Southern BancShares (N.C.), Inc.

Consolidated Comparative Quarterly Report

Executive Offices P.O. Box 729 116 East Main Street Mount Olive, NC 28365 919.658.7022

Southern Bank Customer Care 855.275. 7226

Shareholders Contact Center 800.821.0655 ext. 7074



www.southernbank.com

September 30, 2019



	For the Quarter EndedSeptember 30,20192018					Percent Change YTD		
				\$	177,729 838,702 1,764,763 163,214	\$	176,678 650,753 1,694,046 153,126	1 % 29 % 4 % 7 %
				\$	2,944,408	\$	2,674,603	10 %
				\$	792,648 1,654,186 2,446,834 111,167 40,600 2,598,601 1,810 406 47,043 296,518 30 345,807 2,944,408	\$	732,930 1,529,889 2,262,819 86,177 27,595 2,376,591 1,818 406 54,862 264,060 (23,134) 298,012 2,674,603	8 % 8 % 29 % 47 % 9 % 0 % -14 % 12 % -100 % 16 % 10 %
\$ \$ \$	28,371 2,965 25,406 773 10,209 19,847 14,995 3,146 11,849 141.21 1.69 % 14.04 %	\$ \$ \$	26,212 1,782 24,430 626 16,040 18,266 21,578 4,999 16,579 198.07 2.57 % 22.60 %	\$ \$ \$	82,039 8,001 74,038 232 35,838 59,457 50,187 10,584 39,603 472,93 1.92 % 16.53 %	\$ \$ \$	76,095 4,699 71,396 1,994 28,771 54,421 43,752 9,885 33,867 399,30 1.76 % 15.74 %	8 % 70 % 4 % -88 % 25 % 9 % 15 % 7 % 17 %
	s	Septen 2019 \$ 28,371 2,965 25,406 773 10,209 19,847 14,995 3,146 \$ 11,849 \$ 141.21 1.69 %	September 3 2019 \$ 28,371 \$ 2,965 25,406 773 10,209 19,847 14,995 3,146 \$ 11,849 \$ \$ 141.21 \$ 1.69 %	September 30, 2019 2018 2019 2018 \$ 28,371 \$ 26,212 2,965 1,782 25,406 24,430 773 626 10,209 16,040 19,847 18,266 14,995 21,578 3,146 4,999 \$ 11,849 \$ \$ 14,21 \$ \$ 141,21 \$ \$ 14,21 \$ \$ 14,21 \$ \$ 14,21 \$ \$ 14,21 \$	September 30, 2019 2018 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	September 30, 2019 Septer 2018 Septer 2019 \$ 177,729 838,702 1,764,763 163,214 \$ 177,729 838,702 1,764,763 163,214 \$ 2,944,408 \$ 2,944,408 \$ 2,944,408 \$ 2,944,408 \$ 792,648 1,654,186 2,446,834 111,167 40,600 1,810 406 40,600 2,598,601 2,598,601 \$ 28,371 \$ 26,212 30 345,807 \$ 28,371 \$ 26,212 30 345,807 \$ 29,944,408 \$ 3,45,807 \$ 2,944,408 \$ 2,944,408 \$ 28,371 \$ 26,212 30 30 345,807 \$ 28,371 \$ 26,212 30 345,807 \$ 28,371 \$ 26,212 30 345,807 \$ 1,810 406 47,043 296,518 30 345,807 \$ 18,203 10,209 \$ 26,212 17,78 20,215 \$ 28,371 \$ 26,212 32 30 345,807 \$ 28,371 \$ 26,212 30 30 345,807 \$ 28,371 \$ 26,212 30 30 345,807 \$ 28,371 \$ 26,212 30 30 345,807 \$ 28,371 \$ 26,212 30 30 345,807 \$ 2,944,408 \$ 1,824 \$ 1,782 30 30 345,807 \$ 1,849 \$ 1,579 39,603 \$ 11,849 16,579 39,603 \$ 141,21	September 30, 2019 September 2018 September 2019 \$ 177,729 \$ 838,702 1,764,763 163,214 \$ 2,944,408 \$ \$ 792,648 \$ 1,654,186 2,446,834 111,167 40,600 2,598,601 2,598,601 1,810 406 47,043 296,518 30 345,807 \$ 2,965 1,782 8,001 25,406 25,406 24,430 773 626 232 10,209 10,209 16,040 3,146 4,999 1,849 5,1578 3,146 4,999 1,1849 16,579 1,149 16,579 1,1849 16,579 3,146 4,999 1,169 % 2,57 %	September 30, 2019 September 30, 2019 2018 \$ 177,729 \$ 176,678 838,702 650,753 1,764,763 1,694,046 163,214 153,126 \$ 792,648 \$ 732,930 1,654,186 1,529,889 2,446,834 2,262,819 111,167 86,177 40,600 27,595 2,598,601 2,376,591 1,810 1,818 406 406 47,043 54,862 2965 1,782 8,001 345,807 298,012 \$ 2,944,408 \$ 2,674,603 30 (23,134) 345,807 298,012 \$ 2,965 1,782 8,001 345,807 298,012 \$ 2,965 1,782 8,001 773 626 232 10,209 16,040 35,838 28,771 19,847 18,266 59,457 54,421 14,995 21,578 50,187 43,752

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 adopted the ASU on January 1, 2018 and recorded a \$58.1 million cumulative-effect adjustment that increased retained earning and decreased accumulated other comprehensive income. For the quarters ended September 30, 2019 and 2018, unrealized gains on equity investments of \$4.5 million and \$10.5 million, respectively were included in noninterest income, and \$1.0 million and \$2.7, respectively in deferred tax expense were included in income tax expense related to the change in fair value of equity investments. For the nine months ended September 30, 2019 and 2018, unrealized gains on equity investments of \$19.7 million and \$13.1 million, respectively were included in noninterest income, and \$4.5 million and \$4.5 million and \$3.0, respectively in deferred tax expense were included in income tax expense related to the change in fair value of equity investments. While the ASU has no impact on the book value per common share, the impact to net income is as follows:

·	For the Quarter Ended September 30,				Year to Date September 30,				
		2019		2018		2019		2018	
Net income as reported Less: impact of ASU 2016-01	\$	11,849 (3,497)	\$	16,579 (7,767)	\$	39,603 (15,201)	\$	33,867 (10,108)	
Net income excluding the impact of ASU 2016-01 Return on average assets excluding the impact of ASU 2016-01 Return on average equity excluding the impact of ASU 2016-01	\$	8,352 1.19 % 9.89 %	\$	8,812 1.37 % 12.01 %	\$	24,402 1.18 % 10.19 %	\$	23,759 1.23 % 11.04 %	