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Q1 2018
Shareholder Engagement Call

April 19, 2018

Profits Through Purpose

Executive Leadership



Darrin Williams, CEO
Southern Bancorp, Inc.



Chris Wewers, CFO
Southern Bancorp, Inc.



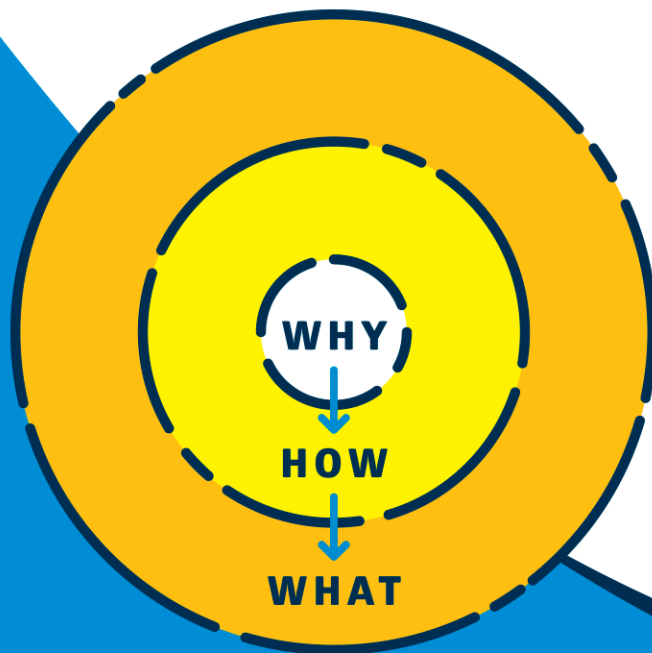
**John Olaimy,
President & CEO**
Southern Bancorp Bank



Karama Neal, COO
Southern Bancorp
Community Partners

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.

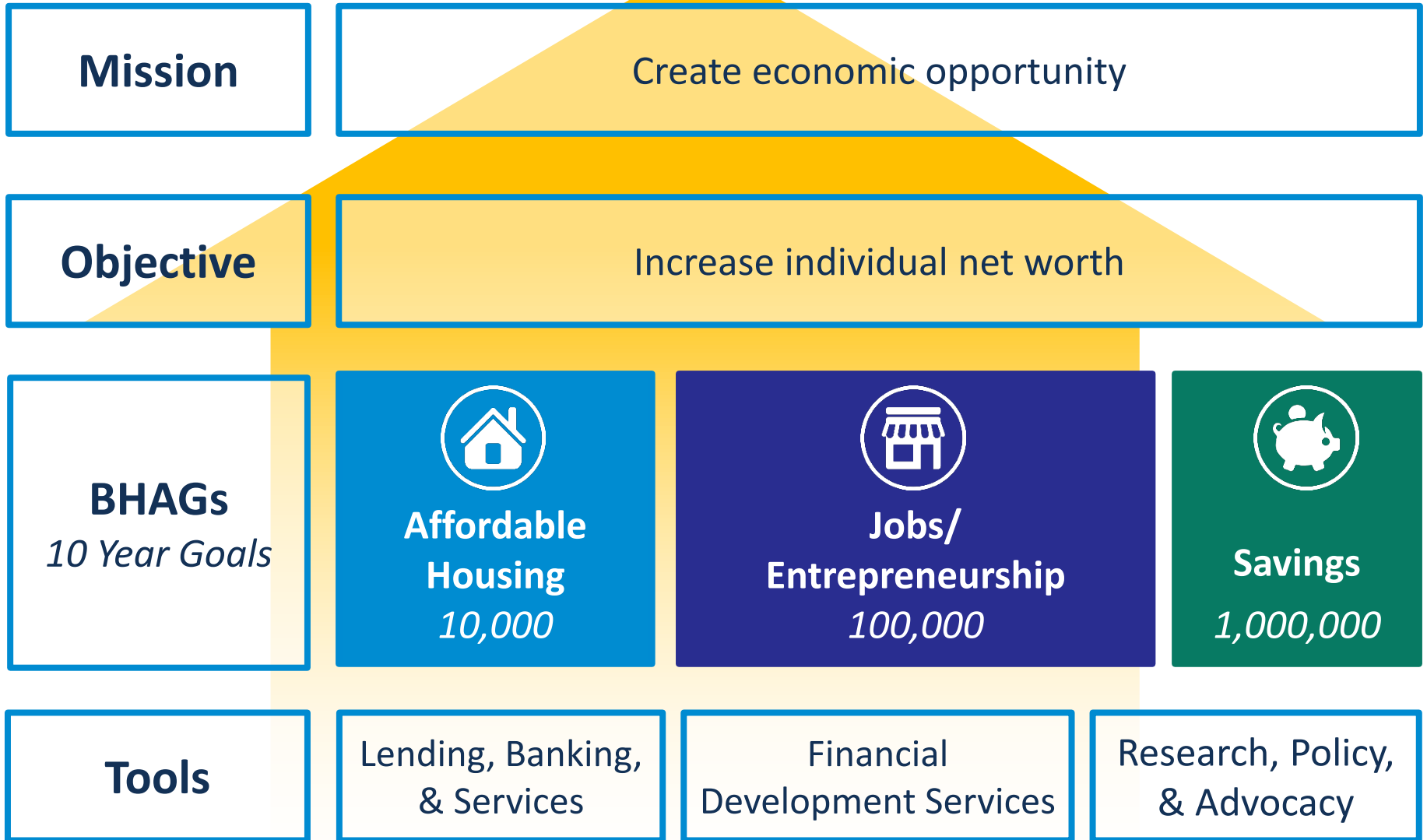
HOW

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.

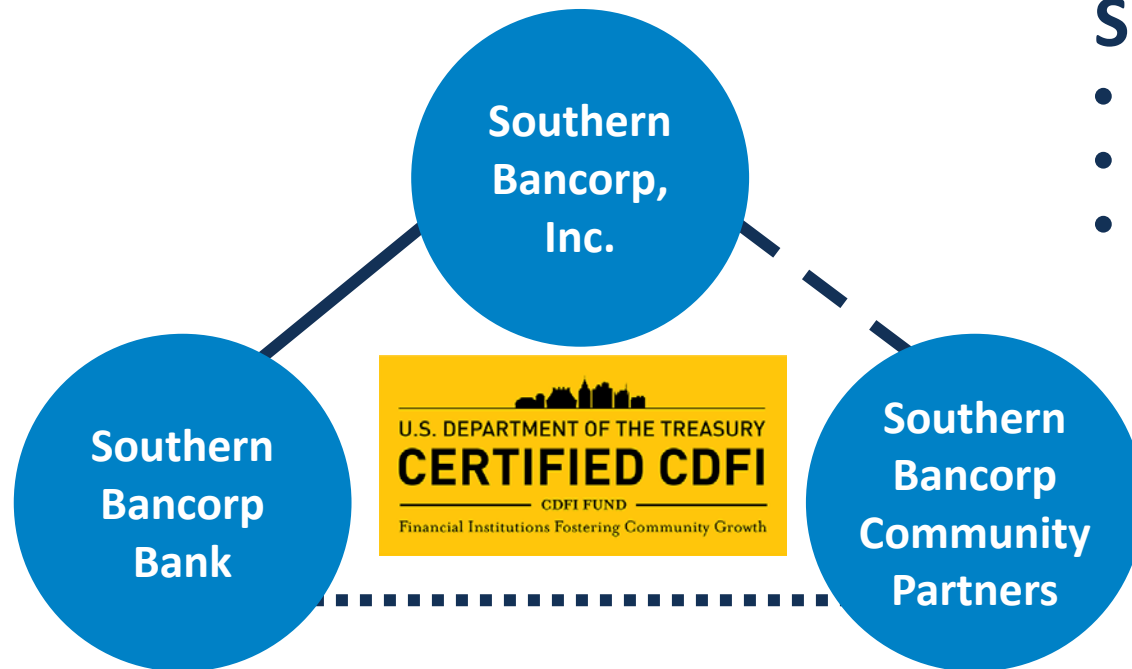
WHAT

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

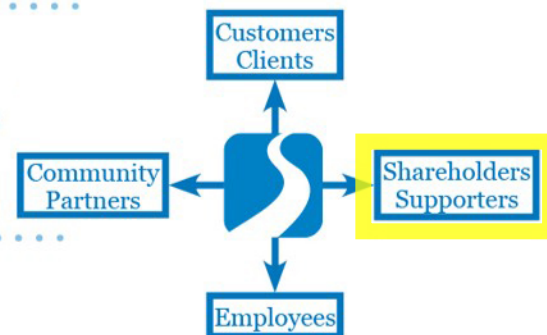
Strategic Guiding Principles

1 One Southern Focus on maximizing collective mission impact regardless of legal entity, structure or position.

2 Guided by our mission, sustained by our financial stability.



3 Balance the needs of all stakeholders



4 Target Market

- Distressed rural communities in the Mid-South
- Un/underbanked & low wealth people

5 Community Accountability & Engagement

Building a New CDFI Model

Raising Growth Capital

- \$17.75 million raised in first close of capital campaign



Employee Owners

- Southern Bancorp KSOP (401K + Employee Stock Ownership Plan)

Paying Regular Quarterly Cash Dividends

- 5th consecutive and increasing dividend (April, 2018)

Promoting Values Based Banking

- GABV 2018 Annual Conference – Arequipa, Peru



Unqualified Audit Opinion

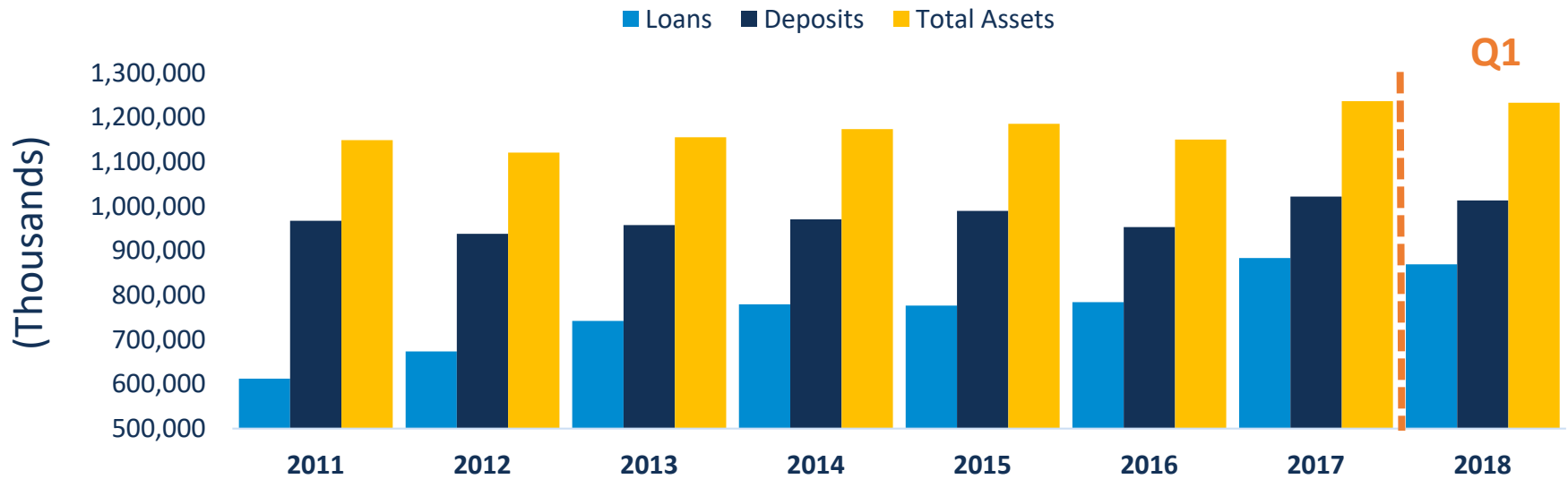
- Crowe Horwath, LLP



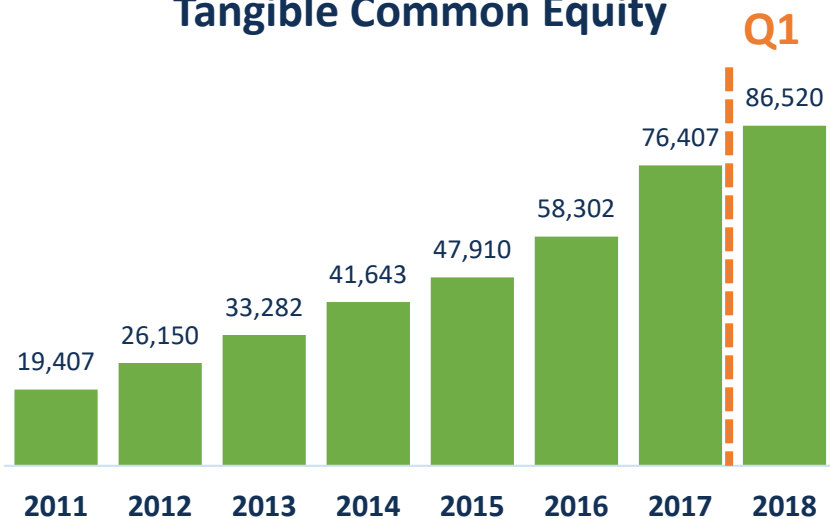
Providing Access to Credit in Low-to-Moderate Income Communities (LMI)

2018	Q1	Q2	Q3	Q4
% of loans (#) in LMI tracts	79.0%			
% of loans (\$) in LMI tracts	81.8%			
Loans originated	1,366			
Total loan originations (\$ millions)	\$129			
% of loans under \$10,000	47.3%			
Loans (#) under \$1,000	93			

Financial Highlights



Tangible Common Equity



Book Value



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

	<u>Q1 2017</u>	<u>Q1 2018</u>
Cash & Investments	248,679	239,096
Net Loans	782,832	859,776
Fixed Assets	40,739	40,300
Intangibles	36,753	37,468
Other Assets	53,161	56,526
TOTAL ASSETS	<u>\$ 1,162,164</u>	<u>\$ 1,233,166</u>
Deposits	940,857	1,006,849
Other Borrowings	113,494	97,960
Other Liabilities	7,147	5,643
Shareholder's Equity	100,666	122,714
TOTAL LIABILITIES & EQUITY	<u>\$ 1,162,164</u>	<u>\$ 1,233,166</u>

Q1 Financial Highlights YOY – Income Statement (000's)

	<u>Q1 2017</u>	<u>Q1 2018</u>
Interest Income	11,076	12,401
Interest Expense	(814)	(1,090)
Net Interest Revenue	10,262	11,311
PLLL	(550)	(1,000)
Non Interest Income	2,481	2,412
Non Interest Expense	(10,710)	(10,839)
Income Before Taxes	1,483	1,884
Taxes	(40)	(115)
Net Income	<u>\$ 1,443</u>	<u>\$ 1,769</u>

Q1 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 (1,889 referrals tracked)

- Credit report review (17%)
- Credit counseling (10%)
- Free tax preparation (15%)
- Financial education resources (12%)
- Loans and deposits (41%)



Q & A

Email Southern@BankSouthern.com
to send questions.

Upcoming Events

June 13th – SBI Shareholder Dinner

6:30 pm • Location: TBD • Little Rock, AR

Please RSVP to Jayla Wilson

Jayla.Wilson@banksouthern.com

(501) 850-8960

June 14th – SBI Annual Shareholder Meeting

11:30 am – 1:30 pm • Great Hall, Clinton Library • Little Rock, AR

July 19th – Q2 2018 Shareholder Engagement Call

9:30 am – 10:00 am



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