

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1995-07-28** | Period of Report: **1995-07-17**
SEC Accession No. **0000714612-95-000009**

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FILER

CCB FINANCIAL CORP

CIK: **714612** | IRS No.: **561347849** | State of Incorporation: **NC** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-12358** | Film No.: **95556750**
SIC: **6022** State commercial banks

Mailing Address
*111 CORCORAN STREET
P O BOX 931
DURHAM NC 27702*

Business Address
*111 CORCORAN ST
PO BOX 931
DURHAM NC 27702
9196837777*

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 17, 1995

CCB FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

| | | |
|-----------------|-----------------------|---------------------|
| North Carolina | 0-12358 | 56-1347849 |
| (State or other | (Commission File No.) | (IRS Employer |
| jurisdiction of | | Identification No.) |
| incorporation) | | |

111 Corcoran Street, Post Office Box 931, Durham, NC 27702
(Address of principal executive offices)

Registrant's telephone number, including area code (919) 683-7777

N/A

(Former name or former address, if
changed since last report)

Item 5. Other Events

On July 17, 1995, the Registrant issued a press release of its second quarter earnings. Income before merger-related expense

totalled \$16,492,000 for the three months ended June 30, 1995 and \$31,391,000 for the six-months ended June 30, 1995. Net income for these same periods was \$9,188,000 and \$24,087,000, respectively. As previously announced, the Registrant merged with Security Capital Bancorp on May 19, 1995 through a tax-free exchange of stock which was accounted for as a pooling-of-interests.

Item 7. Financial Statements and Exhibits

Financial Statements

None

Exhibits

99 Press release by CCB Financial Corporation dated
 July 17, 1995

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CCB FINANCIAL CORPORATION
Registrant

Date: July 28, 1995

By: /s/ W. HAROLD PARKER, JR.
 W. Harold Parker, Jr.
 Senior Vice President
 and Controller

PRESS RELEASE
FOR IMMEDIATE RELEASE

For further information, contact: W. Harold Parker, Jr. (919) 683-7631

July 17, 1995

CCB FINANCIAL CORPORATION REPORTS EARNINGS

Durham, North Carolina-----For the second quarter ended June 30, 1995, excluding one-time merger-related expense of \$.49 per share, income per share was \$1.11, an increase of 29.1% over \$.86 in the second quarter of 1994. Results for prior periods have been restated for the acquisition of Security Capital Bancorp on May 19, 1995 which was accounted for as a pooling of interests. Returns on assets and equity, excluding the merger-related expense, were 1.39% and 16.85%, respectively, in the 1995 period, compared to 1.27% and 13.81%, respectively, in the 1994 period.

For the six months ended June 30, 1995, excluding the above merger-related expense, income per share was \$2.10, an increase of 28.8% over \$1.63 as restated in the comparable period of 1994. Returns on assets and equity, excluding the merger-related expense, were 1.34% and 16.47%, respectively, in the 1995 period, compared to 1.22% and 13.28%, respectively, in the 1994 period.

E.C. Roessler, President and CEO of CCB Financial Corporation, commented: "Our performance for the first half of 1995 was strong, both in terms of the growth of our businesses and in the efficiency of our operations. The one-time merger-related expense of \$7.3 million after tax was slightly below our estimate. The on-going annual savings from the combination with Security Capital are expected to exceed the merger-related expense, with the full benefits of the savings being realized before year-end 1995."

Roessler further commented: "Our combination with Security Capital has been successful to date. All loan, deposit, branch and ATM systems were successfully converted to our systems during the weekend of May 19, 1995. We are moving forward to achieve the additional opportunities available to us."

CCB Financial Corporation is the bank holding company for Central Carolina Bank and Trust Company and Graham Savings Bank, Inc., SSB which in total operate 157 offices located primarily in the Piedmont section of North Carolina.

Nasdaq National Market Symbol: CCBF

CCB FINANCIAL CORPORATION

Financial Summary (1)

Unaudited

(In Thousands Except Share and Per Share Data)

<TABLE>

<CAPTION>

| Income Statement | Three Months Ended | | | | |
|----------------------------|--------------------|---------|----------|---------|---------|
| | 6/30/95 | 3/31/95 | 12/31/94 | 9/30/94 | 6/30/94 |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Loan and lease income (TE) | \$ 77,019 | 73,652 | 69,434 | 62,217 | 58,214 |
| Securities income (TE) | 17,058 | 18,317 | 17,773 | 16,197 | 16,099 |
| Other interest income | 3,724 | 3,190 | 3,186 | 1,829 | 1,578 |
| Total interest income (TE) | 97,801 | 95,159 | 90,393 | 80,243 | 75,891 |
| Savings/NOW expense | 2,913 | 2,881 | 2,979 | 2,818 | 2,541 |

| | | | | | |
|---|----------|---------|--------|--------|--------|
| Money market account expense | 12,742 | 12,107 | 10,625 | 8,479 | 7,387 |
| Jumbo CD expense | 4,439 | 4,379 | 3,203 | 2,621 | 2,020 |
| Consumer time deposit expense | 22,599 | 19,353 | 18,491 | 15,462 | 14,931 |
| Interest expense on deposits | 42,693 | 38,720 | 35,298 | 29,380 | 26,879 |
| Fed funds, master notes and repurchase agreements | 621 | 519 | 478 | 344 | 255 |
| Other short-term borrowed funds expense | 534 | 899 | 809 | 309 | 71 |
| Long-term debt interest expense | 1,538 | 1,533 | 1,741 | 1,544 | 1,577 |
| Total interest expense | 45,386 | 41,671 | 38,326 | 31,577 | 28,782 |
| Net interest income (TE) | 52,415 | 53,488 | 52,067 | 48,666 | 47,109 |
| Provision for loan and lease losses | 1,599 | 2,150 | 3,210 | 2,422 | 2,308 |
| Net interest income after provision (TE) | 50,816 | 51,338 | 48,857 | 46,244 | 44,801 |
| Service charges on deposits | 6,174 | 6,178 | 6,129 | 5,832 | 5,756 |
| Other service charges and fees | 844 | 1,067 | 682 | 799 | 867 |
| Trust income | 1,499 | 1,728 | 2,407 | 1,810 | 2,301 |
| Insurance commissions | 946 | 897 | 562 | 644 | 768 |
| Merchant discount | 1,153 | 1,109 | 1,067 | 982 | 927 |
| Accretion of negative goodwill | 839 | 839 | 825 | 825 | 847 |
| Other | 2,156 | 1,856 | 661 | 669 | 654 |
| Securities gains (losses) | 349 | (1,326) | 382 | (76) | 6 |
| Total other income | 13,960 | 12,348 | 12,715 | 11,485 | 12,126 |
| Personnel expense | 19,795 | 19,878 | 18,466 | 19,197 | 17,511 |
| Occupancy | 2,643 | 2,935 | 2,919 | 2,800 | 2,719 |
| Equipment | 2,599 | 2,619 | 2,506 | 2,587 | 2,460 |
| Foreclosed property expense | 129 | 732 | 400 | 473 | 611 |
| Deposit and other insurance | 2,377 | 2,410 | 2,423 | 2,207 | 2,206 |
| Amortization of intangible assets | 1,048 | 947 | 947 | 643 | 643 |
| Other | 8,813 | 9,524 | 11,342 | 10,128 | 9,215 |
| Merger-related expense (1) | 10,333 | - | - | - | - |
| Total other expenses | 47,737 | 39,045 | 39,003 | 38,035 | 35,365 |
| Income before income taxes (TE) | 17,039 | 24,641 | 22,569 | 19,694 | 21,562 |
| Tax equivalent adjustment | 2,194 | 2,292 | 2,134 | 1,847 | 1,769 |
| Income before income taxes | 14,845 | 22,349 | 20,435 | 17,847 | 19,793 |
| Income taxes (2) | 5,657 | 7,450 | 6,550 | 11,739 | 6,582 |
| Net income | \$ 9,188 | 14,899 | 13,885 | 6,108 | 13,211 |

Per Share Data

| | | | | | |
|---------------------|--------|-------|-------|-------|-------|
| Net income (1) | \$.62 | .99 | .91 | .40 | .86 |
| Cash dividends | .34 | .34 | .34 | .34 | .32 |
| Book value | 27.02 | 26.21 | 24.75 | 24.97 | 25.01 |
| Tangible book value | 24.45 | 23.80 | 22.27 | 22.50 | 23.53 |
| Market value (3): | | | | | |
| High | 42.75 | 38.75 | 44.00 | 44.50 | 40.00 |
| Low | 38.00 | 34.00 | 32.75 | 39.25 | 33.25 |
| Close | 41.75 | 38.50 | 34.75 | 43.50 | 39.75 |

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</TABLE>

CCB FINANCIAL CORPORATION

Financial Summary (1)

Unaudited

(In Thousands Except Share and Per Share Data)

<TABLE>

<CAPTION>

| Ratios | Three Months Ended | | | | |
|---|--------------------|---------|----------|---------|---------|
| | 6/30/95 | 3/31/95 | 12/31/94 | 9/30/94 | 6/30/94 |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Income before merger-related expense (1): | | | | | |
| Return on average assets | 1.39 % | 1.28 | 1.18 | .57 | 1.27 |
| Return on average equity | 16.85 | 16.06 | 14.45 | 6.25 | 13.81 |
| Net interest margin | 4.69 | 4.84 | 4.77 | 4.90 | 4.83 |
| Average equity to average assets | 8.23 | 8.00 | 8.20 | 9.13 | 9.20 |
| Operating Efficiency Ratios | | | | | |
| As a percentage of average assets (excluding merger-related expense (1)): | | | | | |
| Noninterest income | 1.17 % | 1.06 | 1.08 | 1.07 | 1.17 |
| Personnel expense | 1.67 | 1.71 | 1.58 | 1.79 | 1.68 |
| Occupancy and equipment expense | .44 | .48 | .46 | .50 | .50 |
| Other operating expense | 1.04 | 1.17 | 1.29 | 1.26 | 1.22 |

| | | | | | |
|--|---------|-------|-------|-------|-------|
| Noninterest expense | 3.15 | 3.36 | 3.33 | 3.55 | 3.40 |
| Net overhead (noninterest exp. less noninterest inc.) | 1.98 % | 2.30 | 2.25 | 2.48 | 2.23 |
| Noninterest expense as a percentage of net interest income (TE) and other income | 56.35 % | 59.31 | 60.21 | 63.23 | 59.70 |
| Average assets per employee (in millions) | \$ 2.45 | 2.35 | 2.32 | 2.07 | 2.09 |

Average Balances

| | | | | | |
|---|--------------|-----------|-----------|-----------|-----------|
| Assets | \$ 4,766,714 | 4,705,209 | 4,650,318 | 4,243,985 | 4,172,223 |
| Loans and lease financing (all domestic) | 3,263,187 | 3,193,844 | 3,087,250 | 2,836,946 | 2,719,111 |
| Investment securities: | | | | | |
| Taxable (4) | 884,813 | 957,620 | 956,946 | 916,263 | 970,270 |
| Tax-exempt | 80,331 | 82,575 | 74,766 | 65,414 | 60,059 |
| Earning assets (4) | 4,466,109 | 4,429,264 | 4,354,612 | 3,970,266 | 3,902,676 |
| Deposits: | | | | | |
| Demand deposits (noninterest-bearing) | 494,604 | 466,311 | 482,024 | 450,175 | 453,704 |
| Savings/NOW accounts | 484,405 | 490,695 | 506,321 | 490,678 | 496,098 |
| Money market accounts | 1,229,837 | 1,225,716 | 1,187,519 | 1,080,815 | 1,046,715 |
| Jumbo CD's | 280,833 | 297,054 | 240,005 | 221,084 | 202,786 |
| Consumer time deposits | 1,621,210 | 1,565,397 | 1,563,952 | 1,374,488 | 1,373,375 |
| Total deposits | 4,110,889 | 4,045,173 | 3,979,821 | 3,617,240 | 3,572,678 |
| Fed funds, master notes and repurchase agreements | 49,190 | 44,145 | 45,713 | 40,536 | 37,988 |
| Other short-term borrowed funds | 34,530 | 62,881 | 61,216 | 26,476 | 10,838 |
| Long-term debt | 87,033 | 88,084 | 94,137 | 85,689 | 84,472 |
| Interest-bearing liabilities | 3,787,038 | 3,773,972 | 3,698,863 | 3,319,766 | 3,252,272 |
| Shareholders' equity | 392,491 | 376,298 | 381,192 | 387,560 | 383,800 |

Share Data

| | | | | | |
|--------------------------------------|------------|------------|------------|------------|------------|
| Common shares outstanding | 14,899,625 | 14,990,938 | 14,996,828 | 15,401,078 | 15,387,860 |
| Weighted average shares outstanding: | | | | | |
| Primary | 14,923,787 | 14,998,166 | 15,278,010 | 15,391,484 | 15,378,110 |
| Fully diluted | 14,923,787 | 14,998,166 | 15,278,010 | 15,391,484 | 15,378,110 |

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</TABLE>

CCB FINANCIAL CORPORATION

Financial Summary (1)

Unaudited

(In Thousands Except Share and Per Share Data)

<TABLE>

<CAPTION>

| Reserve For Loan Losses | As Of Or For The Three Months Ended | | | | |
|-------------------------------------|-------------------------------------|---------|----------|---------|---------|
| | 6/30/95 | 3/31/95 | 12/31/94 | 9/30/94 | 6/30/94 |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Beginning balance | \$ 41,985 | 40,600 | 38,994 | 35,439 | 34,177 |
| Provision for loan and lease losses | 1,599 | 2,150 | 3,210 | 2,422 | 2,308 |
| Reserves related to acquisitions | - | - | - | 2,054 | - |
| Recoveries | 407 | 423 | 496 | 505 | 415 |
| Charge-offs | (1,711) | (1,188) | (2,100) | (1,426) | (1,461) |
| Ending balance | \$ 42,280 | 41,985 | 40,600 | 38,994 | 35,439 |

Non-Performing and Risk Assets

Nonperforming assets:

| | | | | | |
|------------------------------|-----------|---------|---------|---------|---------|
| Beginning balance | \$ 13,069 | 15,950 | 19,960 | 20,773 | 21,012 |
| Activity during the quarter: | | | | | |
| Additions | 1,464 | 1,360 | 1,578 | 4,215 | 3,749 |
| Payments or sales | (1,199) | (3,727) | (4,675) | (4,643) | (3,792) |
| Return to performing status | - | - | (16) | (128) | - |
| Charge-offs or write-downs | (750) | (514) | (897) | (257) | (196) |
| Net increase (decrease) | (485) | (2,881) | (4,010) | (813) | (239) |

Ending balance comprised of:

| | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|
| Nonaccrual loans and leases | 9,690 | 9,200 | 10,835 | 12,501 | 14,308 |
| Foreclosed real estate | 2,894 | 3,869 | 5,115 | 7,459 | 6,465 |
| Total nonperforming assets | 12,584 | 13,069 | 15,950 | 19,960 | 20,773 |

| | | | | | |
|--|-----------|--------|--------|--------|--------|
| Restructured loans and lease financing | - | 379 | 129 | 69 | 162 |
| Ninety day past due and accruing | 2,605 | 4,616 | 3,913 | 2,188 | 2,469 |
| | \$ 15,189 | 18,064 | 19,992 | 22,217 | 23,404 |

Asset Quality Ratios

Total risk assets to:

| | | | | | |
|--|--------|------|------|------|------|
| Total loans and foreclosed real estate | .47 % | .56 | .63 | .73 | .84 |
| Total assets | .31 | .38 | .42 | .48 | .56 |
| Loan loss reserve to total risk assets | 2.78 x | 2.32 | 2.03 | 1.76 | 1.51 |
| Net charge-offs to average loans | .16 % | .10 | .21 | .13 | .15 |
| Loan loss reserve to total loans | 1.32 | 1.30 | 1.29 | 1.29 | 1.27 |

Other Information

| | | | | | |
|--|-----------|---------|---------|---------|---------|
| Number of banking offices | 157 | 158 | 158 | 158 | 152 |
| Number of employees | 1,942 | 2,005 | 2,001 | 2,052 | 1,996 |
| Number of ATM's | 119 | 119 | 119 | 119 | 117 |
| Intangible assets: | | | | | |
| Goodwill | \$ 31,946 | 32,474 | 33,285 | 37,156 | 21,953 |
| Deposit base premium | 6,388 | 3,671 | 3,845 | 796 | 824 |
| Negative goodwill | 27,272 | 28,111 | 28,950 | 29,789 | 30,628 |
| Parent Company's investment in subsidiaries | 419,402 | 403,011 | 399,003 | 396,737 | 396,734 |
| Cash dividends | 6,358 | 4,393 | 4,393 | 4,525 | 4,336 |

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</TABLE>

CCB FINANCIAL CORPORATION

Financial Summary (1)

Unaudited

(In Thousands Except Share and Per Share Data)

<TABLE>

<CAPTION>

| Income Statement | Six Months Ended June 30 | | Increase (Decrease) | |
|--|--------------------------|---------|---------------------|--------|
| | 1995 | 1994 | Amount | % |
| <S> | <C> | <C> | <C> | <C> |
| Loan and lease income (TE) | \$ 150,671 | 112,259 | 38,412 | 34.2 |
| Securities income (TE) | 35,375 | 31,113 | 4,262 | 13.7 |
| Other interest income | 6,914 | 3,348 | 3,566 | 106.5 |
| Total interest income (TE) | 192,960 | 146,720 | 46,240 | 31.5 |
| Savings/NOW expense | 5,794 | 4,883 | 911 | 18.7 |
| Money market account expense | 24,849 | 13,911 | 10,938 | 78.6 |
| Jumbo CD expense | 8,818 | 3,810 | 5,008 | 131.4 |
| Consumer time deposit expense | 41,952 | 30,125 | 11,827 | 39.3 |
| Interest expense on deposits | 81,413 | 52,729 | 28,684 | 54.4 |
| Fed funds, master notes and repurchase agreements expense | 1,140 | 417 | 723 | 173.4 |
| Other short-term borrowed funds expense | 1,433 | 133 | 1,300 | 977.4 |
| Long-term debt interest expense | 3,071 | 3,182 | (111) | (3.5) |
| Total interest expense | 87,057 | 56,461 | 30,596 | 54.2 |
| Net interest income (TE) | 105,903 | 90,259 | 15,644 | 17.3 |
| Provision for loan and lease losses | 3,749 | 3,647 | 102 | 2.8 |
| Net interest income after provision (TE) | 102,154 | 86,612 | 15,542 | 17.9 |
| Service charges on deposits | 12,352 | 11,492 | 860 | 7.5 |
| Other service charges and fees | 1,911 | 1,792 | 119 | 6.6 |
| Trust income | 3,227 | 4,721 | (1,494) | (31.6) |
| Insurance commissions | 1,843 | 1,643 | 200 | 12.2 |
| Merchant discount | 2,262 | 1,814 | 448 | 24.7 |
| Accretion of negative goodwill | 1,678 | 1,701 | (23) | (1.4) |
| Other | 4,012 | 1,518 | 2,494 | 164.3 |
| Securities gains (losses) | (977) | 105 | (1,082) | N/A |
| Total other income | 26,308 | 24,786 | 1,522 | 6.1 |
| Personnel expense | 39,673 | 35,297 | 4,376 | 12.4 |
| Occupancy | 5,578 | 5,483 | 95 | 1.7 |
| Equipment | 5,218 | 5,197 | 21 | .4 |
| Foreclosed property expense | 861 | 777 | 84 | 10.8 |
| Deposit and other insurance | 4,787 | 4,363 | 424 | 9.7 |
| Amortization of intangible assets | 1,995 | 1,286 | 709 | 55.1 |
| Other | 18,337 | 17,846 | 491 | 2.8 |
| Merger-related expense (1) | 10,333 | - | 10,333 | N/A |
| Total other expenses | 86,782 | 70,249 | 16,533 | 23.5 |
| Income before income taxes (TE) | 41,680 | 41,149 | 531 | 1.3 |
| Tax equivalent adjustment | 4,486 | 3,476 | 1,010 | 29.1 |
| Income before income taxes | 37,194 | 37,673 | (479) | (1.3) |
| Income taxes | 13,107 | 12,555 | 552 | 4.4 |
| Net income | \$ 24,087 | 25,118 | (1,031) | (4.1) |

| Per Share Data | | | | | |
|--------------------------|----|------|------|-------|-------|
| Net income (1) | \$ | 1.61 | 1.63 | (.02) | (1.2) |
| Cash dividends per share | | .68 | .64 | .04 | 6.3 |

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</TABLE>

CCB FINANCIAL CORPORATION
Financial Summary (1)
Unaudited
(In Thousands Except Share and Per Share Data)

<TABLE>
<CAPTION>

| Ratios | Six Months Ended June 30 | | | |
|---|--------------------------|-------|-----|-----|
| | 1995 | 1994 | | |
| <S> | <C> | <C> | <C> | <C> |
| Income before merger-related expense (1): | | | | |
| Return on average assets | 1.34% | 1.22 | | |
| Return on average equity | 16.47 | 13.28 | | |
| Net interest margin | 4.78 | 4.67 | | |
| Average equity to average assets | 8.12 | 9.20 | | |

| Balance Sheet Data | As of June 30 | | YTD Averages | |
|---|---------------|-----------|--------------|-----------|
| | 1995 | 1994 | 1995 | 1994 |
| Assets | \$ 4,837,995 | 4,178,795 | 4,736,131 | 4,145,922 |
| Loans and lease financing | 3,197,549 | 2,781,240 | 3,228,707 | 2,682,655 |
| Securities held for investment: | | | | |
| Book value | 77,763 | 148,120 | 82,804 | 192,020 |
| Market value | 81,302 | 143,273 | - | - |
| Securities available for sale (4) | 848,446 | 836,128 | 919,658 | 822,455 |
| Earning assets (4) | 4,539,388 | 3,904,154 | 4,447,788 | 3,878,859 |
| Deposits: | | | | |
| Demand deposits (noninterest-bearing) | 525,373 | 465,561 | 480,536 | 441,449 |
| Savings/NOW accounts | 490,499 | 489,652 | 487,532 | 492,144 |
| Money market accounts | 1,244,809 | 1,053,500 | 1,227,788 | 1,032,827 |
| Jumbo CD's | 261,588 | 200,759 | 288,898 | 202,701 |
| Consumer time deposits | 1,642,896 | 1,363,739 | 1,593,458 | 1,382,598 |
| Total deposits | 4,165,165 | 3,573,211 | 4,078,212 | 3,551,719 |
| Fed funds purchased, master notes and repurchase agreements | 54,977 | 39,445 | 46,682 | 35,232 |
| Other short-term borrowed funds | 39,387 | 13,072 | 48,627 | 11,220 |
| Capital debt | 32,985 | 40,000 | 32,985 | 40,000 |
| Other long-term debt | 54,316 | 42,781 | 54,571 | 44,781 |
| Interest-bearing liabilities | 3,821,456 | 3,242,948 | 3,780,541 | 3,241,503 |
| Shareholders' equity | 402,621 | 384,897 | 384,439 | 381,368 |
| Fair value adjustment included in shareholders' equity | 3,159 | (8,382) | 11,771 | (519) |

| Share Data | Six Months Ended June 30 | |
|--------------------------------------|--------------------------|------------|
| | 1995 | 1994 |
| Weighted average shares outstanding: | | |
| Primary | 14,960,977 | 15,373,892 |
| Fully diluted | 14,960,977 | 15,373,892 |

| Reserve For Loan Losses | | |
|-------------------------------------|-----------|---------|
| Beginning balance | \$ 40,600 | 34,190 |
| Provision for loan and lease losses | 3,749 | 3,647 |
| Recoveries | 830 | 1,017 |
| Charge-offs | (2,899) | (3,415) |
| Ending balance | \$ 42,280 | 35,439 |

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</TABLE>

CCB FINANCIAL CORPORATION
Financial Summary (1)
Unaudited
(In Thousands Except Share and Per Share Data)

<TABLE>
<CAPTION>

| Operating Efficiency Ratios | Six Months Ended June 30 | | |
|-----------------------------|--------------------------|------|-----|
| | 1995 | 1994 | |
| <S> | <C> | <C> | <C> |

| | | | |
|---|-------|---|-------|
| As a percentage of average assets (excluding merger-related expense (1)): | | | |
| Noninterest income | 1.12 | % | 1.21 |
| Personnel expense | 1.69 | | 1.72 |
| Occupancy and equipment expense | .46 | | .52 |
| Other operating expense | 1.11 | | 1.18 |
| Noninterest expense | 3.26 | | 3.42 |
| Net overhead (noninterest expense less noninterest income) | 2.14 | % | 2.21 |
| Noninterest expense as a percentage of net interest income (TE) and other income | 57.82 | % | 61.06 |
| Average assets per employee (in millions) \$ | 2.44 | | 2.05 |

| | As of June 30 | | Year-End |
|-------------------------------|---------------|-----------|-----------|
| | 1995 | 1994 | 1994 |
| Risk-Adjusted Capital | | | |
| On-balance sheet risk assets | \$ 3,163,902 | 2,695,386 | 3,056,619 |
| Off-balance sheet risk assets | 179,463 | 266,712 | 236,318 |
| Total risk-adjusted assets | 3,343,365 | 2,962,098 | 3,292,937 |
| Tier I capital | 359,334 | 370,525 | 351,474 |
| Tier II capital | 75,265 | 68,423 | 40,624 |
| Total capital | 434,599 | 438,948 | 392,098 |
| Tier I capital ratio | 10.75 | % | 12.61 |
| Total capital ratio | 13.00 | | 14.93 |
| Leverage capital ratio | 7.60 | | 8.55 |

</TABLE>

(1) All amounts prior to June 30, 1995 are restated for CCB Financial Corporation's May 19, 1995 merger with Security Capital Bancorp which was accounted for as a pooling-of-interests. Merger-related expense includes severance and other employee benefit costs, costs related to branch closures, systems conversion costs and other restructuring and transaction related expenses. The after-tax effect of the merger-related expense was \$7,304,000 or \$.49 per share.

(2) Income taxes for the quarter ended September 30, 1994 included a one-time charge of approximately \$5,600,000 of deferred tax liabilities recorded in anticipation of the merger of Security Capital's three savings bank subsidiaries into its commercial bank subsidiary.

(3) Nasdaq National Market Symbol: CCBF

(4) Average balances exclude the mark-to-market adjustment for Financial Accounting Standard No. 115.

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CCB FINANCIAL CORPORATION

Average Balances and Net Interest Income Analysis
Three Months Ended June 30, 1995 and 1994
(Taxable Equivalent Basis-In Thousands) (1)

| | | 1995 | Average |
|--|--------------|--------------------|---------|
| | Average | Interest | Yield/ |
| | Balance | Income/ Expense | Rate |
| Earning assets: | | | |
| Loans and lease financing (2) | \$ 3,263,187 | 77,019 | 9.46 % |
| U.S. Treasury and agency obligations (3) | 854,109 | 14,506 | 6.79 |
| States and political subdivision obligations | 80,331 | 2,007 | 10.02 |
| Equity and other securities (3) | 30,704 | 545 | 7.10 |
| Federal funds sold and other short-term investments | 189,625 | 2,953 | 6.25 |
| Time deposits in other banks | 48,153 | 771 | 6.42 |
| Total earning assets (3) | 4,466,109 | 97,801 | 8.77 |
| Non-earning assets: | | | |
| Cash and due from banks | 173,874 | | |
| Premises and equipment | 66,397 | | |
| All other assets, net | 60,334 | | |
| Total assets | \$ 4,766,714 | | |

| | | | | |
|--|--------------|--------|--|--------|
| Interest-bearing liabilities: | | | | |
| Savings and time deposits | \$ 3,616,285 | 42,693 | | 4.74 % |
| Federal funds purchased, master notes and securities sold under agreements to repurchase | 49,190 | 621 | | 5.06 |
| Other short-term borrowed funds | 34,530 | 534 | | 6.21 |
| Long-term debt | 87,033 | 1,538 | | 7.09 |
| Total interest-bearing liabilities | 3,787,038 | 45,386 | | 4.81 |

| | | | | |
|---|--------------|--|--|--|
| Other liabilities and shareholders' equity: | | | | |
| Demand deposits | 494,604 | | | |
| Other liabilities | 92,581 | | | |
| Shareholders' equity | 392,491 | | | |
| Total liabilities and shareholders' equity | \$ 4,766,714 | | | |

Net interest income and net interest margin (4) \$ 52,415 4.69 %

Interest rate spread (5) 3.96 %

CCB FINANCIAL CORPORATION

Average Balances and Net Interest Income Analysis, Continued
Three Months Ended June 30, 1995 and 1994
(Taxable Equivalent Basis-In Thousands) (1)

| | Average Balance | 1994 Interest Income/Expense | Average Yield/Rate |
|---|-----------------|------------------------------|--------------------|
| Earning assets: | | | |
| Loans and lease financing (2) | \$ 2,719,111 | 58,214 | 8.58 % |
| U.S. Treasury and agency obligations (3) | 940,139 | 14,018 | 5.96 |
| States and political subdivision obligations | 60,059 | 1,600 | 10.66 |
| Equity and other securities (3) | 30,131 | 481 | 6.38 |
| Federal funds sold and other short-term investments | 115,173 | 1,133 | 3.95 |
| Time deposits in other banks | 38,063 | 445 | 4.69 |
| Total earning assets (3) | 3,902,676 | 75,891 | 7.79 |

| | | | |
|-------------------------|--------------|--|--|
| Non-earning assets: | | | |
| Cash and due from banks | 160,607 | | |
| Premises and equipment | 62,734 | | |
| All other assets, net | 46,206 | | |
| Total assets | \$ 4,172,223 | | |

| | | | | |
|--|--------------|--------|--|--------|
| Interest-bearing liabilities: | | | | |
| Savings and time deposits | \$ 3,118,974 | 26,879 | | 3.46 % |
| Federal funds purchased, master notes and securities sold under agreements to repurchase | 37,988 | 255 | | 2.69 |
| Other short-term borrowed funds | 10,838 | 71 | | 2.63 |
| Long-term debt | 84,472 | 1,577 | | 7.47 |
| Total interest-bearing liabilities | 3,252,272 | 28,782 | | 3.55 |

| | | | | |
|---|--------------|--|--|--|
| Other liabilities and shareholders' equity: | | | | |
| Demand deposits | 453,704 | | | |
| Other liabilities | 82,447 | | | |
| Shareholders' equity | 383,800 | | | |
| Total liabilities and shareholders' equity | \$ 4,172,223 | | | |

Net interest income and net interest margin (4) \$ 47,109 4.83 %

Interest rate spread (5) 3.96 %

(1) The taxable equivalent basis is computed using 35% federal and 7.75% state tax rates in 1995 and 35% federal and 7.83% state

tax rates in 1994 where applicable. All amounts prior to June 30, 1995 are restated for CCB Financial Corporation's May 19, 1995 merger with Security Capital Bancorp which was accounted for as a pooling-of-interests.

(2) The average loan and lease financing balances include non-accruing loans and lease financing. Loan fees of \$2,540,000 and \$2,140,000 for 1995 and 1994, respectively, are included in interest income.

(3) The average balances for debt and equity securities exclude the effect of their mark-to-market adjustment, if any.

(4) Net interest margin is computed by dividing net interest income by total earning assets.

(5) Interest rate spread equals the earning asset yield minus the interest-bearing liability rate.

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CCB FINANCIAL CORPORATION

Average Balances and Net Interest Income Analysis

Six Months Ended June 30, 1995 and 1994

(Taxable Equivalent Basis-In Thousands) (1)

| | Average Balance | 1995 Interest Income/ Expense | Average Yield/ Rate |
|--|--------------------|--|---------------------------|
| Earning assets: | | | |
| Loans and lease financing (2) | \$ 3,228,707 | 150,671 | 9.39 % |
| U.S. Treasury and agency obligations (3) | 890,293 | 30,196 | 6.78 |
| States and political subdivision obligations | 81,447 | 4,090 | 10.13 |
| Equity and other securities (3) | 30,722 | 1,089 | 7.09 |
| Federal funds sold and other short-term investments | 173,216 | 5,497 | 6.40 |
| Time deposits in other banks | 43,403 | 1,417 | 6.58 |
| Total earning assets (3) | 4,447,788 | 192,960 | 8.72 |
| Non-earning assets: | | | |
| Cash and due from banks | 168,158 | | |
| Premises and equipment | 65,985 | | |
| All other assets, net | 54,200 | | |
| Total assets | \$ 4,736,131 | | |
| Interest-bearing liabilities: | | | |
| Savings and time deposits | \$ 3,597,676 | 81,413 | 4.56 % |
| Federal funds purchased, master notes and securities sold under agreements to repurchase | 46,682 | 1,140 | 4.92 |
| Other short-term borrowed funds | 48,627 | 1,433 | 5.94 |
| Long-term debt | 87,556 | 3,071 | 7.02 |
| Total interest-bearing liabilities | 3,780,541 | 87,057 | 4.64 |
| Other liabilities and shareholders' equity: | | | |
| Demand deposits | 480,536 | | |
| Other liabilities | 90,615 | | |
| Shareholders' equity | 384,439 | | |
| Total liabilities and shareholders' equity | \$ 4,736,131 | | |
| Net interest income and net interest margin (4) | | \$ 105,903 | 4.78 % |
| Interest rate spread (5) | | | 4.08 % |

CCB FINANCIAL CORPORATION

Average Balances and Net Interest Income Analysis, Continued

Six Months Ended June 30, 1995 and 1994

(Taxable Equivalent Basis-In Thousands) (1)

| | Average Balance | 1994 Interest Income/ Expense | Average Yield/ Rate |
|------------------------|--------------------|--|---------------------------|
| Earning assets: | | | |

| | | | |
|--|--------------|---------|--------|
| Loans and lease financing (2) | \$ 2,682,655 | 112,259 | 8.42 % |
| U.S. Treasury and agency obligations (3) | 911,895 | 26,623 | 5.89 |
| States and political subdivision obligations | 60,238 | 3,252 | 10.89 |
| Equity and other securities (3) | 42,342 | 1,238 | 5.85 |
| Federal funds sold and other short-term investments | 139,381 | 2,478 | 3.59 |
| Time deposits in other banks | 42,348 | 870 | 4.14 |
| Total earning assets (3) | 3,878,859 | 146,720 | 7.60 |
| Non-earning assets: | | | |
| Cash and due from banks | 162,152 | | |
| Premises and equipment | 61,957 | | |
| All other assets, net | 42,954 | | |
| Total assets | \$ 4,145,922 | | |
| Interest-bearing liabilities: | | | |
| Savings and time deposits | \$ 3,110,270 | 52,729 | 3.42 % |
| Federal funds purchased, master notes and securities sold under agreements to repurchase | 35,232 | 417 | 2.39 |
| Other short-term borrowed funds | 11,220 | 133 | 2.39 |
| Long-term debt | 84,781 | 3,182 | 7.50 |
| Total interest-bearing liabilities | 3,241,503 | 56,461 | 3.51 |
| Other liabilities and shareholders' equity: | | | |
| Demand deposits | 441,449 | | |
| Other liabilities | 81,602 | | |
| Shareholders' equity | 381,368 | | |
| Total liabilities and shareholders' equity | \$ 4,145,922 | | |
| Net interest income and net interest margin (4) | \$ 90,259 | | 4.67 % |
| Interest rate spread (5) | | | 4.09 % |

(1) The taxable equivalent basis is computed using 35% federal and 7.75% state tax rates in 1995 and 35% federal and 7.83% state tax rates in 1994 where applicable. All amounts prior to June 30, 1995 are restated for CCB Financial Corporation's May 19, 1995 merger with Security Capital Bancorp which was accounted for as a pooling-of-interests.

(2) The average loan and lease financing balances include non-accruing loans and lease financing. Loan fees of \$4,597,000 and \$3,852,000 for 1995 and 1994, respectively, are included in interest income.

(3) The average balances for debt and equity securities exclude the effect of their mark-to-market adjustment, if any.

(4) Net interest margin is computed by dividing net interest income by total earning assets.

(5) Interest rate spread equals the earning asset yield minus the interest-bearing liability rate.