125 YEARS

Southern Bank

Consolidated Comparative Quarterly Report

March 31, 2026

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FINANCIAL SUMMARY

Southern BancShares (N.C.), Inc. and Subsidiaries Financial Highlights (Unaudited) (Dollars in thousands, except per share data)	As of and Year to Date March 31, 2026	As of and Year to Date March 31, 2025	Percent Change YTD
SUMMARY BALANCE SHEET			
ASSETS			
Cash, due from banks and overnight funds sold	$ 278,855	$ 218,437	28%
Investments	1,683,131	1,647,164	2%
Loans less allowance for credit loss of $36,563 and $34,125	3,440,734	3,196,978	8%
Other assets	186,545	183,586	2%
Total assets	$ 5,589,265	$ 5,246,165	7%
LIABILITIES			
Deposits:			
Noninterest-bearing deposits	$ 1,493,024	$ 1,372,186	9%
Interest-bearing deposits	3,224,608	3,085,597	5%
Total deposits	4,717,632	4,457,783	6%
Borrowings	97,154	133,216	-27%
Other liabilities	78,053	62,047	26%
Total liabilities	4,892,839	4,653,046	5%
SHAREHOLDERS' EQUITY			
Preferred stock	1,692	1,706	-1%
Common stock	376	378	-1%
Surplus	27,439	27,189	1%
Retained earnings	787,903	720,983	9%
Accumulated other comprehensive loss	(120,984)	(157,137)	-23%
Total shareholders' equity	696,426	593,119	17%
Total liabilities and shareholders' equity	$ 5,589,265	$ 5,246,165	7%
Tangible book value per common share	$ 8,880.34	$ 7,463.42	19%
SUMMARY EARNINGS PERFORMANCE			
Interest income	$ 58,451	$ 52,271	12%
Interest expense	13,273	16,408	-19%
Net interest income	45,178	35,863	26%
Provision for credit losses	697	262	166%
Noninterest income	(45,205)	(44,619)	-1%
Noninterest expense	28,795	26,927	7%
Loss before income taxes	(29,519)	(35,945)	-18%
Income tax benefit	(6,066)	(7,655)	-21%
Net loss	$ (23,453)	$ (28,290)	-17%
Net loss per share	$ (312.49)	$ (373.75)	
Annualized loss on average assets	-1.65%	-2.09%	
Annualized loss on average equity	-13.00%	-18.20%	
Net interest margin, annualized, taxable-equivalent	3.37%	2.83%	

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 March 31, 2026 and 2025, unrealized equity investment losses of $52.8 million and $52.0 million, respectively, were included in noninterest income. Deferred tax benefits of $11.1 million and $10.9 million, respectively, 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:

	Year to Date March 31,	
	2026	2025
(Dollars in thousands)		
Net loss	$ (23,453)	$ (28,290)
Impact of ASU 2016-01	41,742	41,060
Net income excluding the impact of ASU 2016-01	$ 18,289	$ 12,770
Excluding the impact of ASU 2016-01:		
Annualized return on average assets	1.41%	1.05%
Annualized return on average equity	18.92%	18.69%
Net interest margin, annualized, taxable equivalent	3.67%	3.11%

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

The following table indicates the shares of the Company's capital stock repurchased during the three-month period ended March 31, 2026.

	Three months ended March 31, 2026	
	# Shares	Amount paid
(Dollars in thousands)		
Common	20	$ 213
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.