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Q4 2018
Shareholder Engagement Call

January 17, 2019

Profits Through Purpose

Executive Leadership on This Call



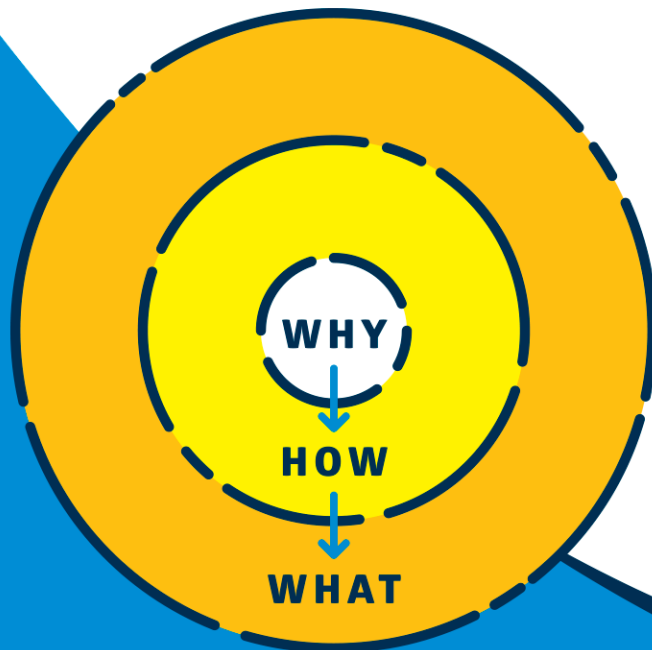
Darrin Williams, CEO
Southern Bancorp, Inc.



Chris Wewers, CFO
Southern Bancorp, Inc.

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.

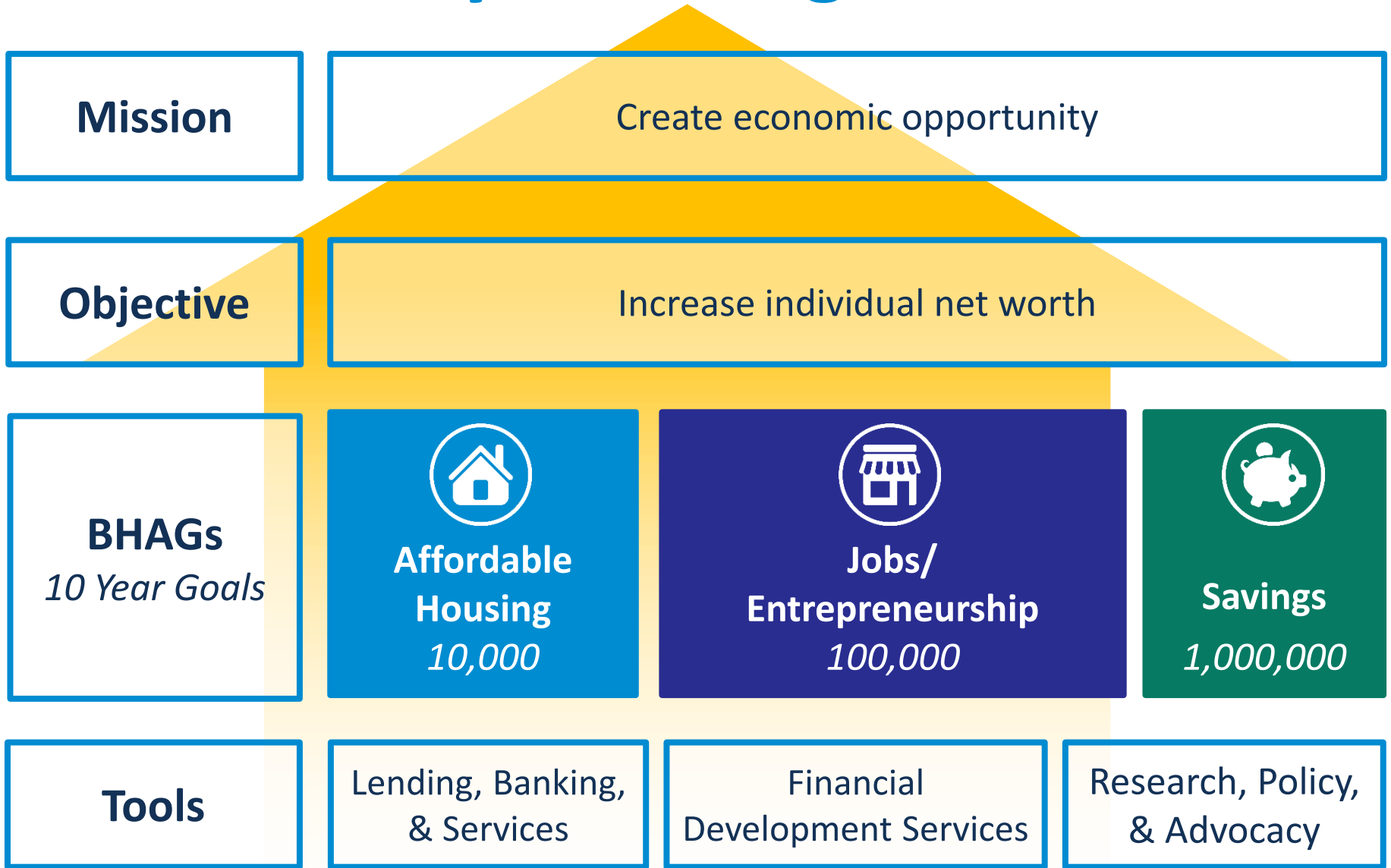
HOW

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

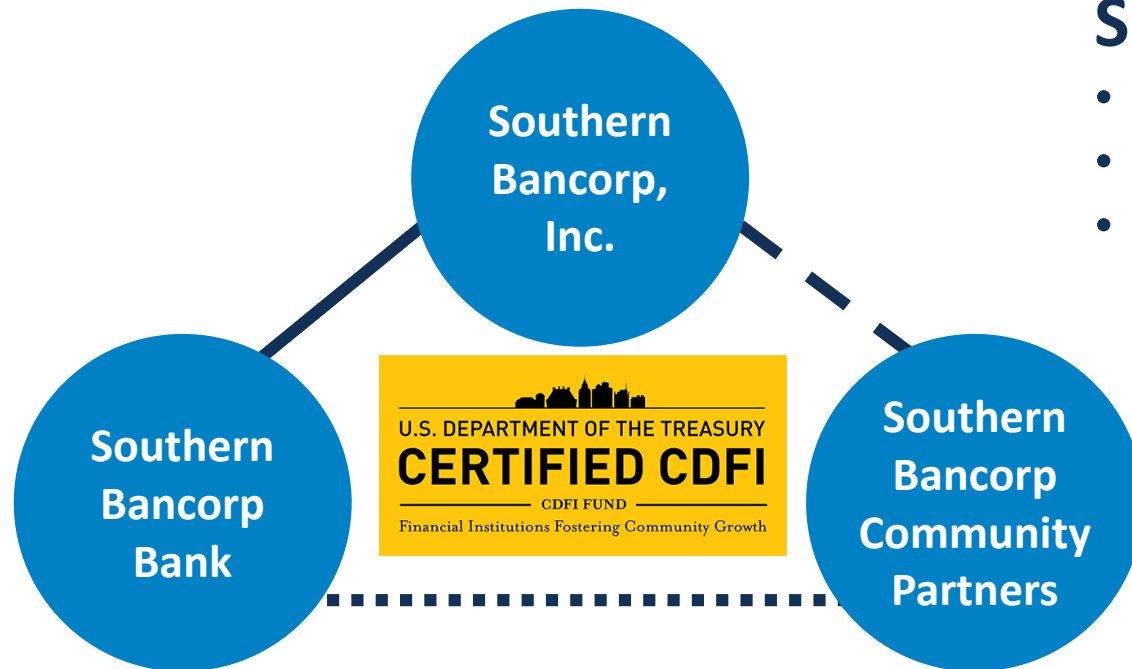
WHAT

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

Our Theory of Change



Integrated Structure & Strategy



SBI – Vision and Strategy

- Capital
- Communications
- Governance & Metrics

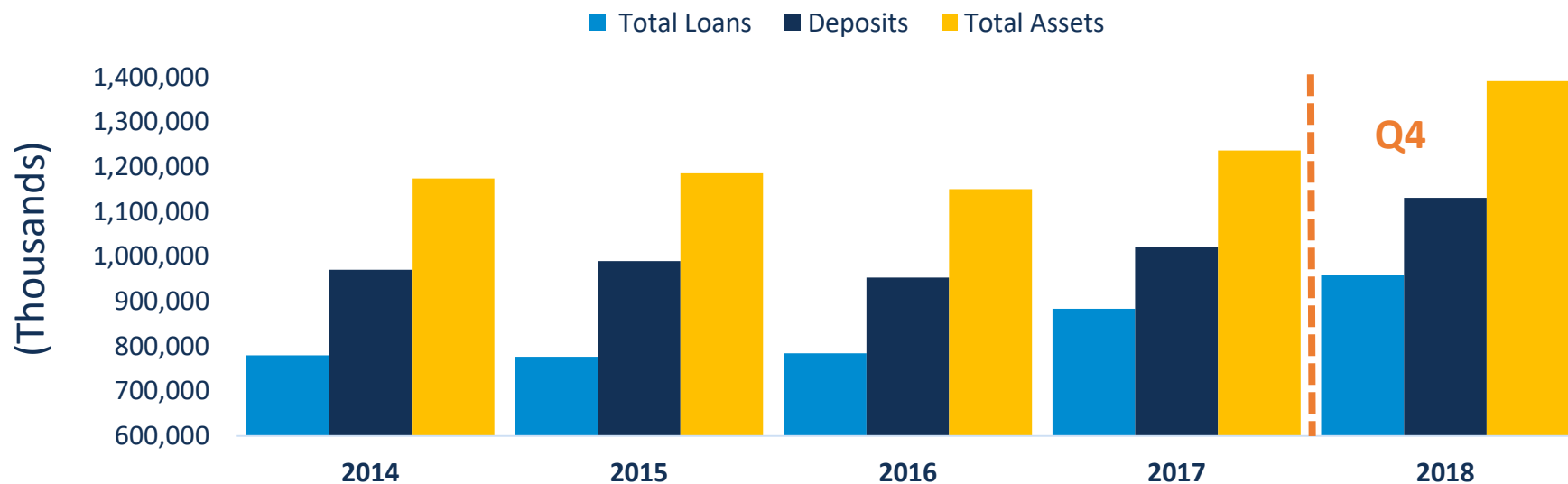
SBCP – Financial Development

- Loans & Credit Enhancement
- Financial Education
- Research & Advocacy

SBB – Banking Services

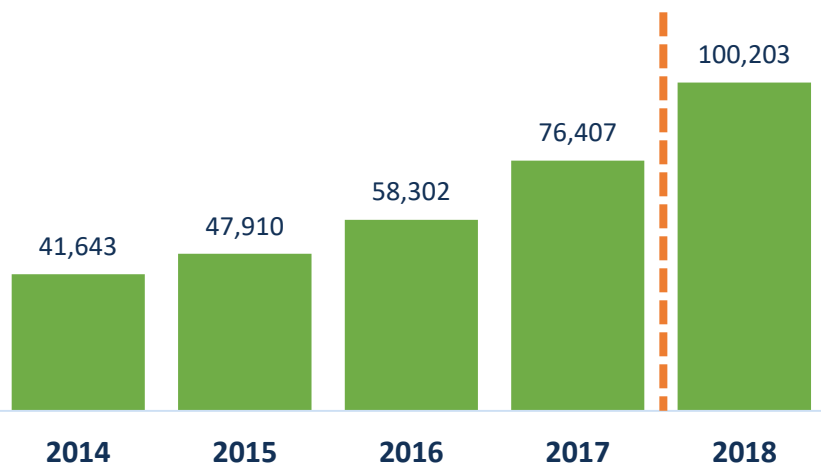
- Loans
- Deposits
- Targeted Investment Portfolio

Financial Highlights



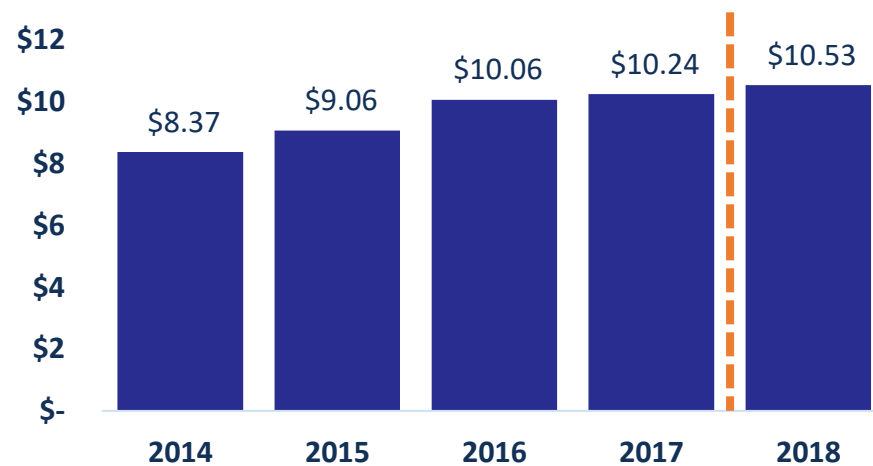
Tangible Common Equity

Q4



Book Value

Q4



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

	2017	2018
Cash & Investments	\$230,110	\$307,361
Net Loans	\$873,671	\$948,375
Fixed Assets	\$40,541	\$39,905
Intangibles	\$37,487	\$37,409
Other Assets	\$55,086	\$58,644
TOTAL ASSETS	\$1,236,895	\$1,391,694
Deposits	\$1,016,498	\$1,131,313
Other Borrowings	\$98,337	\$114,306
Other Liabilities	\$7,630	\$9,537
Shareholder's Equity	\$114,430	\$136,538
TOTAL LIABILITIES & EQUITY	\$,1236,895	\$1,391,694

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

	2017	2018
Interest Income	\$49,124	\$53,147
Interest Expense	(\$4,098)	(\$6,672)
Net Interest Revenue	\$45,026	\$46,475
PLLL	(\$3,350)	(\$4,310)
Non Interest Income	\$10,911	\$11,053
Non Interest Expense	(\$45,490)	(\$42,591)
Income Before Taxes	\$7,097	\$10,627
Taxes	\$375	(\$1,540)
Net Income	\$7,472	\$9,087

Providing Access to Credit in Low-to-Moderate Income Communities (LMI)

	Through 12/31/2018
% of loans (#) in LMI tracts	78.90%
% of loans (\$) in LMI tracts	65.97%
Loans originated (#)	7,120
Loan originations (\$ millions)	\$507
% of loans under \$10,000	53.9%
# of loans under \$1,000	1,486

Q4 Highlights – Opportunity Center

Two Primary Goals

- Ensuring that all existing and potential Southern customers have access to financial development products and services.
- Ensuring that all Southern employees are able to deliver at least a core set of financial development services or referrals

Core Services - 3,374 referrals tracked

- Credit report review
- Credit counseling
- Financial education resources
- Loans and deposits



Building a New CDFI Model

Paying Regular Quarterly Dividends

- 8th consecutive and increasing dividend (January 9, 2019)
- For information on how to receive dividend payments by ACH, contact Jayla.Wilson@banksouthern.com | (501) 850-8960 | TF: (800) 789-3428

Providing Liquidity for Shareholders

- Dutch Auction – 2 projected in 2019

Employee Owners

- Southern Bancorp KSOP (401K + Employee Stock Ownership Plan)
- Total purchases - \$1.5 million (90% of employees participating in KSOP)

2018 Highlights

Record Highs

- Total Assets – **\$1.387 Billion** (12/28/2018)
- Deposits – **\$1.145 Billion** (12/28/2018)
- Loans – **\$972 Million** (10/25/2018)

15,665 Referrals to the Opportunity Center

Growth and Expansion

- Expanded in Hot Springs, Arkansas
- New LPO in Mt. Ida, Arkansas
- SBA Group (**\$37 million** in loan commitments)

\$15.2 million capital raised (\$24.2 million total)

CDFI Fund Awards

- **\$233,244** Bank Enterprise Award
- **\$1,006,905** Financial Assistance Award

Notice

Special Shareholder Meeting (projected late Q1)

- To address board governance issues and matters related to our series B non-voting common stock.

Q & A

Question submitted in advance

- “Will there be a stock repurchase program instituted in 2019?”

SAVE THE DATE:

Q1 2019 Shareholder Engagement Call

Thursday, April 18, 2019

9:30 am CST



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