



Q4 2022

SHAREHOLDER ENGAGEMENT CALL

January 19, 2023

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Profits Through Purpose

Executive Leadership on This Call



Darrin Williams

Southern Bancorp, Inc. CEO

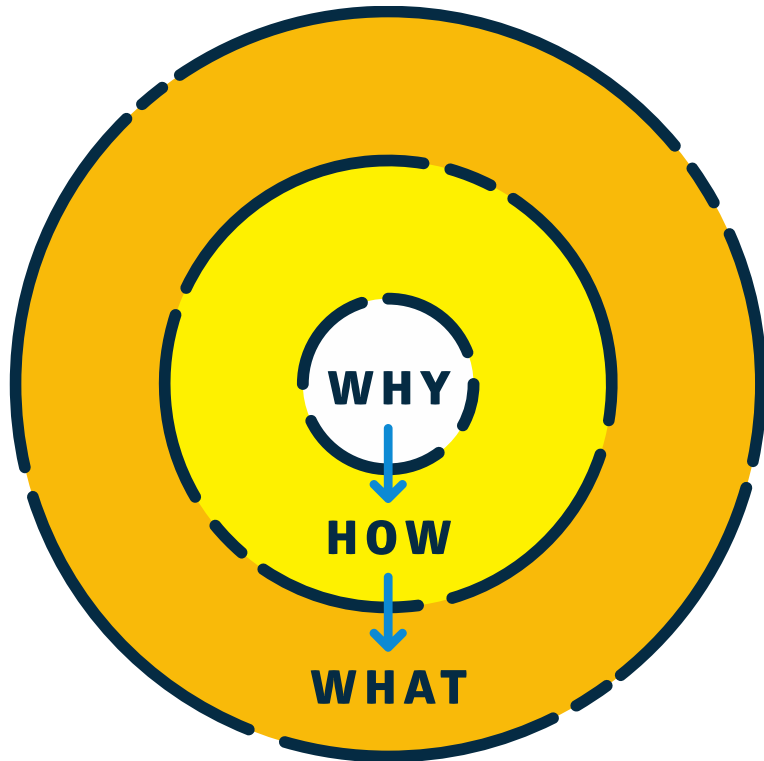


Chris Wewers

Southern Bancorp, Inc. CFO

We are Wealth Builders for EVERYONE.

THE GOLDEN CIRCLE



WHY

We believe that wealth building isn't just for the wealthy. We were founded to **INVEST** in rural towns, under-capitalized communities, and people's dreams. We are wealth builders for everyone.

HOW

We combine the strength of a multi-billion dollar bank with the flexibility of a non-profit financial education and development company to **EMPOWER** our customers and communities.

WHAT

Southern Bancorp is a financial services company...and so much more. We offer financial products and services that improve financial health and **TRANSFORM** lives.

Providing Access to Credit in CDFI Targeted Underserved Communities

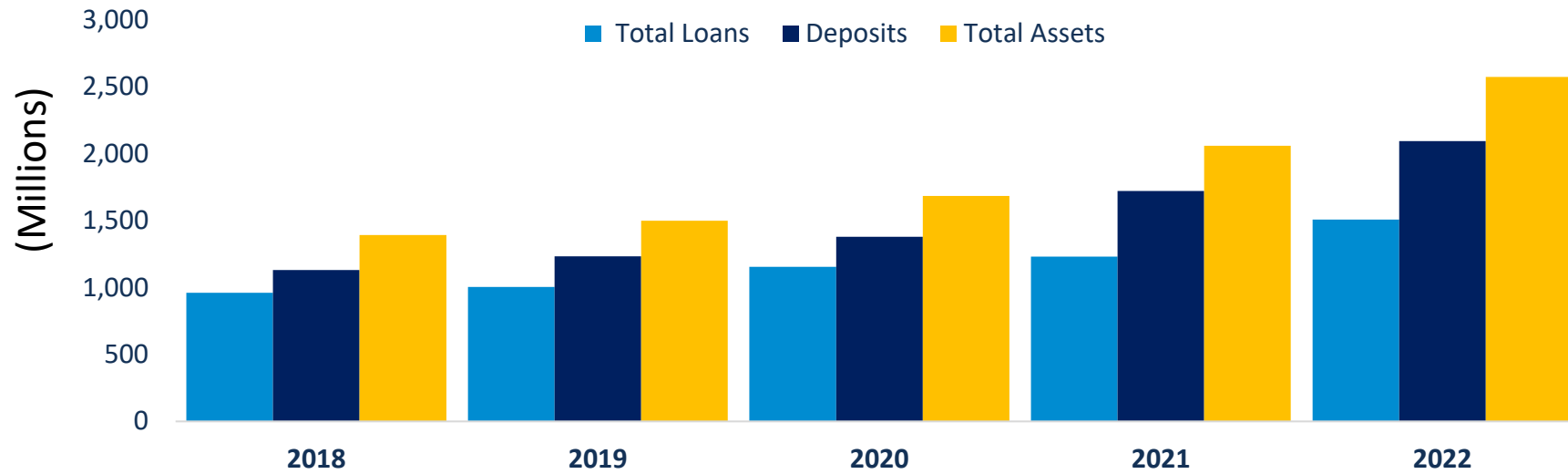
SBB 2022	Q1	Q2 YTD	Q3 YTD	Q4 YTD
% of loans (#) in CDFI tracts	96%	95.34%	95.25%	95.76%
% of loans (\$) in CDFI tracts	84.79%	85.17%	86.50%	87.44%
Loans originated (#)	1,499	3,131	4,757	7,633
Loan originations (\$ millions)	\$231	\$416.7	\$576	\$742
% of loans under \$10,000	38%	40.6%	42.04%	54.20%
# of loans under \$1,000	109	247	404	2,091

Loans in persistent poverty counties Q4 YTD:
% of all loans made:

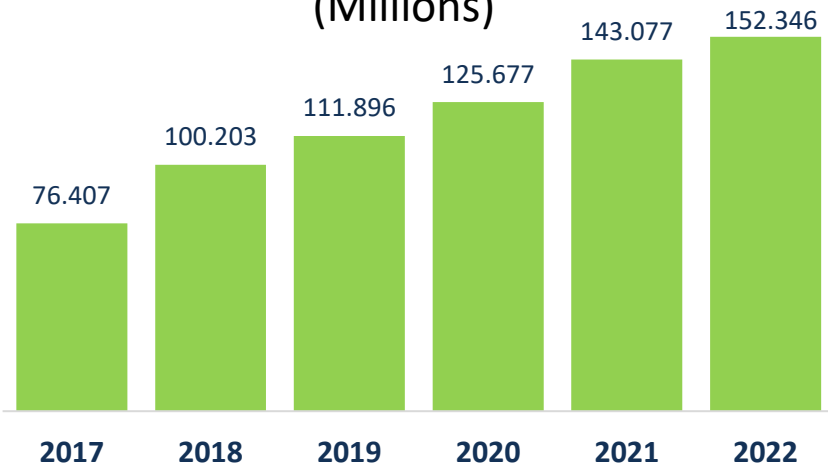
3,091 loans
 40.50% (#)

Total: \$195.83M
 26.4% (\$)

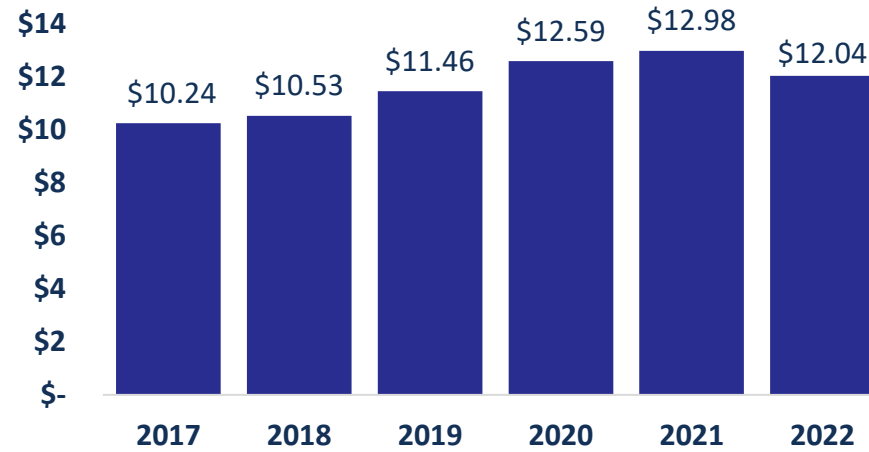
Financial Highlights



Tangible Common Equity (Millions)



Book Value



Q4 YTD Financial Highlights YOY – Balance Sheet (000's)

	Q4 2021	Q4 2022
Cash & Investments	\$665,035	\$884,690
Net Loans	\$1,230,441	\$1,492,208
Fixed Assets	\$43,134	\$40,944
Intangibles	\$44,983	\$59,618
Other Assets	\$75,549	\$95,773
TOTAL ASSETS	\$2,059,142	\$2,573,233
Deposits	\$1,721,789	\$2,094,544
Other Borrowings	\$135,748	\$33,816
Other Liabilities	\$13,434	\$17,696
Shareholder's Equity	\$188,171	\$427,177
TOTAL LIABILITIES & EQUITY	\$2,059,142	\$2,573,233

Q4 YTD Financial Highlights YOY – Income Statement (000's)

	Q4 2021	Q4 2022
Interest Income	\$66,721	\$82,699
Interest Expense	\$(5,787)	\$(8,264)
Net Interest Revenue	\$60,934	\$74,435
PLLL	-	-
Non Interest Income	\$13,375	\$23,614
Non Interest Expense	\$(55,874)	\$(72,465)
Income Before Taxes	\$18,435	\$25,584
Taxes	\$(4,400)	\$(3,059)
Net Income	\$14,035	\$22,525

2022 Highlights

Delivering mission and margin impact for our stakeholders

Net Income –\$22.525 million (company record high)

Total Assets –\$2.604 billion (record high 11/22)

Total Loans –\$1.544 billion (record high 8/22)

Providing access to capital in underserved communities

- 7,633 total loan originations (\$742 million) (54.20% of loans were less than \$10,000 each)
- 3,091 (40.5%) of total loan originations (\$195 million) in persistent poverty counties

Emergency Capital Investment Program - \$250 million equity investment from the U.S. Treasury

Geographic Growth

- Acquisition of Premier Bank (\$220 million in assets; 3 new branch locations)
- New Markets – Arkansas: Jonesboro, West Memphis, Marion, Little Rock; Mississippi: Canton, purchased property to build a branch in Gluckstadt

Minority Business Empowerment Fund – pilot program offering small business technical assistance and access to capital

- 17 participants in 1st cohort, average credit score 527
- \$550,000 pipeline of small business loans, \$235,418 funded; average loan size \$39,236

New Market Tax Credit Program

- \$45 million allocation received (\$2+ million in fee income generated)
- \$100 million allocated over the past three years

2022 Highlights

Delivering mission and margin impact for our stakeholders

Community Engagement

- Outstanding CRA Rating (4th consecutive exam receiving an Outstanding rating)
- 10,678 community volunteer hours (7,158 CRA eligible) donated by Southern employees
- 3,815 tax returns, totaling \$7.2 million in refunds filed voluntarily by Southern employees as part of our VITA program (2005 – 2022 – 42,017 returns filed, totaling \$80 million in refunds)
- Individual Development Account Program (IDA) – recipient of \$1.2 million contract by Arkansas Dept. of Human Services to provide IDAs across entire state.
- Health/Wealth Pilot Project – to provide financial development services/counseling inside a federally qualified health care center (Clarksdale, MS)

SBA 7(a) Lender of the Year

- 2022, 2021 & 2019

Innovation – TeamWALT (Research & Development team)

- 3 Apps developed for Apple & Android users: Envie, Wealthable, MOD
- 2 Prototype Apps developed (teacher loan; holiday loan)

Lender University

- Minority lender training program launched to increase number of diverse commercial lenders (2 participants hired)

Harvard Business School

- Case study: Aligning Mission and Margin at Southern Bancorp – taught to all 1st year students at Harvard; also picked up by The Fuqua School of Business at Duke University

2019 - 2022 Highlights and Trends

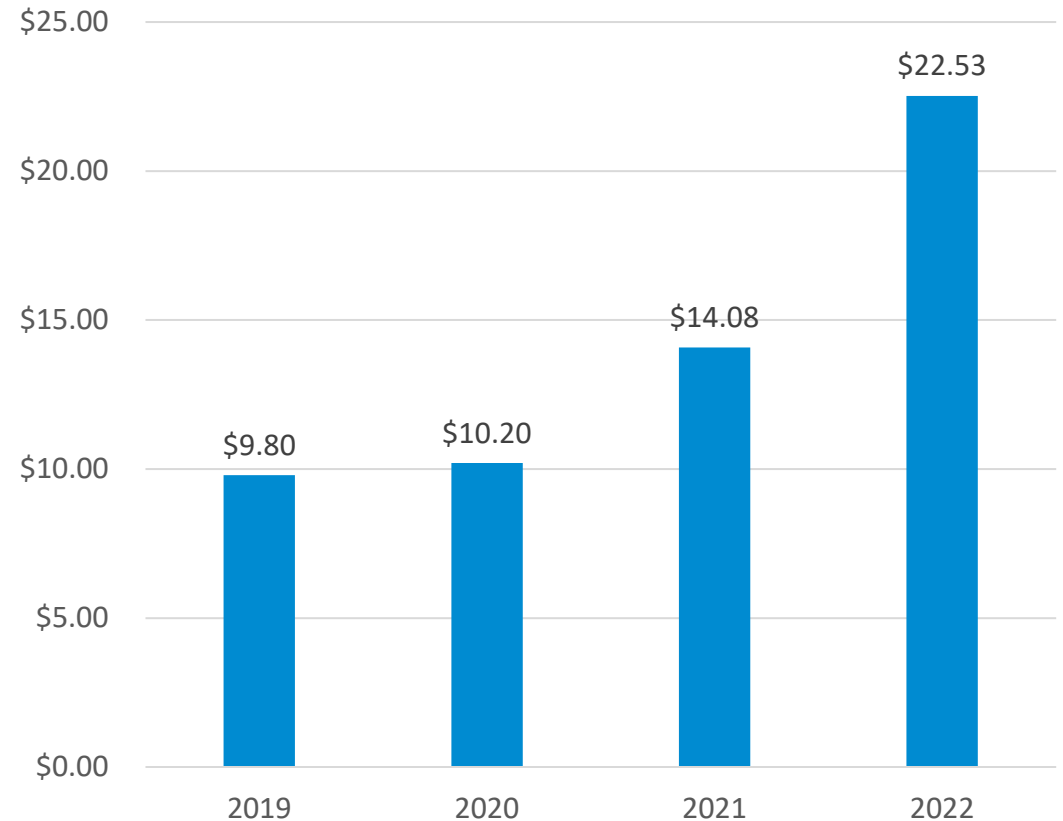
Balancing purpose and profits

Access to capital in underserved communities

	2019	2020*	2021	2022
% of loans (#) in LMI tracts	72.7%	95.6%	96.03%	95.76%
% of loans (\$) in LMI tracts	66.8%	88.3%	86.78%	87.44%
Loans originated (#)	6,967	7,220	8,157	7,633
Loans originations (\$ millions)	\$516	\$655	\$670	\$742
% of loans under \$10,000	55.5%	47.4%	47.7%	54.20%
# of loans under \$1,000	1,594	1,413	1,644	2,091

*Target Market modified in 2020

Net Income



Q & A

SAVE THE DATE:

Q1 2023 Shareholder Engagement Call

Thursday, April 20, 2023,

9:30 a.m. CST

All investor questions can be directed to

Kenya Davenport, Chief of Staff and SVP Stakeholder Engagement






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