

June 2017

# Quarterly Report

SOUTHERN BANCSHARES (N.C.), INC.



Our interest is *You.*

AHOSKIE, AURORA,  
AYDEN, BAILEY,  
BELHAVEN, BETHEL,  
CHESAPEAKE, CLINTON,  
DEEP RUN, EDENTON,  
FAISON, FARMVILLE,  
FREMONT, GARLAND,  
GATESVILLE, GOLDSBORO,  
GREENVILLE, JACKSON,  
KENANSVILLE, KENLY,  
KILL DEVIL HILLS, KITTY  
HAWK, LA GRANGE,  
LEWISTON, MANTEO,  
MIDDLESEX,  
MOUNT OLIVE,  
MURFREESBORO,  
NASHVILLE, NORFOLK,  
PINE LEVEL, PINETOPS,  
PLYMOUTH, RED OAK,  
ROANOKE RAPIDS,  
ROBERSONVILLE, ROCKY  
MOUNT, SALEMBURG,  
SCOTLAND NECK,  
SHARPSBURG, SUFFOLK,  
TARBORO, VIRGINIA  
BEACH, WARSAW, WILSON,  
WINDSOR, WINTERVILLE,  
WINTON

## Mission

Founded in 1901, Southern Bank is a customer-focused community bank serving eastern North Carolina and southeastern Virginia. Our mission is to be the bank of preference for consumers and businesses in the markets that we serve.

Genuine concern for the customer is our top priority, striving to create and deliver superior value in the financial services we provide by exceeding the expectations of our customers.

We are dedicated to the communities we serve, both in spirit and support. We provide a progressive and rewarding working environment for our employees that encourages the investment of their time, energy, and talents to the betterment of their communities.

We embrace sound banking philosophies that incorporate dedication to relationships, strong business values, and financial integrity while advocating the maintenance of quality assets and reasonable return on shareholder investment.

Southern Bank is a wholly owned subsidiary of Southern BancShares (N.C.), Inc.



Our interest is *You.*

# Summary Balance Sheet

Southern BancShares (N.C.), Inc. and Subsidiary  
Financial Highlights (Unaudited)  
(Dollars in thousands, except per share data)

|   | For the Quarter Ended<br>June 30, |      | Year to Date<br>June 30, |              | Percent<br>Change<br>YTD |
|---|-----------------------------------|------|--------------------------|--------------|--------------------------|
|   | 2017                              | 2016 | 2017                     | 2016         |                          |
| <b>ASSETS</b>   |                                   |      |                          |              |                          |
| Cash, due from banks and overnight funds sold               |                                   |      | \$ 213,223               | \$ 243,652   | -12%                     |
| Investments   |                                   |      | 609,486                  | 660,572      | -8%                      |
| Loans less allowance for loan loss of \$17,738 and \$14,942 |                                   |      | 1,587,210                | 1,417,236    | 12%                      |
| Other assets  |                                   |      | 135,816                  | 127,107      | 7%                       |
| Total assets  |                                   |      | \$ 2,545,735             | \$ 2,448,567 | 4%                       |

|                              |  |  |              |              |      |
|------------------------------|--|--|--------------|--------------|------|
| <b>LIABILITIES</b>           |  |  |              |              |      |
| Deposits:                    |  |  |              |              |      |
| Noninterest-bearing deposits |  |  | \$ 655,072   | \$ 611,009   | 7%   |
| Interest-bearing deposits    |  |  | 1,453,529    | 1,447,537    | 0%   |
| Total deposits               |  |  | 2,108,601    | 2,058,546    | 2%   |
| Borrowings                   |  |  | 142,902      | 105,271      | 36%  |
| Other liabilities            |  |  | 26,873       | 38,297       | -30% |
| Total other liabilities      |  |  | 169,775      | 143,568      | 18%  |
| Total liabilities            |  |  | \$ 2,278,376 | \$ 2,202,114 | 3%   |

|  |  |  |              |              |     |
|--|--|--|--------------|--------------|-----|
| <b>SHAREHOLDERS' EQUITY</b>                |  |  |              |              |     |
| Preferred stock                            |  |  | \$ 1,828     | \$ 1,851     | -1% |
| Common stock                               |  |  | 407          | 409          | 0%  |
| Surplus                                    |  |  | 69,862       | 69,862       | 0%  |
| Retained earnings                          |  |  | 158,894      | 144,849      | 10% |
| Accumulated other comprehensive income     |  |  | 36,368       | 29,482       | 23% |
| Total shareholders' equity                 |  |  | 267,359      | 246,453      | 8%  |
| Total liabilities and shareholders' equity |  |  | \$ 2,545,735 | \$ 2,448,567 | 4%  |

|                             |           |           |           |           |      |
|-----------------------------|-----------|-----------|-----------|-----------|------|
| <b>EARNINGS PERFORMANCE</b> |           |           |           |           |      |
| Interest income             | \$ 24,568 | \$ 22,970 | \$ 47,785 | \$ 44,695 | 7%   |
| Interest expense            | 1,361     | 1,302     | 2,626     | 2,575     | 2%   |
| Net interest income         | 23,207    | 21,668    | 45,159    | 42,120    | 7%   |
| Provision for loan losses   | 606       | 609       | 1,201     | 565       | 113% |
| Noninterest income          | 5,525     | 3,688     | 5,454     | 6,482     | -16% |
| Noninterest expense         | 18,212    | 19,599    | 36,278    | 40,264    | -10% |
| Income before income taxes  | 9,914     | 5,148     | 13,134    | 7,773     | 69%  |
| Income tax expense          | 3,388     | 1,694     | 4,456     | 2,725     | 64%  |
| Net income                  | \$ 6,526  | \$ 3,454  | \$ 8,678  | \$ 5,048  | 72%  |
| Earnings per share          | \$ 73.48  | \$ 36.19  | \$ 93.39  | \$ 50.10  |      |
| Return on average assets    | 1.06%     | 0.58%     | 0.71%     | 0.43%     |      |
| Return on average equity    | 10.03%    | 5.70%     | 6.72%     | 4.25%     |      |

## ADDITIONAL DISCLOSURE - NEW ACCOUNTING PRONOUNCEMENT

In January 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-01: Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"). One of the requirements of the ASU is that equity investments must be measured at fair value with changes in fair value recognized in net income. We will adopt the ASU during the first quarter of 2018 with a cumulative-effect adjustment from accumulated other comprehensive income to retained earnings as of the beginning of the year of adoption. If the ASU had been effective for the quarters ended June, 2017 and 2016 BancShares' pro-forma net income would have been as follows:

|  | For the Quarter Ended<br>June 30, |          | Year to Date<br>June 30, |          |  |
|--|-----------------------------------|----------|--------------------------|----------|--|
|  | 2017                              | 2016     | 2017                     | 2016     |  |
| Net income                             | \$ 6,526                          | \$ 3,454 | \$ 8,678                 | \$ 5,048 |  |
| Impact of ASU 2016-01                  | 5,696                             | 1,359    | 2,939                    | 51       |  |
| Pro-forma net income after ASU 2016-01 | \$ 12,222                         | \$ 4,813 | \$ 11,617                | \$ 5,099 |  |

## General Board of Directors

**J. GREY MORGAN**, Chairman

Mount Olive, NC

The Bank's and our Chief Executive Officer and Board Chairperson

**JULIAN R. AYCOCK**

Fremont, NC

President, Marr's, Inc., (farming operations)

**WILLIAM H. BRYAN**

Mount Olive, NC

Executive Chairperson, Mount Olive Pickle Company, Inc. (manufacturer of pickle and pepper products)

**HOPE H. BRYANT**

Raleigh, NC

Vice Chairman, First Citizens BancShares, Inc.; Corporate Sales Executive, First-Citizens Bank & Trust Company

**JOEL K. BUTLER**

Grimesland, NC

President, Vidant Health Foundation; Formerly, Chief External Affairs Officer, Vidant Health (health care)

**MICHAEL L. CHESTNUTT**

Clinton, NC

Managing Partner, Black, Chestnutt and Johnson, PA (public accounting)

**DREW M. COVERT**

Mount Olive, NC

The Bank's and our President

**OLIVIA B. HOLDING**

Raleigh, NC

President and Director, Twin States Farming, Inc.;

President and Director, E&F Properties, Inc.

**MICHAEL S. IVES**

Virginia Beach, VA

Attorney, Wilcox & Savage, PC, Norfolk, VA, formerly, President and Chief Executive Officer of Heritage Bankshares and Heritage Bank, Norfolk, Virginia

**G. ROUSE IVEY**

Mount Olive, NC

Self-employed farmer

**M.J. MCSORLEY**

Rocky Mount, NC

Vice Chairperson and formerly the Bank's and our

President and Chief Executive Officer

**JOHN C. PEGRAM, JR.**

Chapel Hill, NC

Retired; formerly the Bank's and our Chairman and Chief Executive Officer

**THOMAS R. SALLENGER**

Wilson, NC

Attorney; general partner, Sallenger & Brown, LLP (law firm)

**MALCOLM R. SULLIVAN, JR.**

Goldsboro, NC

President, PDNC, LLC an affiliate of Cheney

Brothers, Inc.; Formerly Chief Executive Officer,

Pate Dawson Company (Food Service Distribution)

**DIRECTORS EMERITI**

**BYNUM R. BROWN**

Murfreesboro, NC  
President, Bynum R. Brown Agency, Inc.  
President, Brown Manor, Inc.  
Secretary-Treasurer, Roanoke Valley Nursing Home, Inc.

**FRANK B. HOLDING**

Smithfield, NC  
Former Vice Chairman of the Board of Southern Bank and Trust Company, Former Executive Vice Chairman of the Board, First-Citizens Bank & Trust Company and First Citizens BancShares, Inc.

**W.A. POTTS**

Mount Olive, NC  
Retired Veterinarian

**Executive Officers of Bancshares**

**J. GREY MORGAN**

Chairman of the Board  
and Chief Executive Officer

**DREW M. COVERT**

President

**DAN R. ELLIS, JR.**

Vice President and Corporate Secretary

**JERRY C. ALEXANDER**

Vice President

**MICHAEL T. BRYANT**

Vice President

**L. TAYLOR HARRELL**

Vice President

**Executive Officers of Southern Bank and Trust Company**

**J. GREY MORGAN**

Chairman of the Board  
and Chief Executive Officer

**DREW M. COVERT**

President, Southern Bank and Trust Company

**DAN R. ELLIS, JR.**

Executive Vice President, Chief Financial Officer,  
Corporate Secretary, and Treasurer

**JERRY C. ALEXANDER**

Executive Vice President

**MICHAEL T. BRYANT**

Executive Vice President

**L. TAYLOR HARRELL**

Executive Vice President

## Regional Executives of Southern Bank and Trust Company

**GREGORY A. SHACKELFORD**

Senior Vice President  
South Region

**JERRY C. ALEXANDER**

Executive Vice President  
Northeast Region

**MICHAEL T. BRYANT**

Executive Vice President  
West Region

**L. TAYLOR HARRELL**

Executive Vice President  
Hampton Roads Region

## Local Boards of Directors

**Ahoskie**

Dr. Joselito S. Almario, Ronald G. Baker, L. M. Brinkley, Jr., William T. Fretwell, Darlene P. Fritz, James R. Harrell, Jr., Teresa F. Jenkins, Susan S. Lassiter, Charles I. Pierce, Jr., Robert N. Riddick, Edgar L. Swain, Jr.,  
Director Emeriti - Howard C. Brown, Joe Henry Jenkins

**Ayden**

Elbert Hardy Dixon, Arthur E. Heath, Sharon V. Warrick

**Belhaven**

Douglas B. Clark, Gary L. Respass, William M. Tankard, Charles F. Williams.  
Director Emeritus - C. Ervin Manning, Sr.

**Bethel**

Kevin G. Adams, Melissa Briley, Edward E. Dennis, Jr., Frances R. Young, Charles E. Tucker, Director Emeritus - James H. Dupree

**Duplin County**

Edward Dail, Morgan H. Swinson, Ernest Clegg Grady, Jr., Marion Dean Brown, Jr., Gregory Millard Bounds, John C. Smith, Jr., J. Garrett Ludlum, G. Haywood Quinn, Jr., Director Emeriti - James McGowan, Dr. Mary Wood, Richard Harrell

**Edenton**

Ronald J. Andronowitz, Horace Beasley, Charles A. Britton, Steve Brown, Franklin S. Edmondson III, A. Travis Ellis, Director Emeriti - Marvin S. Barham, Dr. Richard Hines, Jr.

**Farmville**

Douglas W. Henry, Jasper D. Monroe, Jr., John O. Moore, Eric J. Pierce, Charles A. Rice, CPA., Dr. Bert B. Warren, Jr.

**Gatesville**

Dan M. Askew, George M. Miller, Director Emeriti - Charles Sherwood Eason, John A. Lane, Jr., Robert P. Hollowell, Jr.

**Goldsboro**

Michael W. Jones, John E. Kinsey, Jr., Jerilyn J. Lee, W. Stephen Moore, Lemuel Edward Pitzer, Luther Eddice Taylor III

**Greenville**

Dr. Jim Casey, Barry Chesson, Dr. Paul R. G. Cunningham, Dr. Johnathan P. Earp, Dr. Mary Helen Hutchinson, Dennis Massey, William D. "Bill" Mitchum, Jr., William R. Parker, Beth Sigmon, Sue Collier, Director Emeritus - Greenville Banks

### Hampton Roads

David A. Arias, Stephen B. Ballard, Michael E. Barney, Richard A. Beskin, Richard E. Biemiller, Chris Beisel, Judy Boone, Lisa F. Chandler, Rev. Harold J. Cobb, Jr., Scot Creech, James A. Cummings, William J. Davenport, III, Lydia G. Duke, Lindsey Riddle Elliott, Steve C. Frazier, John L. Gibson, III, Thomas C. Gifford, Michael Goodove, Rober L. Gutterman, Dorcas Helfant- Browning, Thomas P. Host, III, Claus Ihlemann, James J. Izard, II, Karen Jafee, Stephen A. Johnsen, Thomas G. Johnson, III, Kal Kassir, David L. Kaufman, Michael P. Kellam, Linda S. Laibstain, William A. Lascara, Kirk B. Levy, Gary C. Mah, Charles R. Malbon, Jr., Robert F. Mann, M.D., Peter M. Meredith, Jr., Paul Michels, Thaddeus J. Nowak, Charles S. Nusbaum, Matthew R. Nusbaum, Jeanette L. Ojeda, L. Allan Parrott, Jr., William L. Perkins, II, Donald E. Perry, Donna Phaneuf, James Pickrell, Jr., Albert H. Poole, Roger L. Porter, John W. Rachels, Duane H. Robets, Louis F. Ryan, Robert L. Schick, Jr., Gary K. Shepherd, I. Resse Smith, Ann K. Sullivan, Anthony M. Thiel, Philip R. Trapani, Jr., Howard M. Webb

### La Grange

Robert Bland, Henry Edwards, Craig A. Jones, T. Dewey Mooring, Roger M. Sutton, G. Lynn Taylor

### Lewiston-Woodville

B. U. Griffin, Jr. John M. Griffin, Sr., Carl A. Lee, Sr., Susan B. Lewis, Joe G. Whitehead, Jr., Director Emeritus - Richard N. Hoggard

### Mount Olive

James Douglas Best, John T. Davis, Jr., B. Hain Ficken, Jr., David H. Overman, Mark Raynor, Dr. James M. Sasser, Ronald G. Sloan, Dr. Robert K. Talton, Carol Gainey Carrere, Ph.D., Robert E. Williams

### Murfreesboro

Sylvia F. Anderson, Wayne Brown, John M. Jenkins, Jr., Ben McLean, Charles L. Revelle, III, John P. Revelle, Jr., Jayne H. Wolfskill, Brock E. Felton, Director Emeritus - Bynum R. Brown

### Nashville

Director Emeriti - John S. Edwards, W. Timothy Evans, James L. Hinton, Robert E. Pate, Kathryn A. Tyson, Dr. R. Cole Younger, John V. Denton, Leorita B. Hankerson

### Outer Banks

Jill G. Bennett, Michael C. Casey, Timothy L. Crank, Paddison P. Hudspeth, Joy E. Lige, Jeffrey B. Dowdy, Theresa "Tess" Judge, Richard B. Mizelle, Jr., Director Emeritus - Cashar W. Evans, Jr.

### Plymouth

William R. Sexton, April M. Stotesberry

### Roanoke Rapids

Paul W. Heaton, Jr., Grady W. "Phil" Hux, Donald R. Lynch, Mark D. Dickinson

### Robersonville

Veo Bunting, Robert W. James, Jr., Hope D. MacNeill, Worley Warren, Michael H. Williams

### Nash/Edgecombe County Board

Jeffrey A. Batts, , A.C. "Chad" Cayton, IV, Robbie B. Davis, Gary J. Fazio, Ledger Norris Harrell, Johnny L. Hogg, Jean A. Kitchin, James L. Knight, John Turnage, Brandon G. Moore, Wayne E. Murphy, Rebecca Parks, Charles A. Rose, Jr., Director Emeriti - Bobby Joe Fisher, J. Edgar Moore, Dr. J. Reid Parrott, Jr., Dr. Daniel L. Crocker, Robert H. Marriott, Jr., James W. Pridgen, Dr. Blair Harrold, Larry W. McAdams

### Sampson County

Steven J. Bass, James P. Burch, Ralph C. Carter, Jr., Michael Edwards, Robert A. Fann, Rex Moody, Brenda S. Warren, Dr. Jeffrey G. Bell



## Scotland Neck

D. Bryan Dobson, Charles J. Shields, James Lewis Thompson,  
Director Emeriti - Leonard J. Bunting, E. Eugene Hyman

## Southern Nash County

Derek Ray Bissette, Willie Clovis Boykin, III, Marshall Lee Brock, J. Brent Creech,  
Marshall Dean High, Tami Alford Massey, Thomas R. Matthews, Jr.,  
T. Pender Sharp, III, Director Emeriti - Richard H. Rains, Tony R. Stone, Robert L.  
Matthews, Jr., Elmer Crocker

## Wilson County

Janet P. Barnes, Milo L. Gibbs, Jr., Elizabeth Howard, James A. Miller, Eldon S.  
Newton, III, Ralph M. Smith, Jr., Charles A. Thomas, William H. Vaughan, Jr.,  
John Lee, Sheila Vick, Derrick Creech, Director Emeritus - Willie Williams

## Windsor

Ricky Ryan Clough, Moses B. Gillam, III, Crystal Godwin, James F. Hoggard,  
III, Revonne W. Hoggard, William Pittman, Carla Rascoe, Joseph S. Roberson,  
Director Emeriti - Wayne P. Attkisson, Billy J. Clough, John L. Pierce, Jr.,  
Edward E. Rawls, Hoke S. Roberson, Lawrence C. Carter

## Winton

Carolyn B. Bazemore, A. T. Byrum, Jr., Dr. Terry C. Hall, DMD,  
Dr. Peggy A. Johnston, DVM, W. Hugh Jones, Jr., R. A. Newsome, Jr.

# Local Officers

## Ahoskie

Teresa F. Jenkins, Senior Vice President  
Sandra T. Wiley, Banking Officer  
Deborah B. Morris, Assistant Banking Officer  
Glenda D. Ward, Assistant Banking Officer

## Aurora

Jeffrey W. Robinson, Vice President

## Ayden

Sharon V. Warrick, Vice President

## Bailey

Courtney J. Price, Banking Officer  
Sylvia B. Temple, Banking Officer

## Belhaven

Charles F. Williams, Vice President  
Patricia J. Cooper, Banking Officer  
Earline M. Webb, Banking Officer

## Bethel

Melissa W. Briley, Vice President

## Chesapeake

Casey M. Cudney, Vice President  
Shelby N. Maltese, Assistant Vice President

## Clinton

Marvin Rex Moody, Vice President  
Mark O. Harrell, Vice President  
Marcia B. Jackson, Banking Officer

## Edenton

Charles A. Britton, Vice President  
Lisa K. Dunagan, Vice President  
Glenda H. Jackson, Banking Officer

## Elizabeth City

Mathew R. Scribner, Senior Vice President  
S. Johnson W. Biggs, Vice President

### Farmville

Jasper Davidson Monroe, Jr., Vice President

### Gatesville

Dan M. Askew, Vice President

### Goldsboro

W. Scott Newton II, Senior Vice President

Christine L. Brown, Banking Officer

Brenda E. Paul, Banking Officer

### Greenville

Alyson B. Faulconer, Senior Vice President

M. Dawn Raiford, Vice President

Everett K. Kelly, Jr., Vice President

I. Faith Stilley, Assistant Vice President

Carrie L. Rollins, Banking Officer

### Jackson

Margaret W. Hall, Vice President

Donna B. Burgess, Assistant Vice President

### Kenansville

G. Haywood Quinn, Jr., Vice President

Britia B. Cavanaugh, Banking Officer

### Kenly

J. Daniel Whaley, Assistant Vice President

### Kill Devil Hills

Sonya A. Payne, Vice President

Penelope E. Bentley, Vice President

### Kitty Hawk

Susan C. Clissold, Vice President

Michele R. Godsey, Vice President

### La Grange

Craig A. Jones, Vice President

### Lewiston-Woodville

Susan B. Lewis, Vice President

Cynthia I. Vaughan, Assistant Vice President

### Manteo

Neil C. Songer, Vice President

### Mount Olive

William Mark Raynor, Vice President

J. David Sutton, Vice President

Walter D. Joyner, Banking Officer

P. Renee Henderson, Assistant Banking Officer

### Murfreesboro

Matthew B. Howell, Assistant Vice President

Denise J. Britton, Banking Officer

Denise R. Martin, Banking Officer

### Nashville

Amy N. Beasley, Vice President

Pamela B. Avent, Banking Officer

### Norfolk

Maureen M. Grover, Vice President

Vicki L. Eicher, Assistant Vice President

Dolores A. Fiorella, Assistant Vice President

Kelly A. Johnson, Assistant Vice President

## Quarterly Report

### Plymouth

April M. Stotesberry, Vice President

### Red Oak

Lisa P. Wells, Banking Officer

### Roanoke Rapids

Mark D. Dickinson, Senior Vice President

Kim E. Ivey, Vice President

### Robersonville

Hope D. MacNeill, Vice President

Lisa B. Forbes, Banking Officer

### Rocky Mount

Kenneth E. Sawyer, Jr., Senior Vice President

Debbie S. Boyette, Vice President

Deborah L. Braswell, Vice President

John Allen Corbett III, Vice President

Kimberly S. Sutton, Vice President

William P. Johnson, Assistant Vice President

Deborah D. Nelms, Assistant Vice President

Vanessa M. Whitaker, Assistant Vice President

Lynn N. Barnes, Banking Officer

Julie C. Howard, Banking Officer

Bryan M. Huff, Banking Officer

Gloria D. Williams, Banking Officer

### Salemberg

E. Faith Brock, Banking Officer

### Scotland Neck

James Lewis Thompson, Senior Vice President

Debra T. Worley, Banking Officer

### Sharpsburg

Nancy B. Bullard, Assistant Vice President

### Suffolk

Margaret D. Frisch, Assistant Vice President

### Tarboro

Leta G. Bateman, Assistant Banking Officer

### Virginia Beach

Wanda D. Garrett, Vice President

Jody F. Kuehn, Vice President

Briana J. Cabiao, Assistant Vice President

Donna M. Eason, Assistant Vice President

Lauren L. LaBonte, Assistant Vice President

Jenifer B. Watlington, Assistant Vice President

Katherine D. Wyatt, Assistant Vice President

### Wake County

L. Gregory Williams, Senior Vice President

Jerry W. Beasley, Senior Vice President

P. Griffin Laughridge, IV, Vice President

James A. Bryant, Vice President

### Warsaw

Cecilia W. Bell, Banking Officer

Faye H. Brock, Assistant Banking Officer

### Wilmington

Paul McCombie, Senior Vice President

Leon C. Pruzan, Senior Vice President

Leonard B. Smith, Senior Vice President

### Wilson

Matthew W. Whitley, Senior Vice President  
Hillary A. Jackson, Vice President  
James L. Southerland, Vice President  
Terri H. Stutts, Vice President  
Melissa S. Jones, Banking Officer  
Ann B. Parrish, Banking Officer

### Windsor

Crystal C. Godwin, Vice President  
Stephen D. Wishall, Vice President  
Gay H. Feher, Banking Officer  
Christie H. Jernigan, Banking Officer

### Winterville

Paul C. Anderson, Vice President  
Mark A. Thompson, Assistant Vice President  
Dana H. Fuller, Banking Officer

### Winton

Carolyn B. Bazemore, Vice President

## General Officers

### Affiliated Mortgage Services

Richard J. Mullen, Senior Vice President  
Steven M. Becraft, Vice President  
Teresa O. Chappell, Vice President  
Shannon B. Joyner, Vice President  
Elizabeth D. Pullen, Vice President  
W. Neil Johnston, Assistant Vice President  
Denise P. Corbett, Banking Officer  
Kimberly C. Harrison, Banking Officer  
Heather B. Vann, Banking Officer

### Audit

Tonya B. Watkins, Senior Vice President and General Auditor  
Faye R. Jones, Assistant Vice President

### Cash Management Services

Lori P. Martin, Senior Vice President  
Jennifer H. Robertson, Vice President  
Sandy E. Davidson, Banking Officer

### Community Reinvestment

Suzanne M. Burrows, Vice President and Community Reinvestment Act Officer

### Corporate Administration

Edward I. Coltrain, Senior Vice President and Chief Operating Officer  
Rebecca L. Binkley, Vice President  
Jamie L. Colwell, Vice President

### Corporate Finance

Dan R. Ellis, Jr., Executive Vice President and Chief Financial Officer  
David L. Sauls, Jr., Senior Vice President and Chief Accounting Officer  
Robin M. Jackson, Vice President  
Sandy C. McCarty, Vice President and Bank Security Officer  
Genetta B. Goodman, Assistant Vice President

## Quarterly Report

### Corporate Headquarters

James Grey Morgan, Chairman of the Board and Chief Executive Officer  
Drew M. Covert, President

### Credit Administration

Judy M. Lynn, Senior Vice President and Senior Credit Officer  
James C. Hill, Vice President  
Kimberly N. Anderson, Banking Officer

### Credit Operations

Barry G. Allen, Vice President and Information Security Officer  
Regina A. Neal, Assistant Vice President  
Jeffrey W. Westbrook, Assistant Vice President  
Quanta M. Woodson, Assistant Vice President  
Brandon K. Faucette, Banking Officer

### Credit Review

Sharon S. Edmundson, Vice President  
Vernon Scott Wilson, Assistant Vice President

### Deposit Operations

Jeanne C. King, Vice President  
Amanda M. Modlin, Vice President  
Joyce Anne Barwick, Assistant Vice President  
Jessica L. Bryant, Assistant Vice President

### Hampton Roads Region

L. Taylor Harrell, Executive Vice President  
Christopher M. Beale, Senior Vice President  
Shelayne S. Boswell, Senior Vice President  
Linda G. Doland, Senior Vice President  
W. Trent Dudley, Senior Vice President  
Keith E. Gillespie, Senior Vice President  
Adam J. Goldblatt, Senior Vice President  
Leigh C. Keogh, Senior Vice President  
Steven E. Kocen, Senior Vice President  
Deborah B. Mast, Senior Vice President  
Donald A. Morris, Jr., Senior Vice President  
Melonie B. Whitehead, Senior Vice President  
Steven M. Byrd, Vice President  
Adam T. Jobe, Vice President  
Christopher T. Bray, Assistant Vice President  
Michele M. Mason, Assistant Vice President  
Darian J. Fisher, Banking Officer

### Human Resources

Valerie W. Roberson, Senior Vice President  
Pamela K. Best, Banking Officer

### Information Technology

James T. Williams, Senior Vice President  
Kevin L. Loftin, Vice President

### Loss Share

Michele L. Barham, Vice President  
Anthony L. Hunt, Vice President  
Robert H. Johnson, Vice President  
Craig W. Reed, Vice President  
Jaime L. Warren, Vice President

### Marketing & Sales

John L. Heeden, Senior Vice President  
Lisa R. Sanderson, Vice President

### Northeast Region

Jerry C. Alexander, Executive Vice President  
T. Olin Davis, Senior Vice President  
Dilara B. Moore, Senior Vice President  
William Jason Waughtel, Senior Vice President  
Charles M. Wells II, Senior Vice President  
C. McCray Sadler, Vice President  
Dustin W. Sumner, Vice President

### Regulatory Compliance

Angela R. Rose, Banking Officer and  
Office of Foreign Assets Control (OFAC) Compliance Officer

### Risk Management

Sheila Y. Ewers, Banking Officer

### Southern Bank Customer Care

Sondra F. McCorquodale, Senior Vice President  
Kristi P. Cooper, Vice President  
Deborah B. Pannell, Assistant Vice President  
Lynn L. Baker, Banking Officer

### Southern Investment Services

Corey D. Quattlebaum, Senior Vice President  
Justin Brooks Bunting, Vice President  
John P. Dennis, Vice President  
William H. Hopkins, Jr., Vice President  
Rick D. Hughes, Vice President  
Frank C. Jones, Jr., Vice President  
Jeffrey M. Raxlin, Vice President  
Angela H. Futrell, Assistant Vice President

### Southern Region

Gregory A. Shackelford, Senior Vice President  
Rebecca C. Dorsey, Senior Vice President  
P. Brent Williams, Senior Vice President

### Training

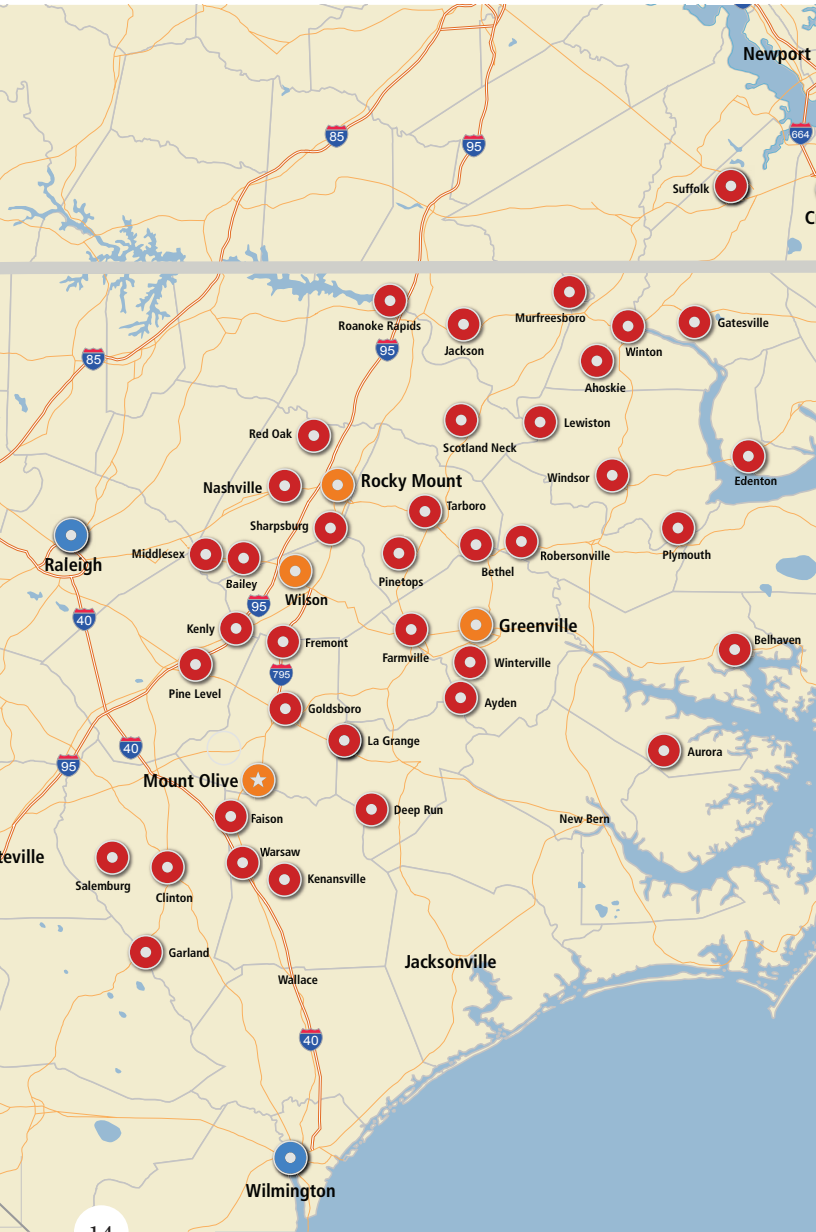
B. Gail Ambrose, Vice President  
Tanya L. Mizelle, Assistant Vice President

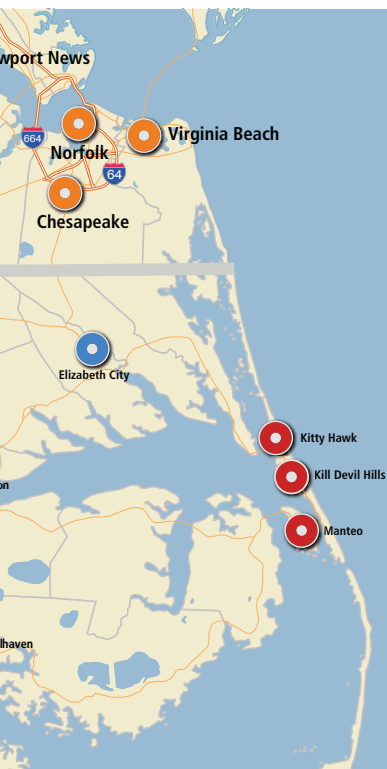
### West Region

Michael T. Bryant, Executive Vice President  
G. Willard Barnes, Senior Vice President  
Wayne E. Murphy, Senior Vice President  
William D. Edgar, Jr., Vice President

Founded in 1901 as the Bank of Mount Olive, Southern Bank is among the oldest state chartered commercial banks in North Carolina. With total assets over \$2.5 billion, the bank operates over 60 locations in North Carolina and Virginia.

- Branch Location
- Multiple Branches
- Corporatate Headquarters
- Loan Office





**Founded in 1901 as the Bank of Mount Olive, Southern Bank is among the oldest state chartered commercial banks in North Carolina. With total assets over \$2.5 billion, the bank operates Over 60 locations in North Carolina and Virginia.**



Branch Location



Multiple branches



Loan Office



Corporate Headquarters



## Quarterly Report

### Ahoskie

506 E. Main St.  
Ahoskie, NC 27910  
Telephone: 252.332.5149

### Aurora

298 N. Fifth St.  
Aurora, NC 27806  
Telephone: 252.322.4046

### Ayden

236 3rd St.  
Ayden, NC 28513  
Telephone: 252.746.6138

### Bailey

6174 Main Street  
Bailey, NC 27807  
Telephone: 252.235.4071

### Belhaven

148 E. Main St.  
Belhaven, NC 27810  
Telephone: 252.943.2184

### Bethel

7458 Main St.  
Bethel, NC 27812  
Telephone: 252.825.0031

### Chesapeake - Cedar

1217 Cedar Rd.  
Chesapeake, VA 23322  
Telephone: 757.549.8787

### Chesapeake - Greenbrier

1304 Greenbrier Pkwy.  
Chesapeake, VA 23320  
Telephone: 757.436.0192

### Chesapeake - Western Branch

3343 Western Branch Blvd.  
Chesapeake, VA 23321  
Telephone: 757.638.9383

### Clinton

1008 Sunset Ave.  
Clinton, NC 28328  
Telephone: 910.592.9005

### Deep Run

3410 Old HWY 11  
Deep Run, NC 28525  
Telephone: 252.568.4141

### Edenton

101 W. Queen St.  
Edenton, NC 27932  
Telephone: 252.482.8466

### Faison

110 S. West Center St.  
Faison, NC 28341  
Telephone: 910.267.4351

### Farmville

4217 E. Church St.  
Farmville, NC 27828  
Telephone: 252.753.2161

### Fremont

101 North Wilson Street  
Fremont, NC 27830  
Telephone: 919.242.6011

### Garland

83 S. Bladen Ave.  
Garland, NC 28441  
Telephone: 910.529.3651

### Gatesville

203 Main St.  
Gatesville, NC 27938  
Telephone: 252.357.0190

### Goldsboro-Wayne

2301 Wayne Memorial Drive  
Goldsboro, NC 27534  
Telephone: 919.735.1207

### Goldsboro-Ash

2501 E. Ash St.  
Goldsboro, NC 27534  
Telephone: 919.734.2909

### Greenville - Charles

2310 S. Charles Blvd.  
Greenville, NC 27858  
Telephone: 252.353.8600

### Greenville - Medical Park

2275 Stantonsburg Rd.  
Greenville, NC 27834  
Telephone: 252.551.3033

### Jackson

208 W. Jefferson St.  
Jackson, NC 27845  
Telephone: 252.534.1156

### Kenansville

416 S. Main St.  
Kenansville, NC 28349  
Telephone: 910.296.0210

### Kenly

101 West Second Street  
Kenly, NC 27542  
Telephone: 919.284.7000

### Kitty Hawk

4804 N. Croatan Hwy  
Kitty Hawk, NC 27949  
Telephone: 252.261.1326

### Kill Devil Hills

202 S. Croatan Hwy  
Kill Devil Hills, NC 27948  
Telephone: 252.449.4499

### La Grange

208 S. Caswell St.  
La Grange, NC 28551  
Telephone: 252.566.4020

### Lewiston

127 Main St.  
Lewiston-Woodville, NC 27849  
Telephone: 252.348.2561

### Manteo

704 S. Hwy 64\264  
Manteo, NC 27954  
Telephone: 252.475.3688

### Middlesex

11438 East Finch Avenue  
Middlesex, NC 27557  
Telephone: 252.235.3144

### Mount Olive - Breazeale

800 N. Breazeale Ave.  
Mount Olive, NC 28365  
Telephone: 919.658.7100

### Mount Olive - Center

100 N. Center St.  
Mount Olive, NC 28365  
Telephone: 919.658.7000

### Murfreesboro

336 E. Main St.  
Murfreesboro, NC 27855  
Telephone: 252.398.4174

### Nashville - Barnes

209 S. Barnes St.  
Nashville, NC 27856  
Telephone: 252.459.2117

**Norfolk - Boush**  
403 Boush St.  
Norfolk, VA 23510  
Telephone: 757.446.6920

**Norfolk - Colley**  
4815 Colley Ave.  
Norfolk, VA 23508  
Telephone: 757.648.1650

**Pine Level**  
109 Peedin Avenue  
Pine Level, NC 27568  
Telephone: 919.965.5721

**Pine Tops**  
102 E. Hamlet St.  
Pine Tops, NC 27864  
Telephone: 252.827.2111

**Plymouth**  
612 Washington St.  
Plymouth, NC 27862  
Telephone: 252.793.1115

**Red Oak**  
8315 Red Oak Blvd.  
Red Oak, NC 27868  
Telephone: 252.443.2138

**Roanoke Rapids**  
1580 E. 10th St.  
Roanoke Rapids, NC 27870  
Telephone: 252.535.3043

**Robersonville**  
111 N. Main St.  
Robersonville, NC 27871  
Telephone: 252.795.3041

**Rocky Mount - Benvenue**  
1405 Benvenue Rd.  
Rocky Mount, NC 27804  
Telephone: 252.407.7777

**Rocky Mount - Oakwood**  
107 S. Fairview Rd.  
Rocky Mount, NC 27801  
Telephone: 252.443.1237

**Rocky Mount - Franklin**  
224 S. Franklin St.  
Rocky Mount, NC 27804  
Telephone: 252.977.2825

**Rocky Mount - Westridge**  
3690 Sunset Ave.  
Rocky Mount, NC 27804  
Telephone: 252.443.7800

**Salemburg**  
102 North Main St.  
Salemburg, NC 28385  
Telephone: 910.525.4149

**Scotland Neck**  
810 S. Main St.  
Scotland Neck, NC 27874  
Telephone: 252.826.3181

**Sharpsburg**  
3938 S. Hathaway Blvd.  
Sharpsburg, NC 27878  
Telephone: 252.977.9855

**Suffolk**  
221 Western Ave.  
Suffolk, VA 23434  
Telephone: 757.923.4868

**Tarboro**  
422 Main St.  
Tarboro, NC 27886  
Telephone: 252.823.2184

**Virginia Beach - Laskin Road**  
1756 Laskin Rd.  
Virginia Beach, VA 23454  
Telephone: 757.648.1670

**Virginia Beach - Kempsville**  
1870 Kempsville Rd.  
Virginia Beach, VA 23464  
Telephone: 757.446.6950

**Virginia Beach Boulevard**  
3720 Virginia Beach Blvd.  
Virginia Beach, VA 23452  
Telephone: 757.446.6970

**Virginia Beach - Lynnhaven Parkway**  
601 Lynnhaven Parkway  
Virginia Beach, VA 23452  
Telephone: 757.648.1690

**Warsaw**  
114 N. Pine St.  
Warsaw, NC 28398  
Telephone: 910.293.7176

**Wilson - Forest Hills**  
1701 Forest Hills Road  
West Wilson, NC 27893  
Telephone: 252.206.5510

**Wilson - Nash Street**  
2300 Nash Street  
North Wilson, NC 27896  
Telephone: 252.206.5500

**Windsor**  
101 N. King St.  
Windsor, NC 27983  
Telephone: 252.794.3011

**Winterville**  
4259 Winterville Pkwy.  
Winterville, NC 28590  
Telephone: 252.355.6189

**Winton**  
301 N. Main St.  
Winton, NC 27986  
Telephone: 252.358.3111

## Commercial Loan Offices

**Raleigh**  
3101 Glenwood Avenue, Suite 203  
Raleigh, NC 27612  
Telephone: 919.788.1596

**Wilmington**  
6752 Rockspring Road, Suite 100  
Wilmington, NC 28405  
Telephone: 910.256.3657

**Elizabeth City**  
101 E. Ehringhaus Street  
Elizabeth City, NC 27906  
Telephone: 252.334.1619

**Southern BancShares (N.C.), Inc.**

Post Office Box 729  
116 East Main Street  
Mount Olive, NC 28365-0729

Southern Bank Customer Care  
855.275. 7226

Shareholders Contact Center:  
Broadridge, Inc.  
855.449.0975 (Toll Free)

[www.southernbank.com](http://www.southernbank.com)



Member  
**FDIC**

08/17