



Q4 2023

SHAREHOLDER ENGAGEMENT CALL

January 18th, 2024

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Profits Through Purpose

Executive Leadership on This Call



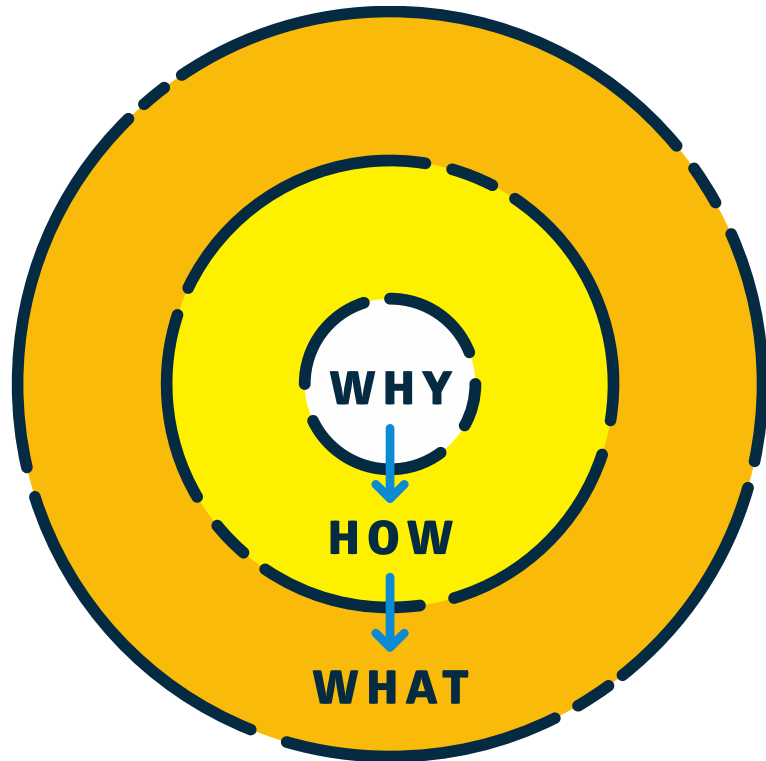
Darrin Williams
Southern Bancorp, Inc. CEO



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 under-capitalized communities, and people's dreams. We are wealth builders for everyone.

HOW

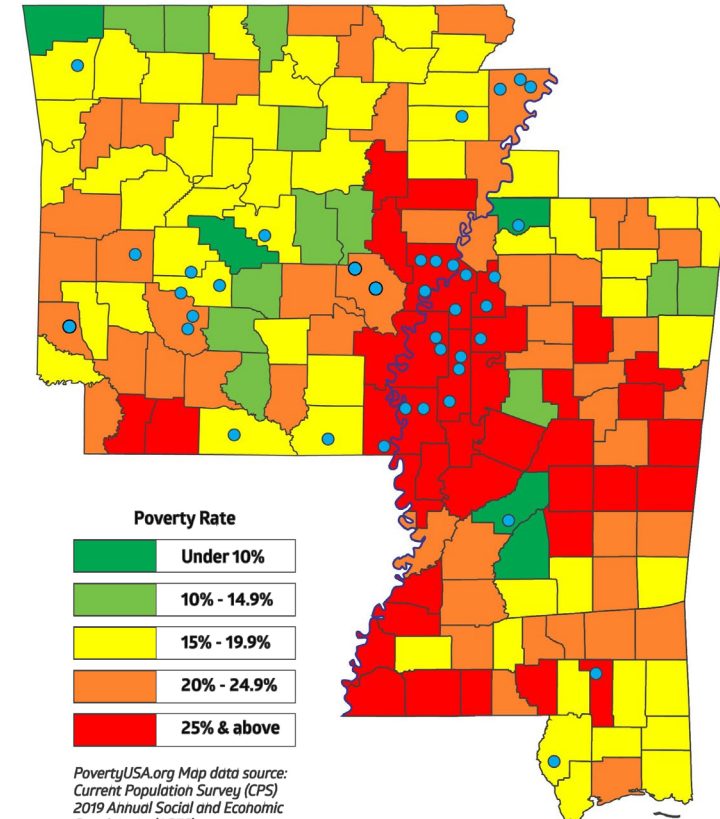
We combine the strength of a multi- billion dollar bank with the flexibility of a non-profit financial education and development company to **EMPOWER** our customers and communities.

WHAT

Southern Bancorp is a bank...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

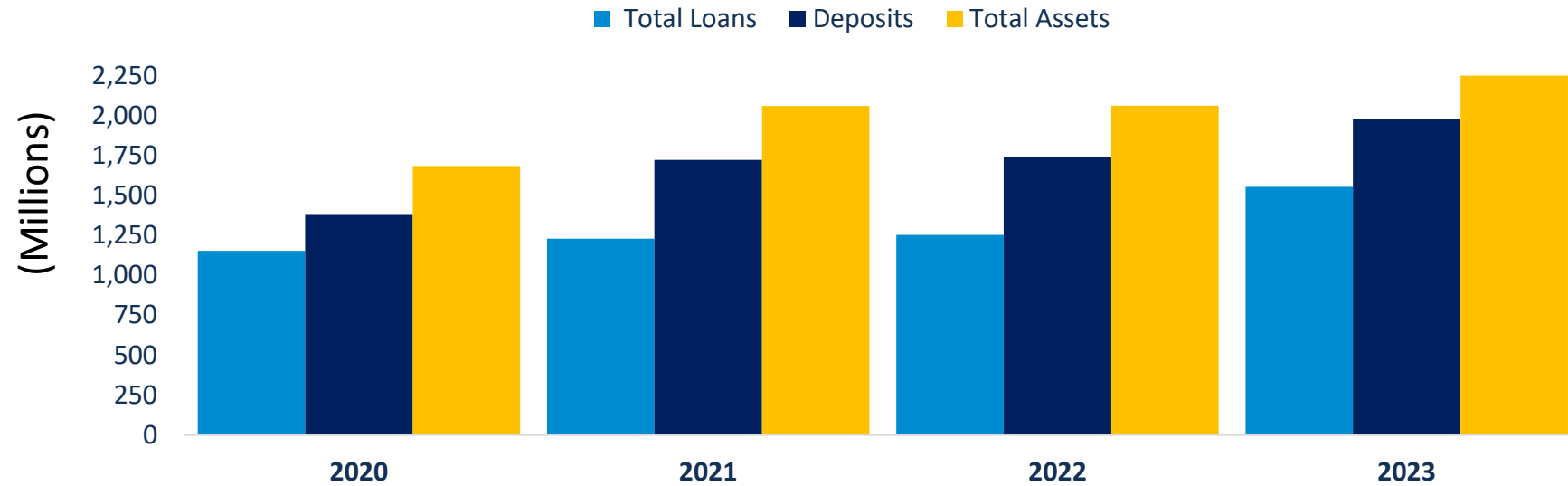
SBB 2023	Q4 YTD
% of loans (#) in CDFI tracts	96%
% of loans (\$) in CDFI tracts	88%
Loans originated (#)	7,882
Loan originations (\$ millions)	\$577
% of loans under \$10,000	62%
# of loans under \$1,000	2,786



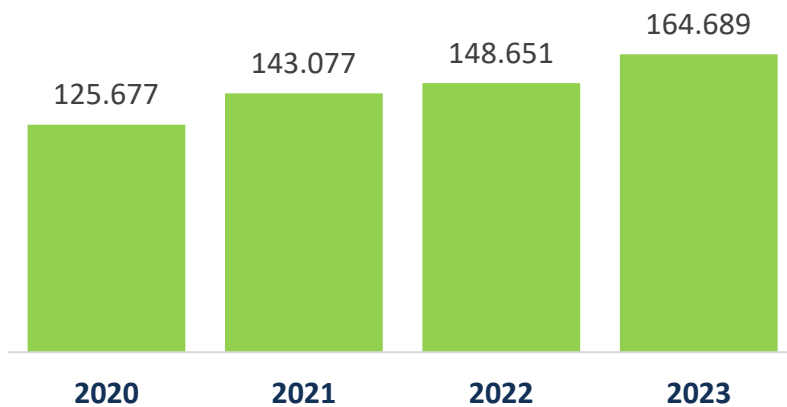
Loans in persistent poor counties Q4 YTD: 4,395 loans Total: \$199.05M
% of all loans made: 55% (#) 34% (\$)

*2023 Metrics Measured Per ECIP Guidelines

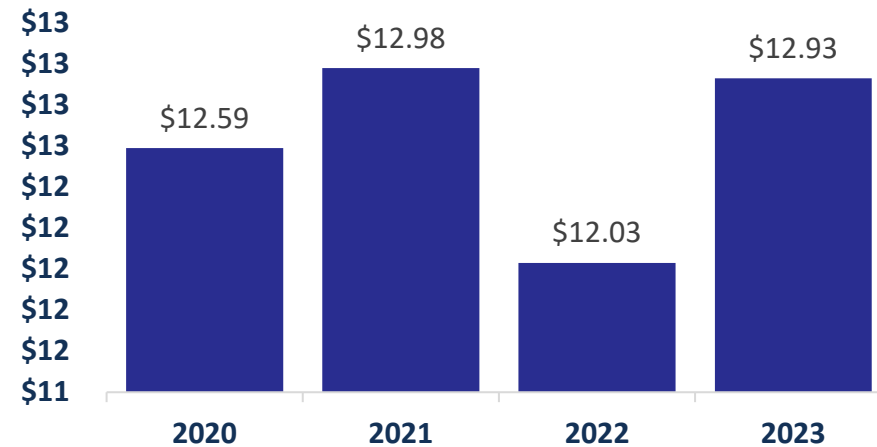
Financial Highlights



Tangible Common Equity (Millions)



Book Value



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

	2022	2023
Cash & Investments	\$884,690	\$899,099
Net Loans	\$1,492,208	\$1,535,267
Fixed Assets	\$40,944	\$42,430
Intangibles	\$59,618	\$59,034
Other Assets	\$95,773	\$122,509
TOTAL ASSETS	\$2,573,233	\$2,658,339
Deposits	\$2,094,544	\$1,978,170
Other Borrowings	\$33,816	\$209,836
Other Liabilities	\$17,696	\$24,579
Shareholder's Equity	\$427,177	\$445,754
TOTAL LIABILITIES & EQUITY	\$2,573,233	\$2,658,339

Q4 Financial Highlights YTD –

Income Statement (000's) *Unaudited*

	2022	2023
Interest Income	\$82,699	\$110,292
Interest Expense	\$(8,264)	\$(28,793)
Net Interest Revenue	\$74,435	\$81,499
PLLL	-	\$(1,000)
Non Interest Income	\$23,614	\$17,354
Non Interest Expense	\$(72,465)	\$(77,020)
Income Before Taxes	\$25,584	\$20,833
Taxes	\$(3,059)	\$(2,821)
Net Income	\$22,525	\$18,012

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

	2022	2023
Interest Income	\$24,482	\$31,087
Interest Expense	\$(3,445)	\$(9,814)
Net Interest Revenue	\$21,037	\$21,273
PLLL	-	\$(100)
Non Interest Income	\$2,432	\$7,192
Non Interest Expense	\$(20,200)	\$(20,368)
Income Before Taxes	\$3,269	\$7,997
Taxes	\$(507)	\$(930)
Net Income	\$3,776	\$7,067

2023 Highlights

Delivering mission and margin impact for our stakeholders

Net Income – \$18 million

Total Assets – \$2.658 billion

Total Loans – \$1.554 billion

Providing access to capital in underserved communities

- 7,882 total loan originations (\$577 million) (62.67% of loans were less than \$10,000 each)
- 4,395 (55.7%) of total loan originations (\$199 million) in persistent poverty counties

CDFI Fund Equitable Recovery Program

- \$4.9 MLN for both Southern Bancorp, Inc. & Southern Bancorp Community Partners

SBA Lending

- Top volume SBA lender in Arkansas and Mississippi

New Market Tax Credit Program

- 3 NMTC transactions closed in 2023 using \$23 million in allocations that resulted in \$116 million of funded projects leading to 294 jobs created in severely distressed areas.

*2023 Metrics Measured Per ECIP Guidelines

2023 Highlights

Delivering mission and margin impact for our stakeholders

Financial Development

- 92 Counseling Clients served over 267 hours; 90% of client were African American, 8% White, and 2% Did not disclose

Community Engagement

- 14,525 community volunteer hours (7,269 CRA eligible) performed by Southern employees
- 4,403 tax returns, totaling \$5.6 million in refunds filed voluntarily by Southern employees
- \$70,562.39 in employee donations to non-profit organizations.

Minority Business Empowerment Program

- 2nd Cohort completed with 12 total participants.
- Total funded loans: \$695,316 with average loan size of \$99,331.

Delivering Impactful Growth Strategic Roadmap

Mortgage Company Expansion

- New President of Mortgage hired (Jeremy Davis) along with 13 mortgage staff throughout the Southeast U.S.
- Originators in new markets: Tennessee (Memphis, Nashville); Alabama (Tuscaloosa, Birmingham) and Atlanta, Georgia

2019 - 2023 Highlights and Trends

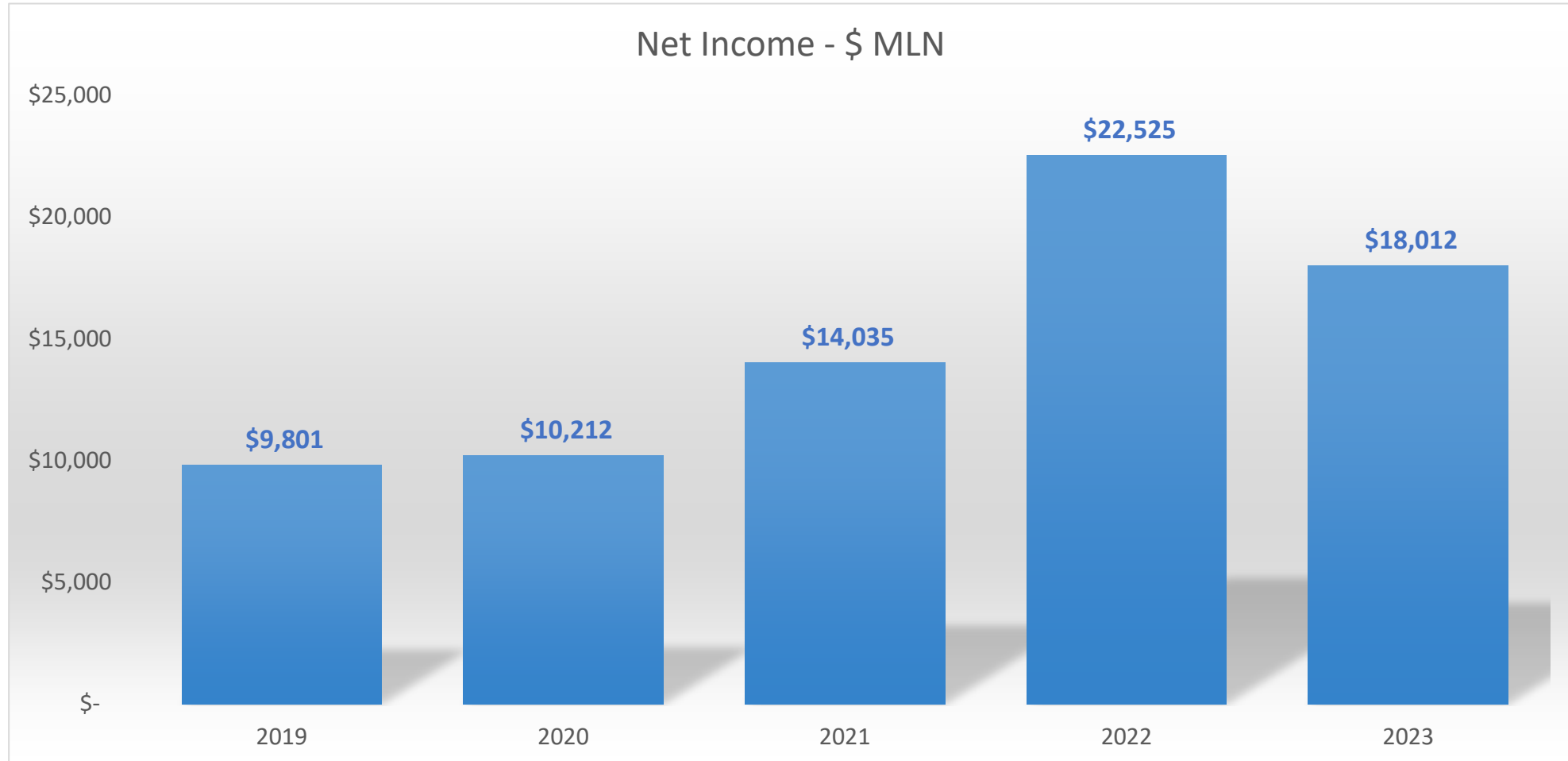
Access to capital in underserved communities

	2019	2020*	2021	2022	2023**	
% of loans in CDFI census tracts (#)	72%	95%	96%	95%	96%	
% of loans in CDFI census tracts (\$)	68%	88%	86%	87%	88%	
Loans originated (#)	6,967	7,220	8,157	7,633	7,882	9,082
Loans originated (\$ millions)	\$516	\$655	\$670	\$742	\$577	\$825
% of loans under \$10,000	55%	47%	47%	54%	62%	
# of loans under \$1,000	1,594	1,413	1,644	2,091	2,786	

**Target Market modified in 2020; **2023 Metrics Measured Per ECIP Guidelines*

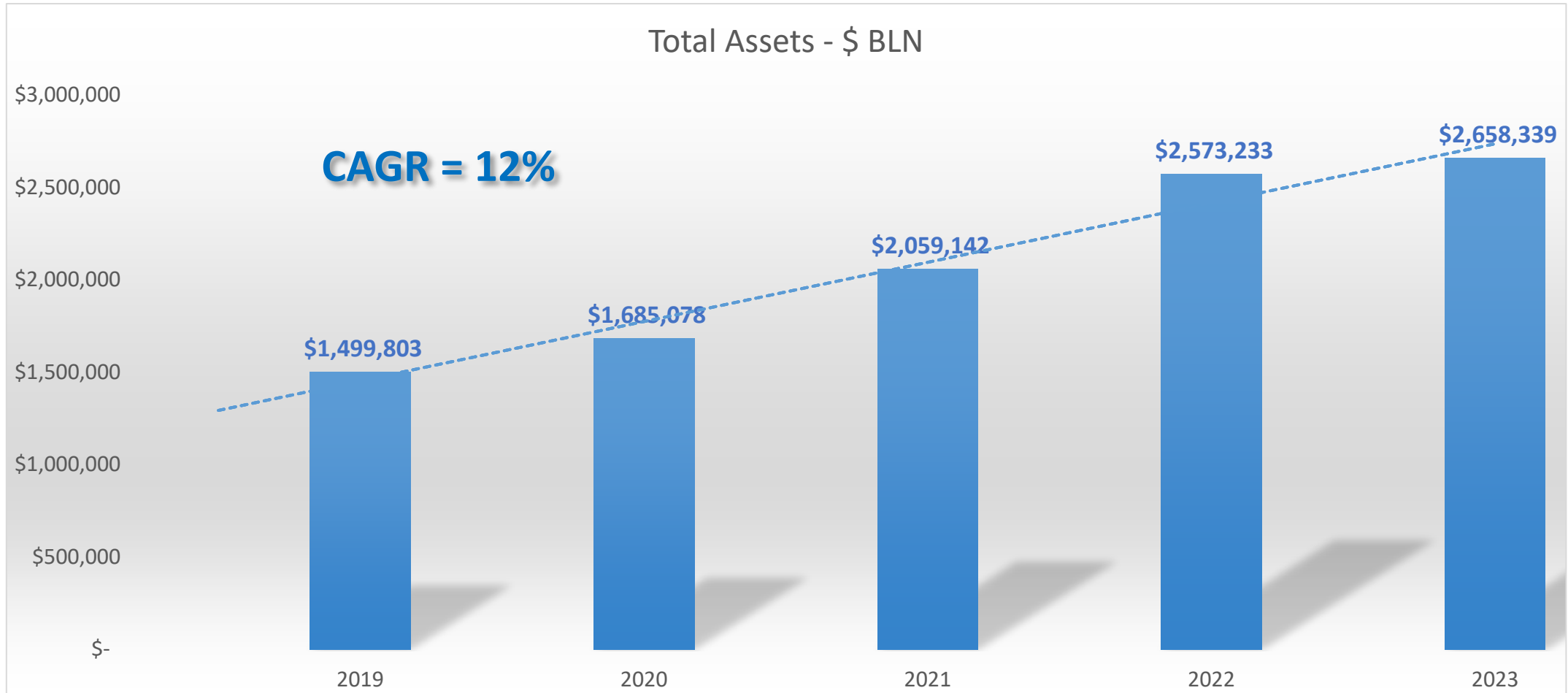
2020 - 2023 Highlights and Trends

Balancing purpose and profits



2020 - 2023 Highlights and Trends

Balancing purpose and profits



Engagement Report

Southern Bancorp

Current period:

Aug 21, 2023 - Sep 2, 2023

# of employees:	483
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# of responses:	434
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Response rate:	90%
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Employee Engagement Goes Beyond Satisfaction

Southern Bancorp
Open Date: Aug 21, 2023
Close Date: Sep 2, 2023

of employees: 483
of responses: 434
Response Rate: 90%

McLEAN & COMPANY

SATISFIED

ENGAGED

Satisfied employees feel comfortable and are generally happy that their needs are being met.

Engaged employees feel energized, passionate, and dedicated. They are highly involved with their work and the organization



Average Performance

Optimal Performance

Characteristics

Characteristics

Less likely to help others for the betterment of the organization

Help others for the betterment of the organization



Meet minimum performance requirements

Consistently exceed performance requirements



Generally keep to themselves



Recommend improvement opportunities



Committed to the degree that their needs are met



Stay at the organization because of what they get from it



Stay at the organization for what they give to it



Have a sense of purpose and pride in their work



McLean & Company Engagement Model

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McLEAN &
COMPANY



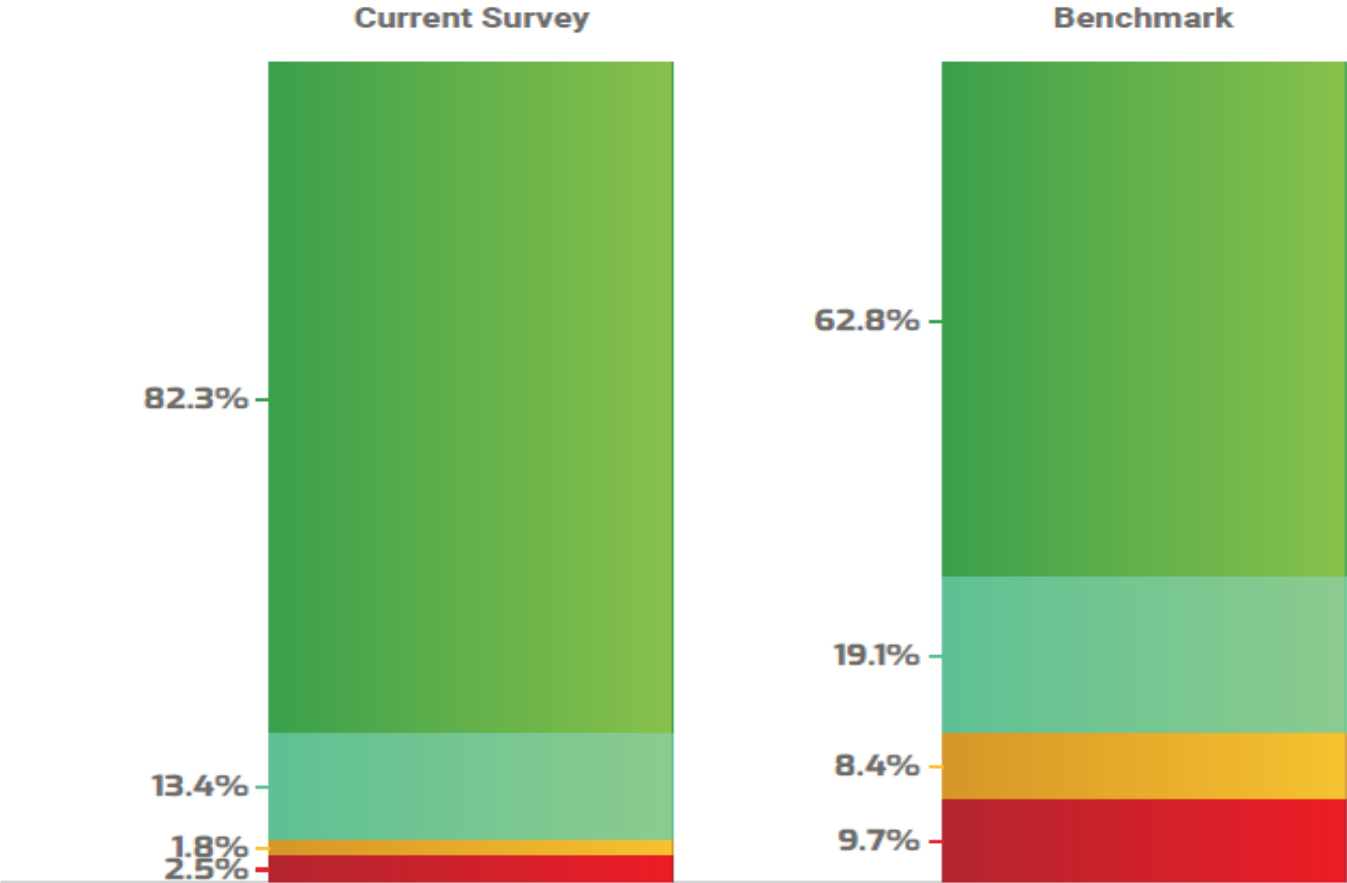
Overall Engagement Results

Southern Bancorp
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See the **appendix** in this report for more information on the engagement calculation and benchmark.



- ENGAGED**
Engaged employees consistently exceed expectations. They are energized and passionate about their work, leading them to exert discretionary effort to drive organizational performance.
- ALMOST ENGAGED**
Almost engaged employees sometimes exceed expectations and are generally passionate about their work. At times they exert discretionary effort to help achieve organizational goals.
- INDIFFERENT**
Indifferent employees are satisfied, comfortable, and generally able to meet minimum expectations. They see their work as “just a job”, prioritizing their needs before organizational goals.
- DISENGAGED**
Disengaged employees usually fail to meet minimum expectations, putting in time rather than effort. They have little interest in their job and the organization and often display negative attitudes.

McLean Employee Experience Score

Southern Bancorp
Open Date: Aug 21, 2023
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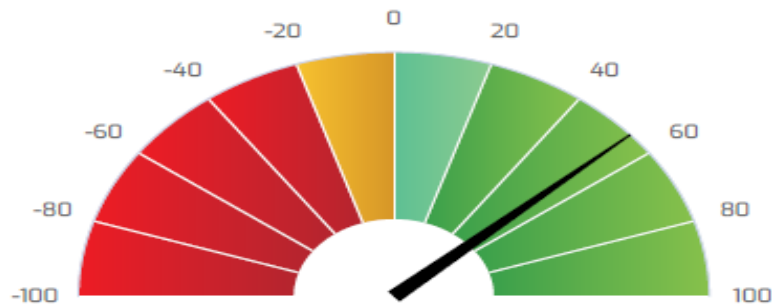
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EMPLOYEE EXPERIENCE

How likely would you be to recommend this organization to a qualified friend or a family member as a great place to work?

EMPLOYEE EXPERIENCE SCORE (% of Supporters - % of Detractors)



CURRENT SCORE

53.9

AVERAGE RESPONSE
9

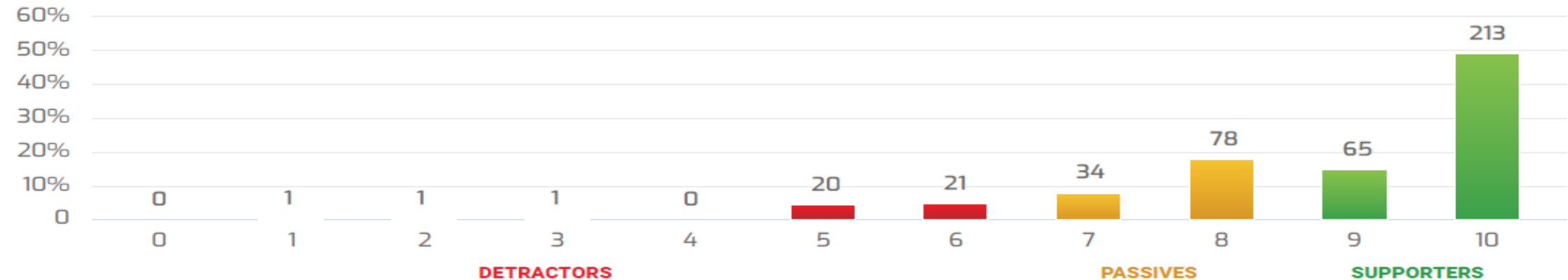
BENCHMARK
14.8

SCORE BREAKDOWN



DETRACTORS: 10.1% PASSIVES: 25.8% SUPPORTERS: 64.1%
Answered 0-6 Answered 7-8 Answered 9-10

RESPONSE DISTRIBUTION



Driver Results

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McLEAN &
COMPANY

			Previous Survey	Benchmark
Culture	<div><div></div></div> 90%	—	75%(+15)	
Working Environment	<div><div></div></div> 90%	—	76%(+14)	
Inclusion	<div><div></div></div> 89%	—	81%(+8)	
Department Leadership	<div><div></div></div> 88%	—	70%(+18)	
Coworker Relationships	<div><div></div></div> 86%	—	77%(+9)	
Executive Leadership	<div><div></div></div> 86%	—	59%(+27)	
Employee Empowerment	<div><div></div></div> 85%	—	73%(+12)	
Company Potential	<div><div></div></div> 85%	—	68%(+17)	
Manager Relationships	<div><div></div></div> 83%	—	72%(+11)	
Work Life Balance	<div><div></div></div> 82%	—	63%(+19)	
Recognition	<div><div></div></div> 77%	—	66%(+11)	
Career Advancement & Development	<div><div></div></div> 75%	—	57%(+18)	
Total Compensation	<div><div></div></div> 74%	—	51%(+23)	
Department Collaboration	<div><div></div></div> 68%	—	54%(+14)	

Q & A

SAVE THE DATE:

Q1 2024 Shareholder Engagement Call

Thursday, April 18th, 2024

9:30 am CST

Visit banksouthern.com/investors



Kenya Davenport

All investor questions can be directed to






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