) | (1,503) | 234 |
| Gain on equity investments | 858 | 224 | 254 | 650 | 1,711 |
| Non-operating noninterest income (loss) | <u>675</u> | <u>(54,559)</u> | <u>(17,018)</u> | <u>21,424</u> | <u>(15,264)</u> |
| Total noninterest income (loss) | <u>\$ 29,320</u> | <u>\$ (24,960)</u> | <u>\$ 16,428</u> | <u>\$ 50,471</u> | <u>\$ 13,271</u> |
| Noninterest Expenses | | | | | |
| Salaries and wages | \$ 31,456 | \$ 34,628 | \$ 31,350 | \$ 27,258 | \$ 24,614 |
| Employee benefits | 9,029 | 8,826 | 8,529 | 8,423 | 9,024 |
| Occupancy | 7,313 | 7,455 | 7,387 | 6,823 | 6,099 |
| Furniture and equipment | 5,952 | 5,966 | 5,779 | 6,023 | 5,533 |
| Professional services | 5,779 | 7,124 | 6,125 | 5,135 | 4,436 |
| Advertising and business development | 2,506 | 2,277 | 2,131 | 2,310 | 1,909 |
| Merchant processing expense | 2,165 | 1,773 | 2,327 | 2,211 | 1,632 |
| Telecommunications | 1,418 | 1,559 | 1,533 | 1,384 | 1,326 |
| Amortization of intangibles | 2,207 | 2,354 | 2,337 | 2,140 | 1,806 |
| Other | 11,411 | 13,398 | 11,950 | 11,514 | 10,608 |
| Operating noninterest expenses (noninterest expenses, excluding non-operating items) | <u>79,236</u> | <u>85,360</u> | <u>79,448</u> | <u>73,221</u> | <u>66,987</u> |
| Employment contract buyouts (reversals) | 598 | 9,998 | 144 | 222 | (37) |
| Merger-related costs | - | 529 | 981 | 2,194 | 305 |
| Impairment from write-down of assets | - | - | - | 917 | - |
| Charitable contribution to foundation | - | - | - | - | 683 |
| Loss (gain) on early extinguishment of debt | - | 5,086 | 462 | 2,981 | (1,428) |
| Non-operating noninterest expenses | <u>598</u> | <u>15,613</u> | <u>1,587</u> | <u>6,314</u> | <u>(477)</u> |
| Total noninterest expenses | <u>\$ 79,834</u> | <u>\$ 100,973</u> | <u>\$ 81,035</u> | <u>\$ 79,535</u> | <u>\$ 66,510</u> |

(1) Includes any ineffectiveness on derivatives qualifying for hedge accounting and the fair value adjustments and net cash settlements on all derivatives not qualifying for hedge accounting.

(2) Relates to derivatives originally documented under the short-cut method. All of these derivatives were either terminated or redesignated as hedges under the long-haul method during fourth quarter 2005.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands) (unaudited)

| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assets | | | | | |
| Cash and due from banks | \$ 249,324 | \$ 341,195 | \$ 264,979 | \$ 269,996 | \$ 219,988 |
| Interest-bearing bank balances | 10,406 | 21,510 | 14,165 | 21,643 | 5,793 |
| Securities | | | | | |
| Trading | - | 1,402 | 1,402 | 20 | 20 |
| Available for sale | 2,982,574 | 3,095,567 | 3,968,618 | 4,260,671 | 4,763,986 |
| Held to maturity | 57,508 | 62,648 | 63,577 | 65,276 | 69,805 |
| Total securities | <u>3,040,082</u> | <u>3,159,617</u> | <u>4,033,597</u> | <u>4,325,967</u> | <u>4,833,811</u> |
| Loans held for sale | 23,536 | 37,171 | 59,135 | 41,427 | 23,958 |
| Loans held for investment | 9,720,891 | 9,439,395 | 9,293,031 | 8,966,337 | 8,398,360 |
| Allowance for loan losses | (111,219) | (107,767) | (106,224) | (104,853) | (97,989) |
| Net loans held for investment | <u>9,609,672</u> | <u>9,331,628</u> | <u>9,186,807</u> | <u>8,861,484</u> | <u>8,300,371</u> |
| Premises and equipment, net | 203,953 | 193,574 | 186,970 | 183,189 | 178,044 |
| Accrued interest receivable | 69,739 | 70,838 | 63,517 | 69,714 | 63,861 |
| Intangible assets | 691,328 | 691,758 | 692,796 | 693,541 | 611,921 |
| Other assets | 463,885 | 471,994 | 445,243 | 420,944 | 462,653 |
| | <u>\$ 14,361,925</u> | <u>\$ 14,319,285</u> | <u>\$ 14,947,209</u> | <u>\$ 14,887,905</u> | <u>\$ 14,700,380</u> |
| Liabilities and Shareholders' Equity | | | | | |
| Liabilities | | | | | |
| Deposits | | | | | |
| Noninterest-bearing | \$ 1,536,796 | \$ 1,512,508 | \$ 1,508,370 | \$ 1,466,803 | \$ 1,290,427 |
| Interest-bearing | 7,641,886 | 7,721,929 | 7,617,649 | 7,406,999 | 6,884,543 |
| Total deposits | 9,178,682 | 9,234,437 | 9,126,019 | 8,873,802 | 8,174,970 |
| Federal funds purchased and repurchase agreements | 1,534,680 | 1,421,301 | 1,336,114 | 1,328,931 | 1,724,813 |
| Other short-term borrowings | 36,356 | 53,064 | 44,649 | 113,798 | 36,312 |
| Long-term debt | 1,911,929 | 1,922,151 | 2,751,268 | 2,901,532 | 3,211,887 |
| Accrued interest payable | 58,000 | 54,401 | 46,202 | 39,922 | 37,892 |
| Other liabilities | 158,173 | 147,024 | 138,510 | 112,848 | 150,303 |
| Total liabilities | <u>12,877,820</u> | <u>12,832,378</u> | <u>13,442,762</u> | <u>13,370,833</u> | <u>13,336,177</u> |
| Shareholders' equity | | | | | |
| Preferred stock | - | - | - | - | - |
| Common stock | 74,907 | 74,721 | 74,575 | 74,348 | 71,758 |
| Surplus | 1,153,056 | 1,151,005 | 1,148,311 | 1,143,654 | 1,064,673 |
| Retained earnings | 324,839 | 309,768 | 338,880 | 329,743 | 298,943 |
| Guarantee of employee stock ownership plan debt and nonvested restricted stock ⁽¹⁾ | (327) | (2,687) | (3,192) | (3,611) | (4,341) |
| Common stock held in Rabbi Trust for deferred compensation | (1,279) | (1,404) | (1,396) | (1,388) | (1,383) |
| Deferred compensation payable in common stock | 1,279 | 1,404 | 1,396 | 1,388 | 1,383 |
| Accumulated other comprehensive loss, net of income tax | (68,370) | (45,900) | (54,127) | (27,062) | (66,830) |
| Total shareholders' equity | <u>1,484,105</u> | <u>1,486,907</u> | <u>1,504,447</u> | <u>1,517,072</u> | <u>1,364,203</u> |
| | <u>\$ 14,361,925</u> | <u>\$ 14,319,285</u> | <u>\$ 14,947,209</u> | <u>\$ 14,887,905</u> | <u>\$ 14,700,380</u> |

⁽¹⁾ Effective January 1, 2006, nonvested restricted stock has been netted against surplus.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
INVESTMENT SECURITIES PORTFOLIO ANALYSIS
(dollars in thousands) (unaudited)

| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Investment Securities Portfolio | | | | | |
| Trading (at fair value) | \$ - | \$ 1,402 | \$ 1,402 | \$ 20 | \$ 20 |
| Available for sale (at fair value): | | | | | |
| U.S. Treasury | 178,864 | 182,468 | 171,623 | 183,938 | 229,272 |
| U.S. Government agencies | 648,264 | 656,442 | 740,888 | 856,308 | 1,070,577 |
| Mortgage-backed securities | 1,603,090 | 1,688,862 | 2,494,747 | 2,696,421 | 2,913,531 |
| State and municipal | 356,057 | 373,892 | 351,732 | 318,018 | 284,241 |
| Other investments ⁽¹⁾ | 196,299 | 193,903 | 209,628 | 205,986 | 266,365 |
| Total available for sale securities | <u>2,982,574</u> | <u>3,095,567</u> | <u>3,968,618</u> | <u>4,260,671</u> | <u>4,763,986</u> |
| Held to maturity (at amortized cost) | 57,508 | 62,648 | 63,577 | 65,276 | 69,805 |
| Total securities | <u>\$ 3,040,082</u> | <u>\$ 3,159,617</u> | <u>\$ 4,033,597</u> | <u>\$ 4,325,967</u> | <u>\$ 4,833,811</u> |
| Total securities as a percentage of total assets | <u>21.2 %</u> | <u>22.1 %</u> | <u>27.0 %</u> | <u>29.1 %</u> | <u>32.9 %</u> |

⁽¹⁾ Other investments in available for sale securities includes corporate bonds, FHLB stock, community bank stocks, and other equity securities.

| | March 31, 2006 | | | |
|--|-----------------------|----------------------------|-----------------|-------------------|
| | <u>Amortized Cost</u> | <u>Percentage of Total</u> | <u>Duration</u> | <u>Book Yield</u> |
| Debt Securities | | | | |
| U.S. Treasury | \$ 182,187 | 6.1 % | 2.1 | 4.01 % |
| U.S. Government agencies | 666,237 | 22.1 | 4.0 | 5.41 |
| Mortgage-backed securities: | | | | |
| Collateralized mortgage obligations | 1,202,492 | 40.0 | 5.5 | 4.63 |
| Adjustable rate mortgages | 332,618 | 11.1 | 2.1 | 4.61 |
| Pass-through | 142,251 | 4.7 | 3.8 | 4.77 |
| State and municipal | 363,984 | 12.1 | 3.9 | 4.59 |
| Corporate bonds | 118,354 | 3.9 | 4.2 | 4.39 |
| Total available for sale debt securities | <u>\$ 3,008,123</u> | <u>100.0 %</u> | <u>4.3</u> | <u>4.76 %</u> |
| Fixed interest rate: | | | | |
| Mortgage-backed securities | \$ 1,342,607 | 44.6 % | 5.3 | 4.65 % |
| Other | 1,295,821 | 43.1 | 3.8 | 4.90 |
| Variable interest rate: | | | | |
| Mortgage-backed securities | 334,754 | 11.1 | 2.1 | 4.61 |
| Other | 34,941 | 1.2 | 3.0 | 5.05 |
| Total available for sale debt securities | <u>\$ 3,008,123</u> | <u>100.0 %</u> | <u>4.3</u> | <u>4.76 %</u> |

Projected Cash Flows for Debt Securities

| <u>Year</u> | <u>Roll-Off Yield</u> | <u>Projected Annual Cash Flows By Interest Rate Scenario</u> | | | |
|-------------|-----------------------|--|----------------|-----------------|-------------------|
| | | <u>Based on (2)</u> | <u>Current</u> | <u>Up 1.00%</u> | <u>Down 1.00%</u> |
| 2006 | 4.63 % | \$ 262,143 | \$ 293,358 | \$ 199,978 | \$ 806,764 |
| 2007 | 4.36 | 376,033 | 440,669 | 346,130 | 677,619 |

⁽²⁾ Cash flow for month of March 2006.

Projected Interest Rate Shock for Debt Securities

| <u>Interest Rate Scenario</u> | <u>Estimated Impact on Market Value</u> | <u>Duration</u> |
|-------------------------------|---|-----------------|
| | <u>Value</u> | |
| Up 2.00% | (10.4) % | 5.4 |
| Up 1.00% | (5.1) | 5.1 |
| Flat | - | 4.3 |
| Down 1.00% | 3.9 | 2.7 |
| Down 2.00% | 6.3 | 1.1 |

The estimated decrease in market value for a five year U.S. Treasury Note when interest rates increase 100 basis points is negative 4.27%.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
LOAN PORTFOLIO COMPOSITION BASED ON LOAN PURPOSE AND LOAN GROWTH
(dollars in thousands) (unaudited)

| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Commercial Loans | | | | | |
| Commercial and industrial | \$ 2,303,909 | \$ 2,323,461 | \$ 2,373,454 | \$ 2,308,526 | \$ 2,269,951 |
| Owner - occupied real estate | 806,256 | 801,953 | 821,426 | 806,692 | 824,051 |
| Commercial real estate | <u>4,116,217</u> | <u>3,933,927</u> | <u>3,803,047</u> | <u>3,669,440</u> | <u>3,289,299</u> |
| | <u>7,226,382</u> | <u>7,059,341</u> | <u>6,997,927</u> | <u>6,784,658</u> | <u>6,383,301</u> |
| Consumer Loans | | | | | |
| Indirect - sales finance | 928,633 | 916,318 | 891,127 | 856,564 | 835,629 |
| Direct retail | 582,763 | 568,588 | 549,061 | 530,238 | 465,266 |
| Home equity | <u>551,889</u> | <u>564,865</u> | <u>570,921</u> | <u>570,362</u> | <u>544,957</u> |
| | <u>2,063,285</u> | <u>2,049,771</u> | <u>2,011,109</u> | <u>1,957,164</u> | <u>1,845,852</u> |
| Mortgage Loans | | | | | |
| | <u>431,224</u> | <u>330,283</u> | <u>283,995</u> | <u>224,515</u> | <u>169,207</u> |
| Total loans held for investment | <u>\$ 9,720,891</u> | <u>\$ 9,439,395</u> | <u>\$ 9,293,031</u> | <u>\$ 8,966,337</u> | <u>\$ 8,398,360</u> |
| Percentage of Loans Held for Investment | | | | | |
| Commercial and industrial | 23.7 % | 24.6 % | 25.5 % | 25.8 % | 27.0 % |
| Owner - occupied real estate | 8.3 | 8.5 | 8.8 | 9.0 | 9.8 |
| Commercial real estate | 42.4 | 41.7 | 40.9 | 40.9 | 39.2 |
| Consumer | 21.2 | 21.7 | 21.7 | 21.8 | 22.0 |
| Mortgage | <u>4.4</u> | <u>3.5</u> | <u>3.1</u> | <u>2.5</u> | <u>2.0</u> |
| Total | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> |
| For The Period Ended | | | | | |
| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
| Change in loans held for investment related to bank acquisitions (dispositions) during the three months ended ⁽¹⁾ | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 311,607</u> | <u>\$ -</u> |
| Growth in Loans Held for Investment ⁽²⁾ | | | | | |
| Growth vs. prior quarter, annualized | 12.1 % | 6.2 % | 14.5 % | 27.1 % | 14.5 % |
| Growth year-to-date, annualized | 12.1 | 16.4 | 19.5 | 21.4 | 14.5 |
| Growth in Loans Held for Investment, Excluding Changes from Bank Acquisitions (Dispositions) ⁽²⁾ | | | | | |
| Organic growth vs. prior quarter, annualized | 12.1 % | 6.2 % | 14.5 % | 12.2 % | 14.5 % |
| Organic growth year-to-date, annualized | 12.1 | 12.6 | 14.4 | 13.6 | 14.5 |

⁽¹⁾ The change during the three months ended June 30, 2005 related to the acquisition of Pointe. The bank acquisition amounts include fair value adjustments recorded in accordance with the purchase method of accounting.

⁽²⁾ At December 31, 2004, loans held for investment totaled \$8,107,757.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
SUMMARY OF CREDIT QUALITY AND ALLOWANCE FOR LOAN LOSSES
(dollars in thousands) (unaudited)

| | At and for the Three Months Ended | | | | |
|---|-----------------------------------|-------------------|-------------------|-------------------|------------------|
| | 3/31/06 | 12/31/05 | 9/30/05 | 6/30/05 | 3/31/05 |
| Credit Quality | | | | | |
| Loans held for investment | \$ 9,720,891 | \$ 9,439,395 | \$ 9,293,031 | \$ 8,966,337 | \$ 8,398,360 |
| Allowance for loan losses | 111,219 | 107,767 | 106,224 | 104,853 | 97,989 |
| Allowance for credit losses ⁽¹⁾ | 112,454 | 109,350 | 107,381 | 105,552 | 98,690 |
| Nonperforming loans ⁽²⁾ | 35,722 | 33,255 | 33,708 | 42,457 | 39,563 |
| Foreclosed property (other real estate owned and personal property repossessions) | 9,323 | 10,722 | 11,839 | 12,618 | 9,416 |
| Nonperforming assets | <u>\$ 45,045</u> | <u>\$ 43,977</u> | <u>\$ 45,547</u> | <u>\$ 55,075</u> | <u>\$ 48,979</u> |
| Nonperforming loans as a % of loans | | | | | |
| held for investment | 0.37 % | 0.35 % | 0.36 % | 0.47 % | 0.47 % |
| Nonperforming assets as a % of loans held for investment and foreclosed property | 0.46 | 0.47 | 0.49 | 0.61 | 0.58 |
| Allowance for loan losses as a % of loans held for investment | 1.14 | 1.14 | 1.14 | 1.17 | 1.17 |
| Allowance for credit losses as a % of loans held for investment | 1.16 | 1.16 | 1.16 | 1.18 | 1.18 |
| Allowance for loan losses to nonperforming loans | 3.11 x | 3.24 x | 3.15 x | 2.47 x | 2.48 x |
| Impaired loans ⁽²⁾ | \$ 22,055 | \$ 16,911 | \$ 20,674 | \$ 28,266 | \$ 25,654 |
| Specific allowance for impaired loans | 4,904 | 4,336 | 4,238 | 4,956 | 5,247 |
| Loans past due 90 days or more (mortgage and consumer with interest accruing) | 2,369 | 4,548 | 1,598 | 2,035 | 1,816 |
| Net loan charge-offs | 6,807 | 8,864 | 7,024 | 6,823 | 9,190 |
| Average loans held for investment | 9,606,556 | 9,342,761 | 9,093,257 | 8,679,316 | 8,263,252 |
| Net loan charge-offs as a % of average loans held for investment (annualized) | 0.29 % | 0.38 % | 0.31 % | 0.32 % | 0.45 % |
| Allowance for Loan Losses | | | | | |
| Balance at beginning of period | \$ 107,767 | \$ 106,224 | \$ 104,853 | \$ 97,989 | \$ 96,434 |
| Purchase accounting acquisitions: | | | | | |
| Pointe Financial Corporation | - | - | - | 3,741 | - |
| Allowance adjustment for loans sold | - | - | - | - | - |
| Provision for loan losses | 10,259 | 10,407 | 8,395 | 9,946 | 10,745 |
| Loans charged-off | (8,873) | (10,715) | (8,708) | (8,817) | (10,974) |
| Recoveries of loans previously charged-off | 2,066 | 1,851 | 1,684 | 1,994 | 1,784 |
| Balance at end of period | <u>\$ 111,219</u> | <u>\$ 107,767</u> | <u>\$ 106,224</u> | <u>\$ 104,853</u> | <u>\$ 97,989</u> |
| Reserve for Unfunded Lending Commitments ⁽¹⁾ | | | | | |
| Balance at beginning of period | \$ 1,583 | \$ 1,157 | \$ 699 | \$ 701 | \$ 484 |
| Provision for unfunded lending commitments | (348) | 426 | 458 | (2) | 217 |
| Balance at end of period | <u>\$ 1,235</u> | <u>\$ 1,583</u> | <u>\$ 1,157</u> | <u>\$ 699</u> | <u>\$ 701</u> |
| Allowance for Credit Losses ⁽¹⁾ | | | | | |
| Balance at beginning of period | \$ 109,350 | \$ 107,381 | \$ 105,552 | \$ 98,690 | \$ 96,918 |
| Purchase accounting acquisitions: | | | | | |
| Pointe Financial Corporation | - | - | - | 3,741 | - |
| Allowance adjustment for loans sold | - | - | - | - | - |
| Provision for credit losses | 9,911 | 10,833 | 8,853 | 9,944 | 10,962 |
| Loans charged-off | (8,873) | (10,715) | (8,708) | (8,817) | (10,974) |
| Recoveries of loans previously charged-off | 2,066 | 1,851 | 1,684 | 1,994 | 1,784 |
| Balance at end of period | <u>\$ 112,454</u> | <u>\$ 109,350</u> | <u>\$ 107,381</u> | <u>\$ 105,552</u> | <u>\$ 98,690</u> |

⁽¹⁾ As of December 31, 2005, the reserve for unfunded lending commitments has been reclassified from the allowance for loan losses to other liabilities. The allowance for credit losses is the sum of the allowance for loan losses and the reserve for unfunded lending commitments. The provision for credit losses is the sum of the provision for loan losses and the provision for unfunded lending commitments. Amounts presented for prior periods have been reclassified to conform to the current presentation.

⁽²⁾ At March 31, 2006, December 31, 2005, September 30, 2005, June 30, 2005, and March 31, 2005, these credit quality indicators (nonperforming loans and impaired loans) included \$693,000, \$1.9 million, \$1.9 million, \$5.5 million, and \$6.7 million, respectively, in restructured loans.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
TYPE OF DEPOSITS AND DEPOSIT GROWTH
(dollars in thousands) (unaudited)

| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Noninterest-bearing | \$ 1,536,796 | \$ 1,512,508 | \$ 1,508,370 | \$ 1,466,803 | \$ 1,290,427 |
| Interest-bearing checking | 1,116,579 | 1,109,297 | 1,062,531 | 971,750 | 896,844 |
| Money market accounts | 2,265,571 | 2,290,134 | 2,559,559 | 2,754,418 | 2,663,405 |
| Savings accounts | 191,449 | 187,101 | 190,832 | 200,903 | 191,128 |
| Transaction accounts | 5,110,395 | 5,099,040 | 5,321,292 | 5,393,874 | 5,041,804 |
| Time deposits under \$100,000 | 1,381,468 | 1,401,469 | 1,211,875 | 1,077,281 | 922,934 |
| Time deposits of \$100,000 or more | 1,285,048 | 1,395,247 | 1,237,049 | 1,047,466 | 857,717 |
| Customer deposits ⁽²⁾ | 7,776,911 | 7,895,756 | 7,770,216 | 7,518,621 | 6,822,455 |
| Brokered deposits | 1,401,771 | 1,338,681 | 1,355,803 | 1,355,181 | 1,352,515 |
| Total deposits | <u>\$ 9,178,682</u> | <u>\$ 9,234,437</u> | <u>\$ 9,126,019</u> | <u>\$ 8,873,802</u> | <u>\$ 8,174,970</u> |

Percentage of Deposits

| | | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Noninterest-bearing | 16.7 % | 16.4 % | 16.5 % | 16.5 % | 15.8 % |
| Interest-bearing checking | 12.2 | 12.0 | 11.6 | 11.0 | 11.0 |
| Money market accounts | 24.7 | 24.8 | 28.0 | 31.0 | 32.6 |
| Savings accounts | 2.1 | 2.0 | 2.1 | 2.3 | 2.3 |
| Transaction accounts | 55.7 | 55.2 | 58.2 | 60.8 | 61.7 |
| Time deposits under \$100,000 | 15.0 | 15.2 | 13.3 | 12.1 | 11.3 |
| Time deposits of \$100,000 or more | 14.0 | 15.1 | 13.6 | 11.8 | 10.5 |
| Customer deposits ⁽²⁾ | 84.7 | 85.5 | 85.1 | 84.7 | 83.5 |
| Brokered deposits | 15.3 | 14.5 | 14.9 | 15.3 | 16.5 |
| Total deposits | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> |

For The Period Ended

| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|--|----------------|-----------------|----------------|----------------|----------------|
| Growth vs. Prior Quarter, Annualized ⁽¹⁾ | | | | | |
| Noninterest-bearing | 6.5 % | 1.1 % | 11.2 % | 54.8 % | 17.2 % |
| Transaction accounts | 0.9 | (16.6) | (5.3) | 28.0 | 7.4 |
| Customer deposits ⁽²⁾ | (6.1) | 6.4 | 13.3 | 40.9 | 23.1 |
| Total deposits | (2.4) | 4.7 | 11.3 | 34.3 | 26.6 |

Growth Year-To-Date, Annualized ⁽¹⁾

| | | | | | |
|----------------------------------|-------|--------|--------|--------|--------|
| Noninterest-bearing | 6.5 % | 22.2 % | 29.2 % | 37.3 % | 17.2 % |
| Transaction accounts | 0.9 | 3.0 | 10.0 | 18.0 | 7.4 |
| Customer deposits ⁽²⁾ | (6.1) | 22.3 | 27.3 | 33.3 | 23.1 |
| Total deposits | (2.4) | 20.4 | 25.4 | 31.6 | 26.6 |

⁽¹⁾ At December 31, 2004, noninterest-bearing totaled \$1,237,877, transaction accounts totaled \$4,951,866, customer deposits totaled \$6,454,072, and total deposits totaled \$7,670,944.

⁽²⁾ Total deposits less brokered deposits.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
TYPE OF ORGANIC DEPOSIT GROWTH
(dollars in thousands) (unaudited)

| | For The Period Ended | | | | |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|
| | 3/31/06 | 12/31/05 | 9/30/05 | 6/30/05 | 3/31/05 |
| Noninterest-Bearing | | | | | |
| Beginning balance | \$ 1,512,508 | \$ 1,508,370 | \$ 1,466,803 | \$ 1,290,427 | \$ 1,237,877 |
| Increase (decrease) during the three months ended related to: | | | | | |
| Organic change | 24,288 | 4,138 | 41,567 | 62,617 | 52,550 |
| Bank acquisitions (dispositions) ⁽¹⁾ | - | - | - | 113,759 | - |
| Ending balance | <u>\$ 1,536,796</u> | <u>\$ 1,512,508</u> | <u>\$ 1,508,370</u> | <u>\$ 1,466,803</u> | <u>\$ 1,290,427</u> |
| Transaction Accounts | | | | | |
| Beginning balance | \$ 5,099,040 | \$ 5,321,292 | \$ 5,393,874 | \$ 5,041,804 | \$ 4,951,866 |
| Increase (decrease) during the three months ended related to: | | | | | |
| Organic change | 11,355 | (222,252) | (72,582) | 99,461 | 89,938 |
| Bank acquisitions (dispositions) ⁽¹⁾ | - | - | - | 252,609 | - |
| Ending balance | <u>\$ 5,110,395</u> | <u>\$ 5,099,040</u> | <u>\$ 5,321,292</u> | <u>\$ 5,393,874</u> | <u>\$ 5,041,804</u> |
| Customer Deposits (excludes brokered deposits) | | | | | |
| Beginning balance | \$ 7,895,756 | \$ 7,770,216 | \$ 7,518,621 | \$ 6,822,455 | \$ 6,454,072 |
| Increase (decrease) during the three months ended related to: | | | | | |
| Organic change | (118,845) | 125,540 | 251,595 | 367,605 | 368,383 |
| Bank acquisitions (dispositions) ⁽¹⁾ | - | - | - | 328,561 | - |
| Ending balance | <u>\$ 7,776,911</u> | <u>\$ 7,895,756</u> | <u>\$ 7,770,216</u> | <u>\$ 7,518,621</u> | <u>\$ 6,822,455</u> |
| Total Deposits | | | | | |
| Beginning balance | \$ 9,234,437 | \$ 9,126,019 | \$ 8,873,802 | \$ 8,174,970 | \$ 7,670,944 |
| Increase (decrease) during the three months ended related to: | | | | | |
| Organic change | (55,755) | 108,418 | 252,217 | 370,271 | 504,026 |
| Bank acquisitions (dispositions) ⁽¹⁾ | - | - | - | 328,561 | - |
| Ending balance | <u>\$ 9,178,682</u> | <u>\$ 9,234,437</u> | <u>\$ 9,126,019</u> | <u>\$ 8,873,802</u> | <u>\$ 8,174,970</u> |
| Organic Change vs. Prior Quarter, Annualized ⁽²⁾ | | | | | |
| Noninterest-bearing | 6.5 % | 1.1 % | 11.2 % | 19.5 % | 17.2 % |
| Transaction accounts | 0.9 | (16.6) | (5.3) | 7.9 | 7.4 |
| Customer deposits ⁽³⁾ | (6.1) | 6.4 | 13.3 | 21.6 | 23.1 |
| Total deposits | (2.4) | 4.7 | 11.3 | 18.2 | 26.6 |
| Organic Change Year-To-Date, Annualized ⁽²⁾ | | | | | |
| Noninterest-bearing | 6.5 % | 13.0 % | 16.9 % | 18.8 % | 17.2 % |
| Transaction accounts | 0.9 | (2.1) | 3.2 | 7.7 | 7.4 |
| Customer deposits ⁽³⁾ | (6.1) | 17.2 | 20.5 | 23.0 | 23.1 |
| Total deposits | (2.4) | 16.1 | 19.6 | 23.0 | 26.6 |

⁽¹⁾ The non organic changes in deposits relate to the May 6, 2005 acquisition of Pointe Financial Corporation. These bank acquisition amounts include fair value adjustments recorded in accordance with the purchase method of accounting.

⁽²⁾ At December 31, 2005, noninterest-bearing totaled \$1,237,877, transaction accounts totaled \$4,951,866, customer deposits totaled \$6,454,072, and total deposits totaled \$7,670,944.

⁽³⁾ Total deposits less brokered deposits.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
TYPES OF WHOLESALE FUNDING
(dollars in thousands) (unaudited)

| | At and for the Three Months Ended | | | | |
|--|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 3/31/06 | 12/31/05 | 9/30/05 | 6/30/05 | 3/31/05 |
| Types of wholesale funding | | | | | |
| Short-term borrowings | | | | | |
| Federal funds purchased and repurchase agreements | \$ 1,534,680 | \$ 1,421,301 | \$ 1,336,114 | \$ 1,328,931 | \$ 1,724,813 |
| Commercial paper | 35,210 | 32,933 | 33,579 | 28,734 | 30,215 |
| Treasury, tax and loan note | 1,146 | 20,131 | 11,070 | 85,064 | 6,097 |
| Total short-term borrowings | <u>1,571,036</u> | <u>1,474,365</u> | <u>1,380,763</u> | <u>1,442,729</u> | <u>1,761,125</u> |
| Long-term borrowings | | | | | |
| Repurchase agreements | 821,000 | 821,000 | 1,619,893 | 1,769,893 | 2,249,984 |
| FHLB advances | 842,134 | 852,140 | 882,147 | 882,153 | 712,160 |
| Subordinated notes | 155,695 | 155,695 | 155,695 | 155,695 | 155,695 |
| Mandatorily redeemable preferred stock of subsidiary | 89,800 | 89,800 | 89,800 | 89,800 | 89,800 |
| Note payable | 856 | 865 | 873 | 882 | 725 |
| Employee stock ownership plan note payable | 425 | 500 | 575 | 650 | 890 |
| Purchase accounting premiums, net of amortization | 2,019 | 2,151 | 2,285 | 2,459 | 2,633 |
| Total long-term borrowings | <u>1,911,929</u> | <u>1,922,151</u> | <u>2,751,268</u> | <u>2,901,532</u> | <u>3,211,887</u> |
| Total borrowings | <u>3,482,965</u> | <u>3,396,516</u> | <u>4,132,031</u> | <u>4,344,261</u> | <u>4,973,012</u> |
| Brokered deposits | 1,401,771 | 1,338,681 | 1,355,803 | 1,355,181 | 1,352,515 |
| Total wholesale borrowings | <u>\$ 4,884,736</u> | <u>\$ 4,735,197</u> | <u>\$ 5,487,834</u> | <u>\$ 5,699,442</u> | <u>\$ 6,325,527</u> |

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Wholesale borrowings as a percentage of total assets | 34.0 % | 33.1 % | 36.7 % | 38.3 % | 43.0 % |
|--|--------|--------|--------|--------|--------|

Impact of the Net Cash Settlement of Certain Interest Rate Swaps on the Cost of Wholesale Funding⁽¹⁾

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Interest expense - brokered deposits | 15,389 | 14,329 | 14,967 | 15,470 | 14,813 |
| Interest expense - borrowings | 39,976 | 40,673 | 38,813 | 37,043 | 32,023 |
| Total interest expense - wholesale borrowings | 55,365 | 55,002 | 53,780 | 52,513 | 46,836 |
| Net cash settlement of certain interest rate swaps included in noninterest income | - | 288 | (2,377) | (3,534) | (4,737) |
| Interest expense on wholesale borrowings, including net cash settlement of certain interest rate swaps | <u>\$ 55,365</u> | <u>\$ 55,290</u> | <u>\$ 51,403</u> | <u>\$ 48,979</u> | <u>\$ 42,099</u> |
| Average wholesale borrowings, including brokered CDs | \$ 4,945,492 | \$ 5,399,810 | \$ 5,725,658 | \$ 6,197,520 | \$ 6,129,337 |
| Cost of wholesale borrowings | 4.54% | 4.04% | 3.73% | 3.40% | 3.10% |
| Cost of wholesale borrowings, including net cash settlement of certain interest rate swaps ⁽²⁾ | 4.54% | 4.06% | 3.56% | 3.17% | 2.79% |

⁽¹⁾ The costs of wholesale borrowings reflect the net cash settlement of certain interest rate swaps as if it were included as a component of interest expense rather than included in operating noninterest income. With the redesignation of the CD swap derivatives as hedges effective October 2005, TSFG expects the net cash settlement of the CD swaps to be included in interest expense for future periods rather than included in noninterest income.

⁽²⁾ Calculated as interest expense on wholesale borrowings, net of the net cash settlement on swaps, as a % of average outstanding wholesale borrowings (annualized).

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
SUMMARY OF CAPITAL, CAPITAL RATIOS, UNREALIZED LOSSES
ON AVAILABLE FOR SALE SECURITIES, AND MARKET RATES FOR U.S. TREASURY NOTES
(dollars in thousands) (unaudited)

| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Regulatory Capital | | | | | |
| Tier 1 capital | \$ 1,021,970 | \$ 1,001,841 | \$ 1,026,543 | \$ 1,011,327 | \$ 979,816 |
| Tier 2 capital | 178,403 | 179,831 | 179,427 | 177,995 | 171,072 |
| Total risk-based capital | <u>1,200,373</u> | <u>1,181,672</u> | <u>1,205,970</u> | <u>1,189,322</u> | <u>1,150,888</u> |
| Total risk-weighted assets | 11,588,786 | 11,308,017 | 11,589,370 | 11,145,953 | 10,689,860 |
| Tangible Equity | | | | | |
| Shareholders' equity | \$ 1,484,105 | \$ 1,486,907 | \$ 1,504,447 | \$ 1,517,072 | \$ 1,364,203 |
| Intangible assets | <u>(691,328)</u> | <u>(691,758)</u> | <u>(692,796)</u> | <u>(693,541)</u> | <u>(611,921)</u> |
| Tangible equity | <u>792,777</u> | <u>795,149</u> | <u>811,651</u> | <u>823,531</u> | <u>752,282</u> |
| Capital Ratios | | | | | |
| Total risk-based capital | 10.36 % | 10.45 % | 10.41 % | 10.67 % | 10.77 % |
| Tier 1 risk-based capital | 8.82 | 8.86 | 8.86 | 9.07 | 9.17 |
| Leverage ratio | 7.47 | 7.07 | 7.20 | 7.12 | 7.16 |
| Tangible equity to tangible assets ratio | 5.80 | 5.83 | 5.69 | 5.80 | 5.34 |
| Less: impact of unrealized gain or loss | <u>(0.44)</u> | <u>(0.31)</u> | <u>(0.35)</u> | <u>(0.17)</u> | <u>(0.43)</u> |
| Tangible equity to tangible assets ratio, excluding unrealized gain or loss | <u>6.24</u> | <u>6.14</u> | <u>6.04</u> | <u>5.97</u> | <u>5.77</u> |
| Unrealized Losses on AFS Securities | | | | | |
| Gross (included in AFS securities) | \$ (105,060) | \$ (73,635) | \$ (87,834) | \$ (42,914) | \$ (106,141) |
| Net of income tax (included in equity) | (66,137) | (46,350) | (55,291) | (27,029) | (66,830) |
| Market Rates for U.S. Treasury Notes | | | | | |
| Three year | 4.82 % | 4.36 % | 4.17 % | 3.64 % | 3.92 % |
| Five year | 4.81 | 4.35 | 4.19 | 3.70 | 4.17 |

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
COMPARATIVE AVERAGE BALANCES - YIELDS AND COSTS
(dollars in thousands) (unaudited)

Three Months Ended

| | 3/31/06 | | | 12/31/05 | | | 9/30/05 | | |
|---|--------------------|--------------------|----------------|--------------------|--------------------|----------------|--------------------|--------------------|----------------|
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Assets | | | | | | | | | |
| Earning assets | | | | | | | | | |
| Loans ⁽¹⁾ | \$ 9,630,573 | \$ 169,188 | 7.12 % | \$ 9,392,454 | \$ 162,114 | 6.85 % | \$ 9,138,137 | \$ 149,788 | 6.50 % |
| Investment securities (taxable) ⁽²⁾ | 2,752,345 | 32,543 | 4.80 | 3,517,591 | 38,548 | 4.35 | 3,883,705 | 41,657 | 4.26 |
| Investment securities (nontaxable) ⁽³⁾ | 434,980 | 5,145 | 4.80 | 429,508 | 4,943 | 4.57 | 406,767 | 4,574 | 4.46 |
| Total investment securities | 3,187,325 | 37,688 | 4.80 | 3,947,099 | 43,491 | 4.37 | 4,290,472 | 46,231 | 4.27 |
| Federal funds sold and interest-bearing bank balances | 21,509 | 292 | 5.51 | 55,933 | 537 | 3.81 | 34,146 | 317 | 3.68 |
| Total earning assets | 12,839,407 | 207,168 | 6.54 | 13,395,486 | 206,142 | 6.11 | 13,462,755 | 196,336 | 5.79 |
| Non-earning assets | 1,527,849 | | | 1,458,974 | | | 1,482,396 | | |
| Total assets | \$ 14,367,256 | | | \$ 14,854,460 | | | \$ 14,945,151 | | |
| Liabilities and Shareholders' Equity | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Interest-bearing liabilities | | | | | | | | | |
| Interest-bearing deposits | | | | | | | | | |
| Interest checking | \$ 1,065,190 | \$ 4,406 | 1.68 | \$ 1,027,699 | \$ 3,321 | 1.28 | \$ 979,487 | \$ 2,533 | 1.03 |
| Savings | 191,613 | 308 | 0.65 | 186,666 | 228 | 0.48 | 193,518 | 151 | 0.31 |
| Money market | 2,218,937 | 16,345 | 2.99 | 2,453,893 | 17,255 | 2.79 | 2,690,104 | 16,819 | 2.48 |
| Time deposits, excluding brokered deposits | 2,778,587 | 26,031 | 3.80 | 2,639,057 | 23,673 | 3.56 | 2,254,868 | 17,863 | 3.14 |
| Total interest-bearing customer deposits ⁽⁴⁾ | 6,254,327 | 47,090 | 3.05 | 6,307,315 | 44,477 | 2.80 | 6,117,977 | 37,366 | 2.42 |
| Brokered deposits | 1,373,199 | 15,389 | 4.54 | 1,343,222 | 14,329 | 4.23 | 1,353,364 | 14,967 | 4.39 |
| Total interest-bearing deposits | 7,627,526 | 62,479 | 3.32 | 7,650,537 | 58,806 | 3.05 | 7,471,341 | 52,333 | 2.78 |
| Borrowings | 3,572,289 | 39,976 | 4.54 | 4,056,588 | 40,673 | 3.98 | 4,372,294 | 38,813 | 3.52 |
| Total interest-bearing liabilities | 11,199,815 | 102,455 | 3.71 | 11,707,125 | 99,479 | 3.37 | 11,843,635 | 91,146 | 3.05 |
| Noninterest-bearing liabilities | | | | | | | | | |
| Noninterest-bearing deposits | 1,502,958 | | | 1,513,062 | | | 1,446,396 | | |
| Other noninterest liabilities | 173,075 | | | 137,042 | | | 146,980 | | |
| Total liabilities | 12,875,848 | | | 13,357,229 | | | 13,437,011 | | |
| Shareholders' equity | | | | | | | | | |
| Shareholders' equity | 1,491,408 | | | 1,497,231 | | | 1,508,140 | | |
| Total liabilities and shareholders' equity | \$ 14,367,256 | | | \$ 14,854,460 | | | \$ 14,945,151 | | |
| Net interest margin (tax-equivalent) | | \$ 104,713 | 3.31 % | | \$ 106,663 | 3.16 % | | \$ 105,190 | 3.10 % |
| Less: tax-equivalent adjustment ⁽⁵⁾ | | 1,801 | | | 1,730 | | | 1,601 | |
| Net interest income | | \$ 102,912 | | | \$ 104,933 | | | \$ 103,589 | |
| Total cost of customer deposits ⁽⁵⁾ | | | | | | | | | |
| | 7,757,285 | 47,090 | 2.46 | 7,820,377 | 44,477 | 2.26 | 7,564,373 | 37,366 | 1.96 |
| Total cost of wholesale borrowings ⁽⁶⁾ | | | | | | | | | |
| | 4,945,488 | 55,365 | 4.54 | 5,399,810 | 55,002 | 4.04 | 5,725,658 | 53,780 | 3.73 |

⁽¹⁾ Nonaccrual loans are included in average balances for yield computations.

⁽²⁾ The average balances for investment securities exclude the unrealized gain or loss recorded for available for sale securities.

⁽³⁾ The tax-equivalent adjustment to net interest income adjusts the yield for assets earning tax-exempt income to a comparable yield on a taxable basis.

⁽⁴⁾ Interest bearing customer deposits include total deposits less brokered deposits and noninterest-bearing deposits.

⁽⁵⁾ Customer deposits include total deposits less brokered deposits.

⁽⁶⁾ Wholesale borrowings include borrowings and brokered deposits.

Note: Average balances are derived from daily balances.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
COMPARATIVE AVERAGE BALANCES - YIELDS AND COSTS - CONTINUED
(dollars in thousands) (unaudited)

| | Three Months Ended | | | | | |
|---|----------------------|--------------------|----------------|----------------------|--------------------|----------------|
| | 6/30/05 | | | 3/31/05 | | |
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Assets | | | | | | |
| Earning assets | | | | | | |
| Loans ⁽¹⁾ | \$ 8,706,276 | \$ 134,842 | 6.21 % | \$ 8,283,500 | \$ 121,478 | 5.95 % |
| Investment securities (taxable) ⁽²⁾ | 4,366,761 | 47,304 | 4.35 | 4,244,000 | 46,148 | 4.41 |
| Investment securities (nontaxable) ⁽³⁾ | 364,360 | 3,992 | 4.39 | 348,887 | 3,788 | 4.40 |
| Total investment securities | 4,731,121 | 51,296 | 4.35 | 4,592,887 | 49,936 | 4.41 |
| Federal funds sold and interest-bearing bank balances | 22,698 | 160 | 2.83 | 30,027 | 161 | 2.17 |
| Total earning assets | 13,460,095 | 186,298 | 5.55 | 12,906,414 | 171,575 | 5.39 |
| Non-earning assets | 1,441,975 | | | 1,395,616 | | |
| Total assets | <u>\$ 14,902,070</u> | | | <u>\$ 14,302,030</u> | | |
| Liabilities and Shareholders' Equity | | | | | | |
| Liabilities | | | | | | |
| Interest-bearing liabilities | | | | | | |
| Interest-bearing deposits | | | | | | |
| Interest checking | \$ 928,672 | \$ 1,725 | 0.75 | \$ 829,849 | \$ 1,179 | 0.58 |
| Savings | 195,851 | 152 | 0.31 | 190,899 | 147 | 0.31 |
| Money market | 2,704,178 | 15,185 | 2.25 | 2,716,624 | 13,810 | 2.06 |
| Time deposits, excluding brokered deposits | 1,917,124 | 13,041 | 2.73 | 1,678,873 | 10,028 | 2.42 |
| Total interest-bearing customer deposits ⁽⁴⁾ | 5,745,825 | 30,103 | 2.10 | 5,416,245 | 25,164 | 1.88 |
| Brokered deposits | 1,365,262 | 15,470 | 4.54 | 1,324,302 | 14,813 | 4.54 |
| Total interest-bearing deposits | 7,111,087 | 45,573 | 2.57 | 6,740,547 | 39,977 | 2.41 |
| Borrowings | 4,832,258 | 37,043 | 3.07 | 4,805,035 | 32,023 | 2.70 |
| Total interest-bearing liabilities | 11,943,345 | 82,616 | 2.77 | 11,545,582 | 72,000 | 2.53 |
| Noninterest-bearing liabilities | | | | | | |
| Noninterest-bearing deposits | 1,349,746 | | | 1,227,861 | | |
| Other noninterest liabilities | 158,305 | | | 133,748 | | |
| Total liabilities | 13,451,396 | | | 12,907,191 | | |
| Shareholders' equity | 1,450,674 | | | 1,394,839 | | |
| Total liabilities and shareholders' equity | <u>\$ 14,902,070</u> | | | <u>\$ 14,302,030</u> | | |
| Net interest margin (tax-equivalent) | | \$ 103,682 | 3.09 % | | \$ 99,575 | 3.13 % |
| Less: tax-equivalent adjustment ⁽³⁾ | | 1,397 | | | 1,326 | |
| Net interest income | | <u>\$ 102,285</u> | | | <u>\$ 98,249</u> | |
| Total cost of customer deposits ⁽⁵⁾ | 7,095,571 | 30,103 | 1.70 | 6,644,106 | 25,164 | 1.54 |
| Total cost of wholesale borrowings ⁽⁶⁾ | 6,197,520 | 52,513 | 3.40 | 6,129,337 | 46,836 | 3.10 |

⁽¹⁾ Nonaccrual loans are included in average balances for yield computations.

⁽²⁾ The average balances for investment securities exclude the unrealized gain or loss recorded for available for sale securities.

⁽³⁾ The tax-equivalent adjustment to net interest income adjusts the yield for assets earning tax-exempt income to a comparable yield on a taxable

⁽⁴⁾ Interest bearing customer deposits include total deposits less brokered deposits and noninterest-bearing deposits.

⁽⁵⁾ Customer deposits include total deposits less brokered deposits.

⁽⁶⁾ Wholesale borrowings include borrowings and brokered deposits.

Note: Average balances are derived from daily balances.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
SUMMARY OF FINANCIAL RESULTS AS RESTATED FOR ACCOUNTING TREATMENT OF DERIVATIVES
(dollars in thousands) (unaudited)

Impact of the Net Cash Settlement of Certain Interest Rate Swaps on the Net Interest Margin ⁽¹⁾

| | Three Months Ended | | | | |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
| Net interest income | \$ 102,912 | \$ 104,933 | \$ 103,589 | \$ 102,285 | \$ 98,249 |
| Tax-equivalent adjustment | <u>1,801</u> | <u>1,730</u> | <u>1,601</u> | <u>1,397</u> | <u>1,326</u> |
| Net interest income (tax equivalent) | 104,713 | 106,663 | 105,190 | 103,682 | 99,575 |
| Plus net cash settlement of certain interest rate swaps included in noninterest income | <u>-</u> | <u>(288)</u> | <u>2,377</u> | <u>3,534</u> | <u>4,737</u> |
| Net interest income (tax equivalent), including net cash settlement of certain interest rate swaps | <u>\$ 104,713</u> | <u>\$ 106,375</u> | <u>\$ 107,567</u> | <u>\$ 107,216</u> | <u>\$ 104,312</u> |
| Average loans | \$ 9,630,573 | \$ 9,392,454 | \$ 9,138,137 | \$ 8,706,276 | \$ 8,283,500 |
| Average earning assets | 12,839,407 | 13,395,486 | 13,462,755 | 13,460,095 | 12,906,414 |
| Net interest margin (tax equivalent) | 3.31 % | 3.16 % | 3.10 % | 3.09 % | 3.13 % |
| Net interest margin, including net cash settlement of certain interest rate swaps ⁽²⁾ | 3.31 | 3.15 | 3.17 | 3.20 | 3.28 |
| Average loan growth vs. prior quarter (annualized) | 10.3 | 11.0 | 19.7 | 20.5 | 10.6 |
| Average earning asset growth vs. prior quarter (annualized) | (16.8) | (2.0) | 0.1 | 17.2 | 15.8 |

⁽¹⁾ These operating net interest margin ratios reflect the net cash settlement of certain interest rate swaps as if it were included in net interest income (tax-equivalent) rather than in noninterest income.

⁽²⁾ Calculated as net interest income, including the net cash settlement of certain interest rate swaps, as a % of average earning assets (annualized).

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands, except share data) (unaudited)

| | Three Months Ended | |
|--|---------------------------|------------------------|
| | 3/31/06 | |
| | | Diluted EPS |
| Net Income, as Reported (GAAP) | \$ 27,807 | \$ 0.37 |
| Non-Operating Items | | |
| Loss on sale of available for sale securities | 183 | |
| Gain on equity investments | (858) | |
| Employment contract buyouts | 598 | |
| Related income taxes | 27 | |
| Operating Earnings (Net Income, Excluding Non-Operating Items) | 27,757 | 0.37 |
| Amortization of intangibles | 2,207 | |
| Related income taxes | (763) | |
| Cash Operating Earnings (Net Income, Excluding Non-Operating Items and Amortization of Intangibles) | \$ 29,201 | \$ 0.39 |
| Average Common Shares Outstanding, Diluted | 75,339,283 | |
| Select Balance Sheet (Averages) | | |
| Total assets | \$ 14,367,256 | |
| Intangible assets | (691,262) | |
| Tangible assets | 13,675,994 | |
| Shareholders' equity | 1,491,408 | |
| Intangible assets | (691,262) | |
| Tangible equity | 800,146 | |
| Return on Average Assets | | |
| GAAP earnings | 0.78 | % |
| Operating earnings | 0.78 | |
| Cash operating earnings on average tangible assets | 0.87 | |
| Return on Average Equity | | |
| GAAP earnings | 7.56 | |
| Operating earnings | 7.55 | |
| Cash operating earnings on average tangible equity | 14.80 | |

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands, except share data) (unaudited)

| | Three Months Ended | | | | | | | |
|--|--------------------|-----------|---------------|---------|---------------|---------|---------------|---------|
| | 12/31/05 | | 9/30/05 | | 6/30/05 | | 3/31/05 | |
| | Diluted | Diluted | Diluted | Diluted | Diluted | Diluted | Diluted | Diluted |
| | EPS | EPS | EPS | EPS | EPS | EPS | EPS | EPS |
| Net (Loss) Income, as Reported (GAAP) | \$ (16,397) | \$ (0.22) | \$ 21,090 | \$ 0.28 | \$ 42,712 | \$ 0.57 | \$ 22,416 | \$ 0.31 |
| Non-Operating Items | | | | | | | | |
| Change in fair value of interest rate swaps | 2,106 | | 16,240 | | (22,277) | | 17,209 | |
| Loss (gain) on sale of available for sale securities | 52,677 | | 1,032 | | 1,503 | | (234) | |
| Gain on equity investments | (224) | | (254) | | (650) | | (1,711) | |
| Employment contract buyouts (reversals) | 9,998 | | 144 | | 222 | | (37) | |
| Impairment from write-down of assets | - | | - | | 917 | | - | |
| Merger-related costs | 529 | | 981 | | 2,194 | | 305 | |
| Charitable contribution to foundation | - | | - | | - | | 683 | |
| Loss (gain) on early extinguishment of debt | 5,086 | | 462 | | 2,981 | | (1,428) | |
| Related income taxes | (26,938) | | (5,582) | | 4,911 | | (4,932) | |
| Discontinued operations, net of income tax | - | | - | | - | | 396 | |
| Operating Earnings (Net Income, Excluding Non-Operating Items) | 26,837 | 0.36 | 34,113 | 0.45 | 32,513 | 0.44 | 32,667 | 0.45 |
| Amortization of intangibles | 2,354 | | 2,337 | | 2,140 | | 1,806 | |
| Related income taxes | (706) | | (701) | | (695) | | (596) | |
| Cash Operating Earnings (Net Income, Excluding Non-Operating Items and Amortization of Intangibles) | \$ 28,485 | \$ 0.38 | \$ 35,749 | \$ 0.47 | \$ 33,958 | \$ 0.46 | \$ 33,877 | \$ 0.46 |
| Average Common Shares Outstanding, Diluted | 75,485,436 | | 75,414,866 | | 74,421,103 | | 73,021,005 | |
| Select Balance Sheet (Averages) | | | | | | | | |
| Total assets | \$ 14,854,460 | | \$ 14,945,151 | | \$ 14,902,070 | | \$ 14,302,030 | |
| Intangible assets | (693,016) | | (691,881) | | (656,066) | | (610,914) | |
| Tangible assets | 14,161,444 | | 14,253,270 | | 14,246,004 | | 13,691,116 | |
| Shareholders' equity | 1,497,231 | | 1,508,140 | | 1,450,674 | | 1,394,839 | |
| Intangible assets | (693,016) | | (691,881) | | (656,066) | | (610,914) | |
| Tangible equity | 804,215 | | 816,259 | | 794,608 | | 783,925 | |
| Return on Average Assets | | | | | | | | |
| GAAP (loss) earnings | (0.44) % | | 0.56 % | | 1.15 % | | 0.64 % | |
| Operating earnings | 0.72 | | 0.91 | | 0.88 | | 0.93 | |
| Cash operating earnings on average tangible assets | 0.80 | | 1.00 | | 0.96 | | 1.00 | |
| Return on Average Equity | | | | | | | | |
| GAAP (loss) earnings | (4.34) | | 5.55 | | 11.81 | | 6.52 | |
| Operating earnings | 7.11 | | 8.97 | | 8.99 | | 9.50 | |
| Cash operating earnings on average tangible equity | 14.05 | | 17.38 | | 17.14 | | 17.53 | |

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands, except share data) (unaudited)

| | Three Months Ended | | | | | | | | | | | |
|--|--------------------|------------|----------------|------------|----------------|------------|----------------|------------|---------|----|------------|---------|
| | 12/31/04 | | 9/30/04 | | 6/30/04 | | 3/31/04 | | | | | |
| | Diluted EPS | \$ | Diluted EPS | \$ | Diluted EPS | \$ | Diluted EPS | \$ | | | | |
| Net Income, as Reported (GAAP) | \$ | 23,394 | \$ 0.32 | \$ | 42,571 | \$ 0.61 | \$ | 14,407 | \$ 0.24 | \$ | 39,136 | \$ 0.64 |
| Non-Operating Items | | | | | | | | | | | | |
| Change in fair value of interest rate swaps | | 2,383 | | (16,924) | | 23,067 | | (11,076) | | | | |
| Gain on sale of available for sale securities | | (499) | | (678) | | (607) | | (5,214) | | | | |
| (Gain) loss on equity investments | | (1,267) | | 367 | | (1,013) | | (2,810) | | | | |
| Gain on disposition of assets and liabilities | | - | | - | | - | | (2,350) | | | | |
| Employment contract buyouts (reversals) | | 965 | | 174 | | - | | (59) | | | | |
| Impairment recovery from write-down of assets | | - | | - | | (277) | | - | | | | |
| Merger-related costs | | 1,627 | | 5,487 | | 575 | | 177 | | | | |
| Conservation grant of land | | - | | - | | - | | 3,350 | | | | |
| Loss on early extinguishment of debt | | - | | - | | - | | 1,429 | | | | |
| Related income taxes | | (1,136) | | 3,472 | | (7,230) | | 5,010 | | | | |
| Impairment of perpetual preferred stock | | 10,367 | | - | | - | | - | | | | |
| Discontinued operations, net of income tax | | 325 | | 165 | | - | | - | | | | |
| Operating Earnings (Net Income, Excluding Non-Operating Items) | | 36,159 | 0.50 | 34,634 | 0.49 | 28,922 | 0.48 | 27,593 | 0.45 | | | |
| Amortization of intangibles | | 1,814 | | 1,839 | | 1,195 | | 1,195 | | | | |
| Related income taxes | | (643) | | (552) | | (397) | | (362) | | | | |
| Cash Operating Earnings (Net Income, Excluding Non-Operating Items and Amortization of Intangibles) | \$ | 37,330 | \$ 0.51 | \$ | 35,921 | \$ 0.51 | \$ | 29,720 | \$ 0.49 | \$ | 28,426 | \$ 0.47 |
| Average Common Shares Outstanding, Diluted | | 72,832,859 | | 70,342,922 | | 60,837,792 | | 60,809,470 | | | | |
| Select Balance Sheet (Averages) | | | | | | | | | | | | |
| Total assets | \$ | 13,701,884 | | \$ | 13,173,844 | | \$ | 11,100,782 | | \$ | 10,828,734 | |
| Intangible assets | | (614,507) | | (551,625) | | (351,133) | | (352,449) | | | | |
| Tangible assets | | 13,087,377 | | 12,622,219 | | 10,749,649 | | 10,476,285 | | | | |
| Shareholders' equity | | 1,384,294 | | 1,281,463 | | 993,685 | | 992,864 | | | | |
| Intangible assets | | (614,507) | | (551,625) | | (351,133) | | (352,449) | | | | |
| Tangible equity | | 769,787 | | 729,838 | | 642,552 | | 640,415 | | | | |
| Return on Average Assets | | | | | | | | | | | | |
| GAAP earnings | | 0.68 | % | 1.29 | % | 0.52 | % | 1.45 | % | | | |
| Operating earnings | | 1.05 | | 1.05 | | 1.05 | | 1.02 | | | | |
| Cash operating earnings on average tangible assets | | 1.13 | | 1.13 | | 1.11 | | 1.09 | | | | |
| Return on Average Equity | | | | | | | | | | | | |
| GAAP earnings | | 6.72 | | 13.22 | | 5.83 | | 15.85 | | | | |
| Operating earnings | | 10.39 | | 10.75 | | 11.71 | | 11.18 | | | | |
| Cash operating earnings on average tangible equity | | 19.29 | | 19.58 | | 18.60 | | 17.85 | | | | |

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands, except share data) (unaudited)

| | Years Ended December 31, | | | | |
|--|--------------------------|-------------------|---------|-------------------|---------|
| | 2005 | | 2004 | | |
| | | Diluted EPS | | Diluted EPS | |
| Net Income, as Reported (GAAP) | \$ | 69,821 | \$ 0.94 | \$ 119,508 | \$ 1.80 |
| Non-Operating Items | | | | | |
| Change in fair value of interest rate swaps | | 13,278 | | (2,550) | |
| Loss (gain) on sale of available for sale securities | | 54,978 | | (6,998) | |
| Gain on equity investments | | (2,839) | | (4,723) | |
| Gain on disposition of assets and liabilities | | - | | (2,350) | |
| Employment contract buyouts | | 10,327 | | 1,080 | |
| Impairment (recovery) loss from write-down of assets | | 917 | | (277) | |
| Merger-related costs | | 4,009 | | 7,866 | |
| Conservation grant of land | | - | | 3,350 | |
| Loss on early extinguishment of debt | | 7,101 | | 1,429 | |
| Charitable contribution to foundation | | 683 | | - | |
| Related income taxes | | (32,541) | | 116 | |
| Impairment of perpetual preferred stock | | - | | 10,367 | |
| Discontinued operations, net of income tax | | 396 | | 490 | |
| Operating Earnings (Net Income, Excluding Non-Operating Items) | | 126,130 | 1.69 | 127,308 | 1.92 |
| Amortization of intangibles | | 8,637 | | 6,043 | |
| Related income taxes | | (2,698) | | (1,954) | |
| Cash Operating Earnings (Net Income, Excluding Non-Operating Items and Amortization of Intangibles) | \$ | <u>132,069</u> | \$ 1.77 | <u>131,397</u> | \$ 1.98 |
| Average Common Shares Outstanding, Diluted | | 74,594,626 | | 66,235,171 | |
| Select Balance Sheet (Averages) | | | | | |
| Total assets | \$ | 14,752,973 | | \$ 12,208,069 | |
| Intangible assets | | (663,274) | | (468,060) | |
| Tangible assets | | <u>14,089,699</u> | | <u>11,740,009</u> | |
| Shareholders' equity | | 1,463,125 | | 1,164,004 | |
| Intangible assets | | (663,274) | | (468,060) | |
| Tangible equity | | <u>799,851</u> | | <u>695,944</u> | |
| Return on Average Assets | | | | | |
| GAAP earnings | | 0.47 | % | 0.98 | % |
| Operating earnings | | 0.85 | | 1.04 | |
| Cash operating earnings on average tangible assets | | 0.94 | | 1.12 | |
| Return on Average Equity | | | | | |
| GAAP earnings | | 4.77 | | 10.27 | |
| Operating earnings | | 8.62 | | 10.94 | |
| Cash operating earnings on average tangible equity | | 16.51 | | 18.88 | |

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands) (unaudited)

| | Three Months Ended |
|---|---------------------------|
| | 3/31/06 |
| Select Financial Data Used in Ratios Calculated Below | |
| Net interest income | \$ 102,912 |
| Tax-equivalent adjustment | 1,801 |
| Net interest income (tax-equivalent) | \$ 104,713 |
| | |
| Total noninterest (loss) income, as reported (GAAP) | \$ 29,320 |
| Adjustments for non-operating items: | |
| Loss (gain) on sale of available for sale securities | 183 |
| Gain on equity investments | (858) |
| Operating noninterest income (noninterest income, excluding non-operating items) | \$ 28,645 |
| | |
| Total noninterest expenses, as reported (GAAP) | \$ 79,834 |
| Adjustments for non-operating items: | |
| Employment contract (buyouts) reversals | (598) |
| Operating noninterest expenses (noninterest expenses, excluding non-operating items) | 79,236 |
| Less: amortization of intangibles | (2,207) |
| Cash operating noninterest expenses (noninterest expenses, excluding non-operating items and amortization of intangibles) | \$ 77,029 |
| | |
| Total Revenue ⁽¹⁾ | |
| GAAP | \$ 132,232 |
| Operating ⁽²⁾ | 133,358 |
| | |
| Noninterest (Loss) Income as a % Total Revenue ⁽³⁾ | |
| GAAP | 22.17 % |
| Operating ⁽²⁾ | 21.48 |
| | |
| Efficiency Ratios ⁽⁴⁾ | |
| GAAP | 60.37 |
| Operating ⁽²⁾ | 59.42 |
| Cash operating ⁽²⁾ | 57.76 |

⁽¹⁾ The sum of net interest income and noninterest income.

⁽²⁾ Total revenue, noninterest income as a % of total revenue, and the efficiency ratio, on an operating basis, are calculated using tax-equivalent net interest income and exclude non-operating items. The cash operating efficiency ratio also excludes amortization of intangibles.

⁽³⁾ Calculated as noninterest income, divided by the sum of net interest income and noninterest income.

⁽⁴⁾ Calculated as noninterest expenses, divided by the sum of net interest income and noninterest income.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands) (unaudited)

| | Three Months Ended | | | |
|---|--------------------|-------------------|-------------------|------------------|
| | 12/31/05 | 9/30/05 | 6/30/05 | 3/31/05 |
| Select Financial Data Used in Ratios Calculated Below | | | | |
| Net interest income | \$ 104,933 | \$ 103,589 | \$ 102,285 | \$ 98,249 |
| Tax-equivalent adjustment | 1,730 | 1,601 | 1,397 | 1,326 |
| Net interest income (tax-equivalent) | <u>\$ 106,663</u> | <u>\$ 105,190</u> | <u>\$ 103,682</u> | <u>\$ 99,575</u> |
| Total noninterest (loss) income, as reported (GAAP) | \$ (24,960) | \$ 16,428 | \$ 50,471 | \$ 13,271 |
| Adjustments for non-operating items: | | | | |
| Change in fair value of interest rate swaps | 2,106 | 16,240 | (22,277) | 17,209 |
| Loss (gain) on sale of available for sale securities | 52,677 | 1,032 | 1,503 | (234) |
| Gain on equity investments | (224) | (254) | (650) | (1,711) |
| Operating noninterest income (noninterest income, excluding non-operating items) | 29,599 | 33,446 | 29,047 | 28,535 |
| Net cash settlement of certain interest rate swaps included in noninterest income | (288) | 2,377 | 3,534 | 4,737 |
| Operating noninterest income, excluding net cash settlement of certain interest rate swaps | <u>\$ 29,887</u> | <u>\$ 31,069</u> | <u>\$ 25,513</u> | <u>\$ 23,798</u> |
| Total noninterest expenses, as reported (GAAP) | \$ 100,973 | \$ 81,035 | \$ 79,535 | \$ 66,510 |
| Adjustments for non-operating items: | | | | |
| Employment contract (buyouts) reversals | (9,998) | (144) | (222) | 37 |
| Merger-related costs | (529) | (981) | (2,194) | (305) |
| Impairment from write-down of assets | - | - | (917) | - |
| Charitable contribution to foundation | - | - | - | (683) |
| (Loss) gain on early extinguishment of debt | (5,086) | (462) | (2,981) | 1,428 |
| Operating noninterest expenses (noninterest expenses, excluding non-operating items) | 85,360 | 79,448 | 73,221 | 66,987 |
| Less: amortization of intangibles | (2,354) | (2,337) | (2,140) | (1,806) |
| Cash operating noninterest expenses (noninterest expenses, excluding non-operating items and amortization of intangibles) | <u>\$ 83,006</u> | <u>\$ 77,111</u> | <u>\$ 71,081</u> | <u>\$ 65,181</u> |
| Total Revenue ⁽¹⁾ | | | | |
| GAAP | \$ 79,973 | \$ 120,017 | \$ 152,756 | \$ 111,520 |
| Operating ⁽²⁾ | 136,262 | 138,636 | 132,729 | 128,110 |
| Noninterest (Loss) Income as a % Total Revenue ⁽³⁾ | | | | |
| GAAP | (31.21) % | 13.69 % | 33.04 % | 11.90 % |
| Operating ⁽²⁾ | 21.72 | 24.13 | 21.88 | 22.27 |
| Operating, excluding net cash settlement of certain interest rate swaps ⁽⁴⁾ | 21.93 | 22.41 | 19.22 | 18.58 |
| Efficiency Ratios ⁽⁵⁾ | | | | |
| GAAP | 126.26 | 67.52 | 52.07 | 59.64 |
| Operating ⁽²⁾ | 62.64 | 57.31 | 55.17 | 52.29 |
| Cash operating ⁽²⁾ | 60.92 | 55.62 | 53.55 | 50.88 |

⁽¹⁾ The sum of net interest income and noninterest income.

⁽²⁾ Total revenue, noninterest income as a % of total revenue, and the efficiency ratio, on an operating basis, are calculated using tax-equivalent net interest income and exclude non-operating items. The cash operating efficiency ratio also excludes amortization of intangibles.

⁽³⁾ Calculated as noninterest income, divided by the sum of net interest income and noninterest income.

⁽⁴⁾ Calculated excluding the net cash settlement of certain interest rate swaps.

⁽⁵⁾ Calculated as noninterest expenses, divided by the sum of net interest income and noninterest income.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands) (unaudited)

| | Three Months Ended | | | |
|---|--------------------|------------------|------------------|------------------|
| | 12/31/04 | 9/30/04 | 6/30/04 | 3/31/04 |
| Select Financial Data Used in Ratios Calculated Below | | | | |
| Net interest income | \$ 97,124 | \$ 92,084 | \$ 72,881 | \$ 73,752 |
| Tax-equivalent adjustment | 1,230 | 1,153 | 1,026 | 947 |
| Net interest income (tax-equivalent) | <u>\$ 98,354</u> | <u>\$ 93,237</u> | <u>\$ 73,907</u> | <u>\$ 74,699</u> |
| Total noninterest income, as reported (GAAP) | \$ 19,082 | \$ 48,266 | \$ 10,163 | \$ 47,366 |
| Adjustments for non-operating items: | | | | |
| Change in fair value of interest rate swaps | 2,383 | (16,924) | 23,067 | (11,076) |
| Gain on sale of available for sale securities | (499) | (678) | (607) | (5,214) |
| (Gain) loss on equity investments | (1,267) | 367 | (1,013) | (2,810) |
| Impairment of perpetual preferred stock | 10,367 | - | - | - |
| Gain on disposition of assets and liabilities | - | - | - | (2,350) |
| Operating noninterest income (noninterest income, excluding non-operating items) | 30,066 | 31,031 | 31,610 | 25,916 |
| Net cash settlement on certain interest rate swaps included in noninterest income | 6,064 | 7,259 | 7,235 | 7,002 |
| Operating noninterest income, excluding net cash settlement on certain interest rate swaps | <u>\$ 24,002</u> | <u>\$ 23,772</u> | <u>\$ 24,375</u> | <u>\$ 18,914</u> |
| Total noninterest expenses, as reported (GAAP) | \$ 68,649 | \$ 69,858 | \$ 54,466 | \$ 57,271 |
| Adjustments for non-operating items: | | | | |
| Employment contract (buyouts) reversals | (965) | (174) | - | 59 |
| Merger-related costs | (1,627) | (5,487) | (575) | (177) |
| Impairment recovery from write-down of assets | - | - | 277 | - |
| Conservation grant of land | - | - | - | (3,350) |
| Loss on early extinguishment of debt | - | - | - | (1,429) |
| Operating noninterest expenses (noninterest expenses, excluding non-operating items) | 66,057 | 64,197 | 54,168 | 52,374 |
| Less: amortization of intangibles | <u>(1,814)</u> | <u>(1,839)</u> | <u>(1,195)</u> | <u>(1,195)</u> |
| Cash operating noninterest expenses (noninterest expenses, excluding non-operating items and amortization of intangibles) | <u>\$ 64,243</u> | <u>\$ 62,358</u> | <u>\$ 52,973</u> | <u>\$ 51,179</u> |
| Total Revenue ⁽¹⁾ | | | | |
| GAAP | \$ 116,206 | \$ 140,350 | \$ 83,044 | \$ 121,118 |
| Operating ⁽²⁾ | 128,420 | 124,268 | 105,517 | 100,615 |
| Noninterest Income as a % Total Revenue ⁽³⁾ | | | | |
| GAAP | 16.42 % | 34.39 % | 12.24 % | 39.11 % |
| Operating ⁽²⁾ | 23.41 | 24.97 | 29.96 | 25.76 |
| Operating, excluding net cash settlement of certain interest rate swaps ⁽⁴⁾ | 18.69 | 19.13 | 23.10 | 18.80 |
| Efficiency Ratios ⁽⁵⁾ | | | | |
| GAAP | 59.08 | 49.77 | 65.59 | 47.29 |
| Operating ⁽²⁾ | 51.44 | 51.66 | 51.34 | 52.05 |
| Cash operating ⁽²⁾ | 50.03 | 50.18 | 50.20 | 50.87 |

⁽¹⁾ The sum of net interest income and noninterest income.

⁽²⁾ Total revenue, noninterest income as a % of total revenue, and the efficiency ratio, on an operating basis, are calculated using tax-equivalent net interest income and exclude non-operating items. The cash operating efficiency ratio also excludes amortization of intangibles.

⁽³⁾ Calculated as noninterest income, divided by the sum of net interest income and noninterest income.

⁽⁴⁾ Calculated excluding the net cash settlement of certain interest rate swaps.

⁽⁵⁾ Calculated as noninterest expenses, divided by the sum of net interest income and noninterest income.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(dollars in thousands) (unaudited)

| | Years Ended December 31, | |
|---|---------------------------------|-------------|
| | 2005 | 2004 |
| Select Financial Data Used in Ratios Calculated Below | | |
| Net interest income | \$ 409,056 | \$ 335,841 |
| Tax-equivalent adjustment | 6,054 | 4,356 |
| Net interest income (tax-equivalent) | \$ 415,110 | \$ 340,197 |
| Total noninterest income, as reported (GAAP) | \$ 55,210 | \$ 124,877 |
| Adjustments for non-operating items: | | |
| Change in fair value of interest rate swaps | 13,278 | (2,550) |
| Loss (gain) on sale of available for sale securities | 54,978 | (6,998) |
| Gain on equity investments | (2,839) | (4,723) |
| Impairment of perpetual preferred stock | - | 10,367 |
| Gain on disposition of assets and liabilities | - | (2,350) |
| Operating noninterest income (noninterest income, excluding non-operating items) | 120,627 | 118,623 |
| Net cash settlement on certain interest rate swaps included in noninterest income | 10,360 | 27,560 |
| Operating noninterest income, excluding net cash settlement on certain interest rate swaps | \$ 110,267 | \$ 91,063 |
| Total noninterest expenses, as reported (GAAP) | \$ 328,053 | \$ 250,244 |
| Adjustments for non-operating items: | | |
| Employment contract buyouts | (10,327) | (1,080) |
| Merger-related costs | (4,009) | (7,866) |
| Impairment recovery (loss) from write-down of assets | (917) | 277 |
| Conservation grant of land | - | (3,350) |
| Loss on early extinguishment of debt | (7,101) | (1,429) |
| Charitable contribution to foundation | (683) | - |
| Operating noninterest expenses (noninterest expenses, excluding non-operating items) | 305,016 | 236,796 |
| Less: amortization of intangibles | (8,637) | (6,043) |
| Cash operating noninterest expenses (noninterest expenses, excluding non-operating items and amortization of intangibles) | \$ 296,379 | \$ 230,753 |
| Total Revenue ⁽¹⁾ | | |
| GAAP | \$ 464,266 | \$ 460,718 |
| Operating ⁽²⁾ | 535,737 | 458,820 |
| Noninterest Income as a % Total Revenue ⁽³⁾ | | |
| GAAP | 11.89 % | 27.10 % |
| Operating ⁽²⁾ | 22.52 | 25.85 |
| Operating, excluding net cash settlement of certain interest rate swaps ⁽⁴⁾ | 20.58 | 19.85 |
| Efficiency Ratios ⁽⁵⁾ | | |
| GAAP | 70.66 | 54.32 |
| Operating ⁽²⁾ | 56.93 | 51.61 |
| Cash operating ⁽²⁾ | 55.32 | 50.29 |

⁽¹⁾ The sum of net interest income and noninterest income.

⁽²⁾ Total revenue, noninterest income as a % of total revenue, and the efficiency ratio, on an operating basis, are calculated using tax-equivalent net interest income and exclude non-operating items. The cash operating efficiency ratio also excludes amortization of intangibles.

⁽³⁾ Calculated as noninterest income, divided by the sum of net interest income and noninterest income.

⁽⁴⁾ Calculated excluding the net cash settlement of certain interest rate swaps.

⁽⁵⁾ Calculated as noninterest expenses, divided by the sum of net interest income and noninterest income.