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**Q4 2019**  
**Shareholder Engagement Call**  
*January 16, 2020*

# Profits Through Purpose

## Executive Leadership on This Call



**Darrin Williams**  
**CEO**

Southern Bancorp, Inc.



**Chris Wewers**  
**CFO**

Southern Bancorp, Inc.



**John Olaimy**  
**President and CEO**

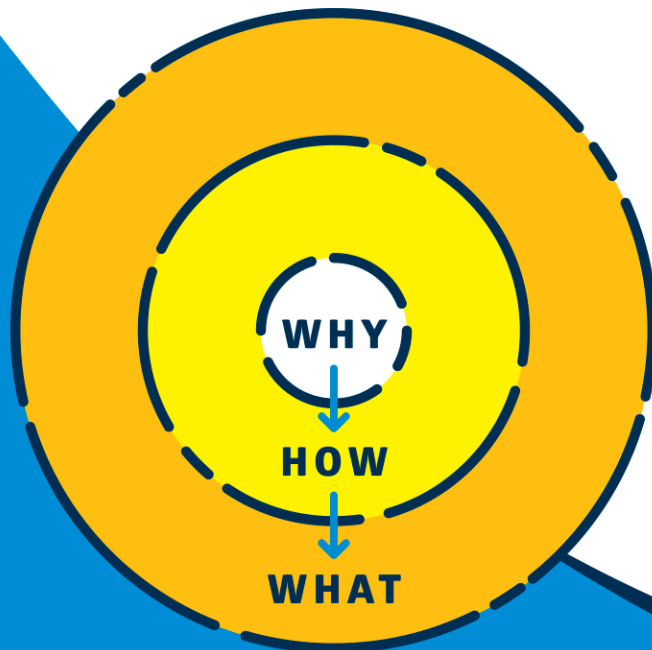
Southern Bancorp Bank



**Vance Smiley**  
**President**  
BankWorx

# 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.

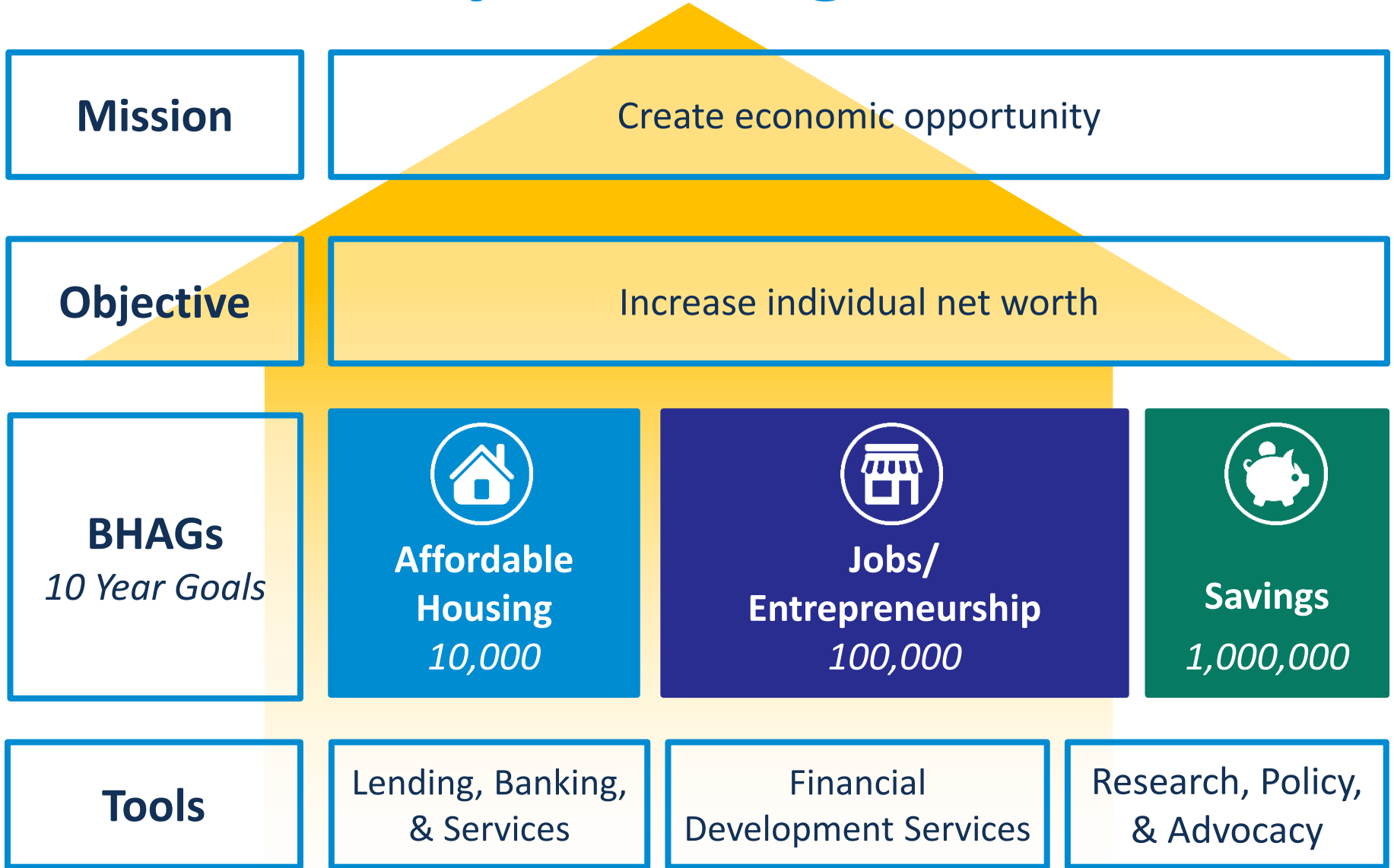
### HOW

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.

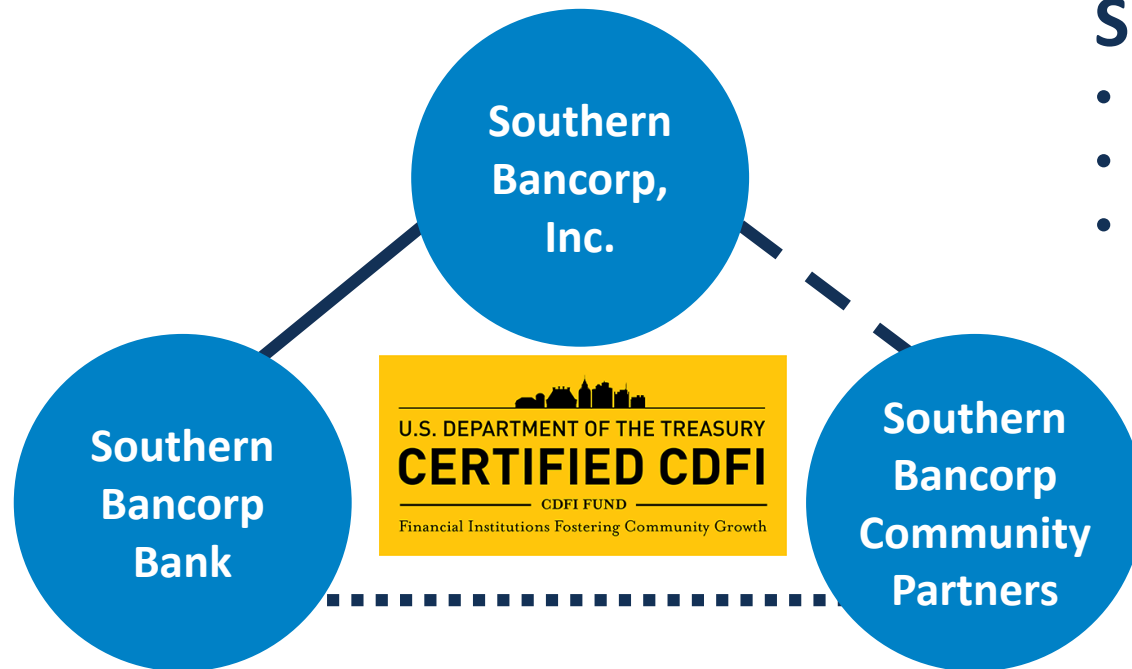
### WHAT

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

# 2019 – A Record-Setting Year of Impact

- **Net Income** – \$9.8M
- **Total Assets** – \$1.512B (November)
- **Total Loans** – \$1.034B (August)
- **Outstanding** CRA rating for the 3<sup>rd</sup> consecutive exam
- **19,908** Opportunity Center referrals by Southern employees
- **Liquidity** – \$8M in share buybacks from Southern's shareholder
- **88%** of Southern employees own stock in the company

# Southern Bancorp, Inc. appoints members to the Southern Bancorp Bank board



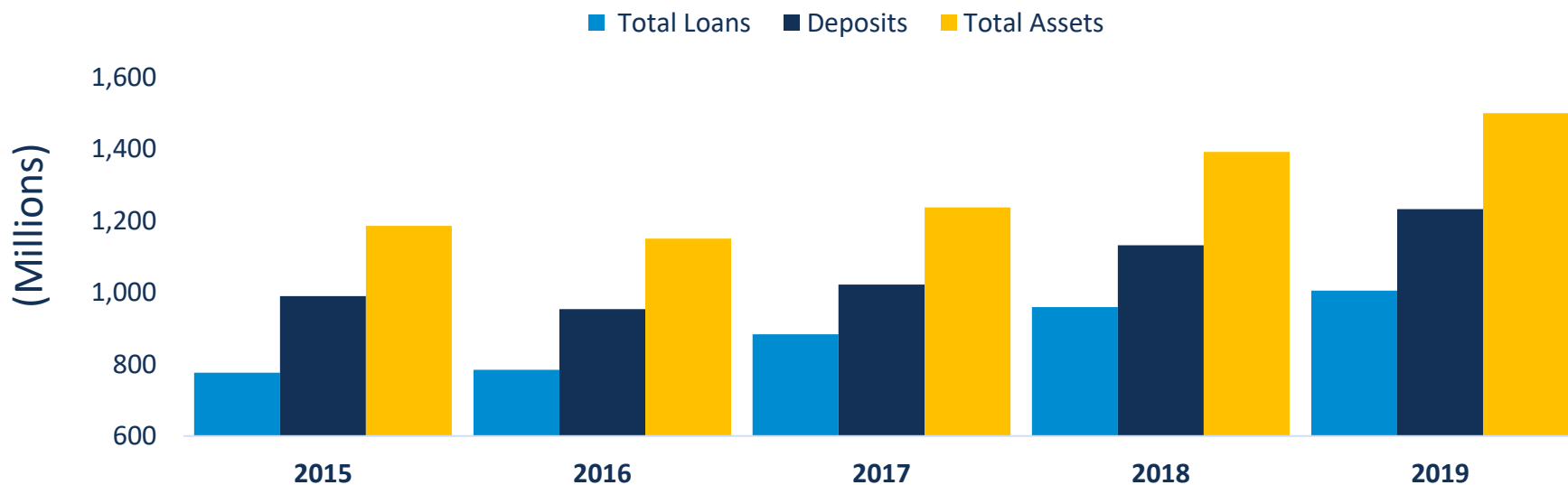
Donna Gambrell  
(Appointed)



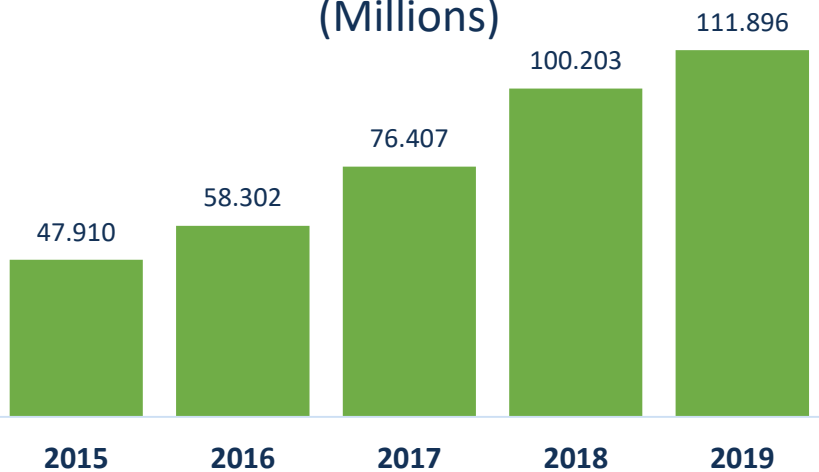
Jim Franks  
(Appointed)



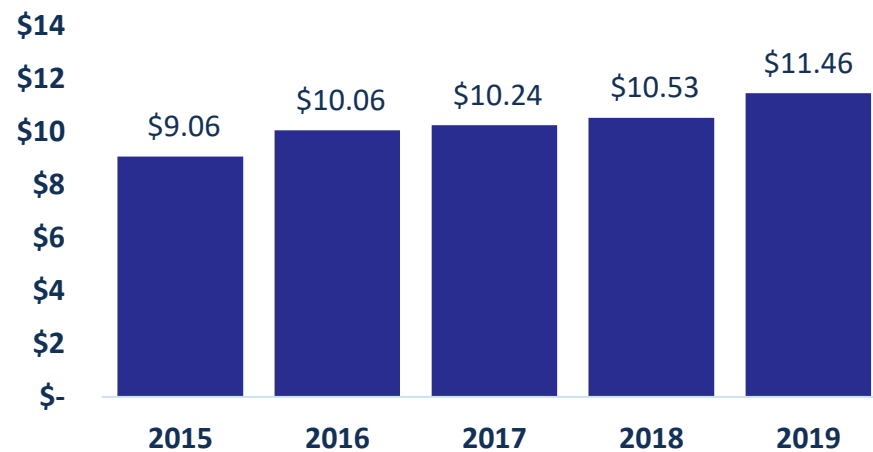
# Financial Highlights



## Tangible Common Equity (Millions)



## Book Value



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

	<b>2018</b>	<b>2019</b>
Cash & Investments	\$307,361	\$368,338
Net Loans	\$948,375	\$991,244
Fixed Assets	\$39,923	\$41,349
Intangibles	\$37,409	\$37,381
Other Assets	\$58,638	\$61,491
<b>TOTAL ASSETS</b>	<b>\$1,391,706</b>	<b>\$1,499,803</b>
Deposits	\$1,131,325	\$1,231,879
Other Borrowings	\$114,306	\$103,504
Other Liabilities	\$9,537	\$13,027
Shareholder's Equity	\$136,538	\$151,393
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$1,391,706</b>	<b>\$1,499,803</b>

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

	<b>2018</b>	<b>2019</b>
Interest Income	\$53,147	\$59,846
Interest Expense	-\$6,672	-\$11,670
Net Interest Revenue	\$46,475	\$48,176
PLLL	-\$4,310	-\$5,280
Non Interest Income	\$11,053	\$11,868
Non Interest Expense	-\$42,591	-\$43,742
Income Before Taxes	\$10,627	\$11,022
Taxes	-\$1,540	-\$1,220
Net Income	\$9,087	\$9,802

# Providing Access to Credit in CDFI Targeted Underserved Communities

<i>SBB</i>	Q1 YTD	Q2 YTD	Q3 YTD	2019 Year End
% of loans (#) in CDFI tracts	70.2%	69.1%	70.6%	72.7%
% of loans (\$) in CDFI tracts	71.0%	67.4%	70.2%	66.8%
Loans originated (#)	1,367	2,941	4,511	6,967
Loan originations (\$ millions)	\$157	\$281	\$399	\$516
% of loans under \$10,000	44.0%	46.2%	48.1%	55.5%
# of loans under \$1,000	133	279	442	1,594

# Building a New CDFI Model

## Paying Regular Quarterly Dividends

- 12<sup>th</sup> consecutive and increasing quarterly dividend (1/9/2020)
- For information on how to receive dividend payments by ACH or wire, contact [Jayla.Wilson@banksouthern.com](mailto:Jayla.Wilson@banksouthern.com) | (501) 850-8960 | TF: (800) 789-3428

## Providing Liquidity – Share Buyback Program

- Bought back \$8M or 813,835 shares in 2019
- Proposed dates for 2020 Share Buyback:
  - *March*
  - *September*

## Economic Growth & Inclusion: A Way Forward

- On November 20, 2019 Southern Bancorp and the Clinton Foundation co-hosted a domestic policy conference celebrating the 25<sup>th</sup> anniversary of the CDFI Fund and strategizing ways to continue to scale the industry.



**WALT**

Wealth Accumulation and Lifestyle Tech

Discover

Design

Develop

Deliver

AppNext

Responsible Payroll Lending

AppNext

AppNext

AppNext

Typical Banking Features

*SBB Digital*

Banking Innovation Business Platform



APIs    APIs    APIs    APIs    APIs    APIs    APIs    APIs



*bankworx*

S61 Purecloud Software Platform

*IoT / Outside*

Web Services





WALT app home screen showing Spending (\$12,720 Available), Financial Health Score (82 EXCELLENT), My Vaults (My Cash SPENDING \$12,720, Rent EXPENSE \$800), and Recent Transactions (Pending, Kroger Grocers NLR).

WALT app Expense Detail screen for Rent (\$800 / \$1,800). Includes 'Recent Activity' line chart, 'Transactions' list (Auto Deposit +\$400.00, Deposit +\$200.00, Transfer -\$350.00, Transfer -\$1,200.00, Deposit +\$1,200.00), and a bottom navigation bar.

WALT app Financial Health Score screen (82 EXCELLENT). Includes 'Score Breakdown' with categories like 'Spend Less Than You Earn' (EXCELLENT), 'Auto Pay Bills' (NEEDS WORK), 'Emergency Vault Funded' (GOOD), 'Scheduled Savings' (EXCELLENT), and 'Monitor Finances' (EXCELLENT). A bottom navigation bar is also present.

WALT app Send Money screen showing \$600.00 to be sent to Bank of America. Includes a numeric keypad and a 'Send Money' button.



# Q & A

***SAVE THE DATE:***

## **Q1 2020 Shareholder Engagement Call**

Thursday, April 16, 2020

9:30 am CST





*BankSouthern.com*

*SouthernPartners.org*

*southernbancorp*



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*southern*



*company/southern-bancorp*

