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FOR IMMEDIATE RELEASE

Greensboro-based BankSouth and Atlanta-based LoanSouth Mortgage are proud to announce a joint, strategic restructuring and expansion of their residential mortgage services. Effective February 9, 2011, Loan South Mortgage joined forces with BankSouth as part of a significant step toward providing greater market coverage and more comprehensive products and services. The new entity will operate as LoanSouth Mortgage and will be a wholly-owned subsidiary of BankSouth.

“We are very excited about the opportunities BankSouth provides to our existing customers and business partners. We are quite fortunate to partner with such a sound and reputable Georgia community bank,” stated Kim Nelson, who will continue on as LoanSouth Mortgage’s CEO. “This new platform will provide an excellent opportunity to grow to meet the needs of the market.”

Harold Reynolds, Chairman and CEO of BankSouth said, “We’re especially pleased that this transaction will result in expanded product offerings and services for our customers and the communities that we serve together, and that this is going to be done without any interruption to our operations, staff or customers. We’ve been exploring the expansion of our mortgage services for over a year now and feel very fortunate to be able to partner with professionals that share our focus on professional excellence and customer service.”

BankSouth, with assets of \$345 million, operates full-service banking offices in Greene, Putnam, Clarke and Oconee Counties. LoanSouth Mortgage will maintain its headquarters at 990 Hammond Drive in Atlanta. BankSouth recently completed the acquisition of North Georgia Bank from the FDIC after it was closed by the state Department of Banking and Finance on February 4th.

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