125 YEARS

Southern Bank

Consolidated Comparative Quarterly Report

June 30, 2026

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FINANCIAL SUMMARY

Southern BancShares (N.C.), Inc. and Subsidiaries Financial Highlights (Unaudited) (Dollars in thousands, except per share data)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	As of and Year to Date June 30, 2026	As of and Year to Date June 30, 2025	Percent Change YTD
SUMMARY BALANCE SHEET					
ASSETS					
Cash, due from banks and overnight funds sold			$ 221,573	$ 164,697	35%
Investments			1,690,387	1,654,966	2%
Loans less allowance for credit loss of $37,697 and $34,459			3,566,662	3,289,439	8%
Other assets			191,212	184,076	4%
Total assets			$ 5,669,834	$ 5,293,178	7%
LIABILITIES					
Deposits:					
Noninterest-bearing deposits			$ 1,493,063	$ 1,387,586	8%
Interest-bearing deposits			3,323,954	3,074,236	8%
Total deposits			4,817,017	4,461,822	8%
Borrowings			17,593	128,325	-86%
Other liabilities			83,784	69,539	20%
Total liabilities			4,918,394	4,659,686	6%
SHAREHOLDERS' EQUITY					
Preferred stock			1,692	1,706	-1%
Common stock			376	377	0%
Surplus			27,673	27,439	1%
Retained earnings			840,834	751,765	12%
Accumulated other comprehensive loss			(119,135)	(147,795)	-19%
Total shareholders' equity			751,440	633,492	19%
Total liabilities and shareholders' equity			$ 5,669,834	$ 5,293,178	7%
Tangible book value per common share			$ 9,610	$ 8,032	20%
SUMMARY EARNINGS PERFORMANCE					
Interest income	$ 59,859	$ 53,943	$ 118,310	$ 106,214	11%
Interest expense	12,982	15,133	26,255	31,541	-17%
Net interest income	46,877	38,810	92,055	74,673	23%
Provision for credit losses	1,303	230	2,000	492	307%
Noninterest income	51,456	31,887	6,251	(12,732)	-149%
Noninterest expense	29,302	27,226	58,097	54,153	7%
Income before income taxes	67,728	43,241	38,209	7,296	424%
Income tax expense	14,202	8,932	8,136	1,277	537%
Net income	$ 53,526	$ 34,309	$ 30,073	$ 6,019	400%
Net income per share	$ 710.35	$ 450.53	$ 398.01	$ 77.93	
Annualized return on average assets	3.78%	2.60%	1.06%	0.22%	
Annualized return on average equity	29.84%	23.04%	8.36%	1.98%	
Net interest margin, annualized, taxable-equivalent	3.46%	3.09%	3.42%	2.96%	

ADDITIONAL DISCLOSURE – ACCOUNTING FOR INVESTMENTS IN MARKETABLE EQUITY SECURITIES

Pursuant to Accounting Standards Update 2016-01: Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"), equity investments must be measured at fair value with changes in fair value recognized in net income. For the quarters ended June 30, 2026 and 2025, unrealized gains on equity investments of $38.6 million and $24.4 million, respectively, were included in noninterest income, and $8.1 million and $5.1 million, respectively, in deferred tax expense were included in income tax expense related to the change in fair value of equity investments. For the 6-month periods ended June 30, 2026 and 2025, unrealized losses on equity investments of $14.2 million and $27.6 million, respectively, were included in noninterest income, and $3.0 million and $5.8 million, respectively, in deferred tax benefits were included in income tax expense related to the change in fair value of equity investments.While ASU 2016-01 has no impact on the book value per common share, the impact on net income is as follows:

	Quarter ended June 30,		Year to Date June 30,	
	2026	2025	2026	2025
(Dollars in thousands)				
Net income	$ 53,526	$ 34,309	$ 30,073	$ 6,019
Impact of ASU 2016-01	(30,504)	(19,272)	11,238	21,788
Net income excluding the impact of ASU 2016-01	$ 23,022	$ 15,037	$ 41,311	$ 27,807
Excluding the impact of ASU 2016-01:				
Annualized return on average assets	1.77%	1.26%	1.59%	1.14%
Annualized return on average equity	22.90%	17.67%	20.95%	19.52%
Net interest margin, annualized, taxable equivalent	3.75%	3.36%	3.71%	3.23%

ADDITIONAL DISCLOSURE - REPURCHASE OF THE COMPANY'S COMMON AND PREFERRED STOCK

Summary of the shares of the Company's capital stock repurchased during the three- and six-month periods ended June 30, 2026:

	Three months ended June 30, 2026		Six months ended June 30, 2026	
	# Shares	Amount paid	# Shares	Amount paid
(Dollars in thousands)				
Common	5	$ 51	25	$ 264
Series B preferred	-	-	-	-
Series C preferred	-	-	88	1

On January 21, 2025, the Company's Board of Directors approved a stock repurchase program that authorized the repurchase of up to 4,000 shares of the Company's outstanding common stock ("2025 Authorization"). The 2025 Authorization stipulated that the aggregate dollar amount paid during any consecutive twelve-month period to repurchase shares of common stock, through open market and privately negotiated transactions, and shares of preferred stock, through privately negotiated transactions, should not equal or exceed 3% of the Company's consolidated shareholders' equity. The 2025 Authorization expired on March 31, 2026.

On January 20, 2026, the Company's Board of Directors approved a stock repurchase program, which authorizes the repurchase of up to 4,000 shares of the Company's outstanding common stock ("2026 Authorization"). The 2026 Authorization stipulates that the aggregate dollar amount paid during any consecutive twelve-month period to repurchase shares of common stock, through open market and privately negotiated transactions, and shares of preferred stock, through privately negotiated transactions, shall not equal or exceed 3% of the Company's consolidated shareholders' equity. The 2026 Authorization will expire on March 31, 2027.