

# 2025

## *Corporate Impact Report*

Member  
**FDIC**



# A Letter From Our CEO

Dear Fellow Shareholders:

Twenty-five years ago, we opened the doors of a new bank with a humble dream and a mission to impact lives. Without any acquisitions, we have grown to become a \$4.1 billion bank, serving eight fabulous markets in the Southeast.

I am incredibly proud of our performance in 2024. We generated significant improvement in margin and growth in client relationships and enter 2025 with excellent momentum. We are well-positioned with a strong balance sheet and healthy pipelines to continue the positive trends in performance and generating value for our shareholders.

This momentum would not be possible without our people. We strive to recruit performance-driven individuals and help them excel with educational and development opportunities along their career journey. We encourage meaningful fellowship and bottom-up innovation. All team members across departments, locations, and seniority levels are committed to providing a unique banking experience with exceptional service and authentic hospitality.

In support of our mission of impacting lives, we invested over \$524,000 in the community through monetary donations, sponsorships, and direct investments in 2024. Our associates take great pride in serving others, both inside and outside of the bank's doors, completing over 2,700 hours of volunteering with local nonprofits.



Through our use of digital banking services, purchasing standards, and recycling efforts, we continue to prioritize sustainability in both client and associate experiences.

Relationships are a gift and a privilege, and as we celebrate 25 years of impacting lives, we are incredibly grateful for clients who trust us with their banking needs.

**R. Arthur Seaver, Jr.**  
Chief Executive Officer

## By The Numbers

**\$15.5MM** NET INCOME

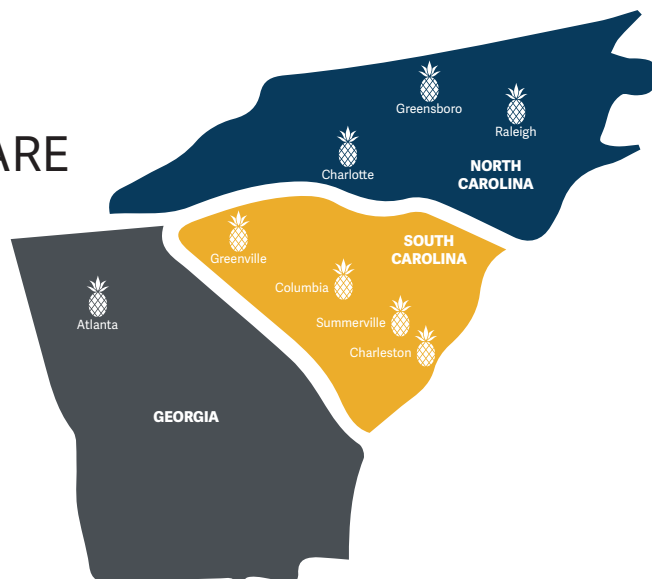
**\$40.47** BOOK VALUE PER SHARE

**\$3.6B** LOAN PORTFOLIO

**297** ASSOCIATES

**13** LOCATIONS

**8** MARKETS





# Governance

## Our Philosophy



### Our Mission

Our mission is to impact lives in the communities we serve.



### Our Purpose

We exist to enable dreams, earn trust, and exceed expectations.



### Our Culture

We focus on what matters most: family, community, and teamwork.

## Strategy and Principled Governance

Southern First's mission, purpose, and culture are the foundation of the Company's strategy and decision-making. Our corporate philosophy is essential in our ability to serve our clients, communities, employees, and shareholders. Our Board of Directors plays an active role in the oversight and guidance of the executive management team and our strategy.

## Board Level - Governing Bodies

### Board of Directors

We believe governance of the Company and our corporate sustainability strategies start at the top with our Board of Directors. The Board is committed to long-term sustainability and value creation for our clients and shareholders while promoting responsible business practices and adherence to Southern First policies and standards.

### Board Diversity Highlights

- 8% of Board members are ethnically diverse
- 23% of Board members are female
- Average tenure of 18 years
- 85% of Directors are independent
- 99% Director attendance at Board & Committee meetings

### Audit Committee

The Audit Committee of the Board is responsible for oversight of the audit function, financial reporting, and management succession planning. In addition, the Audit committee reviews the audit plans and results, including those focused on cyber security and client privacy.

### Risk Committee

The Risk Committee of the Board is responsible for overseeing the Company's risk management function, consistent with its strategy and risk appetite, including oversight of its policies and infrastructure for monitoring various risk categories, including Corporate Sustainability related risks.

### Compensation Committee

The Compensation Committee of the Board is responsible for ensuring that compensation programs are designed to reward executive officers for the achievement of strategic and operational goals and the achievement of increased shareholder value, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. Toward that end, the Committee is responsible for reviewing and approving all compensation to executive officers.

### Nominating & Corporate Governance Committee

The Nominating & Corporate Governance Committee of the Board is responsible for direct oversight of Corporate Sustainability. Our committee charter underscores the committee's leadership role in Corporate Sustainability related initiatives, policies, and strategy.

## Management Level - Governing Bodies

### Asset Liability Committee (“ALCO”)

ALCO is responsible for managing the Company’s assets and liabilities to ensure financial stability, liquidity, and risk management. The Committee meets quarterly to monitor and review exposure to interest rate fluctuations, asset and liability components, and capital adequacy. The committee is comprised of members of executive management and shares insights with the Risk Committee of the Board.

### Credit Approval and Support Team (“CAST”)

CAST is responsible for oversight of the Company’s credit function, including setting overall credit policy and processes. CAST meets weekly to discuss items related to the credit portfolio of the Company and decision loans to borrowers with large credit exposures. The committee is comprised of members of executive and credit management.

### Executive Project Technology and Risk Committee (“EPTRC”)

EPTRC is responsible for oversight of the Company’s Enterprise Risk Management. The Committee meets monthly to monitor and review emerging and current risks to the Company, including those related to Corporate Sustainability. The committee is comprised of executive and business line management and shares insights with the Risk Committee of the Board.

### Fair Lending and Community Reinvestment Act Strategy Committee (“FLCRA”)

FLCRA is responsible for setting and overseeing the effective execution of the Company’s Fair Lending and Community Reinvestment strategies. The Committee meets quarterly to review lending performance, donations, services, and investments, and deploys strategies to ensure we are serving the needs of everyone in our community. The committee is comprised of executive management, risk management, and business line management and shares insights with the Audit Committee of the Board.

## Stakeholder Engagement

With a commitment to transparency, we engage our stakeholders through an open communication process to seek out viewpoints on strategies and opportunities. Below are methods we use to engage our stakeholders:

<b>Shareholders</b> <ul style="list-style-type: none"><li>• Board presentations from shareholders</li><li>• Sell-side sponsored conferences</li><li>• Roadshows</li><li>• Annual shareholder meeting</li><li>• Virtual and in-person meetings</li><li>• Outreach calls</li></ul>	<b>Clients</b> <ul style="list-style-type: none"><li>• Personal banking relationships</li><li>• Digital banking channel</li><li>• Social media</li><li>• Meetings with Board off-site</li><li>• Selected quarterly client events</li><li>• Open and inclusive environment</li></ul>
<b>Employees</b> <ul style="list-style-type: none"><li>• Intranet Site</li><li>• Internal Social Media Site</li><li>• Monthly open discussion meetings with managers and team members</li><li>• Company-wide meetings led by our CEO</li><li>• Charitable giving campaigns</li><li>• Meetings with Board off-site</li></ul>	<b>Regulators and Related Agencies</b> <ul style="list-style-type: none"><li>• Management meetings and briefings</li><li>• Management and committee reports</li><li>• Targeted exams</li><li>• Responding to proposed rules through the comment making process</li><li>• Participation in events hosted or led by regulators</li></ul>

## Ethical Behavior

We have designed rules to provide a safe, equitable, and productive environment for all concerned. Southern First has established written conduct guidelines to alleviate misunderstandings of conduct expectations, including the following:

- Ethics Policy
- Anti-Competitive Behavior Policy
- No Retaliation Policy
- Whistleblower Policy
- Anti-Bribery and Anti-Corruption Policy
- Compliance Management Policy and Program
- Fair Lending Policy and Program
- Community Reinvestment Act Policy and Program
- Privacy and Information Security Policy and Program

# People

## Our Culture

We focus on the things that matter most: family, community, and teamwork. Our people are the driving force behind our success, and they are committed to helping our clients and communities thrive. Just as service to our clients is vital to the success of the Company, a similar value is important within the Company's daily operations. We refer to this as a partnership among all associates of the Company. As partners we have respect for each individual, accept diversity of ideas, encourage innovation, display openness and trust in our relationships, and recognize quality achievements. As each associate displays these values, we create the kind of teamwork necessary for our continued success.



## Recruitment and Career Development

Southern First strives to recruit performance-driven individuals who share our values, mission, and purpose. We start with a warm welcome, where every new hire meets with the Executive team on their first day. Once on board, we support those eager to push beyond their boundaries and excel in their careers through internal training and programs as well as external opportunities like banker school, industry conferences, and local leadership development seminars. We pride ourselves on fostering individual career growth through quality education and mentorship.



**23**  
internal associate  
promotions



**12**  
college student  
interns



**1,395**  
total hours  
of training



**228**  
hours of leadership  
development

## Building an Engaged Workforce

The Company recognizes that meaningful fellowship, high-value benefits and bottom-up innovation are essential to our success. Team members across departments, locations, and seniority levels are committed to providing exceptional service with authentic hospitality.

We celebrate the victories together and provide meaningful opportunities for connection, which included 67 internal fellowship events across markets in 2024. We also open our doors to our community, often hosting events and board meetings in our spaces.



## Human Rights Statement

At Southern First, honoring and affirming protections for human rights is consistent with our founding mission, purpose, and core values. Specifically, *impacting lives in the communities we serve* and *cherishing our family culture* serve as our internal compass in ethical decision making and policies related to human rights, labor, environment, and anti-corruption efforts. We believe that all human beings are born free and equal in dignity and rights. As such, we have developed a Human Rights Statement outlining our commitment to human rights initiatives.

## Health & Well-Being

People are the essence of our organization, and we keep their individual health, safety, mental, physical, and social well-being in mind in all we do. We continue to evaluate and enhance health and well-being initiatives offered to our employees including:

- Providing mental health support to associates with 12 free counseling sessions per year; In 2024, usage was 23%
- Promoting and enabling adequate rest through generous paid time off and paid holidays
- Providing access to paid leave for births and caretakers
- Maintaining medical premium costs - minimum increase in cost to associates
- Providing \$500 to associates with a Health Savings Account
- Connecting the associate community through internal social media channels and celebrations
- Providing security and emergency action training to all associates



# Environment

## Our Approach

We are committed to building a better environment through sustainability initiatives and strive to be positive environmental stewards by practicing responsible consumption and production.

## Energy and Emissions

Our standards for construction and renovation of our offices focus on energy efficiency, water conservation, and adoption of other sustainable and green building practices. We use LED lighting and automatic shut off settings in our office locations.

## Use of Digital Offerings

To further reduce our energy and emissions impact on the environment, we prioritize educating our clients on digital banking services to ensure a seamless online experience for clients, while also reducing paper usage, emissions, and our carbon footprint. As a result of using e-signature technology and eliminating the creation of paper documents, Southern First's environmental savings included:



**39,037**

**pounds carbon emissions**



**48,970**

**gallons of water**



**16,631**

**pounds of wood**



**2,702**

**pounds of waste**

The promotion of technology, in lieu of paper, extends to our associates. We have eliminated the majority of desktop printers and deployed a shared printer approach. If paper is produced in our daily operations, we use shredding and recycling for disposal, resulting in the saving of 579 trees in 2024.

## Responsible Consumption & Production

To lesson our impact on the environment, we encourage the use of re-usable items and routinely evaluate our purchasing standards, aiming to buy sustainable products. Examples of our sustainable product purchases in 2024 include:

- Compostable coffee pods produced using 100% green energy and packaged in recyclable material
- Compostable paper plates and bowls sourced from a certified managed forest
- Paper cups made from plant-based material
- Silverware made from 70% renewable resources

In an effort to reduce waste, each of our locations include filtered water devices to discourage bottled water usage. At our headquarters alone, use of the devices resulted in the reduction of 37,973 water bottles from landfills in 2024.

We also reuse and recycle equipment and furniture through various means. On an annual basis, we recycle e-waste including workstation computers, laptops, monitors, shredders, printers, and other appliances that require electricity to operate. In 2024, Southern First recycled 1,645 pounds/0.82 tons of e-waste.



# Community

## Our Approach

We encourage our associates to actively support our community by volunteering their time, contributing monetarily, and utilizing our banking services and financial expertise to empower our community members. We also vow to keep our client's information safe and secure through proper privacy measures and safeguards.

## Investments in the Community

To support our mission of impacting lives, we invest in the community through various means, including monetary donations and sponsorships, direct investments, community outreach, and volunteer efforts.

## Monetary Donations & Sponsorship Highlights



**\$524K**

**Philanthropic & Community Gifts**



**\$238K**

**Donations to Support Low to Moderate Income Individuals**



**\$78K**

**Event & Sponsorships within Minority Communities**

## Investments

We directly invest funds to further develop our community, and to assist individuals and businesses in meeting their financial goals. At the end of 2024, the Company held investments of \$15MM in affordable housing initiatives, \$2MM in economic development initiatives, \$232K in community service initiatives, and \$7MM in revitalization initiatives within low-to-moderate income, distressed, or underserved areas within our community and state-wide. Investments have been made in Community Development Corporations, Small Business Investment Companies, Community Development Financial Institutions, minority-owned financial institutions and affordable housing funds within our local communities.

In addition to direct investments, the bank originated \$69MM in loans with a purpose of Community Development in 2024. This includes loans to create affordable housing, loans to organizations serving the low-to-moderate income community, loans with a purpose of attracting or retaining businesses in low-to-moderate income areas, and loans used to revitalize and redevelop underserved geographies or opportunity zones.

## Community Outreach

In 2024, we continued a purpose-led initiative to invest additional resources into minority communities in an effort to promote economic empowerment and home ownership. This included the hosting of events with minority community leaders, organizations, and churches, forming partnerships with realtors within the community, conducting educational events on home ownership, launching targeted social media campaigns to promote our lending products, and hosting luncheons featuring minority and women-owned businesses. In 2024, our associates recorded the completion of 345 outreach activities within the minority communities we serve.





## Volunteer Efforts

Our Board members and employees conducted over 2,700 hours of volunteering with nonprofits throughout 2024. They provided financial expertise in a Board or Advisory Committee capacity for 49 different nonprofits within our markets and taught 142 hours of financial literacy courses to educate individuals from elementary school age to adults. Additionally, the Company allocated “paid time off” hours for associates to volunteer during typical work hours. Associates give freely of their time and energy, and paid time off to complete these efforts is a small way to make it easier for team members to give back and to show it is noticed and appreciated.



## Digital Innovations

We believe innovation and technology improvements make it easier for all Americans to access financial services. As such, our Chief Innovation Officer manages the innovation process within the Company. The Chief Innovation Officer is responsible for identifying strategies, business opportunities and new technologies, and for the development of new architectures to serve those opportunities.

## Dream Mortgage Center

One of the most impactful and wealth-building events in a person’s life is becoming a homeowner. However, many potential buyers lack the access to lenders, credit, and information about the homebuying process necessary to begin the path to homeownership. As a relationship-first financial institution, it is our honor to bridge this gap and come alongside everyone in the communities we serve to help them achieve their homeownership goals. With this in mind, Southern First created the Dream Mortgage Center, a space purposely designed to create opportunities for education and outreach in an underserved community in Richland County, South Carolina. By providing access to homebuyer education, meeting space for community events, and mortgage lending experts equipped with a variety of loan products, we hope to enable more homeownership dreams in Columbia.



## Products

Our core values center around relationship banking, “client first” service, and impacting lives. We are committed to offering products that align with our core values and that positively impact our clients and our communities. In addition to our traditional banking products, we offer loan programs to meet all community needs, including:

### Government Loans

#### Federal Housing Administration Loans (“FHA”)

FHA loans provide affordable home ownership opportunities to low and moderate income families.

#### Veterans Administration Loans (“VA”)

VA loans provide affordable home ownership opportunities to low and moderate income veterans.

#### United States Department of Agriculture (“USDA”)

USDA loans provide affordable home ownership opportunities to low and moderate income borrowers, offering 100% financing with reduced mortgage insurance premiums and below market rates.

### Habitat for Humanity Loan Program

In partnership with Habitat for Humanity, we offer a low interest loan to borrowers who qualify for the Habitat program. The program includes sweat equity, education classes, budgeting, and personal finance education.

### Down Payment Assistance Programs

We participate with various partners and local non-profits to offer affordable housing assistance to first time and non-first time homebuyers, including down payment and closing costs assistance.

### SBA 504 Loan Program

The Company participates in the SBA 504 Loan Program to provide long-term, fixed rate financing up to \$5 million for major fixed assets that promote business growth and job creation within our communities.

### NC Rural Center Program

We participate in the North Carolina Rural Center Loan Program, a uniquely tailored small-business lending program that provides access to capital and promotes small business growth.

### State Small Business Credit Initiative (SSBCI)

The SSBCI loan participation program enables small businesses in SC to obtain short and long-term financing to help them grow and expand, ultimately creating and retaining jobs in SC. By partnering with financial institutions, the Business Development Corporation (“BDC”) is able to provide small business loans at competitive terms while reducing the risk for the lender and allowing borrowers to receive financing with terms that otherwise may not have been available.

### Special Purpose Credit Program - Dream Mortgage

The Company offers a special purpose credit program called the Dream Mortgage Program. The Program is designed to expand access to credit for residents of high minority, majority minority, majority Black, and low-and moderate-income census tracts. The product provides the opportunity for 100% financing, allows for a higher debt-to-income ratio, lower credit score, and allows applicants to use rental history in lieu of trade lines from a credit report.

### Protecting Client Information

To protect the personal information of our clients from unauthorized access and use, we use security measures that comply with Federal and state laws. Southern First has a designated Information Security Officer to oversee the privacy of client information through the execution of our Information Security Program. The Company undergoes extensive third-party audits and internal monitoring to evaluate the design and operating effectiveness of our information security practices, including oversight functions, the management and controlling of IT related risks, and protecting client privacy. To stay abreast of privacy industry topics and trends the Company receives publications, e-newsletters, resources, and educational materials through its membership with the International Association of Privacy Professionals.