Southern BancShares (N.C.), Inc.

Consolidated Comparative
Quarterly Report

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March 31, 2024

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

	Year to Date March 31, 2024	Year to Date March 31, 2023	Percent Change YTD
SUMMARY BALANCE SHEET			
ASSETS			
Cash, due from banks and overnight funds sold	$ 94,584	$ 192,254	-51%
Investments	1,645,893	1,620,839	2%
Loans less allowance for credit loss of $33,964 and $32,198	3,135,068	2,849,633	10%
Other assets	181,874	207,208	-12%
Total assets	$ 5,057,419	$ 4,869,934	4%
LIABILITIES			
Deposits:			
Noninterest-bearing deposits	$ 1,317,263	$ 1,403,925	-6%
Interest-bearing deposits	2,822,211	2,712,031	4%
Total deposits	4,139,474	4,115,956	1%
Borrowings	378,660	358,451	6%
Other liabilities	46,238	41,059	13%
Total liabilities	4,564,372	4,515,466	1%
SHAREHOLDERS' EQUITY			
Preferred stock	1,724	1,736	-1%
Common stock	382	390	-2%
Surplus	27,043	27,043	0%
Retained earnings	644,988	507,593	27%
Accumulated other comprehensive loss	(181,090)	(182,294)	-1%
Total shareholders' equity	493,047	354,468	39%
Total liabilities and shareholders' equity	$ 5,057,419	$ 4,869,934	4%
EARNINGS PERFORMANCE			
Interest income	$ 46,750	$ 39,258	19%
Interest expense	16,814	9,441	78%
Net interest income	29,936	29,817	0%
Provision (recovery) for loan losses	555	(322)	-272%
Noninterest income	54,437	52,792	3%
Noninterest expense	25,931	24,618	5%
Income before income taxes	57,887	58,313	-1%
Income tax expense	12,168	12,107	1%
Net income	$ 45,719	$ 46,206	-1%
Net income per share	595.24	591.35	
Return on average assets	3.64%	3.93%	
Return on average equity	38.84%	61.71%	

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, 2024 and 2023, unrealized gains on equity investments of $47.5 million and $46.4 million, respectively were included in noninterest income, and $10.0 million and $9.7 million, respectively in deferred 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, 2024	Year to Date March 31, 2023
Net income as reported	$ 45,719	$ 46,206
Less impact of ASU 2016-01	(37,552)	(36,661)
Net income excluding the impact of ASU 2016-01	$ 8,167	$ 9,545
Return on average assets excluding the impact of ASU 2016-01	0.65%	0.81%
Return on average equity excluding the impact of ASU 2016-01	6.94%	12.75%

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

On January 17, 2023, the Company's Board of Directors approved a stock repurchase program that expired on March 31, 2024 and authorized the repurchase of up to 4,000 shares of the Company's outstanding common stock. The repurchase program 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, shall not equal or exceed 3% of the Company's consolidated shareholders' equity. The following table indicates the number of shares of each class and the amount paid to repurchase shares during the three-month period ended March 31, 2024.

	For the Quarter Ended March 31, 2024	
	# Shares	Repurchase Cost
Common	335	$ 1,941
Series B preferred	624	8
Series C preferred	-	-

A similar resolution was approved on January 16, 2024, which authorizes the repurchase of up to 4,000 shares of the Company's outstanding common stock between April 1, 2024 and March 31, 2025. The repurchase program 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.