

September 2016  
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)*

	For the Quarter Ended September 30,		Year to Date, September 30,		Percent Change YTD
	2016	2015	2016	2015	
<b>ASSETS</b>					
Cash, due from banks and overnight funds sold			\$ 210,063	\$ 376,883	-44%
Investments			703,371	635,036	11%
Loans less loss allowance of \$13,468 and \$15,355			1,460,872	1,134,076	29%
Other assets			116,802	102,634	14%
Total assets			\$ 2,491,108	\$ 2,248,629	11%
<b>LIABILITIES</b>					
Deposits:					
Noninterest-bearing			\$ 639,135	\$ 489,892	30%
Interest-bearing			1,448,461	1,391,543	4%
Total deposits			2,087,596	1,881,435	11%
Borrowings			108,284	122,964	-12%
Other liabilities			38,741	33,555	15%
Total other liabilities			147,025	156,519	-6%
Total liabilities			2,234,621	2,037,954	10%
<b>SHAREHOLDERS' EQUITY</b>					
Preferred stock			1,840	1,851	-1%
Common stock			409	409	0%
Surplus			69,862	49,862	40%
Retained earnings			150,072	138,071	9%
Accumulated other comprehensive income			34,304	20,482	67%
Total shareholders' equity			256,487	210,675	22%
Total liabilities and shareholders' equity			\$ 2,491,108	\$ 2,248,629	11%
<b>EARNINGS PERFORMANCE</b>					
Interest income	\$ 23,351	\$ 21,145	\$ 68,046	\$ 59,952	14%
Interest expense	1,288	1,387	3,863	4,314	-10%
Net interest income	22,063	19,758	64,183	55,638	-15%
Provision for loan losses	(264)	163	301	(1,534)	-120%
Noninterest income	4,704	(356)	11,186	3,562	214%
Noninterest expense	18,013	17,347	58,277	53,228	9%
Income before income taxes	9,018	1,892	16,791	7,506	124%
Income taxes	3,230	604	5,955	2,700	121%
Net income	\$ 5,788	\$ 1,288	\$ 10,836	\$ 4,806	125%
Earnings per share	\$ 64.67	\$ 12.44	\$ 114.77	\$ 48.94	
Return on average assets	0.97%	0.24%	0.61%	0.29%	
Return on average equity	9.55%	2.43%	5.99%	3.02%	
<b>SAFETY AND SOUNDNESS</b>					
Nonperforming assets as a percentage of total assets			0.36%	0.72%	A
Allowance for loan loss as a percentage of loans			0.94%	1.30%	B
Net annualized charge-offs/average loans			0.07%	0.04%	B
Allowance for loan loss/nonperforming loans			139.63%	125.26%	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 \$7,664 and \$29,081 for periods ended September 30, 2016 and 2015, 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.**

Post Office Box 729  
116 East Main Street  
Mount Olive, NC 28365-0729

Southern Bank Customer Care  
855.275.7226

**Shareholders Contact Center:**  
Broadridge, Inc.  
855.449.0975 (Toll Free)

[www.southernbank.com](http://www.southernbank.com)



Member  
**FDIC**

11/16