

September 2015  
Quarterly Report

SOUTHERN BANCSHARES (N.C.), INC.



Our interest is *You.*

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

	<b>For the Quarter Ended September 30,</b>		<b>Year to Date, September 30,</b>		<b>Percent Change</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>YTD</b>
<b>ASSETS</b>					
Cash, due from banks and overnight funds sold			\$ 376,883	\$ 418,163	-10%
Investments			635,036	518,327	23%
Loans less loss allowance of \$15,355 and \$17,044			1,134,076	1,120,302	1%
Other assets			102,634	142,672	-28%
Total assets			\$ 2,248,629	\$ 2,199,464	2%
<b>LIABILITIES</b>					
Deposits:					
Noninterest-bearing			\$ 489,892	\$ 451,388	9%
Interest-bearing			1,391,544	1,393,068	0%
Total deposits			1,881,436	1,844,456	2%
Borrowings			122,964	111,560	10%
Other liabilities			33,554	33,521	0%
Total other liabilities			156,518	145,081	8%
Total liabilities			2,037,954	1,989,537	2%
<b>SHAREHOLDERS' EQUITY</b>					
Preferred stock			1,851	1,851	0%
Common stock			409	409	0%
Surplus			49,862	49,862	0%
Retained earnings			138,071	133,026	4%
Accumulated other comprehensive income			20,482	24,779	-17%
Total shareholders' equity			210,675	209,927	0%
Total liabilities and shareholders' equity			\$ 2,248,629	\$ 2,199,464	2%
<b>EARNINGS PERFORMANCE</b>					
Interest income	\$ 21,145	\$ 22,802	\$ 59,952	\$ 69,450	-14%
Interest expense	1,387	1,567	4,314	4,979	-13%
Net interest income	19,758	21,235	55,638	64,471	-14%
Provision (recovery) for loan losses	163	3,057	(1,535)	4,093	-138%
Noninterest income	(356)	1,240	3,562	(1,001)	456%
Noninterest expense	17,347	16,873	53,239	52,066	2%
Income before income taxes	1,892	2,545	7,496	7,311	3%
Income taxes	604	861	2,690	2,471	9%
Net income	\$ 1,288	\$ 1,684	\$ 4,806	\$ 4,840	-1%
Earnings per share	\$ 12.44	\$ 17.31	\$ 48.94	\$ 49.40	
Return on average assets	0.24%	0.31%	0.29%	0.29%	
Return on average equity	2.43%	3.17%	3.02%	3.11%	
<b>SAFETY AND SOUNDNESS</b>					
Nonperforming assets as a percentage of total assets			0.72%	1.47%	A
Allowance for loan loss as a percentage of loans			1.30%	1.45%	B
Net annualized charge-offs/average loans			0.04%	0.07%	B
Allowance for loan loss/nonperforming loans			125.26%	103.34%	B

A - Nonperforming assets in the "Nonperforming Assets As A Percentage Of Total Assets" has been reduced by the coverage afforded to Southern by the loss share agreements with the FDIC. As such, 80% of the book value of covered assets have been removed from total nonperforming assets, which represents assets totaling \$23,157 and \$71,224 for periods ended September 30, 2015 and 2014, respectively.

B - These ratios do not include assets covered by loss share agreements.

Southern's common stock occasionally trades over-the-counter with the symbol SBNC.

**Southern BancShares (N.C.), Inc.**

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