SIMPSON MANUFACTURING CO INC /CA/
Form SC 13G/A
February 13, 2017

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

Amendment No.: 1*

Name of Issuer: SIMPSON MANUFACTURING CO, INC

Title of Class of Securities: Common Stock

CUSIP Number: 829073105

Date of Event Which Requires Filing of this Statement: 12/31/2016

Check the appropriate box to designate the rule pursuant to which this Schedule is filed.

[X] Rule 13d-1(b) [ ] Rule 13d-1(c) [ ] Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No.: 829073105

1. NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Janus Capital Management LLC EIN #75-3019302

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP a. ___ b. ___

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER 0**

6. SHARED VOTING POWER 2,794,330**

7. SOLE DISPOSITIVE POWER 0**

8. SHARED DISPOSITIVE POWER 2,794,330**

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,794,330**

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES Not applicable

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 5.9%**

12. TYPE OF REPORTING PERSON IA, HC

** See Item 4 of this filing

Item 1.

(a). Name of Issuer: SIMPSON MANUFACTURING CO, INC ("Simpson")

(b). Address of Issuer's Principal Executive Offices:

5956 W Las Positas Blvd Pleasanton, CA 94588

Item 2.

(a).-(c). Name, Principal Business Address, and Citizenship of Persons Filing:

(1) Janus Capital Management LLC ("Janus Capital") 151 Detroit Street Denver, Colorado 80206 Citizenship: Delaware

(d). Title of Class of Securities: Common Stock

(e). CUSIP Number: 829073105

Item 3.

This statement is filed pursuant to Rule 13d-1 (b) or 13d-2(b) and the person filing, Janus Capital, is an investment adviser in accordance with Section 240.13d-1(b)(ii)(E) as well as a parent holding company/control person in accordance with Section 240.13d-1(b)(ii)(G). See Item 4 for additional information.

Item 4. Ownership

The information in items 1 and 5 through 11 on the cover page(s) on Schedule 13G is hereby incorporated by reference.

Janus Capital has a direct 97.11% ownership stake in INTECH Investment Management ("INTECH") and a direct 100% ownership stake in Perkins Investment Management LLC ("Perkins"). Due to the above ownership structure, holdings for Janus Capital, Perkins and INTECH are aggregated for purposes of this filing. Janus Capital, Perkins and INTECH are registered investment advisers, each furnishing investment advice to various investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients (collectively referred to herein as "Managed Portfolios").

As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, Perkins may be deemed to be the beneficial owner of 2,794,330 shares or 5.9% of the shares outstanding of Simpson Common Stock held by such Managed Portfolios. However, Perkins does not have the right to receive any dividends from, or the proceeds from the sale of, the securities held in the Managed Portfolios and disclaims any ownership associated with such rights.

Item 5. Ownership of Five Percent or Less of a Class

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The Managed Portfolios, set forth in Item 4 above, have the right to receive all dividends from, and the proceeds from the sale of, the securities held in their respective accounts.

The interest of any one such person does not exceed 5% of the class of securities.

These shares were acquired in the ordinary course of business, and not with the purpose of changing or influencing control of the Issuer.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company

Perkins is a direct subsidiary of Janus Capital (Janus Capital has a direct 100% ownership stake) and is a registered investment adviser furnishing investment advice to various investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients.

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

JANUS CAPITAL MANAGEMENT LLC

By /s/ David R. Kowalski
David R. Kowalski,
Senior Vice President and CCO
Date 2/13/2017

PERKINS INVESTMENT MANAGEMENT LLC

By /s/ David R. Kowalski
David R. Kowalski, Vice President
Date 2/13/2017

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Activity in available for sale securities:

Purchases

(23,701) (2,767)

Sales

12,401 38,200

Maturities and principal collections

14,917 14,553

Loan originations and principal collections, net

56,896 16,743

Proceeds from sales of foreclosed assets

7,635 4,387

Additions to premises and equipment

(362) (313)

Net cash provided by investing activities

67,786 70,803

Financing activities

Net increase in noninterest-bearing deposits

15,344 569

Net decrease in interest-bearing deposits

(84,146) (78,241)

Net (decrease) increase in short-term borrowings

(178) 954

Net decrease in other borrowings

(1,412) (1,376)

Net decrease in FHLB advances

(3,504) (1,004)

Issuance of common stock, net of issuance costs

2

Net cash used in financing activities	**(73,896)**	(79,096)
Increase in cash and cash equivalents	**7,499**	8,087
Cash and cash equivalents, beginning of period	**95,477**	58,936
Cash and cash equivalents, end of period	**$102,976**	$67,023

The accompanying notes are an integral part of these consolidated financial statements.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 1 Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of The Savannah Bancorp, Inc. (the "Company" or "SAVB") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2012, are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2011. Certain prior period balances and formats have been reclassified to conform to the current period presentation.

In preparing the consolidated financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the respective balance sheets and the reported amounts of revenues and expenses for the periods presented. Actual results could differ significantly from those estimates.

Recent Accounting Pronouncements

Accounting Standards Update ("ASU") No. 2011-04, "*Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs"* ("ASU 2011-04") amends the Fair Value Measurement topic of the Accounting Standards Codification by clarifying the application of existing fair value measurement and disclosure requirements and by changing particular principles or requirements for measuring fair value or for disclosing information about fair value measurements. The amendments were effective for the Company beginning January 1, 2012. The adoption of ASU 2011-04 did not have a material impact on the Company's financial position, results of operations or cash flows. See Note 6 for the required disclosures.

ASU No. 2011-08, "*Intangibles Goodwill and Other (Topic 350) Testing Goodwill for Impairment"* ("ASU 2011-08"), amends Topic 350 to permit entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, then the entity is required to perform the second step of the goodwill impairment test to measure the amount of impairment loss, if any.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 1 Basis of Presentation (Continued)

ASU 2011-08 was effective for annual and interim impairment tests beginning after December 15, 2011, and did not have a significant impact on the Company's financial statements.

ASU No. 2011-11, *"Balance Sheet (Topic 210) Disclosures about Offsetting Assets and Liabilities"* ("ASU 2011-11") amends Topic 210 to require an entity to disclose both gross and net information about financial instruments, such as sales and repurchase agreements and reverse sale and repurchase agreements and securities borrowing/lending arrangements, and derivative instruments that are eligible for offset in the statement of financial position and/or subject to a master netting arrangement or similar agreement. ASU 2011-11 is effective for annual and interim periods beginning on January 1, 2013, and is not expected to have a significant impact on the Company's financial statements.

Note 2 Restrictions on Cash and Demand Balances Due from Banks and Interest-Bearing Bank Balances

The Savannah Bank, N.A. and Bryan Bank & Trust (collectively referred to as the "Subsidiary Banks") are required by the Federal Reserve Bank ("FRB") to maintain minimum cash reserves based on reserve requirements calculated on their deposit balances. Cash reserves of $601,000, $571,000 and $458,000 are required as of September 30, 2012, December 31, 2011 and September 30, 2011, respectively. At times, the Company pledges interest-bearing cash balances at the Federal Home Loan Bank of Atlanta ("FHLB") in addition to investment securities to secure public fund deposits and securities sold under repurchase agreements. The Company did not have any cash pledged at the FHLB at September 30, 2012, December 31, 2011 or September 30, 2011.

Note 3 Earnings (Loss) Per Share

Basic earnings (loss) per share represents net income (loss) divided by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential dilutive common shares that may be issued by the Company relate solely to outstanding stock options, and are determined using the treasury stock method. For the three months and nine months ended September 30, 2012 and 2011 the Company did not have any dilutive shares.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 3 Earnings (Loss) Per Share (Continued)

Earnings (loss) per common share have been computed based on the following:

(Amounts in thousands)	For the Three Months Ended September 30, 2012	2011	For the Nine Months Ended September 30, 2012	2011
Average number of common shares outstanding basic	7,199	7,199	7,199	7,199
Effect of dilutive options				
Average number of common shares outstanding diluted	7,199	7,199	7,199	7,199

Stock option shares in the amount of 134,502 and 138,306 at September 30, 2012 and 2011, respectively, were excluded from the diluted earnings per share calculation due to their anti-dilutive effect.

Note 4 Securities Available for Sale

The aggregate amortized cost and fair value of securities available for sale are as follows:

	September 30, 2012			
($ in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Investment securities:				
U.S. government-sponsored enterprises ("GSE")	$ 3,084	$ 6	$ (4)	$ 3,086
Mortgage-backed securities GSE	56,874	1,910	(45)	58,739
State and municipal securities	14,436	528	(12)	14,952
Restricted equity securities	2,869			2,869
Total investment securities	$ 77,263	$ 2,444	$ (61)	$ 79,646

	December 31, 2011			
($ in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Investment securities:				
U.S. government-sponsored enterprises	$ 1,433	$ 13	$	$ 1,446
Mortgage-backed securities GSE	66,464	1,583	(35)	68,012
State and municipal securities	10,329	339	(11)	10,657
Restricted equity securities	3,538			3,538
Total investment securities	$ 81,764	$ 1,935	$ (46)	$ 83,653

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 4 Securities Available for Sale (Continued)

The distribution of securities by contractual maturity at September 30, 2012 is shown below. Actual maturities may differ from contractual maturities because issuers have the right to call or prepay obligations with or without call or prepayment penalties.

($ in thousands)	Amortized Cost	Fair Value
Securities available for sale:		
Due in one year or less	$	$
Due after one year through five years	2,124	2,161
Due after five years through ten years	6,670	7,054
Due after ten years	8,726	8,823
Mortgage-backed securities GSE	56,874	58,739
Restricted equity securities	2,869	2,869
Total investment securities	$ 77,263	$ 79,646

The restricted equity securities consist solely of FHLB and FRB stock. These securities are carried at cost since they do not have readily determinable fair values due to their restricted nature.

The following table shows the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2012 and December 31, 2011. Available for sale securities that have been in a continuous unrealized loss position are as follows:

	September 30, 2012					
	Less Than 12 Months		12 Months or More		Total	
($ in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government-sponsored enterprises	$ 1,996	$ (4)	$	$	$ 1,996	$ (4)
Mortgage-backed securities GSE	5,817	(45)			5,817	(45)
State and municipal securities	1,160	(12)			1,160	(12)
Total temporarily impaired securities	$ 8,973	$ (61)	$	$	$ 8,973	$ (61)

	December 31, 2011					
	Less Than 12 Months		12 Months or More		Total	
($ in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities GSE	$ 5,585	$ (35)	$	$	$ 5,585	$ (35)
State and municipal securities	800	(11)			800	(11)
Total temporarily impaired securities	$ 6,385	$ (46)	$	$	$ 6,385	$ (46)

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 4 Securities Available for Sale (Continued)

The unrealized losses at September 30, 2012 on the Company's investment in GSE agency and mortgage-backed securities were caused by interest rate increases. The Company purchased those investments at a premium relative to their face amount, and the contractual cash flows of those investments are guaranteed by an agency of the U.S. Government. Accordingly, it is expected that the securities would not be settled at a price less than the amortized cost bases of the Company's investments. The Company also has three municipal securities with unrealized losses for less than twelve months. Management has reviewed these bonds and believes that the decrease in value is due to interest rate fluctuations and not credit quality. All three of the municipal bonds are rated AA or higher. Because the decline in market value is attributable to changes in interest rates and not credit quality, and because the Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be maturity, the Company does not consider those investments to be other-than-temporarily impaired at September 30, 2012.

Note 5 Loans

The composition of the loan portfolio at September 30, 2012 and December 31, 2011 is presented below:

($ in thousands)	September 30, 2012	Percent of Total	December 31, 2011	Percent of Total
Commercial real estate				
Construction and development	$ 15,918	2.3%	$ 22,675	3.0%
Owner-occupied	105,103	15.3	110,900	14.6
Non owner-occupied	212,853	31.1	221,128	29.1
Residential real estate mortgage	282,621	41.3	324,365	42.7
Commercial	58,834	8.6	68,304	9.0
Installment and other consumer	9,866	1.4	12,306	1.6
Gross loans	685,195	100.0%	759,678	100.0%
Allowance for loan losses	(18,110)		(21,917)	
Net loans	$ 667,085		$ 737,761	

For purposes of the disclosures required pursuant to accounting standards, the loan portfolio was disaggregated into segments and then further disaggregated into classes for certain disclosures. A portfolio segment is defined as the level at which an entity develops and documents a systematic method for determining its allowance for loan losses. There are four loan portfolio segments that include commercial real estate, residential real estate-mortgage, commercial and installment and other consumer. Commercial real estate has three classes including construction and development, owner-occupied and non owner-occupied. The construction and development class includes residential and commercial construction and development loans. Land and lot development loans are included in the non owner-occupied commercial real estate class or residential real estate segment depending on the property type.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

The following table details the change in the allowance for loan losses from July 1, 2012 to September 30, 2012 on the basis of the Company's impairment methodology by loan segment:

($ in thousands)	Commercial Real Estate	Residential Real Estate	Commercial	Consumer	Unallocated	Total
Allowance for loan losses						
Beginning balance	$ 7,599	$ 13,872	$ 1,045	$ 214	$ 46	$ 22,776
Charge-offs	(1,646)	(6,539)	(416)	(18)		(8,619)
Recoveries	17	81	38	17		153
Provision	590	2,752	470	11	(23)	3,800
Ending balance	$ 6,560	$ 10,166	$ 1,137	$ 224	$ 23	$ 18,110

The following table details the change in the allowance for loan losses from January 1, 2012 to September 30, 2012 on the basis of the Company's impairment methodology by loan segment:

($ in thousands)	Commercial Real Estate	Residential Real Estate	Commercial	Consumer	Unallocated	Total
Allowance for loan losses						
Beginning balance	$ 6,162	$ 14,195	$ 1,271	$ 193	$ 96	$ 21,917
Charge-offs	(2,298)	(11,977)	(1,017)	(221)		(15,513)
Recoveries	53	371	157	45		626
Provision	2,643	7,577	726	207	(73)	11,080
Ending balance	$ 6,560	$ 10,166	$ 1,137	$ 224	$ 23	$ 18,110

The following table details the change in the allowance for loan losses from July 1, 2011 to September 30, 2011 by loan segment:

($ in thousands)	Commercial Real Estate	Residential Real Estate	Commercial	Consumer	Unallocated	Total
Allowance for loan losses						
Beginning balance	$ 7,053	$ 14,592	$ 1,382	$ 209	$ 287	$ 23,523
Charge-offs	(1,038)	(2,752)	(24)	(11)		(3,825)
Recoveries		276	5	10		291
Provision	560	2,377	(51)	184	(205)	2,865
Ending balance	$ 6,575	$ 14,493	$ 1,312	$ 392	$ 82	$ 22,854

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

The following table details the change in the allowance for loan losses from January 1, 2011 to September 30, 2011 by loan segment:

($ in thousands)	Commercial Real Estate	Residential Real Estate	Commercial	Consumer	Unallocated	Total
Allowance for loan losses						
Beginning balance	$ 4,722	$ 13,582	$ 1,528	$ 518	$	$ 20,350
Charge-offs	(2,127)	(8,579)	(670)	(71)		(11,447)
Recoveries	20	363	22	21		426
Provision	3,960	9,127	432	(76)	82	13,525
Ending balance	$ 6,575	$ 14,493	$ 1,312	$ 392	$ 82	$ 22,854

The following table details the allowance for loan losses at September 30, 2012 on the basis of the Company's impairment methodology by loan segment:

($ in thousands)	Commercial Real Estate	Residential Real Estate	Commercial	Consumer	Unallocated	Total
Allowance for loan losses						
Ending balance	$ 6,560	$ 10,166	$ 1,137	$ 224	$ 23	$ 18,110
Ending balance: individually evaluated for impairment	$ 1,597	$ 1,975	$ 276	$ 16	$	$ 3,864
Ending balance: collectively evaluated for impairment	$ 4,963	$ 8,191	$ 861	$ 208	$ 23	$ 14,246
Loans						
Ending balance	$ 333,874	$ 282,621	$ 58,834	$ 9,866	$	$ 685,195
Ending balance: individually evaluated for impairment	$ 11,204	$ 21,376	$ 276	$ 16	$	$ 32,872
Ending balance: collectively evaluated for impairment	$ 322,670	$ 261,245	$ 58,558	$ 9,850	$	$ 652,323

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

The following table details the allowance for loan losses at December 31, 2011 on the basis of the Company's impairment methodology by loan segment:

($ in thousands)	Commercial Real Estate	Residential Real Estate	Commercial	Consumer	Unallocated	Total
Allowance for loan losses						
Ending balance	$ 6,162	$ 14,195	$ 1,271	$ 193	$ 96	$ 21,917
Ending balance: individually evaluated for impairment	$ 1,108	$ 5,813	$ 145	$	$	$ 7,066
Ending balance: collectively evaluated for impairment	$ 5,054	$ 8,382	$ 1,126	$ 193	$ 96	$ 14,851
Loans						
Ending balance	$ 354,703	$ 324,365	$ 68,304	$ 12,306	$	$ 759,678
Ending balance: individually evaluated for impairment	$ 10,936	$ 24,941	$ 522	$	$	$ 36,399
Ending balance: collectively evaluated for impairment	$ 343,767	$ 299,424	$ 67,782	$ 12,306	$	$ 723,279

A loan is considered impaired, in accordance with the impairment accounting guidance, when based on current information and events, it is probable that the Company will be unable to collect all amounts due from the borrower in accordance with the contractual term of the loan. Impaired loans include loans modified in troubled debt restructurings ("TDRs") where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

The following is a summary of information pertaining to impaired loans as of and for the period ended September 30, 2012:

($ in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance
Impaired loans without a valuation allowance			
Commercial real estate			
Construction and development	$ 458	$ 2,929	$
Owner-occupied	1,371	1,667	
Non owner-occupied	3,267	3,689	
Residential real estate mortgage	15,398	30,076	
Commercial			
Installment and other consumer			
Total impaired loans without a valuation allowance	20,494	38,361	
Impaired loans with a valuation allowance			
Commercial real estate			
Construction and development	35	35	35
Owner-occupied	1,269	1,300	301
Non owner-occupied	8,738	8,823	1,597
Residential real estate mortgage	12,950	13,890	2,602
Commercial	389	452	287
Installment and other consumer	120	123	29
Total impaired loans with a valuation allowance	23,501	24,623	4,851
Total impaired loans	$ 43,995	$ 62,984	$ 4,851
Average investment in impaired loans for the quarter	$ 43,246		
Income recognized on impaired loans for the quarter	$ 175		
Average investment in impaired loans for the nine months	$ 45,041		
Income recognized on impaired loans for the nine months	$ 461		

THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

The following is a summary of information pertaining to impaired loans as of and for the year ended December 31, 2011:

($ in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance
Impaired loans without a valuation allowance			
Commercial real estate			
Construction and development	$	$	$
Owner-occupied	710	758	
Non owner-occupied	5,998	6,507	
Residential real estate mortgage	12,940	19,556	
Commercial	294	351	
Total impaired loans without a valuation allowance	19,492	27,172	
Impaired loans with a valuation allowance			
Commercial real estate			
Construction and development	2,325	3,325	751
Owner-occupied	2,946	3,034	425
Non owner-occupied	3,239	3,742	481
Residential real estate mortgage	22,889	24,958	6,776
Commercial	721	778	215
Installment and other consumer	99	103	13
Total impaired loans with a valuation allowance	32,219	35,940	8,661
Total impaired loans	$ 51,711	$ 63,112	$ 8,661
Average investment in impaired loans for the year	$ 55,324		
Income recognized on impaired loans for the year	$ 818		

For the three and nine months ended September 30, 2011, the Company had an average investment of $60,717,000 and $58,123,000, respectively, in impaired loans and recognized interest income of $191,000 and $648,000, respectively, on impaired loans.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

The following table presents the aging of the recorded investment in past due loans as of September 30, 2012 by class of loans:

($ in thousands)	30-59 days past due	60-89 days past due	Accruing greater than 90 days past due	Nonaccrual	Total past due and nonaccrual
Commercial real estate					
Construction and development	$	$ 35	$	$ 458	$ 493
Owner-occupied	238			1,988	2,226
Non owner-occupied	1,366	2,707	145	7,649	11,867
Residential real estate mortgage	5,317	2,220	217	17,510	25,264
Commercial	67		6	356	429
Installment and other consumer	81	29		21	131
Total	$ 7,069	$ 4,991	$ 368	$ 27,982	$ 40,410

The following table presents the aging of the recorded investment in past due loans as of December 31, 2011 by class of loans:

($ in thousands)	30-59 days past due	60-89 days past due	Accruing greater than 90 days past due	Nonaccrual	Total past due and nonaccrual
Commercial real estate					
Construction and development	$	$	$	$ 2,325	$ 2,325
Owner-occupied	77	931		1,232	2,240
Non owner-occupied	1,217	260		7,054	8,531
Residential real estate mortgage	10,322	2,107	213	23,376	36,018
Commercial	23	162		652	837
Installment and other consumer	20	13		29	62
Total	$ 11,659	$ 3,473	$ 213	$ 34,668	$ 50,013

Internal risk-rating grades are assigned to each loan by lending or credit administration, based on an analysis of the financial and collateral strength and other credit attributes underlying each loan. Management analyzes the resulting ratings, as well as other external statistics and factors, such as delinquency, to track the migration performance of the portfolio balances. Loan grades range between 1 and 8, with 1 being loans with the least credit risk. Loans that migrate toward the "Pass" grade (those with a risk rating between 1 and 4) or within the "Pass" grade generally have a lower risk of loss

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

and therefore a lower risk factor. The "Special Mention" grade (those with a risk rating of 5) is utilized on a temporary basis for "Pass" grade loans where a significant risk-modifying action is anticipated in the near term. Substantially all of the "Special Mention" loans are performing. Loans that migrate toward the "Substandard" or higher grade (those with a risk rating between 6 and 8) generally have a higher risk of loss and therefore a higher risk factor applied to those related loan balances.

The following tables present the Company's loan portfolio by risk-rating grades:

	September 30, 2012					
($ in thousands)	**Pass (1-4)**	**Special Mention (5)**	**Sub-standard (6)**	**Doubtful (7)**	**Loss (8)**	**Total**
Commercial real estate						
Construction and development	$ 15,348	$	$ 570	$	$	$ 15,918
Owner-occupied	97,038	4,063	4,002			105,103
Non owner-occupied	192,943	7,358	12,552			212,853
Residential real estate mortgage	229,048	19,473	34,100			282,621
Commercial	56,794	538	1,502			58,834
Installment and other consumer	9,531	53	282			9,866
Total	$ 600,702	$ 31,485	$ 53,008	$	$	$ 685,195

	December 31, 2011					
($ in thousands)	**Pass (1-4)**	**Special Mention (5)**	**Sub-standard (6)**	**Doubtful (7)**	**Loss (8)**	**Total**
Commercial real estate						
Construction and development	$ 19,749	$ 147	$ 2,779	$	$	$ 22,675
Owner-occupied	101,004	3,444	6,452			110,900
Non owner-occupied	201,960	4,833	14,335			221,128
Residential real estate mortgage	260,301	19,190	44,874			324,365
Commercial	64,406	622	3,276			68,304
Installment and other consumer	11,760	67	479			12,306
Total	$ 659,180	$ 28,303	$ 72,195	$	$	$ 759,678

TDRs of $9.6 million and $16.1 million were performing to their agreed terms at September 30, 2012 and December 31, 2011, respectively. There was approximately $790,000 and $2.0 million, respectively, in specific reserves established for these loans at September 30, 2012 and December 31,

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

2011. The total amount of TDRs that subsequently defaulted at September 30, 2012 and December 31, 2011 was $6.6 million and $11.2 million, respectively. There was $662,000 and $4.2 million, respectively, in specific reserves established for these loans at September 30, 2012 and December 31, 2011. The Company has committed to lend additional amounts totaling up to $79,000 as of September 30, 2012 to customers with outstanding loans that are classified as TDRs.

During the three and nine month periods ended September 30, 2012, the terms of certain loans were modified as TDRs. The modification of the terms of such loans included one or a combination of the following: a reduction of the stated interest rate of the loan; an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk; or a permanent reduction of the recorded investment in the loan. The following tables presents additional information on TDRs including the number of loan contracts restructured and the pre- and post-modification recorded investment for the three and nine months ended September 30, 2012. There was a specific reserve for $131,000 established for one of the loans that was restructured during the three months ended September 30, 2012. None of the other loans restructured during 2012 have any specific reserves established for them.

	Three Months Ended September 30, 2012		
($ in thousands)	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Troubled debt restructurings			
Commercial real estate			
Construction and development	0	$	$
Residential real estate mortgage	2	951	720
Commercial	0		
Installment and other consumer	1	19	19
Total	3	$ 970	$ 739

	Nine Months Ended September 30, 2012		
($ in thousands)	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Troubled debt restructurings			
Commercial real estate			
Construction and development	0	$	$
Residential real estate mortgage	5	1,178	959
Commercial	1	11	11
Installment and other consumer	1	19	19
Total	7	$ 1,208	$ 989

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 5 Loans (Continued)

There was one loan that was restructured over the past twelve months that did not repay all amounts due on their restructured terms within the three and nine months ended September 30, 2012. The Company restructured a commercial loan in 2011 with a balance of $337,000 and accepted a discounted payoff in the first quarter of 2012. The Company received funds of approximately $250,000 and charged-off the remaining balance of approximately $87,000.

Note 6 Fair Value of Financial Instruments

Determination of Fair Value

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with the accounting standards for fair value measurements and disclosure, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with this guidance, the Company groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data. Generally, this includes U.S. Government and sponsored entity mortgage-backed securities, corporate debt securities and derivative contracts.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 6 Fair Value of Financial Instruments (Continued)

Level 3: Significant unobservable inputs that are supported by little or no market activity for the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

Recurring Fair Value Changes

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying balance sheet, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investment securities: The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges or matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities. All of the Company's investment securities are classified as Level 2, except for its restricted equity securities that are considered to be Level 3.

Derivative instruments: The derivative instruments consist of loan level swaps. As such, significant fair value inputs can generally be verified and do not typically involve significant judgments by management.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

		Fair Value Measurements at September 30, 2012 Using		
($ in thousands)	**Carrying Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investment securities	$ 79,646	$	$ 76,777	$ 2,869
Derivative asset positions	334		334	
Derivative liability positions	334		334	

	Carrying	**Fair Value Measurements at December 31, 2011 Using**		
($ in thousands)	**Value**	**Level 1**	**Level 2**	**Level 3**
Investment securities	$ 83,653	$	$ 80,115	$ 3,538
Derivative asset positions	301		301	
Derivative liability positions	301		301	

The Level 3 securities consist of FHLB and FRB stock. The change in the period was solely due to a partial redemption of FHLB stock.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 6 Fair Value of Financial Instruments (Continued)

Nonrecurring Fair Value Changes

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These instruments are not measured at fair value on an ongoing basis, but are subject to fair value in certain circumstances, such as when there is evidence of impairment that may require write-downs. The write-downs for the Company's more significant assets or liabilities measured on a nonrecurring basis are based on the lower of amortized cost or estimated fair value.

Impaired loans and other real estate owned ("OREO"): Impaired loans and OREO are evaluated and valued at the time the loan or OREO is identified as impaired. Impaired loans are valued at the lower of cost or market value and OREO is recorded at market value. Market value is measured based on the value of the collateral securing these loans or OREO and is classified at a Level 3 in the fair value hierarchy. Collateral for impaired loans may be real estate and/or business assets, including equipment, inventory and/or accounts receivable. The fair value of an impaired loan is generally determined based on real estate appraisals or other independent evaluations by qualified professionals. Impaired loans and OREO are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly based on the same factors identified above. Impaired loans measured on a nonrecurring basis do not include pools of impaired loans.

Assets and liabilities with an impairment charge during the current period and measured at fair value on a nonrecurring basis are summarized below:

	Carrying Values at September 30, 2012				
($ in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total loss**
Impaired loans	$ 11,977	$	$	$ 11,977	$ (9,403)
OREO	4,132			4,132	(1,477)

	Carrying Values at December 31, 2011				
($ in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total loss**
Impaired loans	$ 11,541	$	$	$ 11,541	$ (6,091)
OREO	7,323			7,323	(1,880)

Fair Value Disclosures

Accounting standards require the disclosure of the estimated fair value of financial instruments including those financial instruments for which the Company did not elect the fair value option. The fair value represents management's best estimates based on a range of methodologies and assumptions.

Cash and federal funds sold, interest-bearing deposits in banks, accrued interest receivable, all non-maturity deposits, short-term borrowings, other borrowings, subordinated debt and accrued interest payable have carrying amounts which approximate fair value primarily because of the short repricing opportunities of these instruments.

THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 6 Fair Value of Financial Instruments (Continued)

Following is a description of the methods and assumptions used by the Company to estimate the fair value of its other financial instruments:

Investment securities: Fair value is based upon quoted market prices, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. Restricted equity securities are carried at cost because no market value is available.

Loans: The fair value is estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type, such as commercial, mortgage, and consumer loans. The fair value of the loan portfolio is calculated by discounting contractual cash flows using estimated market discount rates which reflect the credit and interest rate risk inherent in the loan. The estimated fair value of the Subsidiary Banks' off-balance sheet commitments is nominal since the committed rates approximate current rates offered for commitments with similar rate and maturity characteristics and since the estimated credit risk associated with such commitments is not significant.

Derivative instruments: The fair value of derivative instruments, consisting of interest rate contracts, is equal to the estimated amount that the Company would receive or pay to terminate the derivative instruments at the reporting date, taking into account current interest rates and the credit-worthiness of the counterparties.

Deposit liabilities: The fair value of time deposits is estimated using the discounted value of contractual cash flows based on current rates offered for deposits of similar remaining maturities.

FHLB advances: The fair value is estimated using the discounted value of contractual cash flows based on current rates offered for advances of similar remaining maturities and/or termination values provided by the FHLB.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 6 Fair Value of Financial Instruments (Continued)

The carrying amounts and estimated fair values of the Company's financial instruments are as follows:

September 30, 2012

($ in thousands)	Carrying Value	Estimated Fair Value	Fair Value Measurement Level 1	Level 2	Level 3
Financial assets:					
Cash and federal funds sold	$ 12,576	$ 12,576	$ 12,576	$	$
Interest-bearing deposits	90,400	90,400	90,400		
Securities available for sale	79,646	79,646		76,777	2,869
Loans, net of allowance for loan losses	667,085	654,440			654,440
Accrued interest receivable	2,640	2,640	2,640		
Derivative asset positions	334	334		334	
Financial liabilities:					
Deposits	778,127	781,823		524,518	257,305
Short-term borrowings	14,206	14,206		14,206	
Other borrowings	7,169	7,169		7,169	
FHLB advances	13,149	13,949		13,949	
Subordinated debt to nonconsolidated subsidiaries	10,310	10,310		10,310	
Accrued interest payable	486	486	486		
Derivative liability positions	334	334		334	

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 6 Fair Value of Financial Instruments (Continued)

($ in thousands)	December 31, 2011 Carrying Value	Estimated Fair Value
Financial assets:		
Cash and federal funds sold	$ 13,760	$ 13,760
Interest-bearing deposits	81,717	81,717
Securities available for sale	83,653	83,653
Loans, net of allowance for loan losses	737,761	727,714
Accrued interest receivable	3,103	3,103
Derivative asset positions	301	301
Financial liabilities:		
Deposits	846,929	851,700
Short-term borrowings	14,384	14,384
Other borrowings	8,581	8,581
FHLB advances	16,653	17,393
Subordinated debt to nonconsolidated subsidiaries	10,310	10,310
Accrued interest payable	687	687
Derivative liability positions	301	301

Note 7 Reconciliation of Non-GAAP Financial Measures

Below is the reconciliation from GAAP income (loss) before income taxes to the pre-tax core earnings measure that is discussed in Management's Discussion and Analysis on pages 29-31.

($ in thousands)	For the Three Months Ended September 30, 2012	2011	For the Nine Months Ended September 30, 2012	2011
Pre-tax core earnings				
Income (loss) before income taxes	$ (3,126)	$ 1,548	$ (4,426)	$ (1,123)
Add: Provision for loan losses	3,800	2,865	11,080	13,525
Add: Losses on foreclosed assets	1,488	577	3,578	1,925
Add: Expenses related to the merger and other strategic initiatives	1,474		1,474	
Add: (Gain) loss on sale of securities	2	(308)	(21)	(763)
Pre-tax core earnings	$ 3,638	$ 4,682	$ 11,685	$ 13,564

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 7 Reconciliation of Non-GAAP Financial Measures (Continued)

Below is the reconciliation from the GAAP measure of book value per share to tangible book value per share. This ratio is disclosed in the third quarter financial highlights on page 23.

	September 30,	
	2012	2011
Tangible book value per share		
Book value per share	$ 9.43	$ 11.99
Less: Effect to adjust for intangible assets	0.47	0.50
Tangible book value per share	$ 8.96	$ 11.49

Below is the reconciliation from the GAAP measure of equity to assets to tangible equity to tangible assets. This ratio is disclosed in the capital resources section on page 33.

	September 30,	
	2012	2011
Tangible equity to tangible assets		
Equity to assets	7.57%	8.73%
Less: Effect to adjust for intangible assets	0.35%	0.34%
Tangible equity to tangible assets	7.22%	8.39%

Note 8 Proposed Merger with SCBT Financial Corporation

On August 8, 2012, the Company and SCBT Financial Corporation ("SCBT Financial") jointly announced the entry into a definitive merger agreement, dated as of August 7, 2012, under which SCBT Financial will acquire the Company.

Under the terms of the agreement, the Company's shareholders will receive 0.2503 shares of SCBT Financial common stock for each share of SAVB common stock. The stock issuance is valued at approximately $67.1 million in the aggregate, based on 7,199,237 shares of SAVB common stock outstanding and on SCBT Financial's August 7, 2012 closing stock price of $37.21.

The merger agreement has been unanimously approved by the board of directors of each company. The transaction is expected to close in the fourth quarter of 2012 and is subject to customary conditions, including approval by both SCBT Financial and SAVB shareholders. At closing, the Company will be merged into SCBT Financial.

Note 9 Deferred Tax Assets

As a result of entering into the merger agreement with SCBT Financial, and thus contractually agreeing to forego certain other strategic initiatives that the Company had previously intended to pursue, the positive evidence considered in support of the Company's use of forecasted future earnings as a source of realizing deferred tax assets became insufficient to overcome the negative evidence associated with its pre-tax cumulative loss position. In assessing the need for a valuation allowance, the

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements (Continued)

For the Three and Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Note 9 Deferred Tax Assets (Continued)

Company considered all available evidence about the realization of deferred tax assets, both positive and negative, that could be objectively verified. Accordingly, the Company recorded a valuation allowance against its deferred tax assets through income tax expense in the amount of approximately $13.8 million during the quarter ending September 30, 2012. This impairment did not have a material effect on the regulatory capital ratios of the Company or its subsidiaries, in that a significant portion of this deferred tax asset was already disallowed for regulatory capital purposes.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The Company may, from time to time, make written or oral "forward-looking statements" within the meaning of federal securities laws, including statements contained in the Company's filings with the Securities and Exchange Commission ("SEC") (including this quarterly report on Form 10-Q) and in its reports to shareholders and in other communications by the Company.

These forward-looking statements may include, among others, statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions that are subject to significant risks and uncertainties and which may change based on various factors, many of which are beyond our control. The words "may," "could," "should," "would," "will," "believe," "anticipate," "estimate," "expect," "intend," "indicate," "plan" and similar words are intended to identify expressions of the future. These forward-looking statements involve risks and uncertainties, such as statements of the Company's plans, objectives, expectations, estimates and intentions that are subject to change based on various important factors (some of which are beyond the Company's control). The following factors, among others, could cause the Company's financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; inflation, interest rates, market and monetary fluctuations; competitors' products and services; technological changes; cyber security risks; changes in consumer spending and saving habits; deterioration in credit quality; continuing declines in the values of residential and commercial real estate or continuing weakness in the residential and commercial real estate environment generally; risk that our allowance for loan losses may prove to be inadequate or may be negatively affected by credit risk exposures; the concentration in our nonperforming assets by loan type, in certain geographic regions and with affiliated borrowing groups; future availability and cost of capital on favorable terms, if at all; changes in the cost and availability of funding from historical and alternative sources of liquidity; the potential for additional regulatory restrictions on our operations; changes to our reputation; future departures of key personnel; the cost and other affects of material contingencies, including litigation contingencies; changes to the availability of a deferred tax asset; the possibility that the proposed merger (the "Merger") with SCBT Financial Corporation ("SCBT Financial") does not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received or satisfied on a timely basis, or at all; the terms of the proposed Merger may need to be unfavorably modified to satisfy such approvals or conditions; the anticipated benefits from the proposed Merger are not realized in the time frame anticipated or at all as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations (including changes to capital requirements) and their enforcement, and the degree of competition in the geographic and business areas in which the companies operate; the potential inability to promptly and effectively integrate the businesses of the Company and SCBT Financial; reputational risks and the reaction of the companies' customers to the proposed Merger; diversion of management time on Merger-related issues; the success of the Company at managing the risks involved in the foregoing; and other factors and other information contained in this Report and in other reports and filings that we make with the SEC, including, without limitation, the items described in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

The Company cautions that the foregoing list of important risk factors is not exhaustive. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company, except as required by law.

Overview

For a comprehensive presentation of the Company's financial condition at September 30, 2012 and December 31, 2011 and results of operations for the three and nine month periods ended September 30, 2012 and 2011, the following analysis should be reviewed with other information including the Company's December 31, 2011 Annual Report on Form 10-K and the Company's Condensed Consolidated Financial Statements and the Notes thereto included in this report.

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THE SAVANNAH BANCORP, INC. AND SUBSIDIARIES
Third Quarter Financial Highlights
($ in thousands, except share data)
(Unaudited)

	2012	2011	% Change
Balance Sheet Data at September 30			
Total assets	**$ 896,267**	$ 988,720	*(9.4)*
Interest-earning assets(a)	**825,547**	886,430	*(6.9)*
Loans	**685,195**	788,550	*(13)*
Other real estate owned	**11,820**	17,135	*(31)*
Deposits	**778,127**	846,073	*(8.0)*
Interest-bearing liabilities	**700,678**	801,932	*(13)*
Shareholders' equity	**67,871**	86,309	*(21)*
Loan to deposit ratio	**88.06%**	93.20%	*(5.5)*
Equity to assets	**7.57%**	8.73%	*(13)*
Tier 1 capital to risk-weighted assets	**11.36%**	11.35%	*0.1*
Total capital to risk-weighted assets	**12.62%**	12.62%	*0.0*
Outstanding shares	**7,199**	7,199	*0.0*
Book value per share	**$ 9.43**	$ 11.99	*(21)*
Tangible book value per share	**$ 8.96**	$ 11.49	*(22)*
Market value per share	**$ 10.00**	$ 6.00	*67*
Loan Quality Data			
Nonaccruing loans	**$ 27,982**	$ 41,689	*(33)*
Loans past due 90 days accruing	**368**	851	*(57)*
Net charge-offs	**14,887**	11,021	*35*
Allowance for loan losses	**18,110**	22,854	*(21)*
Allowance for loan losses to total loans	**2.64%**	2.90%	*(9.0)*
Nonperforming assets to total assets	**4.48%**	6.04%	*(26)*
Performance Data for the Third Quarter			
Net income (loss)	**$ (15,976)**	$ 1,228	*NM*
Return on average assets	**(6.80)%**	0.49%	*NM*
Return on average equity	**(76.64)%**	5.64%	*NM*
Net interest margin	**3.78%**	4.01%	*(6.0)*
Efficiency ratio	**93.01%**	59.26%	*57*
Per share data:			
Net income (loss) basic	**$ (2.22)**	$ 0.17	*NM*
Net income (loss) diluted	**$ (2.22)**	$ 0.17	*NM*
Average shares (000s):			
Basic	**7,199**	7,199	*0.0*
Diluted	**7,199**	7,199	*0.0*
Performance Data for the First Nine Months			
Net loss	**$ (16,591)**	$ (138)	*NM*
Return on average assets	**(2.32)%**	(0.02)%	*NM*
Return on average equity	**(26.32)%**	(0.21)%	*NM*
Net interest margin	**3.88%**	3.88%	*0.0*
Efficiency ratio	**77.60%**	61.29%	*27*
Per share data:			
Net loss basic	**$ (2.30)**	$ (0.02)	*NM*
Net loss diluted	**$ (2.30)**	$ (0.02)	*NM*
Average shares (000s):			
Basic	**7,199**	7,199	*0.0*
Diluted	**7,199**	7,199	*0.0*

(a) Interest-earnings assets do not include the unrealized gain/loss on available for sale investment securities.

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Annex G

CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF FIRST FINANCIAL HOLDINGS, INC. AND SCBT FINANCIAL CORPORATION
(Pursuant to S.C. Code Section 33-11-103)

Section 33-11-103 of the Code of Laws of South Carolina, 1976, as amended, requires that the notice of the meeting of shareholders at which a plan of merger will be voted upon be accompanied by balance sheets for each corporation participating in the merger as of the close of the preceding two fiscal years as well as income statements for each participating corporation for each of the preceding three fiscal years. The condensed consolidated balance sheets as of December 31, 2012 and 2011 and September 30, 2011 and condensed consolidated income statements for the year ended December 31, 2012, the quarter ended December 31, 2011, and the years ended September 30, 2011 and 2010 comply with the requirements of Section 33-11-103 with respect to First Financial Holdings, Inc. The condensed consolidated balance sheets at December 31, 2012 and 2011 and condensed consolidated income statements for the years ended December 31, 2012, 2011 and 2010 for SCBT Financial Corporation satisfy the requirements of Section 33-11-103 with respect to SCBT Financial Corporation.

This Annex G should be read in conjunction with the audited consolidated financial statements of First Financial Holdings, Inc. and SCBT Financial Corporation, respectively, and the notes to such audited consolidated financial statements contained in reports that First Financial Holdings, Inc. and SCBT Financial Corporation have previously filed with the Securities and Exchange Commission, including as set forth in this joint proxy statement/prospectus under "Where You Can Find More Information" and incorporated by reference into this joint proxy statement / prospectus.

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First Financial Holdings, Inc. and Subsidiaries

Consolidated Balance Sheets

(in thousands, except share data)	December 31, 2012	As of December 31, 2011	September 30, 2011
ASSETS			
Cash and due from banks	$ 60,290	$ 61,400	$ 54,307
Interest-bearing deposits with banks	57,161	15,275	31,630
Total cash and cash equivalents	117,451	76,675	85,937
Investment securities			
Securities available for sale, at fair value	253,798	404,550	412,108
Securities held to maturity at amortized cost, approximate fair value $17,867, $23,242 and $24,162, respectively	15,555	20,486	21,671
Nonmarketable securities	20,914	32,694	35,782
Total investment securities	290,267	457,730	469,561
Loans			
Residential	1,031,533	1,032,134	967,063
Commercial	681,119	618,070	634,650
Consumer	782,672	735,253	753,621
Total loans	2,495,324	2,385,457	2,355,334
Less: Allowance for loan losses	44,179	53,524	54,333
Net loans	2,451,145	2,331,933	2,301,001
Loans held for sale	55,201	48,303	94,872
FDIC indemnification asset, net	80,268	51,021	50,465
Premises and equipment, net	85,378	82,907	83,423
Bank owned life insurance	50,624		
Other intangible assets, net	8,025	2,401	2,491
Other assets	77,199	95,994	118,560
Total assets	$ 3,215,558	$ 3,146,964	$ 3,206,310
LIABILITIES			
Deposits			
Noninterest-bearing checking	$ 388,259	$ 279,310	$ 278,944
Interest-bearing checking	511,647	429,907	440,584
Savings and money market	743,970	522,496	505,059
Retail time deposits	845,391	791,544	824,875
Wholesale time deposits	106,066	215,941	253,395
Total deposits	2,595,333	2,239,198	2,302,857
Advances from FHLB	233,000	561,000	558,000
Long-term debt	47,204	47,204	47,204
Other liabilities	40,380	22,384	29,743
Total liabilities	2,915,917	2,869,786	2,937,804

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First Financial Holdings, Inc. and Subsidiaries

Consolidated Balance Sheets (Continued)

(in thousands, except share data)	December 31, 2012	As of December 31, 2011	September 30, 2011
SHAREHOLDERS' EQUITY			
Preferred stock, Series A, $.01 par value, authorized 3,000,000 shares, issued and outstanding 65,000 shares at December 31, 2012, December 31, 2011 and September 30, 2011 (Redemption value $65,000).	$ 1	$ 1	$ 1
Common stock, $.01 par value, authorized 34,000,000 shares, issued 21,465,163 shares at December 31, 2012, December 31, 2011 and September 30, 2011.	215	215	215
Additional paid-in capital	196,819	196,002	195,790
Treasury stock at cost, 4,938,411 shares at December 31, 2012, December 31, 2011 and September 30, 2011.	(103,563)	(103,563)	(103,563)
Retained earnings	208,853	187,367	173,587
Accumulated other comprehensive (loss) income	(2,684)	(2,844)	2,476
Total shareholders' equity	299,641	277,178	268,506
Total liabilities and shareholders' equity	$ 3,215,558	$ 3,146,964	$ 3,206,310

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First Financial Holdings, Inc. and Subsidiaries
Consolidated Statements of Operations (Continued)

(in thousands)	Year Ended December 31, 2012	Quarter Ended December 31, 2011	Years Ended September 30, 2011	Years Ended September 30, 2010
INTEREST INCOME				
Interest and fees on loans	$ 144,150	$ 33,460	$ 139,535	$ 152,522
Interest and dividends on investment securities				
Taxable	11,285	3,589	17,591	23,369
Tax-exempt	1,410	270	1,123	1,166
Other	420	293	2,035	3,812
Total interest income	157,265	37,612	160,284	180,869
INTEREST EXPENSE				
Interest on deposits	15,067	4,554	25,731	32,784
Interest on borrowed money	13,947	4,159	16,538	21,538
Total interest expense	29,014	8,713	42,269	54,322
NET INTEREST INCOME	128,251	28,899	118,015	126,547
Provision for loan losses	20,136	7,445	109,901	125,194
Net interest income after provision for loan losses	108,115	21,454	8,114	1,353
NONINTEREST INCOME				
Service charges and fees on deposit accounts	30,532	7,099	26,837	25,574
Mortgage and other loan income	17,855	2,681	8,560	11,436
Trust and plan administration income	4,495	1,192	4,738	4,414
Brokerage fees	3,004	532	2,425	2,281
Other income	3,284	650	2,495	5,095
Other-than-temporary impairment losses on investment securities	(503)	(180)	(879)	(2,853)
Gain on acquisition	13,889			
Gain on sale or call of investment securities	3,877		1,419	
Gain on sold loan pool, net		20,796	1,900	
Total noninterest income	76,433	32,770	47,495	45,947
NONINTEREST EXPENSE				
Salaries and employee benefits	61,995	14,511	62,981	58,496
Occupancy costs	9,747	2,144	8,900	8,746
Furniture and equipment	7,867	1,870	7,044	7,739
Other real estate expenses, net	1,712	1,541	4,909	6,751
FDIC insurance and regulatory fees	3,094	830	4,090	4,672
Professional services	7,158	1,042	5,707	4,151
Advertising and marketing	3,296	789	3,219	3,073
Other loan expense	6,537	1,043	3,915	2,049
Intangible amortization	1,482	90	325	328
FDIC indemnification impairment	3,986			
Other expense	20,946	5,026	15,182	16,572
FHLB prepayment termination charge	8,525			
Goodwill impairment			630	
Total noninterest expense	136,345	28,886	116,902	112,577
Income (loss) from continuing operations before taxes	48,203	25,338	(61,293)	(65,277)

Income tax expense (benefit) from continuing operations	19,390	9,766	(23,672)	(25,969)

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First Financial Holdings, Inc. and Subsidiaries
Consolidated Statements of Operations (Continued)

(in thousands)	Year Ended December 31, 2012	Quarter Ended December 31, 2011	Years Ended September 30, 2011	Years Ended September 30, 2010
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 28,813	$ 15,572	$ (37,621)	$ (39,308)
(Loss) income from discontinued operations, net of tax			(3,565)	2,519
NET INCOME (LOSS)	28,813	15,572	(41,186)	(36,789)
Preferred stock dividends	3,250	813	3,250	3,252
Accretion on preferred stock discount	637	153	591	556
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	$ 24,926	$ 14,606	$ (45,027)	$ (40,597)
Net income (loss) per common share from continuing operations				
Basic	$ 1.51	$ 0.88	$ (2.51)	$ (2.61)
Diluted	1.51	0.88	(2.51)	(2.61)
Net (loss) income per common share from discontinued operations				
Basic	$	$	$ (0.21)	$ 0.15
Diluted			(0.21)	0.15
Net income (loss) per common share				
Basic	$ 1.51	$ 0.88	$ (2.72)	$ (2.46)
Diluted	1.51	0.88	(2.72)	(2.46)
Average common shares outstanding				
Basic	16,527	16,527	16,527	16,511
Diluted	16,529	16,527	16,527	16,511

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SCBT Financial Corporation and Subsidiary

Consolidated Balance Sheets

(Dollars in thousands, except par value)

	December 31, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	$ 185,708	$ 129,729
Interest-bearing deposits with banks	16,018	1,822
Federal funds sold and securities purchased under agreements to resell	179,004	39,874
Total cash and cash equivalents	380,730	171,425
Investment securities:		
Securities held to maturity (fair value of $16,553 and $17,864, respectively)	15,440	16,569
Securities available for sale, at fair value	534,883	289,195
Other investments	9,768	18,292
Total investment securities	560,091	324,056
Loans held for sale	65,279	45,809
Loans:		
Acquired (covered of $282,728, and $394,495, respectively; non-covered of $792,014, and $7,706, respectively)	1,074,742	402,201
Less allowance for acquired loan losses	(32,132)	(31,620)
Non-acquired	2,571,003	2,470,565
Less allowance for non-acquired loan losses	(44,378)	(49,367)
Loans, net	3,569,235	2,791,779
FDIC receivable for loss share agreements	146,171	262,651
Premises and equipment, net	115,583	94,250
Goodwill	100,602	62,888
Other real estate owned (covered of $34,257 and $65,849, respectively; non-covered of $32,248 and $18,022, respectively)	66,505	83,871
Bank owned life insurance	42,737	22,111
Deferred tax assets	33,901	
Core deposit and other intangibles	25,199	11,538
Other assets	30,413	26,179
Total assets	$ 5,136,446	$ 3,896,557

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SCBT Financial Corporation and Subsidiary

Consolidated Balance Sheets

(Dollars in thousands, except par value)

	December 31, 2012	December 31, 2011
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing	$ 981,963	$ 658,454
Interest-bearing	3,316,397	2,596,018
Total deposits	4,298,360	3,254,472
Federal funds purchased and securities sold under agreements to repurchase	238,621	180,436
Other borrowings	54,897	46,683
Deferred tax liabilities		2,680
Other liabilities	37,019	30,506
Total liabilities	4,628,897	3,514,777
Shareholders' equity:		
Preferred stock $.01 par value; authorized 10,000,000 shares; no shares issued and outstanding		
Common stock $2.50 par value; authorized 40,000,000 shares; 16,937,464 and 14,039,422 shares issued and outstanding	42,344	35,099
Surplus	328,843	233,232
Retained earnings	135,986	116,198
Accumulated other comprehensive income (loss)	376	(2,749)
Total shareholders' equity	507,549	381,780
Total liabilities and shareholders' equity	$ 5,136,446	$ 3,896,557

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SCBT Financial Corporation and Subsidiary
Consolidated Statements of Income
(Dollars in thousands, except per share data)

	Years Ended December 31,		
	2012	**2011**	**2010**
Interest income:			
Loans, including fees	$ 174,807	$ 162,205	$ 143,493
Investment securities:			
Taxable	7,577	7,641	9,985
Tax-exempt	3,947	854	853
Federal funds sold and securities purchased under agreements to resell	1,157	1,018	1,023
Total interest income	187,488	171,718	155,354
Interest expense:			
Deposits	8,424	17,557	28,526
Federal funds purchased and securities sold under agreements to repurchase	451	527	630
Other borrowings	2,219	2,182	3,581
Total interest expense	11,094	20,266	32,737
Net interest income	176,394	151,452	122,617
Provision for loan losses	13,619	30,236	54,282
Net interest income after provision for loan losses	162,775	121,216	68,335
Noninterest income:			
Service charges on deposit accounts	23,815	22,654	21,342
Bankcard services income	14,173	11,721	8,987
Mortgage banking income	12,622	6,271	6,564
Trust and investment services income	6,360	5,464	4,251
Securities gains, net	189	323	292
Total other-than-temporary impairment losses		(115)	(1,281)
Portion of impairment losses recognized in other comprehensive income			(5,489)
Net impairment losses recognized in earnings		(115)	(6,770)
Gains on acquisitions		16,529	98,081
Accretion (amortization) of FDIC indemnification asset	(20,773)	(10,135)	2,443
Other	4,897	2,407	2,545
Total noninterest income	41,283	55,119	137,735
Noninterest expense:			
Salaries and employee benefits	76,308	68,937	60,795
OREO expense and loan related	12,003	14,051	5,074
Information services expense	11,092	10,512	9,144
Merger expense	10,214	3,198	5,504
Net occupancy expense	9,817	9,674	8,544
Furniture and equipment expense	9,115	8,476	7,530
Bankcard expense	4,062	3,241	2,812
FDIC assessment and other regulatory charges	3,875	4,573	5,283
Advertising and marketing	2,735	2,729	3,618
Professional fees	2,681	1,776	2,276
Amortization of intangibles	2,172	1,991	1,650
Federal Home Loan Bank advances prepayment fee			3,189
Other	14,824	13,820	9,823
Total noninterest expense	158,898	142,978	125,242
Earnings:			

Income before provision for income taxes	45,160	33,357	80,828
Provision for income taxes	15,128	10,762	28,946
Net income	$ 30,032	$ 22,595	$ 51,882
Earnings per common share:			
Basic	$ 2.04	$ 1.65	$ 4.11
Diluted	$ 2.03	$ 1.63	$ 4.08
Dividends per common share	$ 0.69	$ 0.68	$ 0.68
Weighted average common shares outstanding:			
Basic	14,698	13,677	12,618
Diluted	14,796	13,751	12,720

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. ***Indemnification of Directors and Officers.***

Section 33-2-102 of the South Carolina Business Corporation Act of 1988, as amended, (the "BCA") permits a South Carolina corporation to include in its articles of incorporation a provision eliminating or limiting the personal liability of its directors and officers to the corporation and its shareholders for monetary damages for breach of fiduciary duty as a director, except: (1) for any breach of the director's duty of loyalty to the corporation or its shareholders; (2) for acts or omissions not in good faith or which involve gross negligence, intentional misconduct, or a knowing violation of law; (3) as imposed for any unlawful distributions as set forth in Section 33-8-330 of the BCA or (4) for any transaction from which the director derived an improper personal benefit. SCBT's articles of incorporation contain such a provision, thereby limiting the liability of its directors and officers to the maximum extent permitted by South Carolina law.

Section 33-8-510 of the BCA permits a South Carolina corporation to indemnify a director or officer who is made a party to any proceeding by reason of service in that capacity against liability incurred in the proceeding if he or she: (1) conducted himself or herself in good faith, (2) reasonably believed that his or her conduct was in the corporation's best interest or, if he or she was not acting in his or her official capacity, that such conduct was not opposed to the corporation's best interest and (3) in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The BCA provides that where a director or officer is a defendant in a proceeding by or in the right of the corporation, the director or officer may not be indemnified if he or she is found liable to the corporation. The BCA also provides that a director or officer may not be indemnified in respect of any proceeding alleging improper personal benefit in which he or she was found liable on the grounds that personal benefit was improperly received. A director or officer found liable in a proceeding by or in the right of the corporation or in a proceeding alleging improper personal benefit may petition a court to nevertheless order indemnification of expenses if the court determines that the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances.

Section 33-8-520 of the BCA provides that unless limited by the articles of incorporation of a South Carolina corporation, a director or officer who is wholly successful on the merits or otherwise in defense of any proceeding must be indemnified against reasonable expenses. Section 33-8-520 also provides that a South Carolina corporation may advance reasonable expenses to a director or an officer upon the corporation's receipt of (1) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (2) a written undertaking by the director or officer or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met, so long as a determination is made by the corporation that indemnification is proper under Section 33-8-520.

SCBT's bylaws provide for the indemnification of any current and former directors to the fullest extent authorized by law. SCBT's bylaws further provide that SCBT may, to the extent authorized from time to time by SCBT's board of directors, grant rights of indemnification and to the advancement of expenses to any officer, employee or agent of the SCBT consistent with the other provisions of SCBT's bylaws concerning the indemnification of SCBT directors. SCBT's bylaws provide that SCBT may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of SCBT or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not SCBT would have the power to indemnify such person against such expense, liability or loss under applicable law.

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The foregoing is only a general summary of certain aspects of South Carolina law and SCBT's articles of incorporation and bylaws dealing with indemnification of directors and officers, and does not purport to be complete. It is qualified in its entirety by reference to the detailed provisions of those Sections of the BCA referenced above and the articles of incorporation and bylaws of SCBT.

Item 21. ***Exhibits and Financial Statement Schedules***

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of February 19, 2013, by and between SCBT Financial Corporation and First Financial Holdings, Inc. (attached as Annex A to the joint proxy statement/prospectus contained in this Registration Statement)
3.1	Amended and Restated Articles of Incorporation of SCBT Financial Corporation (filed as Exhibit 3.1 to SCBT's Current Report on Form 8-K, filed December 31, 2008, and incorporated herein by reference)
3.2	Articles of Amendment to Articles of Incorporation of SCBT Financial Corporation (filed as Exhibit 3.1 to SCBT's Current Report on Form 8-K, filed on January 16, 2009, and incorporated herein by reference)
3.3	Form of Proposed Articles of Amendment to Articles of Incorporation of SCBT Financial Corporation to Effect the Name Change (attached as Annex E to the joint proxy statement/prospectus contained in this Registration Statement)
3.4	Amended and Restated Bylaws of SCBT Financial Corporation (filed as Exhibit 3.1 to SCBT's Current Report on Form 8-K, filed on December 23, 2008, and incorporated herein by reference)
3.5	Amendment to Bylaws of SCBT Financial Corporation (filed as Item 5.03 of SCBT's Current Report on Form 8-K, filed February 2, 2011, and incorporated herein by reference)
4.1	Form of Stock Certificate of SCBT Financial Corporation (filed as Exhibit 4.1 to SCBT's Annual Report on Form 10-K, filed on March 15, 2007, and incorporated herein by reference)
5.1	Opinion of Wachtell, Lipton, Rosen and Katz regarding the validity of the securities to be issued
8.1	Opinion of Wachtell, Lipton, Rosen and Katz regarding certain tax matters
8.2	Opinion of Kilpatrick Townsend & Stockton LLP regarding certain tax matters
10.1	Employment and Non-Competition Agreement, dated February 19, 2013, by and between SCBT Financial Corporation and R. Wayne Hall
21.1	List of Subsidiaries of SCBT Financial Corporation (filed as Exhibit 21 to SCBT's Annual Report on Form 10-K, filed on March 4, 2013, and incorporated herein by reference)
23.1	Consent of Wachtell, Lipton, Rosen and Katz (included in Exhibits 5.1 and 8.1)
23.2	Consent of Kilpatrick Townsend & Stockton LLP (included in Exhibit 8.2)
23.3	Consent of Dixon Hughes Goodman LLP (with respect to SCBT Financial Corporation)
23.4	Consent of Grant Thornton LLP (with respect to First Financial Holdings, Inc.)
23.5	Consent of Mauldin & Jenkins, LLC (with respect to The Savannah Bancorp, Inc.)
24.1	Power of Attorney*

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Exhibit No.	Description
99.1	Consent of Keefe, Bruyette & Woods, Inc.
99.2	Consent of Sandler O'Neill + Partners, L.P.
99.3	Form of proxy of First Financial Holdings, Inc.
99.4	Form of proxy of SCBT Financial Corporation

* Previously filed

Item 22. ***Undertakings.***

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act"); (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement (notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement); and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934, as amended) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(5) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the Registrant undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(6) That each prospectus (i) that is filed pursuant to paragraph (5) above, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in

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connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to this registration statement and will not be used until such amendment has become effective, and that for the purpose of determining liabilities under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(7) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(8) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this registration statement when it became effective.

(9) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Form S-4 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Columbia, state of South Carolina, on May 29, 2013.

SCBT FINANCIAL CORPORATION

By: /s/ JOHN C. POLLOK

Name: John C. Pollok
Title: *Senior Executive Vice President, Chief Financial Officer, Chief Operating Officer and Director*

Pursuant to the requirements of the Securities Act of 1933, as amended, this Form S-4 Registration Statement has been signed by the following persons in the capacities indicated on May 29, 2013.

Signature	Title
* Robert R. Hill, Jr.	President and Chief Executive Officer and Director (Principal Executive Officer)
/s/ JOHN C. POLLOK John C. Pollok	Senior Executive Vice President, Chief Financial Officer, Chief Operating Officer and Director (Principal Financial Officer)
* Keith S. Rainwater	Senior Vice President and Director of External Reporting (Principal Accounting Officer)
* Robert R. Horger	Chairman of the Board of Directors
* Jimmy E. Addison	Director
* Luther J. Battiste, III	Director
* Robert H. Demere, Jr.	Director

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Signature	Title
* M. Oswald Fogle	Director
* Herbert G. Gray	Director
* Cynthia A. Hartley	Director
* Harry M. Mims, Jr.	Director
* Ralph W. Norman, Jr.	Director
* Alton C. Phillips	Director
* James W. Roquemore	Director
* Thomas E. Suggs	Director
* Kevin P. Walker	Director
* John W. Williamson, III	Director

*By: /s/ JOHN C. POLLOK

John C. Pollok
Attorney-in-Fact
May 29, 2013

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EXHIBIT INDEX

Exhibit No.	Description
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3.2	Articles of Amendment to Articles of Incorporation of SCBT Financial Corporation (filed as Exhibit 3.1 to SCBT's Current Report on Form 8-K, filed on January 16, 2009, and incorporated herein by reference)
3.3	Form of Proposed Articles of Amendment to Articles of Incorporation of SCBT Financial Corporation to Effect the Name Change (attached as Annex E to the joint proxy statement/prospectus contained in this Registration Statement)
3.4	Amended and Restated Bylaws of SCBT Financial Corporation (filed as Exhibit 3.1 to SCBT's Current Report on Form 8-K, filed on December 23, 2008, and incorporated herein by reference)
3.5	Amendment to Bylaws of SCBT Financial Corporation (filed as Item 5.03 of SCBT's Current Report on Form 8-K, filed February 2, 2011, and incorporated herein by reference)
4.1	Form of Stock Certificate of SCBT Financial Corporation (filed as Exhibit 4.1 to SCBT's Annual Report on Form 10-K, filed on March 15, 2007, and incorporated herein by reference)
5.1	Opinion of Wachtell, Lipton, Rosen and Katz regarding the validity of the securities to be issued
8.1	Opinion of Wachtell, Lipton, Rosen and Katz regarding certain tax matters
8.2	Opinion of Kilpatrick Townsend & Stockton LLP regarding certain tax matters
10.1	Employment and Non-Competition Agreement, dated February 19, 2013, by and between SCBT Financial Corporation and R. Wayne Hall
21.1	List of Subsidiaries of SCBT Financial Corporation (filed as Exhibit 21 to SCBT's Annual Report on Form 10-K, filed on March 4, 2013, and incorporated herein by reference)
23.1	Consent of Wachtell, Lipton, Rosen and Katz (included in Exhibits 5.1 and 8.1)
23.2	Consent of Kilpatrick Townsend & Stockton LLP (included in Exhibit 8.2)
23.3	Consent of Dixon Hughes Goodman LLP (with respect to SCBT Financial Corporation)
23.4	Consent of Grant Thornton LLP (with respect to First Financial Holdings, Inc.)
23.5	Consent of Mauldin & Jenkins, LLC (with respect to The Savannah Bancorp, Inc.)
24.1	Power of Attorney*
99.1	Consent of Keefe, Bruyette & Woods, Inc.
99.2	Consent of Sandler O'Neill + Partners, L.P.
99.3	Form of proxy of First Financial Holdings, Inc.

99.4 Form of proxy of SCBT Financial Corporation

* Previously filed