



Southern First Reports Results for First Quarter 2024

Greenville, South Carolina, April 18, 2024 – Southern First Bancshares, Inc. (NASDAQ: SFST), holding company for Southern First Bank, today announced its financial results for the three-month period ended March 31, 2024.

“Our team generated excellent performance during the first quarter in terms of growing profitable client relationships and continuing to manage our credit quality exceptionally well,” stated Art Seaver, the Company’s Chief Executive Officer. “Our disciplined approach to pricing both loans and deposits resulted in improvement in our net interest margin, and this focus will continue as we build on our success for the long-term benefit of our communities and stakeholders.”

2024 First Quarter Highlights

- Net income was \$2.5 million and diluted earnings per common share were \$0.31 for Q1 2024
- Total loans increased to \$3.6 billion at Q1 2024, compared to \$3.4 billion at Q1 2023
- Total deposits increased to \$3.5 billion at Q1 2024, compared to \$3.4 billion at Q1 2023
- Strong credit quality with nonperforming assets to total assets of 0.09% and past due loans to total loans of 0.36% at Q1 2024
- Net interest margin was 1.94% for Q1 2024, compared to 2.36% for Q1 2023
- Book value per common share increased to \$38.65 at Q1 2024, or 4%, over Q1 2023

| | Quarter Ended | | | | |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2024 | December 31 2023 | September 30 2023 | June 30 2023 | March 31 2023 |
| Earnings (\$ in thousands, except per share data): | | | | | |
| Net income available to common shareholders | \$ 2,522 | 4,167 | 4,098 | 2,458 | 2,703 |
| Earnings per common share, diluted | 0.31 | 0.51 | 0.51 | 0.31 | 0.33 |
| Total revenue ⁽¹⁾ | 21,309 | 21,390 | 22,094 | 21,561 | 22,468 |
| Net interest margin (tax-equivalent) ⁽²⁾ | 1.94% | 1.92% | 1.97% | 2.05% | 2.36% |
| Return on average assets ⁽³⁾ | 0.25% | 0.40% | 0.40% | 0.26% | 0.30% |
| Return on average equity ⁽³⁾ | 3.22% | 5.39% | 5.35% | 3.27% | 3.67% |
| Efficiency ratio ⁽⁴⁾ | 84.94% | 79.61% | 78.31% | 80.67% | 76.12% |
| Noninterest expense to average assets ⁽³⁾ | 1.81% | 1.64% | 1.69% | 1.82% | 1.89% |
| Balance Sheet (\$ in thousands): | | | | | |
| Total loans ⁽⁵⁾ | \$ 3,643,766 | 3,602,627 | 3,553,632 | 3,537,616 | 3,417,945 |
| Total deposits | 3,460,681 | 3,379,564 | 3,347,771 | 3,433,018 | 3,426,774 |
| Core deposits ⁽⁶⁾ | 2,807,473 | 2,811,499 | 2,866,574 | 2,880,507 | 2,946,567 |
| Total assets | 4,105,704 | 4,055,789 | 4,019,957 | 4,002,107 | 3,938,140 |
| Book value per common share | 38.65 | 38.63 | 37.57 | 37.42 | 37.16 |
| Loans to deposits | 105.29% | 106.60% | 106.15% | 103.05% | 99.74% |
| Holding Company Capital Ratios⁽⁷⁾: | | | | | |
| Total risk-based capital ratio | 12.59% | 12.57% | 12.56% | 12.40% | 12.67% |
| Tier 1 risk-based capital ratio | 10.63% | 10.60% | 10.58% | 10.42% | 10.66% |
| Leverage ratio | 8.43% | 8.14% | 8.17% | 8.48% | 8.80% |
| Common equity tier 1 ratio ⁽⁸⁾ | 10.22% | 10.19% | 10.17% | 10.00% | 10.23% |
| Tangible common equity ⁽⁹⁾ | 7.68% | 7.70% | 7.56% | 7.53% | 7.60% |
| Asset Quality Ratios: | | | | | |
| Nonperforming assets/ total assets | 0.09% | 0.10% | 0.11% | 0.08% | 0.12% |
| Classified assets/tier one capital plus allowance for credit losses | 3.99% | 4.25% | 4.72% | 4.68% | 5.10% |
| Loans 30 days or more past due/ loans ⁽⁵⁾ | 0.36% | 0.37% | 0.13% | 0.07% | 0.11% |
| Net charge-offs (recoveries)/average loans ⁽⁵⁾ (YTD annualized) | 0.03% | 0.00% | 0.01% | 0.03% | 0.01% |
| Allowance for credit losses/loans ⁽⁵⁾ | 1.11% | 1.13% | 1.16% | 1.16% | 1.18% |
| Allowance for credit losses/nonaccrual loans | 1,109.13% | 1,026.58% | 953.25% | 1,363.11% | 854.33% |

[Footnotes to table located on page 6]

INCOME STATEMENTS – Unaudited

| | Quarter Ended | | | | |
|---|----------------|----------------|-----------------|----------------|----------------|
| | Mar 31 2024 | Dec 31 2023 | Sept 30 2023 | Jun 30 2023 | Mar 31 2023 |
| (in thousands, except per share data) | | | | | |
| Interest income | | | | | |
| Loans | \$ 45,605 | 44,758 | 43,542 | 41,089 | 36,748 |
| Investment securities | 1,478 | 1,674 | 1,470 | 706 | 613 |
| Federal funds sold | 1,280 | 2,703 | 2,435 | 891 | 969 |
| Total interest income | 48,363 | 49,135 | 47,447 | 42,686 | 38,330 |
| Interest expense | | | | | |
| Deposits | 26,932 | 27,127 | 25,130 | 25,937 | 17,179 |
| Borrowings | 2,786 | 2,948 | 2,972 | 1,924 | 727 |
| Total interest expense | 29,718 | 30,075 | 28,102 | 23,861 | 17,906 |
| Net interest income | 18,645 | 19,060 | 19,345 | 18,825 | 20,424 |
| Provision (reversal) for credit losses | (175) | (975) | (500) | 910 | 1,825 |
| Net interest income after provision for credit losses | 18,820 | 20,035 | 19,845 | 17,915 | 18,599 |
| Noninterest income | | | | | |
| Mortgage banking income | 1,164 | 868 | 1,208 | 1,337 | 622 |
| Service fees on deposit accounts | 387 | 371 | 356 | 331 | 325 |
| ATM and debit card income | 544 | 565 | 588 | 536 | 555 |
| Income from bank owned life insurance | 377 | 361 | 349 | 338 | 332 |
| Other income | 192 | 165 | 248 | 194 | 210 |
| Total noninterest income | 2,664 | 2,330 | 2,749 | 2,736 | 2,044 |
| Noninterest expense | | | | | |
| Compensation and benefits | 10,857 | 9,401 | 10,231 | 10,287 | 10,356 |
| Occupancy | 2,557 | 2,718 | 2,562 | 2,518 | 2,457 |
| Outside service and data processing costs | 1,846 | 2,000 | 1,744 | 1,705 | 1,629 |
| Insurance | 955 | 937 | 1,243 | 897 | 689 |
| Professional fees | 618 | 581 | 504 | 751 | 660 |
| Marketing | 369 | 364 | 293 | 335 | 366 |
| Other | 898 | 1,027 | 725 | 900 | 947 |
| Total noninterest expenses | 18,100 | 17,028 | 17,302 | 17,393 | 17,104 |
| Income before provision for income taxes | 3,384 | 5,337 | 5,293 | 3,258 | 3,539 |
| Income tax expense | 862 | 1,170 | 1,195 | 800 | 836 |
| Net income available to common shareholders | \$ 2,522 | 4,167 | 4,098 | 2,458 | 2,703 |
| | | | | | |
| Earnings per common share – Basic | \$ 0.31 | 0.51 | 0.51 | 0.31 | 0.34 |
| Earnings per common share – Diluted | 0.31 | 0.51 | 0.51 | 0.31 | 0.33 |
| Basic weighted average common shares | 8,110 | 8,056 | 8,053 | 8,051 | 8,026 |
| Diluted weighted average common shares | 8,142 | 8,080 | 8,072 | 8,069 | 8,092 |

[Footnotes to table located on page 6]

Net income for the first quarter of 2024 was \$2.5 million, or \$0.31 per diluted share, a \$1.6 million decrease from the fourth quarter of 2023 and a \$181 thousand decrease from the first quarter of 2023. Net interest income decreased \$415 thousand during the first quarter of 2024, compared to the fourth quarter of 2023, and decreased \$1.8 million, compared to the first quarter of 2023. The decrease in net interest income from the prior quarter was driven by less interest income on our federal funds sold and interest-bearing deposits, while the decrease from the prior year was driven by an increase in deposit and funding costs.

There was a reversal of the provision for credit losses of \$175 thousand for the first quarter of 2024, compared to a reversal of \$975 thousand during the fourth quarter of 2023 and a provision of \$1.8 million during the first quarter of 2023. The provision reversal of \$175 thousand during the first quarter of 2024 relates to a reversal in the reserve for unfunded commitments, driven by a decrease in the balance of unfunded commitments at March 31, 2024. As we continue to experience low net charge-offs, our expected loss rates continue to decline, resulting in a reduction in the allowance for credit losses as a percentage of total loans.

Noninterest income was \$2.7 million for the first quarter of 2024, compared to \$2.3 million for the fourth quarter of 2023, and \$2.0 million for the first quarter of 2023. Mortgage banking income continues to be the largest component of our noninterest

income at \$1.2 million for the first quarter of 2024, \$868 thousand for the fourth quarter of 2023, and \$622 thousand for the first quarter of 2023.

Noninterest expense for the first quarter of 2024 was \$18.1 million, a \$1.1 million increase from the fourth quarter of 2023, and a \$996 thousand increase from the first quarter of 2023. The increase in noninterest expense from the previous quarter was driven by an increase in compensation and benefits expense, while the increase from the prior year related not only to an increase in compensation and benefits expenses, but also to increases in outside service and data processing costs and insurance expenses. The increase in compensation and benefits expenses during the current quarter was due primarily to an increase in various benefit-related expenses. In addition, the increase in outside service and data processing costs from the prior quarter and prior year was driven by an increase in software licensing and maintenance costs, while insurance costs increased over the prior year due to higher FDIC insurance premiums.

Our effective tax rate was 25.5% for the first quarter of 2024, 21.9% for the fourth quarter of 2023, and 23.6% for the first quarter of 2023. The higher tax rate in the first quarter of 2024 as compared to the prior quarter and prior year was primarily related to the effect of equity compensation transactions during the quarter.

NET INTEREST INCOME AND MARGIN - Unaudited

| | For the Three Months Ended | | | | | | | | |
|--|----------------------------|----------------|---------------------------|-------------------|----------------|---------------------------|-----------------|----------------|---------------------------|
| | March 31, 2024 | | | December 31, 2023 | | | March 31, 2023 | | |
| (dollars in thousands) | Average Balance | Income/Expense | Yield/Rate ⁽³⁾ | Average Balance | Income/Expense | Yield/Rate ⁽³⁾ | Average Balance | Income/Expense | Yield/Rate ⁽³⁾ |
| Interest-earning assets | | | | | | | | | |
| Federal funds sold and interest-bearing deposits | \$ 89,969 | \$ 1,280 | 5.71% | \$ 197,482 | \$ 2,703 | 5.43% | \$ 85,966 | \$ 969 | 4.57% |
| Investment securities, taxable | 137,271 | 1,436 | 4.20% | 151,969 | 1,632 | 4.26% | 87,521 | 530 | 2.46% |
| Investment securities, nontaxable ⁽²⁾ | 8,097 | 55 | 2.70% | 7,831 | 55 | 2.76% | 10,266 | 106 | 4.21% |
| Loans ⁽¹⁰⁾ | 3,622,972 | 45,605 | 5.05% | 3,586,863 | 44,758 | 4.95% | 3,334,530 | 36,748 | 4.47% |
| Total interest-earning assets | 3,858,309 | 48,376 | 5.03% | 3,944,145 | 49,148 | 4.94% | 3,518,283 | 38,353 | 4.42% |
| Noninterest-earning assets | 159,813 | | | 174,717 | | | 161,310 | | |
| Total assets | \$4,018,122 | | | \$4,118,862 | | | \$3,679,593 | | |
| Interest-bearing liabilities | | | | | | | | | |
| NOW accounts | \$ 295,774 | 660 | 0.90% | \$ 301,424 | 656 | 0.86% | \$ 303,176 | 440 | 0.59% |
| Savings & money market | 1,620,521 | 16,299 | 4.03% | 1,697,144 | 17,042 | 3.98% | 1,661,878 | 11,992 | 2.93% |
| Time deposits | 801,734 | 9,973 | 4.99% | 759,839 | 9,429 | 4.92% | 543,425 | 4,747 | 3.54% |
| Total interest-bearing deposits | 2,718,029 | 26,932 | 3.97% | 2,758,407 | 27,127 | 3.90% | 2,508,479 | 17,179 | 2.78% |
| FHLB advances and other borrowings | 241,319 | 2,229 | 3.71% | 257,880 | 2,387 | 3.67% | 18,243 | 200 | 4.45% |
| Subordinated debentures | 36,333 | 557 | 6.15% | 36,305 | 561 | 6.13% | 36,224 | 527 | 5.90% |
| Total interest-bearing liabilities | 2,995,681 | 29,718 | 3.98% | 3,052,592 | 30,075 | 3.91% | 2,562,946 | 17,906 | 2.83% |
| Noninterest-bearing liabilities | 707,890 | | | 759,413 | | | 818,123 | | |
| Shareholders' equity | 314,551 | | | 306,857 | | | 298,524 | | |
| Total liabilities and shareholders' equity | \$4,018,122 | | | \$4,118,862 | | | \$3,679,593 | | |
| Net interest spread | | | 1.05% | | | 1.04% | | | 1.59% |
| Net interest income (tax equivalent) / margin | | \$18,658 | 1.94% | | \$19,073 | 1.92% | | \$20,447 | 2.36% |
| Less: tax-equivalent adjustment ⁽²⁾ | | 13 | | | 13 | | | 23 | |
| Net interest income | | \$18,645 | | | \$19,060 | | | \$20,424 | |

[Footnotes to table located on page 6]

Net interest income was \$18.6 million for the first quarter of 2024, a \$415 thousand decrease from the fourth quarter of 2023, driven by a \$772 thousand decrease in interest income, on a tax-equivalent basis, partially offset by a \$357 thousand decrease in interest expense. The decrease in interest income was driven by a \$107.5 million decrease in average federal funds sold and interest-bearing deposit balances. In comparison to the first quarter of 2023, net interest income decreased \$1.8 million, resulting primarily from a \$432.7 million increase in average interest-bearing liabilities during the 12 months ended March 31, 2024, combined with a 115-basis point increase in the average cost. Our net interest margin, on a tax-equivalent basis, was 1.94% for the first quarter of 2024, a two-basis point increase from 1.92% for the fourth quarter of 2023 and a 42-basis point decrease from 2.36% for the first quarter of 2023. During the first quarter of 2024, the yield on our loan portfolio increased by 10-basis points, while the cost of our interest-bearing deposits increased by only seven basis points, as compared to the fourth

quarter of 2023, resulting in a slight increase in net interest margin for the period. The lower net interest margin during the first quarter of 2024, as compared to the first quarter of 2023, was a result of our deposit and borrowing costs increasing faster than our loan yield as our interest-bearing liabilities have been more sensitive to changes in the federal funds rate over the past two years.

BALANCE SHEETS - Unaudited

| | Ending Balance | | | | |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2024 | December 31 2023 | September 30 2023 | June 30 2023 | March 31 2023 |
| (in thousands, except per share data) | | | | | |
| Assets | | | | | |
| Cash and cash equivalents: | | | | | |
| Cash and due from banks | \$ 13,925 | 28,020 | 17,395 | 24,742 | 22,213 |
| Federal funds sold | 144,595 | 119,349 | 127,714 | 170,145 | 242,642 |
| Interest-bearing deposits with banks | 8,789 | 8,801 | 7,283 | 10,183 | 7,350 |
| Total cash and cash equivalents | 167,309 | 156,170 | 152,392 | 205,070 | 272,205 |
| Investment securities: | | | | | |
| Investment securities available for sale | 125,996 | 134,702 | 144,035 | 91,548 | 94,036 |
| Other investments | 18,499 | 19,939 | 19,600 | 12,550 | 10,097 |
| Total investment securities | 144,495 | 154,641 | 163,635 | 104,098 | 104,133 |
| Mortgage loans held for sale | 11,842 | 7,194 | 7,117 | 15,781 | 6,979 |
| Loans ⁽⁵⁾ | 3,643,766 | 3,602,627 | 3,553,632 | 3,537,616 | 3,417,945 |
| Less allowance for credit losses | (40,441) | (40,682) | (41,131) | (41,105) | (40,435) |
| Loans, net | 3,603,325 | 3,561,945 | 3,512,501 | 3,496,511 | 3,377,510 |
| Bank owned life insurance | 52,878 | 52,501 | 52,140 | 51,791 | 51,453 |
| Property and equipment, net | 93,007 | 94,301 | 95,743 | 96,964 | 97,806 |
| Deferred income taxes | 12,321 | 12,200 | 13,078 | 12,356 | 12,087 |
| Other assets | 20,527 | 16,837 | 23,351 | 19,536 | 15,967 |
| Total assets | \$ 4,105,704 | 4,055,789 | 4,019,957 | 4,002,107 | 3,938,140 |
| Liabilities | | | | | |
| Deposits | \$ 3,460,681 | 3,379,564 | 3,347,771 | 3,433,018 | 3,426,774 |
| FHLB Advances | 240,000 | 275,000 | 275,000 | 180,000 | 125,000 |
| Subordinated debentures | 36,349 | 36,322 | 36,295 | 36,268 | 36,241 |
| Other liabilities | 53,418 | 52,436 | 56,993 | 51,307 | 50,775 |
| Total liabilities | 3,790,448 | 3,743,322 | 3,716,059 | 3,700,593 | 3,638,790 |
| Shareholders' equity | | | | | |
| Preferred stock - \$.01 par value; 10,000,000 shares authorized | - | - | - | - | - |
| Common Stock - \$.01 par value; 10,000,000 shares authorized | 82 | 81 | 81 | 81 | 80 |
| Nonvested restricted stock | (5,257) | (3,596) | (4,065) | (4,051) | (4,462) |
| Additional paid-in capital | 124,159 | 121,777 | 121,757 | 120,912 | 120,683 |
| Accumulated other comprehensive loss | (11,797) | (11,342) | (15,255) | (12,710) | (11,775) |
| Retained earnings | 208,069 | 205,547 | 201,380 | 197,282 | 194,824 |
| Total shareholders' equity | 315,256 | 312,467 | 303,898 | 301,514 | 299,350 |
| Total liabilities and shareholders' equity | \$ 4,105,704 | 4,055,789 | 4,019,957 | 4,002,107 | 3,938,140 |
| Common Stock | | | | | |
| Book value per common share | \$ 38.65 | 38.63 | 37.57 | 37.42 | 37.16 |
| Stock price: | | | | | |
| High | 38.71 | 37.15 | 30.18 | 31.34 | 45.05 |
| Low | 29.80 | 25.16 | 24.22 | 21.33 | 30.70 |
| Period end | 31.76 | 37.10 | 26.94 | 24.75 | 30.70 |
| Common shares outstanding | 8,156 | 8,088 | 8,089 | 8,058 | 8,048 |

[Footnotes to table located on page 6]

ASSET QUALITY MEASURES - Unaudited

| (dollars in thousands) | Quarter Ended | | | | |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2024 | December 31 2023 | September 30 2023 | June 30 2023 | March 31 2023 |
| Nonperforming Assets | | | | | |
| Commercial | | | | | |
| Non-owner occupied RE | \$ 1,410 | 1,423 | 1,615 | 754 | 1,384 |
| Commercial business | 488 | 319 | 404 | 137 | 1,196 |
| Consumer | | | | | |
| Real estate | 1,380 | 985 | 1,228 | 1,053 | 1,075 |
| Home equity | 367 | 1,236 | 1,068 | 1,072 | 1,078 |
| Other | 1 | - | - | - | - |
| Total nonaccrual loans | 3,646 | 3,963 | 4,315 | 3,016 | 4,733 |
| Other real estate owned | - | - | - | - | - |
| Total nonperforming assets | \$ 3,646 | 3,963 | 4,315 | 3,016 | 4,733 |
| Nonperforming assets as a percentage of: | | | | | |
| Total assets | 0.09% | 0.10% | 0.11% | 0.08% | 0.12% |
| Total loans | 0.10% | 0.11% | 0.12% | 0.09% | 0.14% |
| Classified assets/tier 1 capital plus allowance for credit losses | 3.99% | 4.25% | 4.72% | 4.68% | 5.10% |

| (dollars in thousands) | Quarter Ended | | | | |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2024 | December 31 2023 | September 30 2023 | June 30 2023 | March 31 2023 |
| Allowance for Credit Losses | | | | | |
| Balance, beginning of period | \$ 40,682 | 41,131 | 41,105 | 40,435 | 38,639 |
| Loans charged-off | (424) | (119) | (42) | (440) | (161) |
| Recoveries of loans previously charged-off | 183 | 310 | 168 | 15 | 102 |
| Net loans (charged-off) recovered | (241) | 191 | 126 | (425) | (59) |
| Provision for (reversal of) credit losses | - | (640) | (100) | 1,095 | 1,855 |
| Balance, end of period | \$ 40,441 | 40,682 | 41,131 | 41,105 | 40,435 |
| Allowance for credit losses to gross loans | 1.11 % | 1.13 % | 1.16 % | 1.16 % | 1.18 % |
| Allowance for credit losses to nonaccrual loans | 1,109.13 % | 1,026.58 % | 953.25 % | 1,363.11 % | 854.33 % |
| Net charge-offs (recoveries) to average loans QTD (annualized) | 0.03 % | (0.02 %) | (0.01 %) | 0.05 % | 0.01 % |

Total nonperforming assets decreased by \$317 thousand during the first quarter of 2024, and represented 0.09% of total assets, a decrease compared to 0.10% for the fourth quarter of 2023 and 0.12% for the first quarter of 2023. While we added three new relationships to nonaccrual during the first quarter of 2024, there were also three relationships either returned to accrual status or paid off during the quarter. In addition, our classified asset ratio decreased to 3.99% for the first quarter of 2024 from 4.25% in the fourth quarter of 2023 and from 5.10% in the first quarter of 2023.

At March 31, 2024, the allowance for credit losses was \$40.4 million, or 1.11% of total loans, compared to \$40.7 million, or 1.13% of total loans at December 31, 2023, and \$40.4 million, or 1.18% of total loans, at March 31, 2023. We had net charge-offs of \$241 thousand, or 0.03% annualized, for the first quarter of 2024, compared to net recoveries of \$191 thousand for the fourth quarter of 2023 and net charge-offs of \$59 thousand for the first quarter of 2023. There was no provision for credit losses recorded during the first quarter of 2024, compared to a reversal of \$640 thousand for the fourth quarter of 2023 and a provision of \$1.9 million for the first quarter of 2023. As we continue to experience low net charge-offs, the expected loss rates in our allowance for credit loss continue to decline, resulting in no provision for credit loss expense for the quarter.

LOAN COMPOSITION - Unaudited

| (dollars in thousands) | Quarter Ended | | | | |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2024 | December 31 2023 | September 30 2023 | June 30 2023 | March 31 2023 |
| Commercial | | | | | |
| Owner occupied RE | \$ 631,047 | 631,657 | 637,038 | 613,874 | 615,094 |
| Non-owner occupied RE | 944,530 | 942,529 | 937,749 | 951,536 | 928,059 |
| Construction | 157,464 | 150,680 | 119,629 | 115,798 | 94,641 |
| Business | 520,073 | 500,161 | 500,253 | 511,719 | 495,161 |
| Total commercial loans | 2,253,114 | 2,225,027 | 2,194,669 | 2,192,927 | 2,132,955 |
| Consumer | | | | | |
| Real estate | 1,101,573 | 1,082,429 | 1,074,679 | 1,047,904 | 993,258 |
| Home equity | 184,691 | 183,004 | 180,856 | 185,584 | 180,974 |
| Construction | 53,216 | 63,348 | 54,210 | 61,044 | 71,137 |
| Other | 51,172 | 48,819 | 49,218 | 50,157 | 39,621 |
| Total consumer loans | 1,390,652 | 1,377,600 | 1,358,963 | 1,344,689 | 1,284,990 |
| Total gross loans, net of deferred fees | 3,643,766 | 3,602,627 | 3,553,632 | 3,537,616 | 3,417,945 |
| Less—allowance for credit losses | (40,441) | (40,682) | (41,131) | (41,105) | (40,435) |
| Total loans, net | \$ 3,603,325 | 3,561,945 | 3,512,501 | 3,496,511 | 3,377,510 |

DEPOSIT COMPOSITION - Unaudited

| (dollars in thousands) | Quarter Ended | | | | |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2024 | December 31 2023 | September 30 2023 | June 30 2023 | March 31 2023 |
| Non-interest bearing | \$ 671,708 | 674,167 | 675,409 | 698,084 | 740,534 |
| Interest bearing: | | | | | |
| NOW accounts | 293,064 | 310,218 | 306,667 | 308,762 | 303,743 |
| Money market accounts | 1,603,796 | 1,605,278 | 1,685,736 | 1,692,900 | 1,748,562 |
| Savings | 32,248 | 31,669 | 34,737 | 36,243 | 39,706 |
| Time, less than \$250,000 | 206,657 | 190,167 | 125,506 | 114,691 | 106,679 |
| Time and out-of-market deposits, \$250,000 and over | 653,208 | 568,065 | 519,716 | 582,338 | 487,550 |
| Total deposits | \$ 3,460,681 | 3,379,564 | 3,347,771 | 3,433,018 | 3,426,774 |

Footnotes to tables:

- (1) Total revenue is the sum of net interest income and noninterest income.
- (2) The tax-equivalent adjustment to net interest income adjusts the yield for assets earning tax-exempt income to a comparable yield on a taxable basis.
- (3) Annualized for the respective three-month period.
- (4) Noninterest expense divided by the sum of net interest income and noninterest income.
- (5) Excludes mortgage loans held for sale.
- (6) Excludes out of market deposits and time deposits greater than \$250,000 totaling \$653,208,000.
- (7) March 31, 2024 ratios are preliminary.
- (8) The common equity tier 1 ratio is calculated as the sum of common equity divided by risk-weighted assets.
- (9) The tangible common equity ratio is calculated as total equity less preferred stock divided by total assets.
- (10) Includes mortgage loans held for sale.

ABOUT SOUTHERN FIRST BANCSHARES

Southern First Bancshares, Inc., Greenville, South Carolina is a registered bank holding company incorporated under the laws of South Carolina. The company's wholly owned subsidiary, Southern First Bank, is the second largest bank headquartered in South Carolina. Southern First Bank has been providing financial services since 1999 and now operates in 12 locations in the Greenville, Columbia, and Charleston markets of South Carolina as well as the Charlotte, Triangle and Triad regions of North Carolina and Atlanta, Georgia. Southern First Bancshares has consolidated assets of approximately \$4.1 billion and its common stock is traded on The NASDAQ Global Market under the symbol "SFST." More information can be found at www.southernfirst.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this news release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future plans and expectations, and are thus prospective. Such forward-looking statements are identified by words such as "believe," "expect," "anticipate," "estimate," "preliminary," "intend," "plan," "target," "continue," "lasting," and "project," as well as similar expressions. Such statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, we can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not

