

DISCLAIMER: This material in this presentation has been prepared by Southern Bancorp, Inc. (“SBI” or “the Company”) to engage with and inform its current shareholders about the activities of the Company. This presentation includes general background and summary information about SBI’s past, present and potential future activities. Nothing herein shall be construed as a representation or warranty by SBI or any other party. The information, including financial information, contained herein may not be interpreted as binding or guaranteed with respect to past, present or future results or operations. This information is given in summary form and does not purport to be complete. Information in this presentation, including financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products. This document does not represent and should not be interpreted to include, an offer of securities of any kind.

This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to SBI’s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to rely on these forward looking statements. As SBI is not a publicly traded company, it is neither required to nor does it undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof that reflect the occurrence of unanticipated events. Any forecasts and hypothetical examples used herein are subject to uncertainty and contingencies outside SBI’s control. Further, past performance is not a reliable indication of future performance.



Q1 2020
Shareholder Engagement Call
April 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

Agenda for Today's Meeting

Q1 Margin and Mission Highlights

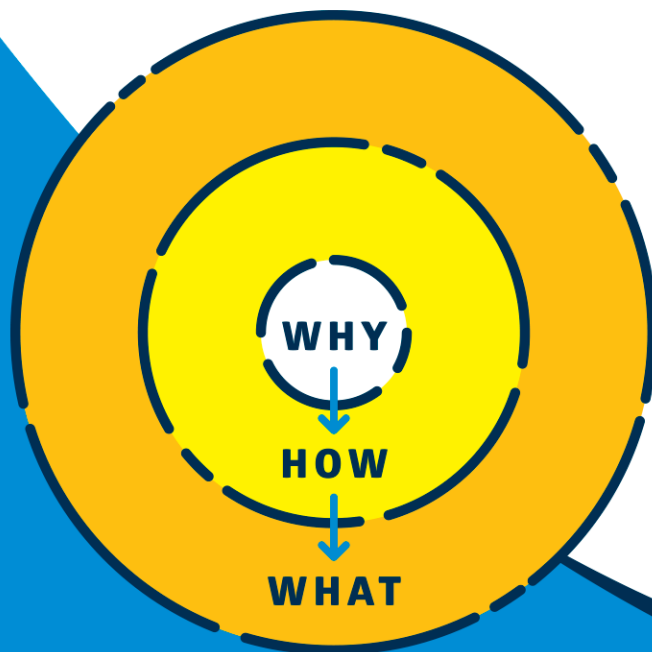
COVID-19 Impact on Southern Bancorp & our stakeholders

- Southern Bancorp (pre-COVID-19)
- Our Communities and Markets
- Our Team
- Customers
- Our Funders and Partners
- Our Shareholders

Questions & Answers

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.

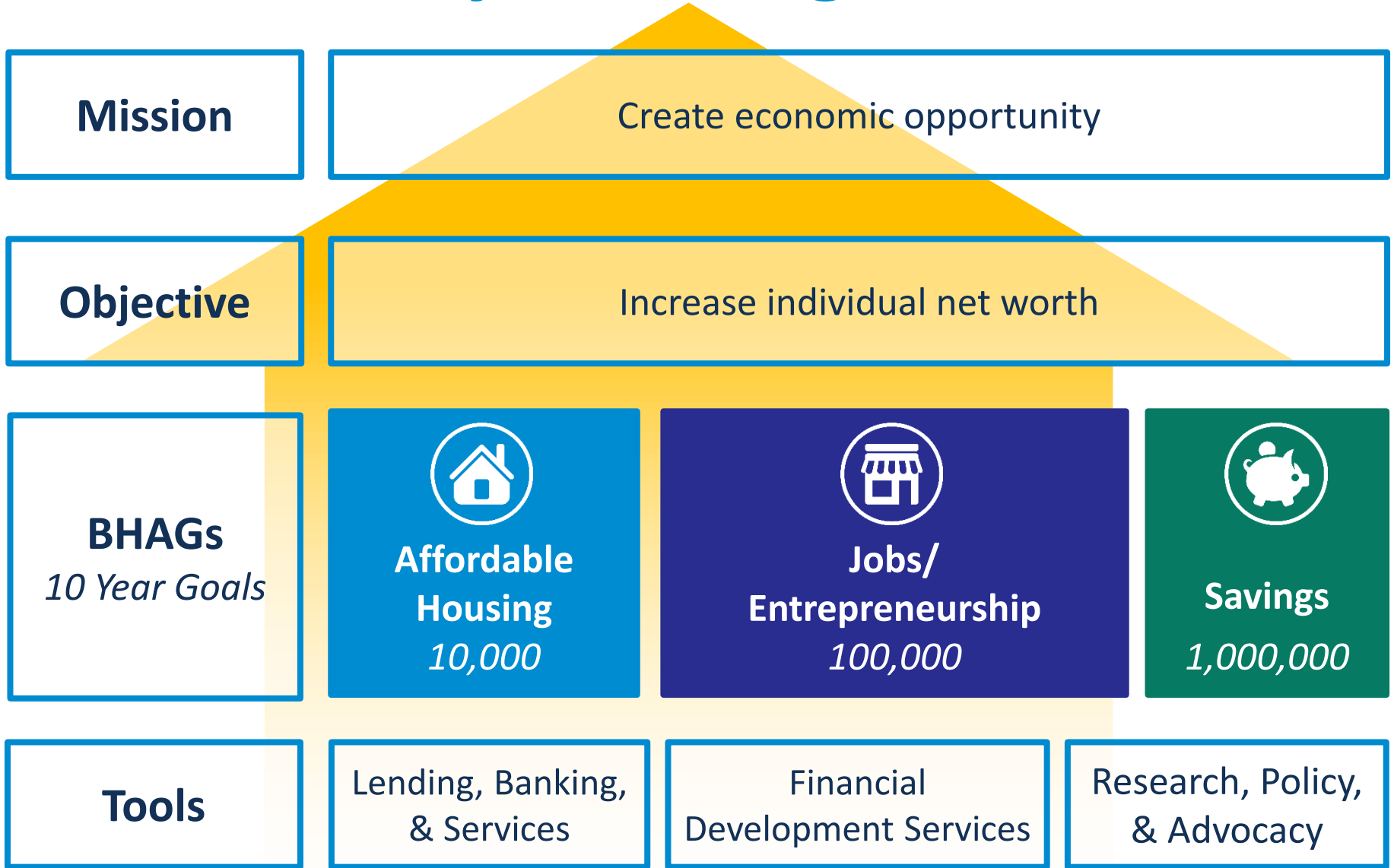
HOW

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.

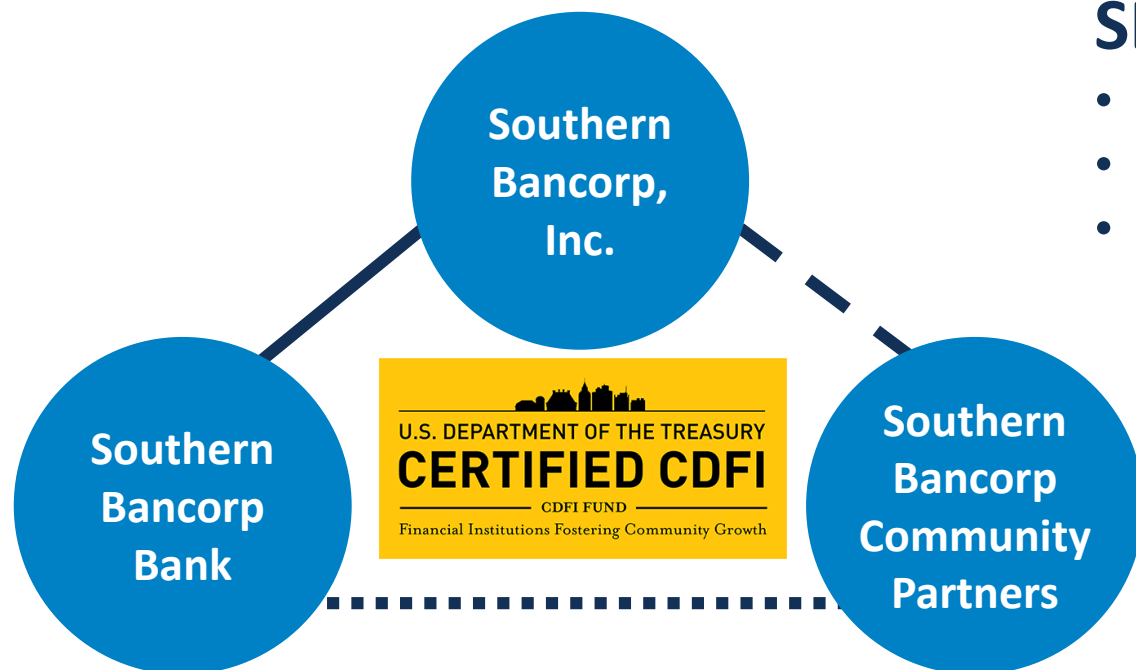
WHAT

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

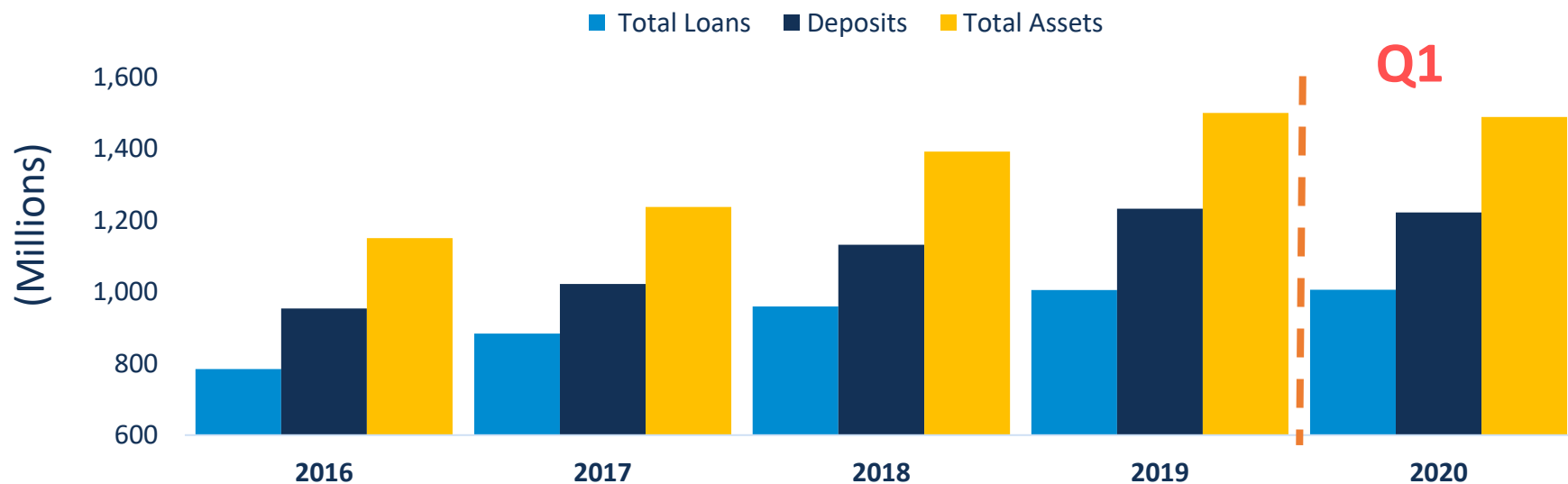
SBB – Banking Services

- Loans
- Deposits
- Targeted Investment Portfolio

Providing Access to Credit in CDFI Targeted Underserved Communities

SBB	Q1 YTD
% of loans (#) in CDFI tracts	68.6%
% of loans (\$) in CDFI tracts	65.9%
Loans originated (#)	1,349
Loan originations (\$ millions)	\$150
% of loans under \$10,000	41.9%
# of loans under \$1,000	118

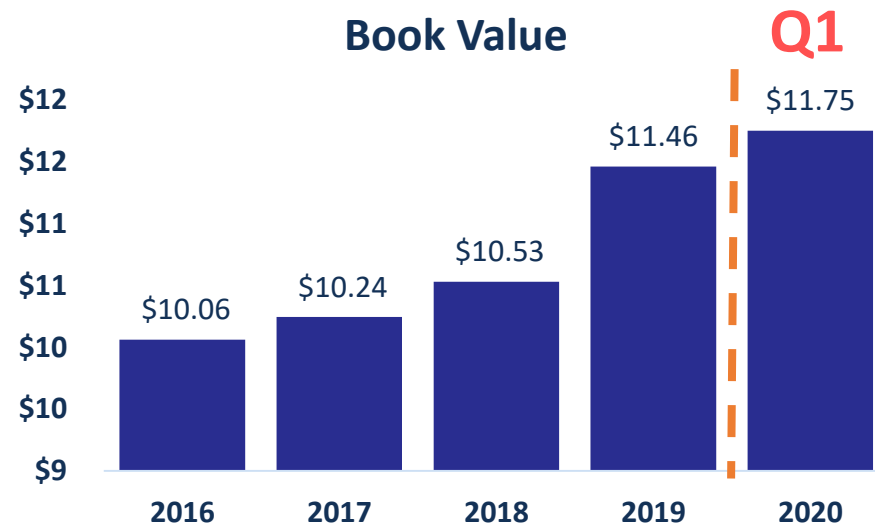
Financial Highlights



Tangible Common Equity (Millions)



Book Value



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

	2019	2020
Cash & Investments	\$258,358	\$356,619
Net Loans	\$970,200	\$992,263
Fixed Assets	\$40,289	\$41,025
Intangibles	\$37,390	\$37,359
Other Assets	\$58,643	\$61,223
TOTAL ASSETS	\$1,364,880	\$1,488,489
Deposits	\$1,105,381	\$1,221,866
Other Borrowings	\$109,585	\$101,234
Other Liabilities	\$8,660	\$9,889
Shareholder's Equity	\$141,254	\$155,500
TOTAL LIABILITIES & EQUITY	\$1,364,880	\$1,488,489

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

	2019	2020
Interest Income	\$14,119	\$14,578
Interest Expense	(\$2,531)	(\$2,829)
Net Interest Revenue	\$11,588	\$11,749
PLLL	(\$980)	(\$400)
Non Interest Income	\$3,632	\$3,633
Non Interest Expense	(\$10,884)	(\$11,578)
Income Before Taxes	\$3,356	\$3,404
Taxes	(\$575)	(\$649)
Net Income	\$2,781	\$2,755

COVID-19

*Impact on Southern Bancorp
and our Stakeholders*

Southern Bancorp (Pre COVID-19)

- Southern Bancorp coming off its most impactful year in terms of margin and mission
- SBI/SBB record-setting year in terms of net income
- SBI solid capital positions: CET1 = 9.923%; Tier 1 Leverage Ratio = 9.178%
- SBB strong loan loss reserve: 1.35% or \$13.578 million
- SBCP strongest cash flow position in a decade
- 19,908 referrals to our Opportunity Center in 2019
- 72% (#) / 66% (\$) of loans in CDFI eligible markets
- 2,885 VITA returns (40% qualified for EITC) program suspended 3/17/20

Our Markets

Serving some of America's most distressed markets.

Un/Underbanked National

6.5% Unbanked

18.7% Underbanked

Arkansas

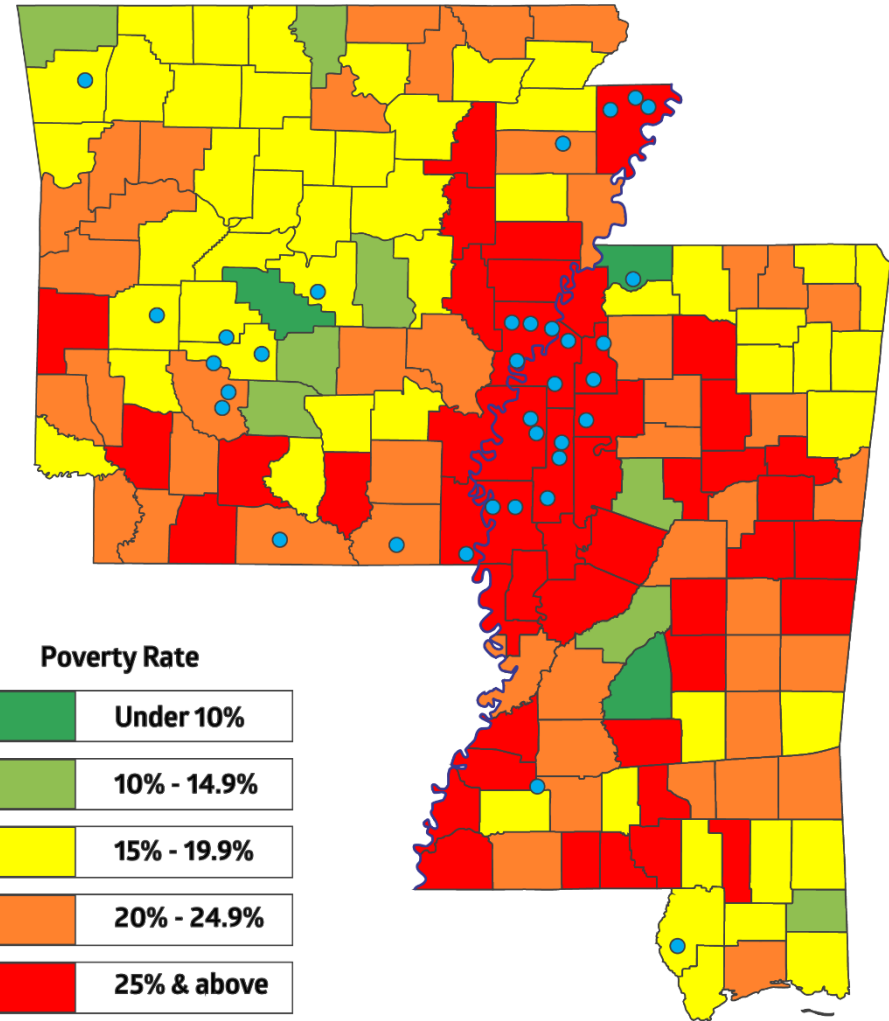
7.5% Unbanked

19.0% Underbanked

Mississippi

15.8% Unbanked

22.5% Underbanked



*PovertyUSA.org Map data source:
Current Population Survey (CPS)
2017 Annual Social and Economic
Supplement (ASEC).*

Our Communities and Markets

COVID-19 Numbers

As of 4/15/20 @ 11:46 AM

	Confirmed Cases	Deaths
Arkansas	1562	32
Mississippi	3360	122

Arkansas – strict mitigation strategies with many businesses closed; curfews in many cities

Mississippi – shelter in place

Banking is an essential business in each state

Our Team

- **Our greatest asset**; primary focus is to protect their health & safety
- **No reported COVID-19 cases**; approximately 14 have quarantined
- **Free access to Teladoc**
- **Bank branches drive thru only since 3/17**
- **9 branches temporarily closed; 4 with reduced hours**
- **47% of our staff are frontline staff; 28% lending staff**
- **25% of staff working remotely**
- **Special Leave**; reduced hurdles to FMLA
- **Family First Coronavirus Act** - as Emergency Sick Leave (full pay for up to 10 days); Expanded Family Medical Leave (2/3 pay for up to 10 weeks)

Our Customers

- **Aggressively reaching out** to them even before they call
- **Consumer loan customers** - up to 3 months deferral, no questions asked, no fee
- **Commercial loan customers** - on a case-by-case basis providing:
 - payment deferrals
 - interest only payments, and
 - assistance with applying for the SBA Economic Injury Disaster Loan program
- **SBA 7(a) customers** – relief allowed by SBA, all fees waived:
 - up to 6 months of payment deferrals
 - interest only payments
 - extension of loan maturity dates
- **Promoting use of our online and mobile banking tools**
- **Waiving various fees**, such as late payment fees, mobile deposit fees, etc.
- **Free stimulus check cashing for non-customers**
- **Offering financial and credit counseling online**, video and teleconference portals

Our Customers – SBA's Paycheck Protection Program (PPP)

Forgivable loans to small business and nonprofits as an incentive to retain employees; \$349 billion has been appropriated for this program (additional funds are under consideration)

- Nationwide demand is very strong
- Southern's SBA team has more than 30 years of experience
- Began processing loans (and funding) the first day (April 3rd), while larger banks delayed
- All hands on deck; receiving applications across all markets
- Serving small businesses without a preexisting banking relationship

Our Customers – SBA's Paycheck Protection Program (PPP)

As of 4/13 Nationwide (AR) PPP numbers:

- 1,035,152 loans processed
- \$247,543,393,521 dollar volume of processed loans
- AR = 14,805 loans processed
- AR = \$2,166,563,254 dollar volume of processed loans
- \$239,152 average loan size
- 4,664 lenders

As of 4/15 Southern's PPP numbers:

- 516 loans processed (accepted into SBA's Etran system)
- \$80,219,755 dollar volume of processed loans
- \$4,250,300 largest loan
- \$600 smallest loan
- \$155,465 average loan size

Advocacy for the CDFI Industry

- **FOX News - American News HQ (4/4)** – Interview with Darrin Williams, CEO re: Paycheck Protection Program
- **Darrin Williams CEO invited to participate in a White House video conference** with President Trump, Secretary Mnuchin and other Administration officials – 10 bank CEOs participated, including Bank of America, Goldman, Citigroup, Wells Fargo, JP Morgan, MasterCard, and Southern Bancorp (only CDFI)
- **Invited to join the Presidential Great American Economic Revival Industry Groups (Banking)** – again the only CDFI and one of two small banks
- **National Media Coverage:** Impact Alpha, C-SPAN, Yahoo! Finance, Associated Press, Sirius XM

Our Funders and Partners

In response to COVID-19 several of our partners have offered assistance:

- Mary Reynolds Babcock Foundation provided relief to SBCP/SBB:
 - Converted 20% of our existing PRI to a grant
 - Reduced the interest rate on our existing PRI from 2% to 0%
 - Reduced interest rate on deposits to 0%
- Bank of America - \$5 million deposit @ 0.20% APY for 52 weeks

Our Shareholders – Important Shareholder Information

NEW Proposed Share Buyback Dates for 2020

- 1st Buyback Notice: May – Purchase: June
- 2nd Buyback Notice: October – Purchase: November

Paying Regular Quarterly Dividends

- 13th consecutive and increasing quarterly dividend paid 4/9/2020
- To receive dividend payments by ACH or wire, contact:
Jayla.Wilson@banksouthern.com | (501) 850-960 | TF: (800) 789-3428

Our Shareholders – Important Shareholder Information

2020 Annual Shareholder’s Meeting – June 11, 2020

- **COVID-19 Notice:** The Board of Directors are not currently aware of any issue to come before the shareholders, other than the vote to reappoint the directors below. Therefore, the Board is requesting that shareholders submit proxies as opposed to attending the meeting in person.
- **Directors proposed for reappoint by the Board:**



Donna Gambrell
SBCP Chair
SBB Director



Mike Myers
Audit Committee
Capital Allocation Committee



Diane Tatum
Compensation Committee, Chair
Governance Committee

Q & A

SAVE THE DATE:

Q2 2020 Shareholder Engagement Call

Thursday, July 16, 2020

9:30 am CST



BankSouthern.com

SouthernPartners.org

southernbancorp



@southernbancorp



southern



company/southern-bancorp

