

THE SOUTH FINANCIAL | GROUP

Quarterly Financial Data Supplement (Unaudited) First Quarter 2008

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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
FIRST QUARTER 2008 FINANCIAL SUMMARY

Changes vs. prior quarter, unless indicated otherwise:

Quarterly EPS

- Net loss of \$201.3 million, or \$(2.77) per diluted share
 - Non-cash, pre-tax goodwill impairment charge of \$188.4 million for the Florida Banking Segment; does not impact tangible capital or regulatory capital
- Operating loss of \$14.5 million, or \$(0.20) per diluted share
- Average diluted shares of 72.6 million, down 0.4% versus prior quarter; down 3.5% versus prior year

Revenue

- Total revenue, defined as net interest income plus noninterest income, of \$123.6 million
 - Non-operating items: \$1.9 million gain on Visa IPO share redemption, \$396,000 net gain on other securities
- Operating revenues of \$122.8 million, down \$3.7 million
- Tax-equivalent net interest income of \$94.2 million, down \$2.3 million
 - Net interest margin of 3.07%, down 2 basis points from 3.09%
 - Average earning assets of \$12.3 billion, down 3.3% linked-quarter annualized
- Operating noninterest income of \$28.6 million, down \$1.4 million
 - Increase of \$261,000 or 0.9% from prior year

Average Balance Sheet Growth

- Average loans, up 1.9% linked-quarter annualized
- Average securities, down \$154.9 million since prior quarter; down \$723.0 million since 1Q07
- Average customer funding, defined as total deposits less brokered deposits plus customer sweep accounts, up 7.8% linked-quarter annualized
- Average wholesale borrowings, including brokered deposits and excluding customer sweep accounts, down 21.1% linked-quarter annualized

Noninterest Expenses and Operating Efficiency

- Noninterest expenses of \$268.2 million
 - Non-operating items: \$188.4 million goodwill impairment, \$863,000 reversal of Visa-related litigation accrual, and \$547,000 loss on early extinguishment of debt
- Operating noninterest expenses of \$80.1 million, up \$963,000 from prior quarter; \$347,000 from prior year
 - FDIC insurance premiums (included in regulatory assessments) up \$613,000 from prior quarter; \$1.6 million from prior year
 - Advertising and business development up \$417,000 from prior quarter; \$540,000 from prior year
- Cash operating efficiency of 63.9%, an increase from 61.1% for the prior quarter

Credit Quality

- Nonperforming assets of \$232.0 million or 2.26% of loans held for investment and foreclosed property
- Net loan charge-offs of \$25.0 million, or 0.98% annualized as a % of average loans held for investment
- Provision for credit losses of \$73.3 million, up \$41.4 million from prior quarter; \$64.3 million from prior year
- Provision for credit losses exceeded net loan charge-offs by \$48.3 million, which increased the allowance for credit losses
- Allowance for credit losses of \$177.0 million or 1.72% of loans held for investment, an increase from 1.26% at December 31, 2007

Capital

- Tangible equity to tangible asset ratio of 6.72%, up from 6.61% at December 31, 2007
- Tangible equity per share of \$12.26, up from \$12.04 at December 31, 2007
- After-tax unrealized loss on available for sale securities decreased \$28.9 million from prior quarter
- Tier 1 capital ratio of 9.33%, down from 9.49% at December 31, 2007

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

	Three Months Ended				
	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Interest Income					
Interest and fees on loans	\$ 171,228	\$ 190,846	\$ 195,393	\$ 191,961	\$ 186,628
Interest and dividends on securities:					
Taxable	20,392	22,431	25,390	26,879	28,825
Exempt from federal income taxes	<u>2,693</u>	<u>2,809</u>	<u>2,856</u>	<u>2,888</u>	<u>3,048</u>
Total interest and dividends on securities	23,085	25,240	28,246	29,767	31,873
Interest on short-term investments	<u>72</u>	<u>64</u>	<u>100</u>	<u>97</u>	<u>141</u>
Total interest income	<u>194,385</u>	<u>216,150</u>	<u>223,739</u>	<u>221,825</u>	<u>218,642</u>
Interest Expense					
Interest on deposits	77,106	93,253	94,497	92,066	88,479
Interest on borrowed funds	<u>24,573</u>	<u>27,949</u>	<u>32,468</u>	<u>33,238</u>	<u>35,625</u>
Total interest expense	<u>101,679</u>	<u>121,202</u>	<u>126,965</u>	<u>125,304</u>	<u>124,104</u>
Net Interest Income	92,706	94,948	96,774	96,521	94,538
Provision for Credit Losses	<u>73,292</u>	<u>31,926</u>	<u>10,504</u>	<u>17,125</u>	<u>9,013</u>
Net interest income after provision for credit losses	19,414	63,022	86,270	79,396	85,525
Noninterest Income	30,916	28,741	29,917	27,683	26,970
Noninterest Expenses	<u>268,179</u>	<u>80,481</u>	<u>78,739</u>	<u>80,151</u>	<u>81,477</u>
Income (loss) before income taxes	(217,849)	11,282	37,448	26,928	31,018
Income tax expense (benefit)	<u>(16,557)</u>	<u>2,293</u>	<u>11,609</u>	<u>8,998</u>	<u>10,500</u>
Net Income (Loss)	<u>\$ (201,292)</u>	<u>\$ 8,989</u>	<u>\$ 25,839</u>	<u>\$ 17,930</u>	<u>\$ 20,518</u>
Average common shares outstanding, basic	72,449,437	72,571,612	73,146,211	74,050,115	74,736,832
Average common shares outstanding, diluted	72,574,840	72,875,062	73,605,752	74,397,091	75,244,968
Net income (loss) per common share, basic	\$ (2.78)	\$ 0.12	\$ 0.35	\$ 0.24	\$ 0.27
Net income (loss) per common share, diluted	(2.77)	0.12	0.35	0.24	0.27
Cash dividends declared per common share	0.19	0.19	0.18	0.18	0.18

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

	Three Months Ended				
	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Noninterest Income					
Service charges on deposit accounts	\$ 10,429	\$ 11,470	\$ 11,213	\$ 11,223	\$ 10,613
Debit card income, net	1,876	1,938	1,838	1,839	1,567
Customer service fee income	1,331	1,422	1,533	1,402	1,291
Total customer fee income	<u>13,636</u>	<u>14,830</u>	<u>14,584</u>	<u>14,464</u>	<u>13,471</u>
Retail investment services, net	1,546	2,103	2,064	2,021	1,714
Insurance income	3,060	2,906	2,839	2,987	3,297
Trust and investment management income	1,666	1,625	1,642	1,734	1,594
Benefits administration fees	756	881	889	749	742
Total wealth management income	<u>7,028</u>	<u>7,515</u>	<u>7,434</u>	<u>7,491</u>	<u>7,347</u>
Mortgage banking income	1,485	1,273	834	1,877	2,069
Bank-owned life insurance	3,147	3,065	2,974	4,454	2,851
Merchant processing income, net	857	829	928	771	735
Gain (loss) on certain derivative activities	12	5	198	(1,497)	97
Other	2,451	2,512	2,678	2,360	1,785
Operating noninterest income (noninterest income, excluding non-operating items)	<u>28,616</u>	<u>30,029</u>	<u>29,630</u>	<u>29,920</u>	<u>28,355</u>
Gain (loss) on securities	396	(1,288)	287	(2,237)	(1,385)
Gain on Visa IPO share redemption	1,904	-	-	-	-
Non-operating noninterest (loss) income	<u>2,300</u>	<u>(1,288)</u>	<u>287</u>	<u>(2,237)</u>	<u>(1,385)</u>
Total noninterest income	<u>\$ 30,916</u>	<u>\$ 28,741</u>	<u>\$ 29,917</u>	<u>\$ 27,683</u>	<u>\$ 26,970</u>
Noninterest Expenses					
Salaries and wages	\$ 34,853	\$ 33,220	\$ 34,535	\$ 34,258	\$ 35,072
Employee benefits	9,298	9,232	8,862	9,245	9,759
Occupancy	8,623	8,783	8,723	8,545	8,608
Furniture and equipment	6,383	6,590	6,543	6,486	6,462
Professional services	3,527	3,767	4,278	4,914	4,103
Advertising and business development	2,471	2,054	1,443	1,973	1,931
Telecommunications	1,423	1,453	1,404	1,418	1,393
Amortization of intangibles	1,658	1,853	1,907	2,136	2,001
Regulatory assessments	2,077	1,464	300	436	428
Other	9,751	10,685	9,445	9,963	9,960
Operating noninterest expenses (noninterest expenses, excluding non-operating items)	<u>80,064</u>	<u>79,101</u>	<u>77,440</u>	<u>79,374</u>	<u>79,717</u>
Goodwill impairment	188,431	-	-	-	-
Employment contract buyouts and severance	-	-	-	546	1,760
Loss on early extinguishment of debt	547	499	1,299	231	-
Visa-related litigation	(863)	881	-	-	-
Non-operating noninterest expenses	<u>188,115</u>	<u>1,380</u>	<u>1,299</u>	<u>777</u>	<u>1,760</u>
Total noninterest expenses	<u>\$ 268,179</u>	<u>\$ 80,481</u>	<u>\$ 78,739</u>	<u>\$ 80,151</u>	<u>\$ 81,477</u>

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

	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Assets					
Cash and due from banks	\$ 223,185	\$ 290,974	\$ 221,529	\$ 267,005	\$ 257,884
Interest-bearing bank balances	10,035	5,551	520	263	7,012
Federal funds sold and securities purchased to resell	-	-	-	-	50,000
Securities					
Available for sale	2,069,898	1,986,212	2,323,241	2,433,341	2,546,047
Held to maturity	31,468	39,691	41,174	41,892	46,217
Total securities	<u>2,101,366</u>	<u>2,025,903</u>	<u>2,364,415</u>	<u>2,475,233</u>	<u>2,592,264</u>
Loans held for sale	16,119	17,867	19,572	35,718	33,519
Loans held for investment	10,275,653	10,213,420	10,173,237	10,029,228	9,898,134
Less: Allowance for loan losses	<u>(174,420)</u>	<u>(126,427)</u>	<u>(118,861)</u>	<u>(125,545)</u>	<u>(113,736)</u>
Net loans held for investment	<u>10,101,233</u>	<u>10,086,993</u>	<u>10,054,376</u>	<u>9,903,683</u>	<u>9,784,398</u>
Premises and equipment, net	243,628	233,852	226,784	224,951	223,738
Accrued interest receivable	56,764	70,464	73,383	75,851	72,801
Goodwill	462,572	651,003	650,637	650,544	650,536
Other intangible assets, net	25,521	27,179	29,032	30,939	33,075
Other assets	491,297	467,798	459,973	475,488	452,920
	<u>\$ 13,731,720</u>	<u>\$ 13,877,584</u>	<u>\$ 14,100,221</u>	<u>\$ 14,139,675</u>	<u>\$ 14,158,147</u>
Liabilities and Shareholders' Equity					
Liabilities					
Deposits					
Noninterest-bearing	\$ 1,108,623	\$ 1,127,657	\$ 1,164,312	\$ 1,244,834	\$ 1,286,800
Interest-bearing customer deposits	6,466,940	6,402,503	6,353,852	6,547,479	6,686,919
Interest-bearing brokered deposits	<u>1,875,969</u>	<u>2,258,408</u>	<u>1,983,505</u>	<u>2,293,493</u>	<u>1,977,489</u>
Total deposits	9,451,532	9,788,568	9,501,669	10,085,806	9,951,208
Short-term borrowings	1,917,450	1,637,550	2,070,581	1,432,650	1,607,533
Long-term debt	799,217	698,340	732,203	857,248	809,290
Accrued interest payable	58,705	69,288	73,418	77,751	77,380
Other liabilities	<u>126,495</u>	<u>133,530</u>	<u>174,098</u>	<u>168,033</u>	<u>151,126</u>
Total liabilities	<u>12,353,399</u>	<u>12,327,276</u>	<u>12,551,969</u>	<u>12,621,488</u>	<u>12,596,537</u>
Shareholders' equity					
Preferred stock	-	-	-	-	-
Common stock	72,630	72,455	72,971	73,699	74,673
Surplus	1,110,356	1,107,601	1,116,361	1,129,499	1,150,288
Retained earnings	170,186	386,061	391,019	378,399	373,788
Guarantee of employee stock ownership plan debt	-	-	-	(39)	(95)
Accumulated other comprehensive income (loss), net of income tax	<u>25,149</u>	<u>(15,809)</u>	<u>(32,099)</u>	<u>(63,371)</u>	<u>(37,044)</u>
Total shareholders' equity	<u>1,378,321</u>	<u>1,550,308</u>	<u>1,548,252</u>	<u>1,518,187</u>	<u>1,561,610</u>
	<u>\$ 13,731,720</u>	<u>\$ 13,877,584</u>	<u>\$ 14,100,221</u>	<u>\$ 14,139,675</u>	<u>\$ 14,158,147</u>

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

	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Investment Securities Portfolio					
Available for sale (at fair value):					
U.S. Treasury	\$ 28,798	\$ 27,592	\$ 168,614	\$ 167,195	\$ 167,295
U.S. Government agencies	337,775	503,571	659,681	650,581	657,708
Agency mortgage-backed securities	1,343,108	1,088,427	1,119,547	1,158,498	1,246,384
Private label mortgage-backed securities	16,209	-	-	-	-
State and municipal	279,788	302,586	303,388	308,070	315,372
Other investments ⁽¹⁾	64,220	64,036	72,011	148,997	159,288
Total available for sale securities	<u>2,069,898</u>	<u>1,986,212</u>	<u>2,323,241</u>	<u>2,433,341</u>	<u>2,546,047</u>
Held to maturity (at amortized cost)	31,468	39,691	41,174	41,892	46,217
Total securities	<u>\$ 2,101,366</u>	<u>\$ 2,025,903</u>	<u>\$ 2,364,415</u>	<u>\$ 2,475,233</u>	<u>\$ 2,592,264</u>
Total securities as a percentage of total assets	<u>15.3</u> %	<u>14.6</u> %	<u>16.8</u> %	<u>17.5</u> %	<u>18.3</u> %

	March 31, 2008			
	<u>Amortized Cost</u>	<u>Percentage of Total</u>	<u>Duration</u>	<u>Book Yield</u>
Debt Securities				
U.S. Treasury	\$ 27,078	1.3 %	4.2	3.96 %
U.S. Government agencies	335,947	16.6	1.8	4.70
Mortgage-backed securities:				
Collateralized mortgage obligations	872,999	43.1	4.7	4.56
Adjustable rate mortgages	202,863	10.0	2.4	4.83
Pass-through	293,777	14.5	3.2	4.66
State and municipal	275,463	13.6	3.0	4.96
Corporate bonds	19,082	0.9	2.4	5.69
Total available for sale debt securities	<u>\$ 2,027,209</u>	<u>100.0</u> %	<u>3.5</u>	<u>4.68</u> %
Fixed interest rate:				
Mortgage-backed securities	\$ 1,159,098	57.2 %	4.3	4.58 %
Other	657,570	32.4	2.4	4.81
Variable interest rate:				
Mortgage-backed securities	210,541	10.4	2.4	4.83
Total available for sale debt securities	<u>\$ 2,027,209</u>	<u>100.0</u> %	<u>3.5</u>	<u>4.68</u> %

Projected Interest Rate Shock for Debt Securities

<u>Interest Rate Scenario</u>	<u>Estimated Impact on Fair Value</u>	<u>Duration</u>
Up 2.00%	(8.2) %	4.9
Up 1.00%	(3.9)	4.4
Flat	-	3.5
Down 1.00%	2.8	1.8
Down 2.00% ⁽²⁾	3.6	0.7

The estimated decrease in fair value for a five year U.S. Treasury Note when interest rates increase 100 basis points is 4.26%.

⁽¹⁾ Other investments in available for sale securities includes corporate bonds, FHLB stock, community bank stocks, and other equity securities. Also, excludes certain other investments recorded in other assets totaling \$18.0 million.

⁽²⁾ Due to the current low interest rate environment, certain modifications were made to the Down 2.00% shock scenario.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
INVESTMENT SECURITIES PORTFOLIO CREDIT RISK PROFILE
(dollars in millions) (unaudited)

	March 31, 2008	
	Balance	% of Total
Government and agency		
U.S. Treasury	\$ 29	1.4 %
U.S. Government agencies	338	16.1
Agency mortgage-backed securities (MBS) ⁽¹⁾	1,343	63.9
Federal Home Loan Bank Stock	40	1.9
Total government and agency	1,750	83.3
State and municipal ⁽²⁾		
Pre-funded with collateral or AAA-rated backed by Texas Permanent School Fund	203	9.7
AAA-rated	16	0.7
AA or A-rated	82	3.9
BBB-rated	4	0.2
Non-rated	6	0.3
Total state and municipal	311	14.8
Corporate bonds		
AA or A-rated	6	0.3
BBB-rated	13	0.6
Total corporate bonds	19	0.9
Private label mortgage-backed securities ⁽¹⁾		
AAA-rated	16	0.8
Total private label mortgage-backed securities	16	0.8
Community bank stocks and other		
Total securities	\$ 2,101	100.0 %
Percent of total securities:		
Rated A or higher		98.7 %
Investment grade		99.5 %

⁽¹⁾ Current policies restrict MBS/CMO purchases to agency-backed and a small percent of private-label securities and prohibit securities collateralized by sub-prime assets.

⁽²⁾ Includes \$31.5 million of securities held to maturity at amortized cost.

Note: Within each category, securities are ordered based on risk assessment from lowest to highest. TSFG holds no collateralized debt obligations.

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

	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Commercial Loans					
Commercial and industrial	\$ 2,805,825	\$ 2,759,492	\$ 2,693,973	\$ 2,569,628	\$ 2,596,705
Owner - occupied real estate	1,107,069	1,070,376	1,042,131	961,806	883,738
Commercial real estate	<u>4,156,522</u>	<u>4,158,384</u>	<u>4,178,653</u>	<u>4,258,837</u>	<u>4,209,149</u>
	<u>8,069,416</u>	<u>7,988,252</u>	<u>7,914,757</u>	<u>7,790,271</u>	<u>7,689,592</u>
Consumer Loans					
Indirect - sales finance	710,806	699,014	707,819	684,053	666,801
Consumer lot loans	291,378	311,386	334,971	350,539	353,694
Direct retail	87,064	94,228	97,289	96,768	97,786
Home equity	<u>558,334</u>	<u>548,928</u>	<u>532,640</u>	<u>530,620</u>	<u>514,963</u>
	<u>1,647,582</u>	<u>1,653,556</u>	<u>1,672,719</u>	<u>1,661,980</u>	<u>1,633,244</u>
Mortgage Loans					
	<u>558,655</u>	<u>571,612</u>	<u>585,761</u>	<u>576,977</u>	<u>575,298</u>
Total loans held for investment	<u>\$ 10,275,653</u>	<u>\$10,213,420</u>	<u>\$ 10,173,237</u>	<u>\$ 10,029,228</u>	<u>\$ 9,898,134</u>
Percentage of Loans Held for Investment					
Commercial and industrial	27.3 %	27.0 %	26.5 %	25.6 %	26.2 %
Owner - occupied real estate	10.8	10.5	10.2	9.6	8.9
Commercial real estate	40.5	40.7	41.1	42.5	42.5
Consumer	16.0	16.2	16.4	16.6	16.5
Mortgage	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>5.7</u>	<u>5.9</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>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Growth in Loans Held for Investment ⁽¹⁾					
Growth vs. prior quarter, annualized	2.5 %	1.6 %	5.7 %	5.3 %	8.2 %
Growth year-to-date, annualized	2.5	5.3	6.5	6.8	8.2

⁽¹⁾ At December 31, 2006, loans held for investment totaled \$9,701,867.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
SUMMARY OF CREDIT QUALITY AND ALLOWANCE FOR CREDIT LOSSES

(dollars in thousands) (unaudited)

	At and for the Three Months Ended				
	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Credit Quality					
Loans held for investment	\$ 10,275,653	\$ 10,213,420	\$ 10,173,237	\$ 10,029,228	\$ 9,898,134
Allowance for loan losses	174,420	126,427	118,861	125,545	113,736
Allowance for credit losses	177,016	128,695	120,424	126,721	114,822
Nonperforming loans ⁽¹⁾	223,790	81,631	53,257	41,527	43,222
Foreclosed property (other real estate owned and personal property repossessions)	8,227	8,276	5,658	4,028	3,572
Nonperforming assets	<u>\$ 232,017</u>	<u>\$ 89,907</u>	<u>\$ 58,915</u>	<u>\$ 45,555</u>	<u>\$ 46,794</u>
Nonperforming loans as a % of loans held for investment	2.18 %	0.80 %	0.52 %	0.41 %	0.44 %
Nonperforming assets as a % of loans held for investment and foreclosed property	2.26	0.88	0.58	0.45	0.47
Allowance for loan losses as a % of loans held for investment	1.70	1.24	1.17	1.25	1.15
Allowance for credit losses as a % of loans held for investment	1.72	1.26	1.18	1.26	1.16
Allowance for loan losses to nonperforming loans	0.78 x	1.55 x	2.23 x	3.02 x	2.63 x
Impaired loans ⁽¹⁾	\$ 206,621	\$ 68,102	\$ 38,060	\$ 33,596	\$ 36,403
Specific allowance for impaired loans	32,070	11,340	11,010	9,414	7,716
Loans past due 90 days or more (mortgage and consumer with interest accruing)	9,588	5,349	2,629	2,503	193
Net loan charge-offs	24,971	23,655	16,801	5,226	6,879
Average loans held for investment	10,221,424	10,164,807	10,042,419	9,947,636	9,783,328
Net loan charge-offs as a % of average loans held for investment (annualized)	0.98 %	0.92 %	0.66 %	0.21 %	0.29 %
Allowance for Loan Losses					
Balance at beginning of period	\$ 126,427	\$ 118,861	\$ 125,545	\$ 113,736	\$ 111,663
Provision for loan losses	72,964	31,221	10,117	17,035	8,952
Loans charged-off	(27,583)	(25,249)	(17,926)	(7,622)	(8,611)
Recoveries of loans previously charged-off	2,612	1,594	1,125	2,396	1,732
Balance at end of period	<u>\$ 174,420</u>	<u>\$ 126,427</u>	<u>\$ 118,861</u>	<u>\$ 125,545</u>	<u>\$ 113,736</u>
Reserve for Unfunded Lending Commitments					
Balance at beginning of period	\$ 2,268	\$ 1,563	\$ 1,176	\$ 1,086	\$ 1,025
Provision for unfunded lending commitments	328	705	387	90	61
Balance at end of period	<u>\$ 2,596</u>	<u>\$ 2,268</u>	<u>\$ 1,563</u>	<u>\$ 1,176</u>	<u>\$ 1,086</u>
Allowance for Credit Losses					
Balance at beginning of period	\$ 128,695	\$ 120,424	\$ 126,721	\$ 114,822	\$ 112,688
Provision for credit losses	73,292	31,926	10,504	17,125	9,013
Loans charged-off	(27,583)	(25,249)	(17,926)	(7,622)	(8,611)
Recoveries of loans previously charged-off	2,612	1,594	1,125	2,396	1,732
Balance at end of period	<u>\$ 177,016</u>	<u>\$ 128,695</u>	<u>\$ 120,424</u>	<u>\$ 126,721</u>	<u>\$ 114,822</u>

(1) At March 31, 2008, December 31, 2007, September 30, 2007, June 30, 2007, and March 31, 2007, these credit quality indicators (nonperforming loans and impaired loans) included \$1.6 million, \$1.7 million, \$1.9 million, \$1.9 million, and \$1.9 million, respectively, in restructured loans.

THE SOUTH FINANCIAL GROUP, INC. AND SUBSIDIARIES
COMMERCIAL REAL ESTATE LOANS
(dollars in millions) (unaudited)

3/31/08 Commercial Real Estate ("CRE") Loans by Geography ⁽¹⁾

	<u>SC, Excl Coastal</u>	<u>Coastal SC</u>	<u>Western NC</u>	<u>Central FL</u>	<u>North FL</u>	<u>South FL</u>	<u>Tampa Bay</u>	<u>Total CRE Loans</u>	<u>% of Loans HFI</u>
CRE Loans by Product Type:									
Completed income property	\$ 409	\$ 237	\$ 438	\$ 181	\$ 344	\$ 163	\$ 200	\$ 1,972	19 %
Residential A&D	105	80	163	81	103	5	103	640	6
Commercial A&D	54	32	51	23	22	12	64	258	2
Commercial construction	120	26	39	52	25	15	22	299	3
Residential construction	52	37	70	35	44	1	17	256	2
Residential condo	31	107	9	4	19	23	72	265	3
Undeveloped land	43	51	74	82	84	63	70	467	5
Total CRE Loans	<u>\$ 814</u>	<u>\$ 570</u>	<u>\$ 844</u>	<u>\$ 458</u>	<u>\$ 641</u>	<u>\$ 282</u>	<u>\$ 548</u>	<u>\$ 4,157</u>	<u>40 %</u>
% of Total Loans HFI	8%	6%	8%	4%	6%	3%	5%	40%	

3/31/08 CRE Nonaccrual Loans ("NAL") by Geography ⁽¹⁾

	<u>SC, Excl Coastal</u>	<u>Coastal SC</u>	<u>Western NC</u>	<u>Central FL</u>	<u>North FL</u>	<u>South FL</u>	<u>Tampa Bay</u>	<u>Total CRE NAL</u>	<u>% of NAL ⁽²⁾</u>
CRE Nonaccrual Loans by Product Type:									
Completed income property	\$ 1.1	\$ 1.1	\$ 6.0	\$ 9.3	\$ 0.7	\$ -	\$ 0.1	\$ 18.3	8 %
Residential A&D	0.5	5.5	10.4	15.2	11.9	0.3	10.7	54.5	25
Commercial A&D	-	-	0.6	0.9	-	-	18.0	19.5	9
Commercial construction	-	-	-	-	-	-	-	-	-
Residential construction	1.7	2.2	4.8	4.1	0.8	-	-	13.6	6
Residential condo	-	3.7	-	2.1	-	9.2	32.5	47.5	21
Undeveloped land	-	-	2.1	1.7	6.0	8.5	0.1	18.4	8
Total CRE Nonaccrual Loans	<u>\$ 3.3</u>	<u>\$ 12.5</u>	<u>\$ 23.9</u>	<u>\$ 33.3</u>	<u>\$ 19.4</u>	<u>\$ 18.0</u>	<u>\$ 61.4</u>	<u>\$ 171.8</u>	<u>77 %</u>
CRE Nonaccrual Loans as % of Total Nonaccrual Loans ⁽²⁾	1%	5%	11%	15%	9%	8%	28%	77%	

Three Months Ended 3/31/08 CRE Net Charge-offs ("NCO") by Geography

	<u>SC, Excl Coastal</u>	<u>Coastal SC</u>	<u>Western NC</u>	<u>Central FL</u>	<u>North FL</u>	<u>South FL</u>	<u>Tampa Bay</u>	<u>Total CRE NCO</u>	<u>% of NCO</u>
CRE Net Charge-offs by Product Type:									
Completed income property	\$ -	\$ -	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ 0.3	1 %
Residential A&D	0.2	-	0.2	-	4.9	-	-	5.3	22
Commercial A&D	-	-	0.3	-	-	-	1.0	1.3	5
Commercial construction	-	-	-	-	-	-	-	-	-
Residential construction	-	-	-	-	-	-	-	-	-
Residential condo	-	-	0.3	-	-	1.5	1.5	3.3	13
Undeveloped land	-	-	0.7	0.7	2.3	-	(1.1)	2.6	10
Total CRE Net Charge-off:	<u>\$ 0.2</u>	<u>\$ -</u>	<u>\$ 1.8</u>	<u>\$ 0.7</u>	<u>\$ 7.2</u>	<u>\$ 1.5</u>	<u>\$ 1.4</u>	<u>\$ 12.8</u>	<u>51 %</u>
CRE Net Charge-offs as % of Total Net Charge-offs	1%	0%	7%	3%	29%	6%	5%	51%	

⁽¹⁾ During first quarter 2008, TSFG reclassified certain loan balances in our commercial real estate categories into Residential Condo. Additionally, we shifted certain existing loan balances into our Undeveloped Land category and refined coding definitions for all products. Accordingly, amounts presented for prior periods are not comparable to the current March 31, 2008 presentation.

⁽²⁾ Calculated as a percent of nonaccrual loans, which totaled \$222.4 million at March 31, 2008.

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

	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Noninterest-bearing	\$ 1,108,623	\$ 1,127,657	\$ 1,164,312	\$ 1,244,834	\$ 1,286,800
Interest-bearing checking	1,162,374	1,117,850	1,100,428	1,177,609	1,198,714
Money market accounts	2,182,709	2,188,261	2,184,822	2,245,466	2,374,242
Savings accounts	155,337	158,092	169,091	177,289	184,283
Time deposits under \$100,000	1,408,593	1,442,030	1,384,094	1,363,462	1,320,108
Time deposits of \$100,000 or more	<u>1,557,927</u>	<u>1,496,270</u>	<u>1,515,417</u>	<u>1,583,653</u>	<u>1,609,572</u>
Customer deposits ⁽¹⁾	7,575,563	7,530,160	7,518,164	7,792,313	7,973,719
Brokered deposits	<u>1,875,969</u>	<u>2,258,408</u>	<u>1,983,505</u>	<u>2,293,493</u>	<u>1,977,489</u>
Total deposits	9,451,532	9,788,568	9,501,669	10,085,806	9,951,208
Less: Brokered deposits	(1,875,969)	(2,258,408)	(1,983,505)	(2,293,493)	(1,977,489)
Add: Customer sweep accounts	<u>631,214</u>	<u>648,311</u>	<u>599,021</u>	<u>556,622</u>	<u>479,698</u>
Customer funding ⁽²⁾	<u>\$ 8,206,777</u>	<u>\$ 8,178,471</u>	<u>\$ 8,117,185</u>	<u>\$ 8,348,935</u>	<u>\$ 8,453,417</u>

Percentage of Deposits

Noninterest-bearing	11.7 %	11.5 %	12.2 %	12.3 %	12.9 %
Interest-bearing checking	12.3	11.4	11.6	11.7	12.0
Money market accounts	23.1	22.4	23.0	22.3	23.9
Savings accounts	1.6	1.6	1.8	1.8	1.8
Time deposits under \$100,000	14.9	14.7	14.6	13.5	13.3
Time deposits of \$100,000 or more	<u>16.5</u>	<u>15.3</u>	<u>15.9</u>	<u>15.7</u>	<u>16.2</u>
Customer deposits ⁽¹⁾	80.1	76.9	79.1	77.3	80.1
Brokered deposits	<u>19.9</u>	<u>23.1</u>	<u>20.9</u>	<u>22.7</u>	<u>19.9</u>
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>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Growth vs. Prior Quarter, Annualized ⁽³⁾					
Noninterest-bearing	(6.8) %	(12.5) %	(25.7) %	(13.1) %	1.9 %
Total deposits	(13.8)	12.0	(23.0)	5.4	18.5
Customer funding ⁽²⁾	1.4	3.0	(11.0)	(5.0)	2.9

Growth Year-To-Date, Annualized ⁽³⁾

Noninterest-bearing	(6.8) %	(12.0) %	(12.2) %	(5.7) %	1.9 %
Total deposits	(13.8)	2.9	(0.2)	12.1	18.5
Customer funding ⁽²⁾	1.4	(2.6)	(4.4)	(1.0)	2.9

⁽¹⁾ Total deposits less brokered deposits.

⁽²⁾ Total deposits less brokered deposits plus customer sweep accounts.

⁽³⁾ At December 31, 2006, noninterest-bearing totaled \$1,280,908, total deposits totaled \$9,516,740, and customer funding totaled \$8,392,597.

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

	<u>3/31/08</u>	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Types of wholesale borrowings					
Short-term borrowings					
Federal funds purchased and repurchase agreements	\$ 541,022	\$ 206,216	\$ 595,272	\$ 654,299	\$ 1,016,470
Customer sweep accounts	631,214	648,311	599,021	556,622	479,698
Federal Reserve borrowings	200,000	-	-	-	-
FHLB advances	-	-	175,000	75,000	75,000
Commercial paper	29,582	30,828	32,601	32,687	35,584
Treasury, tax and loan note	<u>515,632</u>	<u>752,195</u>	<u>668,687</u>	<u>114,042</u>	<u>781</u>
Total short-term borrowings	1,917,450	1,637,550	2,070,581	1,432,650	1,607,533
Long-term borrowings					
Repurchase agreements	200,000	200,000	200,000	200,000	200,000
FHLB advances	324,080	223,087	223,093	328,100	328,107
Subordinated notes	216,704	216,704	242,478	262,067	188,871
Mandatorily redeemable preferred stock of subsidiary	56,800	56,800	64,800	64,800	89,800
Note payable	775	786	797	808	818
Employee stock ownership plan note payable	-	-	-	50	125
Purchase accounting premiums, net of amortization	<u>858</u>	<u>963</u>	<u>1,035</u>	<u>1,423</u>	<u>1,569</u>
Total long-term borrowings	799,217	698,340	732,203	857,248	809,290
Total borrowings	2,716,667	2,335,890	2,802,784	2,289,898	2,416,823
Less: Customer sweep accounts	(631,214)	(648,311)	(599,021)	(556,622)	(479,698)
Add: Brokered deposits	<u>1,875,969</u>	<u>2,258,408</u>	<u>1,983,505</u>	<u>2,293,493</u>	<u>1,977,489</u>
Total wholesale borrowings	<u>\$ 3,961,422</u>	<u>\$ 3,945,987</u>	<u>\$ 4,187,268</u>	<u>\$ 4,026,769</u>	<u>\$ 3,914,614</u>
Wholesale borrowings as a percentage of total assets					
	28.8 %	28.4 %	29.7 %	28.5 %	27.6 %
Regulatory Capital					
Tier 1 capital	\$ 1,089,115	\$ 1,114,915	\$ 1,152,663	\$ 1,171,055	\$ 1,115,023
Tier 2 capital	<u>180,711</u>	<u>163,095</u>	<u>161,224</u>	<u>167,521</u>	<u>177,236</u>
Total risk-based capital	<u>1,269,826</u>	<u>1,278,010</u>	<u>1,313,887</u>	<u>1,338,576</u>	<u>1,292,259</u>
Total risk-weighted assets	11,674,210	11,743,799	11,650,676	11,575,533	11,424,481
Tangible Equity					
Shareholders' equity	\$ 1,378,321	\$ 1,550,308	\$ 1,548,252	\$ 1,518,187	\$ 1,561,610
Intangible assets	<u>(488,093)</u>	<u>(678,182)</u>	<u>(679,669)</u>	<u>(681,483)</u>	<u>(683,611)</u>
Tangible equity	<u>890,228</u>	<u>872,126</u>	<u>868,583</u>	<u>836,704</u>	<u>877,999</u>
Capital Ratios					
Total risk-based capital	10.88 %	10.88 %	11.28 %	11.56 %	11.31 %
Tier 1 risk-based capital	9.33	9.49	9.89	10.12	9.76
Leverage ratio	8.15	8.42	8.64	8.73	8.28
Tangible equity to tangible assets ratio	6.72	6.61	6.47	6.22	6.52
Impact of unrealized (gain) loss	<u>0.02</u>	<u>0.21</u>	<u>0.27</u>	<u>0.41</u>	<u>0.26</u>
Tangible equity to tangible assets ratio, excluding unrealized gain or loss	<u>6.74</u>	<u>6.82</u>	<u>6.74</u>	<u>6.63</u>	<u>6.78</u>
Unrealized Losses on AFS Securities					
Gross (included in AFS securities)	\$ (3,042)	\$ (48,841)	\$ (61,462)	\$ (94,586)	\$ (59,764)
Net of income tax (included in equity)	(1,912)	(30,765)	(38,717)	(59,565)	(37,601)
Market Rates for U.S. Treasury Notes					
Three year	1.79 %	3.07 %	4.03 %	4.89 %	4.54 %
Five year	2.46	3.45	4.23	4.92	4.54

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

	Three Months Ended								
	3/31/08			12/31/07			9/30/07		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Assets									
Earning assets									
Commercial loans	\$ 7,983,464	\$ 128,741	6.49 %	\$ 7,919,926	\$ 149,001	7.46 %	\$ 7,799,177	\$ 154,655	7.87 %
Consumer loans	1,548,384	25,985	6.75	1,563,625	28,657	7.27	1,570,591	29,432	7.43
Indirect loans	703,670	12,680	7.25	702,721	12,565	7.09	695,686	12,188	6.95
Risk management derivatives tied to loans	-	3,822		-	623		-	(882)	
Total loans ⁽¹⁾	10,235,518	171,228	6.73	10,186,272	190,846	7.43	10,065,454	195,393	7.70
Investment securities (taxable) ⁽²⁾	1,749,423	20,392	4.66	1,885,631	22,431	4.76	2,121,044	25,390	4.79
Investment securities (nontaxable) ⁽³⁾	326,318	4,143	5.08	344,996	4,321	5.01	351,584	4,394	5.00
Total investment securities	2,075,741	24,535	4.73	2,230,627	26,752	4.80	2,472,628	29,784	4.82
Federal funds sold, interest-bearing bank balances, and other temp investments	8,716	72	3.32	4,833	64	5.25	6,574	100	6.03
Total earning assets	12,319,975	195,835	6.39	12,421,732	217,662	6.96	12,544,656	225,277	7.13
Non-earning assets	1,524,930			1,495,654			1,477,862		
Total assets	<u>\$ 13,844,905</u>			<u>\$ 13,917,386</u>			<u>\$ 14,022,518</u>		
Liabilities and Shareholders' Equity									
Liabilities									
Interest-bearing liabilities									
Interest-bearing deposits									
Interest checking	\$ 1,155,418	\$ 4,653	1.62	\$ 1,078,194	\$ 4,606	1.69	\$ 1,122,793	\$ 5,571	1.97
Savings	156,848	427	1.09	164,365	617	1.49	172,110	697	1.61
Money market	2,193,504	16,633	3.05	2,195,506	20,883	3.77	2,236,493	22,390	3.97
Time deposits, excluding brokered deposits	2,953,364	33,651	4.58	2,891,656	35,717	4.90	2,905,426	36,594	5.00
Brokered deposits	1,934,922	21,742	4.52	2,426,483	31,430	5.14	2,208,381	29,245	5.25
Total interest-bearing deposits	8,394,056	77,106	3.69	8,756,204	93,253	4.23	8,645,203	94,497	4.34
Customer sweep accounts	684,752	5,472	3.21	590,682	5,977	4.01	559,906	6,237	4.42
Other borrowings ⁽⁴⁾	1,922,959	19,101	4.00	1,645,122	21,972	5.30	1,858,800	26,231	5.60
Total interest-bearing liabilities	11,001,767	101,679	3.72	10,992,008	121,202	4.37	11,063,909	126,965	4.55
Noninterest-bearing liabilities									
Noninterest-bearing deposits	1,083,505			1,149,816			1,198,350		
Other noninterest liabilities	194,655			218,796			240,771		
Total liabilities	12,279,927			12,360,620			12,503,030		
Shareholders' equity									
Total liabilities and shareholders' equity	<u>\$ 13,844,905</u>			<u>\$ 13,917,386</u>			<u>\$ 14,022,518</u>		
Net interest margin (tax-equivalent)		\$ 94,156	3.07 %		\$ 96,460	3.09 %		\$ 98,312	3.12 %
Less: tax-equivalent adjustment ⁽³⁾		1,450			1,512			1,538	
Net interest income		<u>\$ 92,706</u>			<u>\$ 94,948</u>			<u>\$ 96,774</u>	
Supplemental data:									
Customer funding ⁽⁵⁾	\$ 8,227,391	\$ 60,836	2.97 %	\$ 8,070,219	\$ 67,800	3.33 %	\$ 8,195,078	\$ 71,489	3.46 %
Wholesale borrowings ⁽⁶⁾	3,857,881	40,843	4.26	4,071,605	53,402	5.20	4,067,181	55,476	5.41
Total funding ⁽⁷⁾	<u>\$ 12,085,272</u>	<u>\$ 101,679</u>	3.38 %	<u>\$ 12,141,824</u>	<u>\$ 121,202</u>	3.96 %	<u>\$ 12,262,259</u>	<u>\$ 126,965</u>	4.11 %

⁽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⁾ During the three months ended March 31, 2008, December 31, 2007 and September 30, 2007, TSFG capitalized \$329,000, \$317,000 and \$188,000, respectively, of interest in conjunction with the construction of its expanded corporate facilities

⁽⁵⁾ Customer funding includes total deposits less brokered deposits plus customer sweep accounts.

⁽⁶⁾ TSFG defines wholesale borrowings as borrowings less customer sweep accounts plus brokered deposits. For purposes of this table, wholesale borrowings equal the sum of other borrowings and brokered deposits, as customer sweep accounts are presented separately.

⁽⁷⁾ Total funding includes customer funding and wholesale borrowings.

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					
	6/30/07			3/31/07		
	<u>Average Balance</u>	<u>Income/ Expense</u>	<u>Yield/ Rate</u>	<u>Average Balance</u>	<u>Income/ Expense</u>	<u>Yield/ Rate</u>
Assets						
Earning assets						
Commercial loans	\$ 7,724,530	\$ 152,338	7.91 %	\$ 7,579,574	\$ 148,078	7.92 %
Consumer loans	1,584,646	29,382	7.44	1,570,745	28,957	7.48
Indirect loans	674,961	11,271	6.70	662,691	10,646	6.52
Risk management derivatives tied to loans	-	(1,030)		-	(1,053)	
Total loans ⁽¹⁾	<u>9,984,137</u>	<u>191,961</u>	7.71	<u>9,813,010</u>	<u>186,628</u>	7.71
Investment securities (taxable) ⁽²⁾	2,247,092	26,879	4.79	2,414,896	28,825	4.78
Investment securities (nontaxable) ⁽³⁾	<u>359,043</u>	<u>4,443</u>	4.95	<u>383,804</u>	<u>4,689</u>	4.89
Total investment securities	2,606,135	31,322	4.81	2,798,700	33,514	4.79
Federal funds sold, interest-bearing bank balances, and other temp investments	<u>6,376</u>	<u>97</u>	6.10	<u>8,331</u>	<u>141</u>	6.86
Total earning assets	<u>12,596,648</u>	<u>223,380</u>	7.11	<u>12,620,041</u>	<u>220,283</u>	7.06
Non-earning assets	<u>1,496,431</u>			<u>1,528,013</u>		
Total assets	<u>\$ 14,093,079</u>			<u>\$ 14,148,054</u>		
Liabilities and Shareholders' Equity						
Liabilities						
Interest-bearing liabilities						
Interest-bearing deposits						
Interest checking	\$ 1,176,182	\$ 6,029	2.06	\$ 1,187,239	\$ 5,935	2.03
Savings	181,166	736	1.63	178,940	706	1.60
Money market	2,294,181	22,528	3.94	2,377,771	23,537	4.01
Time deposits, excluding brokered deposits	2,910,284	36,407	5.02	2,893,638	35,581	4.99
Brokered deposits	<u>2,042,664</u>	<u>26,366</u>	5.18	<u>1,771,081</u>	<u>22,720</u>	5.20
Total interest-bearing deposits	8,604,477	92,066	4.29	8,408,669	88,479	4.27
Customer sweep accounts	496,030	5,528	4.47	453,928	4,981	4.45
Other borrowings	<u>1,989,109</u>	<u>27,710</u>	5.59	<u>2,270,120</u>	<u>30,644</u>	5.47
Total interest-bearing liabilities	11,089,616	<u>125,304</u>	4.53	11,132,717	<u>124,104</u>	4.52
Noninterest-bearing liabilities						
Noninterest-bearing deposits	1,225,075			1,230,320		
Other noninterest liabilities	<u>231,996</u>			<u>233,248</u>		
Total liabilities	12,546,687			12,596,285		
Shareholders' equity	<u>1,546,392</u>			<u>1,551,769</u>		
Total liabilities and shareholders' equity	<u>\$ 14,093,079</u>			<u>\$ 14,148,054</u>		
Net interest margin (tax-equivalent)		\$ 98,076	3.12 %		\$ 96,179	3.08 %
Less: tax-equivalent adjustment ⁽³⁾		<u>1,555</u>			<u>1,641</u>	
Net interest income		<u>\$ 96,521</u>			<u>\$ 94,538</u>	
Supplemental data:						
Customer funding ⁽⁴⁾	\$ 8,282,918	\$ 71,228	3.45 %	\$ 8,321,836	\$ 70,740	3.45 %
Wholesale borrowings ⁽⁵⁾	<u>4,031,773</u>	<u>54,076</u>	5.38	<u>4,041,201</u>	<u>53,364</u>	5.36
Total funding ⁽⁶⁾	<u>\$ 12,314,691</u>	<u>\$ 125,304</u>	4.08 %	<u>\$ 12,363,037</u>	<u>\$ 124,104</u>	4.07 %

⁽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⁾ Customer funding includes total deposits less brokered deposits plus customer sweep accounts.

⁽⁵⁾ TSFG defines wholesale borrowings as borrowings less customer sweep accounts plus brokered deposits. For purposes of this table, wholesale borrowings equal the sum of other borrowings and brokered deposits, as customer sweep accounts are presented

⁽⁶⁾ Total funding includes customer funding and wholesale borrowings

Note: Average balances are derived from daily balances.

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

	Three Months Ended	
	3/31/08	
	Diluted	
	EPS	
Net Loss, as Reported (GAAP)	\$ (201,292)	\$ (2.77)
Non-Operating Items		
Gain on securities	(396)	
Gain on Visa IPO share redemption	(1,904)	
Goodwill impairment	188,431	
Loss on early extinguishment of debt	547	
Visa-related litigation	(863)	
Related income taxes	981	
Operating Loss (Net Loss, Excluding		
Non-Operating Items)	(14,496)	(0.20)
Amortization of intangibles	1,658	
Related income taxes	(622)	
Cash Operating Loss (Net Loss,		
Excluding Non-Operating Items and		
Amortization of Intangibles)	\$ (13,460)	\$ (0.19)
 Average Common Shares Outstanding, Diluted	72,574,840	
 Select Balance Sheet (Averages)		
Total assets	\$ 13,844,905	
Intangible assets	(675,250)	
Tangible assets	13,169,655	
Shareholders' equity	1,564,978	
Intangible assets	(675,250)	
Tangible equity	889,728	
 Return on Average Assets		
GAAP loss	(5.85) %	
Operating loss	(0.42)	
Cash operating loss on average tangible assets	(0.41)	
 Return on Average Equity		
GAAP loss	(51.73)	
Operating loss	(3.73)	
Cash operating loss on average tangible equity	(6.08)	

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

	Three Months Ended											
	12/31/07		9/30/07		6/30/07		3/31/07					
		<u>Diluted EPS</u>		<u>Diluted EPS</u>		<u>Diluted EPS</u>		<u>Diluted EPS</u>				
Net Income, as Reported (GAAP)	\$	8,989	\$ 0.12	\$	25,839	\$ 0.35	\$	17,930	\$ 0.24	\$	20,518	\$ 0.27
Non-Operating Items												
(Gain) loss on securities		1,288		(287)		2,237		1,385			1,385	
Employment contract buyouts and severance		-		-		546		1,760			1,760	
Loss on early extinguishment of debt		499		1,299		231		-			-	
Visa-related litigation		881		-		-		-			-	
Related income taxes		<u>(800)</u>		<u>(314)</u>		<u>(1,008)</u>		<u>(1,065)</u>			<u>(1,065)</u>	
Operating Earnings (Net Income, Excluding Non-Operating Items)		10,857	0.15	26,537	0.36	19,936	0.27	22,598	0.30		22,598	0.30
Amortization of intangibles		1,853		1,907		2,136		2,001			2,001	
Related income taxes		<u>(377)</u>		<u>(591)</u>		<u>(714)</u>		<u>(677)</u>			<u>(677)</u>	
Cash Operating Earnings (Net Income, Excluding Non-Operating Items and Amortization of Intangibles)	\$	<u>12,333</u>	\$ 0.17	\$	<u>27,853</u>	\$ 0.38	\$	<u>21,358</u>	\$ 0.29	\$	<u>23,922</u>	\$ 0.32
Average Common Shares Outstanding, Diluted		72,875,062		73,605,752		74,397,091		75,244,968			75,244,968	
Select Balance Sheet (Averages)												
Total assets	\$	13,917,386		\$	14,022,518		\$	14,093,079		\$	14,148,054	
Intangible assets		<u>(678,851)</u>		<u>(680,526)</u>		<u>(682,584)</u>		<u>(684,626)</u>			<u>(684,626)</u>	
Tangible assets		<u>13,238,535</u>		<u>13,341,992</u>		<u>13,410,495</u>		<u>13,463,428</u>			<u>13,463,428</u>	
Shareholders' equity		1,556,766		1,519,488		1,546,392		1,551,769			1,551,769	
Intangible assets		<u>(678,851)</u>		<u>(680,526)</u>		<u>(682,584)</u>		<u>(684,626)</u>			<u>(684,626)</u>	
Tangible equity		<u>877,915</u>		<u>838,962</u>		<u>863,808</u>		<u>867,143</u>			<u>867,143</u>	
Return on Average Assets												
GAAP earnings		0.26	%	0.73	%	0.51	%	0.59	%			
Operating earnings		0.31		0.75		0.57		0.65				
Cash operating earnings on average tangible assets		0.37		0.83		0.64		0.72				
Return on Average Equity												
GAAP earnings		2.29		6.75		4.65		5.36				
Operating earnings		2.77		6.93		5.17		5.91				
Cash operating earnings on average tangible equity		5.57		13.17		9.92		11.19				

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,			
	2007		2006	
		Diluted EPS		Diluted EPS
Net (Loss) Income, as Reported (GAAP)	\$ 73,276	\$ 0.99	\$ 112,866	\$ 1.49
Non-Operating Items				
(Gain) loss on securities	4,623		(4,037)	
Gain on disposition of assets and liabilities	-		(2,498)	
Goodwill impairment	-		-	
Loss on sale of indirect auto loans previously HFI	-		3,477	
Employment contract buyouts and severance	2,306		5,588	
Loss on early extinguishment of debt	2,029		821	
Visa-related litigation	881		-	
Related income taxes	<u>(3,187)</u>		<u>(1,116)</u>	
Operating (Loss) Earnings (Net (Loss) Income, Excluding Non-Operating Items)	79,928	1.08	115,101	1.52
Amortization of intangibles	7,897		8,775	
Related income taxes	<u>(2,359)</u>		<u>(2,474)</u>	
Cash Operating (Loss) Earnings (Net (Loss) Income, Excluding Non-Operating Items and Amortization of Intangibles)	<u>\$ 85,466</u>	\$ 1.15	<u>\$ 121,402</u>	\$ 1.61
Average Common Shares Outstanding, Diluted	74,085,440		75,542,848	
Select Balance Sheet (Averages)				
Total assets	\$ 14,044,565		\$ 14,202,649	
Intangible assets	<u>(681,628)</u>		<u>(689,116)</u>	
Tangible assets	<u>13,362,937</u>		<u>13,513,533</u>	
Shareholders' equity	1,543,552		1,506,195	
Intangible assets	<u>(681,628)</u>		<u>(689,116)</u>	
Tangible equity	<u>861,924</u>		<u>817,079</u>	
Return on Average Assets				
GAAP (loss) earnings		0.52 %		0.79 %
Operating (loss) earnings		0.57		0.81
Cash operating (loss) earnings on average tangible assets		0.64		0.90
Return on Average Equity				
GAAP (loss) earnings		4.75		7.49
Operating (loss) earnings		5.18		7.64
Cash operating (loss) earnings on average tangible equity		9.92		14.86

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

	<u>Three Months Ended</u> <u>3/31/08</u>
Select Financial Data Used in Ratios Calculated Below	
Net interest income	\$ 92,706
Tax-equivalent adjustment	1,450
Net interest income (tax-equivalent)	<u>\$ 94,156</u>
Total noninterest income, as reported (GAAP)	\$ 30,916
Adjustments for non-operating items:	
Gain on securities	(396)
Gain on Visa IPO share redemption	<u>(1,904)</u>
Operating noninterest income (noninterest income, excluding non-operating items)	<u>\$ 28,616</u>
Total noninterest expenses, as reported (GAAP)	\$ 268,179
Adjustments for non-operating items:	
Goodwill impairment	(188,431)
Loss on early extinguishment of debt	(547)
Visa-related litigation	<u>863</u>
Operating noninterest expenses (noninterest expenses, excluding non-operating items)	80,064
Less: amortization of intangibles	<u>(1,658)</u>
Cash operating noninterest expenses (noninterest expenses, excluding non-operating items and amortization of intangibles)	<u>\$ 78,406</u>
Total Revenue ⁽¹⁾	
GAAP	\$ 123,622
Operating ⁽²⁾	122,772
Noninterest Income as a % Total Revenue ⁽³⁾	
GAAP	25.01 %
Operating ⁽²⁾	23.31
Efficiency Ratios ⁽⁴⁾	
GAAP	216.93
Operating ⁽²⁾	65.21
Cash operating ⁽²⁾	63.86

⁽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			
	<u>12/31/07</u>	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>
Select Financial Data Used in Ratios Calculated Below				
Net interest income	\$ 94,948	\$ 96,774	\$ 96,521	\$ 94,538
Tax-equivalent adjustment	1,512	1,538	1,555	1,641
Net interest income (tax-equivalent)	<u>\$ 96,460</u>	<u>\$ 98,312</u>	<u>\$ 98,076</u>	<u>\$ 96,179</u>
Total noninterest income, as reported (GAAP)	\$ 28,741	\$ 29,917	\$ 27,683	\$ 26,970
Adjustments for non-operating items:				
(Gain) loss on securities	1,288	(287)	2,237	1,385
Operating noninterest income (noninterest income, excluding non-operating items)	<u>\$ 30,029</u>	<u>\$ 29,630</u>	<u>\$ 29,920</u>	<u>\$ 28,355</u>
Total noninterest expenses, as reported (GAAP)	\$ 80,481	\$ 78,739	\$ 80,151	\$ 81,477
Adjustments for non-operating items:				
Employment contract buyouts and severance	-	-	(546)	(1,760)
Loss on early extinguishment of debt	(499)	(1,299)	(231)	-
Visa-related litigation	(881)	-	-	-
Operating noninterest expenses (noninterest expenses, excluding non-operating items)	79,101	77,440	79,374	79,717
Less: amortization of intangibles	<u>(1,853)</u>	<u>(1,907)</u>	<u>(2,136)</u>	<u>(2,001)</u>
Cash operating noninterest expenses (noninterest expenses, excluding non-operating items and amortization of intangibles)	<u>\$ 77,248</u>	<u>\$ 75,533</u>	<u>\$ 77,238</u>	<u>\$ 77,716</u>
Total Revenue ⁽¹⁾				
GAAP	\$ 123,689	\$ 126,691	\$ 124,204	\$ 121,508
Operating ⁽²⁾	126,489	127,942	127,996	124,534
Noninterest Income as a % of Total Revenue ⁽³⁾				
GAAP	23.24 %	23.61 %	22.29 %	22.20 %
Operating ⁽²⁾	23.74	23.16	23.38	22.77
Efficiency Ratios ⁽⁴⁾				
GAAP	65.07	62.15	64.53	67.05
Operating ⁽²⁾	62.54	60.53	62.01	64.01
Cash operating ⁽²⁾	61.07	59.04	60.34	62.41

⁽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)

	Years Ended December 31,				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Select Financial Data Used in Ratios Calculated Below					
Net interest income	\$ 382,781	\$ 401,371	\$ 409,056	\$ 335,841	\$ 250,890
Tax-equivalent adjustment	6,246	6,903	6,054	4,356	2,681
Net interest income (tax-equivalent)	<u>389,027</u>	<u>408,274</u>	<u>415,110</u>	<u>340,197</u>	<u>253,571</u>
Net cash settlement of certain interest rate swaps included in noninterest income	-	-	10,360	27,560	19,486
Net interest income (tax-equivalent), including net cash settlement of certain interest rate swaps	<u>\$ 389,027</u>	<u>\$ 408,274</u>	<u>\$ 425,470</u>	<u>\$ 367,757</u>	<u>\$ 273,057</u>
Net interest margin (tax-equivalent)	3.10 %	3.22 %	3.12 %	3.06 %	3.01 %
Net interest margin (tax-equivalent), including net cash settlement of certain interest rate swaps	3.10	3.22	3.20	3.31	3.24
Total noninterest income, as reported (GAAP)	\$ 113,311	\$ 117,905	\$ 43,850	\$ 115,243	\$ 92,841
Adjustments for non-operating items:					
Change in fair value of interest rate swaps	-	-	13,278	(2,550)	14,237
(Gain) loss on securities	4,623	(4,037)	52,139	(11,721)	(16,456)
Impairment of perpetual preferred stock	-	-	-	10,367	-
Gain on disposition of assets and liabilities	-	(2,498)	-	(2,350)	(601)
Loss on sale of indirect auto loans previously HFI	-	3,477	-	-	-
Operating noninterest income (noninterest income, excluding non-operating items)	117,934	114,847	109,267	108,989	90,021
Net cash settlement of certain interest rate swaps included in noninterest income	-	-	10,360	27,560	19,486
Operating noninterest income, excluding net cash settlement of certain interest rate swaps	<u>\$ 117,934</u>	<u>\$ 114,847</u>	<u>\$ 98,907</u>	<u>\$ 81,429</u>	<u>\$ 70,535</u>
Total noninterest expenses, as reported (GAAP)	\$ 320,848	\$ 325,939	\$ 316,693	\$ 240,610	\$ 199,272
Adjustments for non-operating items:					
Employment contract buyouts and severance	(2,306)	(5,588)	(10,327)	(1,080)	(512)
Merger-related costs	-	-	(4,009)	(7,866)	(5,127)
Impairment recovery (loss) from write-down of assets	-	-	(917)	277	(268)
Conservation grant of land	-	-	-	(3,350)	-
Loss on early extinguishment of debt	(2,029)	(821)	(7,101)	(1,429)	(2,699)
Visa-related litigation	(881)	-	-	-	-
Charitable contribution to foundation	-	-	(683)	-	-
Operating noninterest expenses (noninterest expenses, excluding non-operating items)	315,632	319,530	293,656	227,162	190,666
Less: amortization of intangibles	<u>(7,897)</u>	<u>(8,775)</u>	<u>(8,637)</u>	<u>(6,043)</u>	<u>(3,433)</u>
Cash operating noninterest expenses (noninterest expenses, excluding non-operating items and amortization of intangibles)	<u>\$ 307,735</u>	<u>\$ 310,755</u>	<u>\$ 285,019</u>	<u>\$ 221,119</u>	<u>\$ 187,233</u>
Total Revenue ⁽¹⁾					
GAAP	\$ 496,092	\$ 519,276	\$ 452,906	\$ 451,084	\$ 343,731
Operating ⁽²⁾	506,961	523,121	524,377	449,186	343,592
Noninterest Income as a % of Total Revenue ⁽³⁾					
GAAP	22.84 %	22.71 %	9.68 %	25.55 %	27.01 %
Operating ⁽²⁾	23.26	21.95	20.84	24.26	26.20
Operating, excluding net cash settlement of certain interest rate swaps ⁽⁴⁾	23.26	21.95	18.86	18.13	20.53
Efficiency Ratios ⁽⁵⁾					
GAAP	64.68	62.77	69.92	53.34	57.97
Operating ⁽²⁾	62.26	61.08	56.00	50.57	55.49
Cash operating ⁽²⁾	60.70	59.40	54.35	49.23	54.49

⁽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.