

## CAPITAL MARKETS ANNOUNCEMENT

**Southern First Bancshares, Inc. (NASDAQ: SFST; Greenville, SC) Announces Completion of \$6.2 Million Private Placement and \$4.0 Million Redemption of Perpetual Preferred Stock**

Sandler O'Neill + Partners L.P. served as financial advisor to Southern First Bancshares, Inc. for these transactions.

**About the Offering:**

Southern First Bancshares, Inc. (NASDAQ: SFST), the parent corporation of Southern First Bank, (the "Company"), announced today that it had successfully completed the sale of 475,000 common shares in a private placement to investors. The common shares in the offering were all sold at a price of \$13.00 per share, representing gross proceeds to the Company of \$6.2 million.

In conjunction with the private placement, the Company announced the redemption of \$4.0 million of its perpetual preferred stock. The Company expects to use the remainder of the proceeds for general corporate purposes and transaction-related expenses and fees.

*This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.*

**About the Company:**

Southern First Bancshares, Inc. is a South Carolina bank holding company with total assets of approximately \$890 million as of December 31, 2013. Founded in 1999, Southern First Bank is the eighth largest bank in South Carolina and provides financial services in eight locations in the Greenville, Columbia and Charleston markets of South Carolina.

*(1) Nonperforming assets defined as nonaccrual loans and leases and real estate owned*

*Source: SNL Financial*

January 27, 2014

## Common Stock

\$6.2 Million



Financial Advisor

SANDLER O'NEILL + PARTNERS

## Financial Highlights

*(Dollars in millions)*

Total Assets	\$890
Net Loans	\$727
Total Deposits	\$680
Tangible Common Equity	\$50
TCE / TA	5.65%
NPAs / Assets <sup>1</sup>	1.07%

*Financial Data as of 12/31/2013*

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