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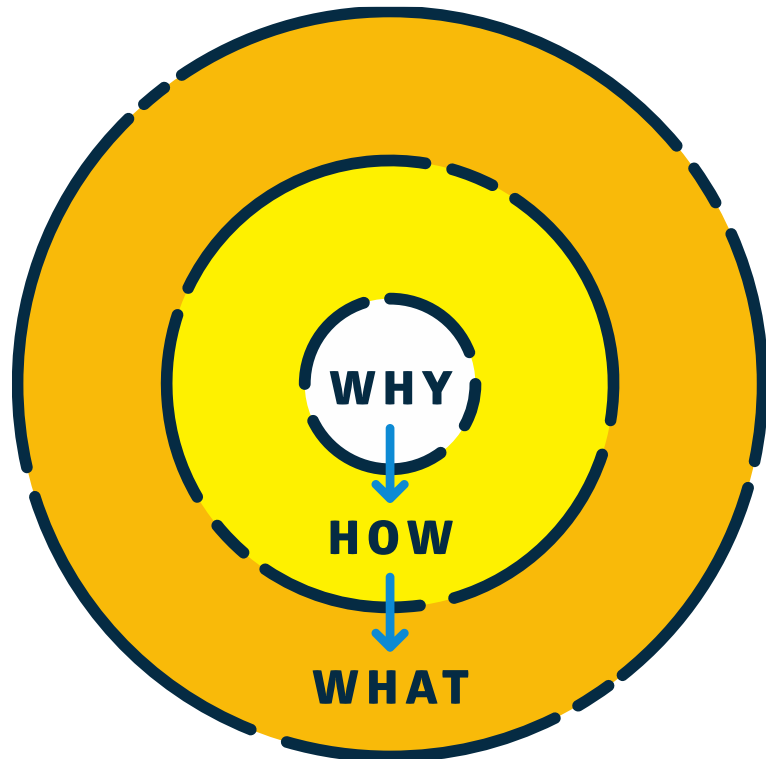
Q1 2024

SHAREHOLDER ENGAGEMENT CALL

April 18, 2024

# 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

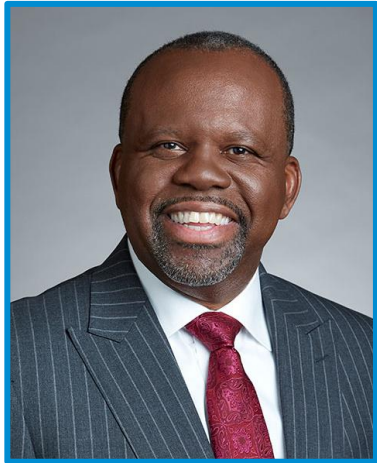
We combine the strength of a multi- billion dollar bank with the flexibility of a non-profit financial education and development company to **EMPOWER** our customers and communities.

### WHAT

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

# Profits Through Purpose

*Executive Leadership on This Call*



**Darrin Williams**  
Southern Bancorp, Inc. CEO



**John Olaimy**  
Southern Bancorp Bank  
President & CEO



**Chris Wewers**  
Southern Bancorp, Inc. CFO



**Will Lambe**  
Southern Bancorp, Inc.  
Chief Strategy Officer

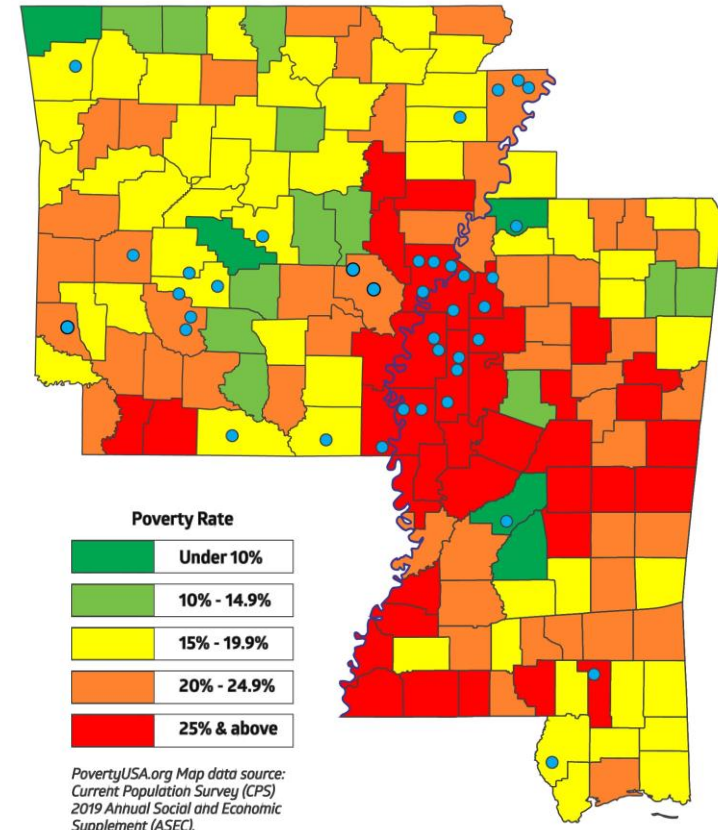


**Kenya Davenport**  
Southern Bancorp, Inc.  
Chief of Staff & SVP  
Stakeholder Engagement

# Providing Access to Credit in CDFI Targeted Underserved Communities

| SBB 2024                        | Q1 YTD   |
|---------------------------------|----------|
| % of loans (#) in CDFI tracts   | 71.79%   |
| % of loans (\$) in CDFI tracts  | 76.57%   |
| Loans originated (#)            | 1,361    |
| Loan originations (\$ millions) | \$224.60 |
| % of loans under \$10,000       | 40.41%   |
| # of loans under \$1,000        | 114      |

Loans in persistent poor counties Q1 YTD: 497 loans Total: \$90.67M  
 % of all loans made: 36.52% (#) 43.70% (\$)



# Latest News

## CDFI Fund Announces “Small Dollar Loan Program” Awardees

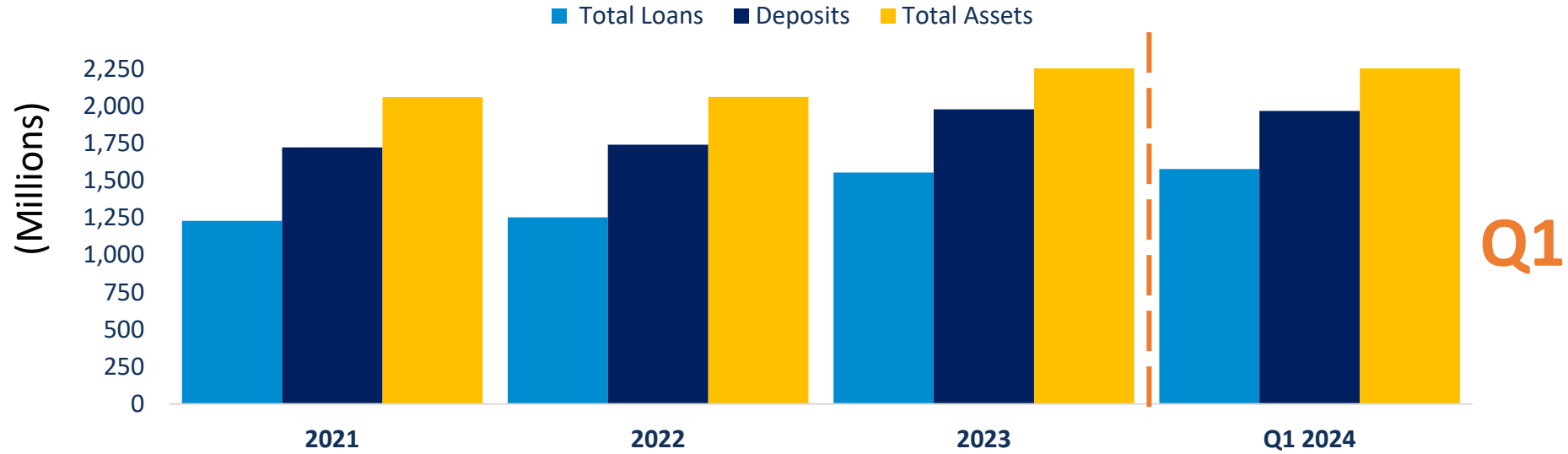
April 16, 2024



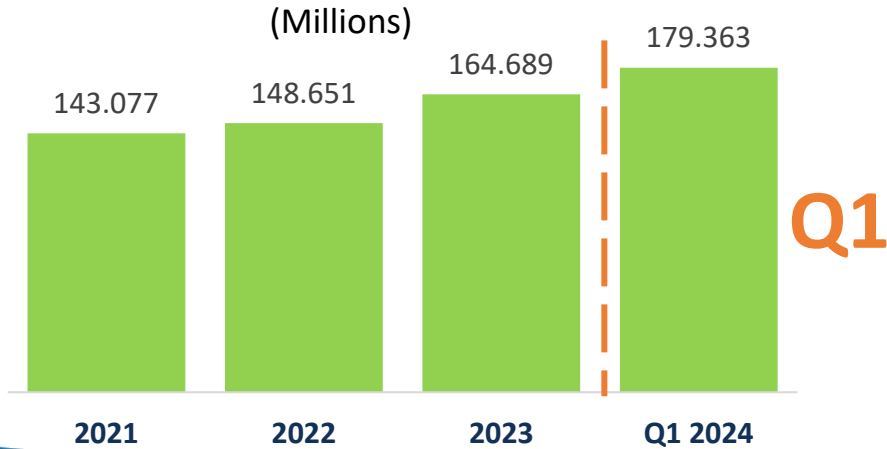
*Authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SDL Program provides grants for Loan Loss Reserves and Technical Assistance to enable CDFIs establish and maintain small dollar loan programs.*

***Southern Bancorp Bank Total Award:  
\$383,223***

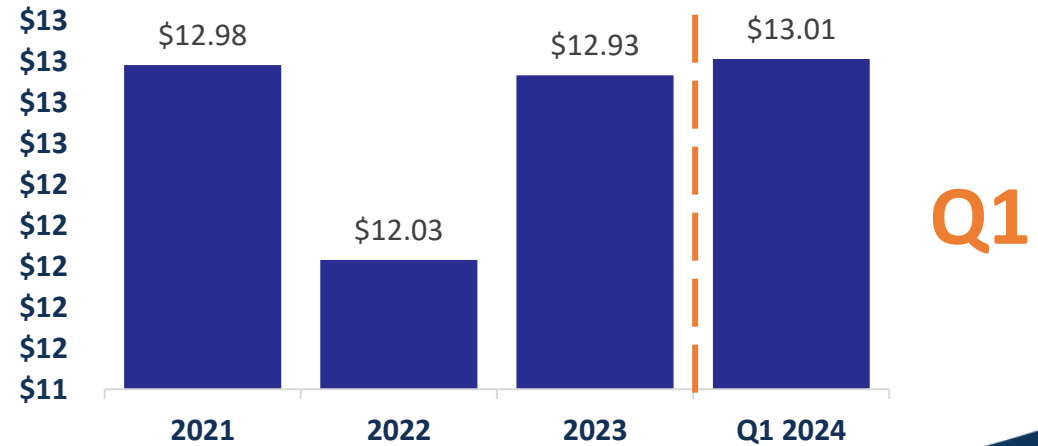
# Financial Highlights



## Tangible Common Equity



## Book Value



# Q1 Financial Highlights YOY – Balance Sheet (000's)

|                                       | <u>2023</u>         | <u>2024</u>         |
|---------------------------------------|---------------------|---------------------|
| Cash & Investments                    | \$ 792,580          | \$ 869,988          |
| Net Loans                             | \$ 1,483,971        | \$ 1,559,356        |
| Fixed Assets                          | \$ 40,705           | \$ 43,059           |
| Intangibles                           | \$ 59,536           | \$ 58,866           |
| Other Assets                          | \$ <u>107,558</u>   | \$ <u>119,295</u>   |
| <b>TOTAL ASSETS</b>                   | <b>\$ 2,484,350</b> | <b>\$ 2,650,564</b> |
| <br>                                  |                     |                     |
| Deposits                              | \$ 2,000,614        | \$ 1,967,765        |
| Other Borrowings                      | \$ 35,866           | \$ 220,964          |
| Other Liabilities                     | \$ 14,723           | \$ 19,535           |
| Shareholder's Equity                  | \$ <u>433,147</u>   | \$ <u>442,300</u>   |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>\$ 2,484,350</b> | <b>\$ 2,650,564</b> |



# Q1 Financial Highlights YOY 3/31 – Income Statement (000's)

|                      | YTD - 3/2023       | YTD - 3/2024       |
|----------------------|--------------------|--------------------|
| Interest Income      | \$ 24,956          | \$ 31,366          |
| Interest Expense     | <u>\$ (4,011)</u>  | <u>\$ (10,722)</u> |
| Net Interest Revenue | \$ 20,945          | \$ 20,644          |
| PLLL                 | \$ -               | \$ (350)           |
| Non Interest Income  | \$ 3,122           | \$ 3,724           |
| Non Interest Expense | <u>\$ (19,069)</u> | <u>\$ (20,126)</u> |
| Income Before Taxes  | \$ 4,998           | \$ 3,892           |
| Taxes                | <u>\$ (1,126)</u>  | <u>\$ (202)</u>    |
| Net Income           | \$ 3,872           | \$ 3,690           |

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# Current SBB Deposit Information

- SBB has 90,004 different deposit accounts, representing \$2 billion in deposits.
- SBB has roughly \$277 million in deposits above the \$250,000 FDIC Insurance Limit which represents 819 accounts.
- The top 25 accounts represent approximately \$76 million in deposits. (This is conservative as it includes both time deposits and demand deposits.)
- The \$277 million equals **13.85%** of SBB's \$2 billion in total deposits.
- For comparison purposes, **over 90%** of Silicon Valley Bank's deposits were over the \$250,000 FDIC Insurance Limit.

**Note:** This does not include any deposits that are:

1. Public Funds (Secured by FHLB Letters of Credit or Bonds)
2. Reich and Tang (CDARs for Money Market Accounts which utilize FDIC Insurance)
3. SBI Deposits
4. SBCP Deposits
5. Deposits that have holds on the account for various reasons

# Southern Bancorp Liquidity Position

| SOURCE                   | AMOUNT           |
|--------------------------|------------------|
| CASH                     | \$221 MLN        |
| FHLB                     | \$344 MLN        |
| FED FUNDS                | \$109 MLN        |
| SBI-OWNED TREASURY BONDS | \$46 MLN         |
| <b>TOTAL:</b>            | <b>\$720 MLN</b> |

# Delivering Impactful Growth

## Strategic Roadmap 2023-2027

### Ambitious Goals Shaping Our Strategic Roadmap

#### Maintain safe & sound operations

First and foremost, we will maintain the **safe and sound operations** of all three Southern entities throughout the growth plan, ensuring the foundation upon which it is built remains strong.

#### Deliver mission & margin together

Deliver a strategy that **combines mission and margin**, ensuring profitability while strengthening Southern's role as a leading provider and innovator of financial products and financial development services for underserved people, businesses and communities.

#### Double in size within five years

Rapidly scale up Southern's operations, reaching **\$5bn assets within five years** to expand Southern's impact to a much broader population.

#### Achieve 0.5% ECIP dividend

Maximize the financial value of ECIP by locking in the lowest **0.5% dividend rate** at the end of ECIP's 10-year program period.

# Delivering Impactful Growth

## Strategic Roadmap 2023-2027

### Top-line Progress

**Safe & Sound Growth:** Strong and positive bank exam evidences that Southern is on solid ground in terms of safety and soundness.

**Mission and Margin:** Maintaining profitability and delivering capital and financial development services to target communities. \*ECIP loan production in 2023: \$509M to underserved people, places, projects and businesses (48% *Deep Impact*).

**Grow Balance Sheet:** Given macroeconomic conditions, organic and/or de novo growth opportunities are limited leading to a greater focus on M&A (including new teams) as pathway to balance sheet growth in 2024 and beyond.

**ECIP Dividend Reduction:** ECIP qualified loan originations to date position us ahead of expectations in terms of an eventual dividend reduction from 2% to 1.25%.

# Delivering Impactful Growth

## Strategic Roadmap 2023-2027

### Year 1: Progress Report

#### Market Expansion:

- Market Leadership onboard in Little Rock; diligence on two new branch locations underway
- Leadership and business plan in place for expanding Hispanic/Latino Market
- Product/Customer Experience leadership onboard, Retail search underway (enabling scale)
- Ongoing evaluation of de novo opportunities
- Several M&A opportunities under consideration

#### Mortgage:

- Key leadership in place and loan production ramping up; on track to originate \$125M this year, with at least 80% ECIP qualified and 60% deep impact
- Producers in Arkadelphia, Atlanta, Little Rock, Memphis, Nashville and Bham/Tuscaloosa
- Favorable products and investors onboard
- Technology stack integration underway
- Partnership with SBCP: Wealth Builders for Everyone Community Second Mortgage Program

#### Specialized Lending Teams:

- 2023 lending targets met and exceeded (in most cases) for both ECIP and CDFI Target Markets
- Incremental headcount growth and continued talent recruitment underway in growth areas for ECIP originations—Agriculture, SBA, Renewables, Affordable Housing

#### Financial Development Services (FDS):

- Redesign of credit counseling curriculum and delivery plan underway
- FDS expanded to all new markets (Little Rock, Canton and West Memphis)
- Fundraising for and expansion of Minority Business Empowerment Program underway

#### Operations and Infrastructure:

- Reorganization of key operational units in order to facilitate efficient growth
- New Loan Origination System implemented
- Customer Relationship Management system project underway
- Project Management Office and Data Analytics Division in place and serving business leaders/units

# Q & A

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## ***SAVE THE DATE:***

### **Q2 2024 Shareholder Engagement Call**

*Thursday, July 18, 2024*

*9:30 am CST*

**Visit [banksouthern.com/investors](https://banksouthern.com/investors) to register for future shareholder engagement calls.**



**Kenya Davenport**

All investor questions can be directed to






Kenya Davenport, Chief of Staff and SVP Stakeholder Engagement

[Kenya.Davenport@banksouthern.com](mailto:Kenya.Davenport@banksouthern.com) | (501) 501-492-3493 | TF (800) 789-3428





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