Southern Bank

Consolidated Comparative Quarterly Report

September 30, 2025

FINANCIAL SUMMARY

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

	For the Quarter Ended September 30,		As of and Year to Date September 30,		Percent Change
	2025	2024	2025	2024	YTD
SUMMARY BALANCE SHEET					
ASSETS					
Cash, due from banks and overnight funds sold			$ 353,073	$ 260,680	35%
Investments			1,606,793	1,688,353	-5%
Loans less allowance for credit loss of $34,508 and $33,685			3,327,237	3,171,789	5%
Other assets			184,962	182,020	2%
Total assets			$ 5,472,065	$ 5,302,842	3%
LIABILITIES					
Deposits:					
Noninterest-bearing deposits			$ 1,466,242	$ 1,350,755	9%
Interest-bearing deposits			3,171,748	3,025,658	5%
Total deposits			4,637,990	4,376,413	6%
Borrowings			128,295	278,407	-54%
Other liabilities			67,550	65,636	3%
Total liabilities			4,833,835	4,720,456	2%
SHAREHOLDERS' EQUITY					
Preferred stock			1,706	1,711	0%
Common stock			377	380	-1%
Surplus			27,439	27,189	1%
Retained earnings			738,090	697,268	6%
Accumulated other comprehensive loss			(129,382)	(144,162)	-10%
Total shareholders' equity			638,230	582,386	10%
Total liabilities and shareholders' equity			$ 5,472,065	$ 5,302,842	3%
Tangible book value per common share			$ 8,097.45	$ 7,287.33	11%
SUMMARY EARNINGS PERFORMANCE					
Interest income	$ 56,301	$ 50,386	$ 162,515	$ 145,507	12%
Interest expense	15,636	19,068	47,177	53,894	-12%
Net interest income	40,665	31,318	115,338	91,613	26%
Provision for credit losses	(47)	(387)	445	270	65%
Noninterest income	(29,367)	42,870	(42,099)	114,352	-137%
Noninterest expense	27,296	25,567	81,449	77,180	6%
(Loss) income before income taxes	(15,951)	49,008	(8,655)	128,515	-107%
Income tax (benefit) expense	(3,003)	10,292	(1,726)	26,756	-106%
Net (loss) income	$ (12,948)	$ 38,716	$ (6,929)	$ 101,759	-107%
Net (loss) income per share	$ (172.73)	$ 507.04	$ (94.23)	$ 1,328.62	
Annualized (loss) return on average assets	-0.95%	2.96%	-0.17%	2.66%	
Annualized (loss) return on average equity	-8.05%	27.24%	-1.49%	26.62%	
Net interest margin, annualized, taxable-equivalent	3.10%	2.51%	3.00%	2.52%	

ADDITIONAL DISCLOSURE - ACCOUNTING FOR INVESTMENTS IN MARKETABLE EQUITY SECURITIES (NON-GAAP)

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 September 30, 2025 and 2024, unrealized (losses) gains on equity investments were ($38.7) million and $35.4 million, respectively, were included in noninterest income, and ($8.1) million and $7.4 million, respectively, in deferred tax (benefit) expense were included in income tax expense related to the change in fair value of equity investments. For the nine-month periods ended September 30, 2025 and 2024, unrealized (losses) gains on equity investments of ($66.3) million and $91.6 million, respectively, were included in noninterest income, and ($13.9 million) and $19.2 million, respectively, in deferred tax (benefit) expense 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:

	For the Quarter Ended September 30,		Year to Date September 30,	
	2025	2024	2025	2024
(Dollars in thousands)				
Net income	$ (12,948)	$ 38,716	$ (6,929)	$ 101,759
Impact of ASU 2016-01	30,573	(27,945)	52,361	(72,347)
Net income excluding the impact of ASU 2016-01	$ 17,625	$ 10,771	$ 45,432	$ 29,412
Excluding the Impact of ASU 2016-01:				
Annualized return on average assets	1.41%	0.90%	1.23%	0.83%
Annualized return on average equity	21.91%	13.80%	20.33%	16.75%
Net interest margin, annualized, taxable equivalent	3.38%	2.74%	3.28%	2.74%

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

The following table indicates the shares of the Company's capital stock repurchased during the three- and nine- month periods ended September 30, 2025.

	Three months ended September 30, 2025		Nine months ended September 30, 2025	
	# Shares	Amount paid	# Shares	Amount paid
(Dollars in thousands)				
Common	20	$ 189	656	$ 5,473
Series B preferred	-	-	-	-
Series C preferred	-	-	-	-

On January 21, 2025, the Company's Board of Directors approved a stock repurchase program that expires on March 31, 2026 and authorizes the repurchase of up to 4,000 shares of the Company's outstanding common stock ("2025 Authorization"). The 2025 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. As of September 30, 2025, pursuant to the 2025 Authorization, 384 shares of common stock have been repurchased for $3.2 million. No shares of Series B preferred or Series C preferred have been repurchased pursuant to the 2025 Authorization.

During the first quarter of 2025, pursuant to a similar authorization approved by the Company's Board of Directors on January 16, 2024 that expired March 31, 2025 ("2024 Authorization"), 272 shares of common stock were repurchased for $2.3 million. No shares of Series B or Series C preferred were repurchased.