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Q3 2020
Shareholder Engagement Call
October 15, 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

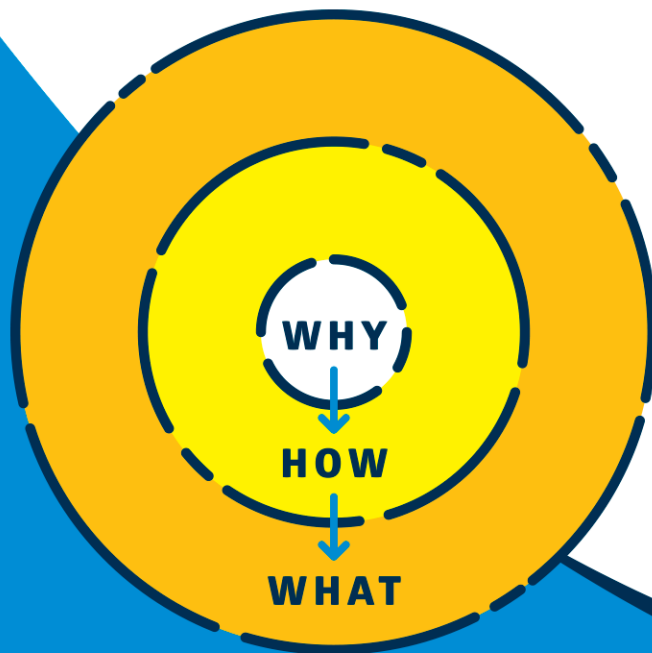


Karama Neal
President

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

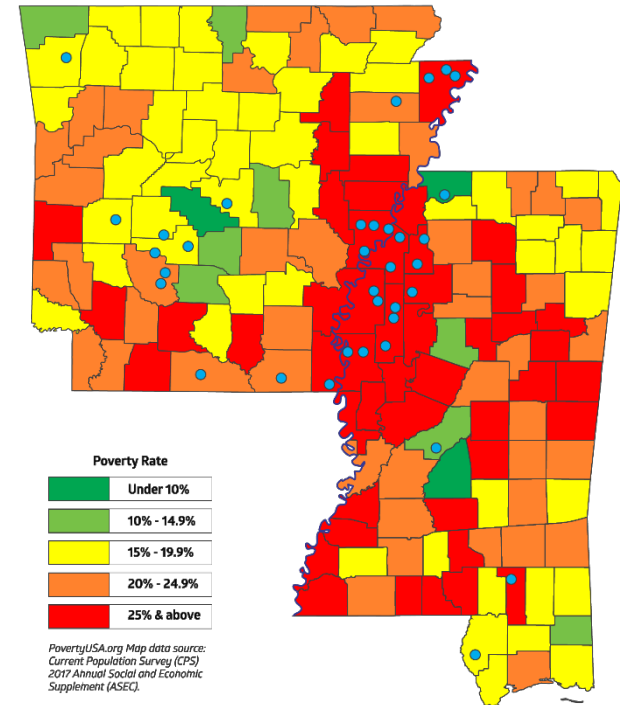
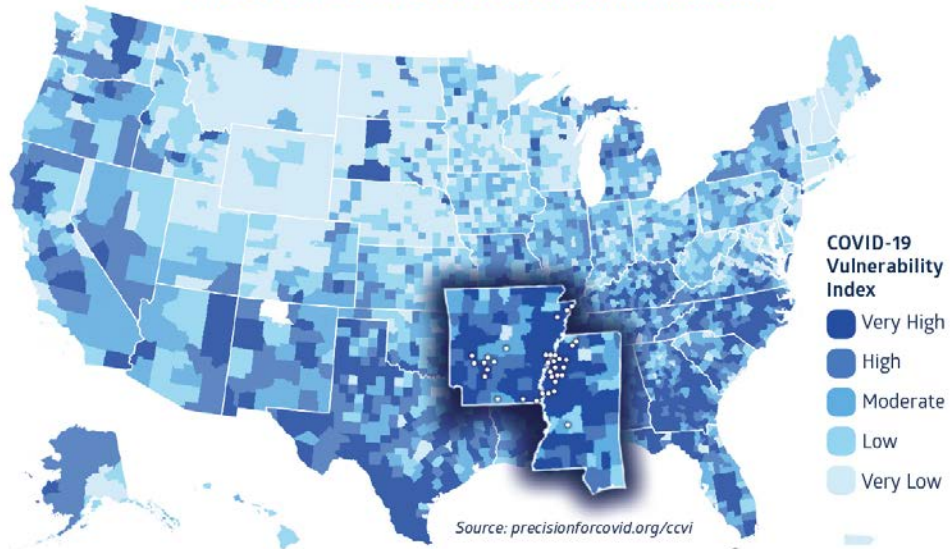
We combine the strength of a billion dollar bank with the flexibility of a non-profit financial education and development company to **EMPOWER** our customers and communities.

WHAT

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

Our Markets – Serving Some of America’s Most Distressed Communities

THE COVID-19 COMMUNITY VULNERABILITY INDEX MAP



COVID 19 Vulnerability Index

Overall State Rankings

Arkansas = **.96**

Mississippi = **.92**

Un/Underbanked

National

6.5% Unbanked

18.7% Underbanked

Arkansas

7.5% Unbanked

19.0% Underbanked

Mississippi

15.8% Unbanked

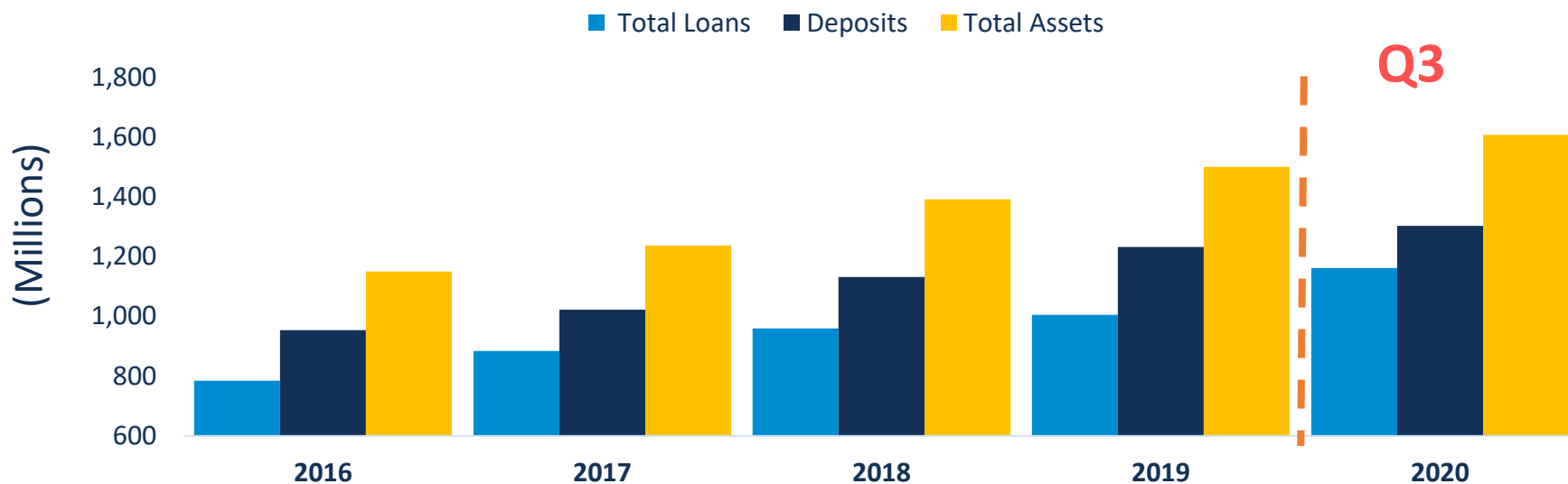
22.5% Underbanked

Providing Access to Credit in CDFI Targeted Underserved Communities

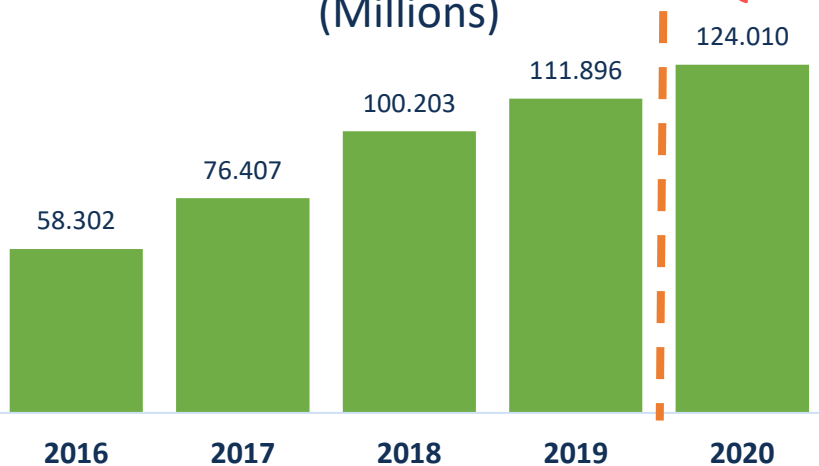
SBB	Q1 YTD	Q2 YTD*	Q3 YTD
% of loans (#) in CDFI tracts	68.6%	95.8%	95.36%
% of loans (\$) in CDFI tracts	65.9%	88.4%	89.06%
Loans originated (#)	1,349	3,796	5,020
Loan originations (\$ millions)	\$150	\$386	\$500
% of loans under \$10,000	41.9%	37.3%	38.6%
# of loans under \$1,000	118	206	308

*Southern Bancorp modified its CDFI Target Market in May 2020

Financial Highlights



Tangible Common Equity (Millions)



Book Value



Q3 Financial Highlights YOY – Balance Sheet (000's)

	<u>2019</u>	<u>2020</u>
Cash & Investments	\$308,867	\$321,650
Net Loans	\$1,017,499	\$1,145,580
Fixed Assets	\$41,592	\$39,013
Intangibles	\$37,402	\$37,316
Other Assets	\$59,847	\$63,225
TOTAL ASSETS	<u>\$1,465,207</u>	<u>\$1,606,784</u>
Deposits	\$1,196,357	\$1,303,397
Other Borrowings	\$103,299	\$122,324
Other Liabilities	\$11,164	\$12,425
Shareholder's Equity	\$154,387	\$168,638
TOTAL LIABILITIES & EQUITY	<u>\$1,465,207</u>	<u>\$1,606,784</u>

Q3 Financial Highlights YOY – Income Statement (000's)

	2019	2020
Interest Income	\$44,646	\$47,858
Interest Expense	(\$8,549)	(\$7,128)
Net Interest Revenue	\$36,097	\$40,730
PLLL	(\$4,130)	(\$4,550)
Non Interest Income	\$9,030	\$7,837
Non Interest Expense	(\$31,796)	(\$34,078)
Income Before Taxes	\$9,201	\$9,939
Taxes	(\$1,375)	(\$1,885)
Net Income	\$7,826	\$8,054

Southern Bancorp Bank Update

Asset Quality as of September 30, 2020

- Total Loans - \$1,160,689,000
- Allowance for Loan and Lease Losses – 1.43%
- Past Due Loans – 0.67%
- Past Due Loans Excluding Non-accrual Loans – 0.18%

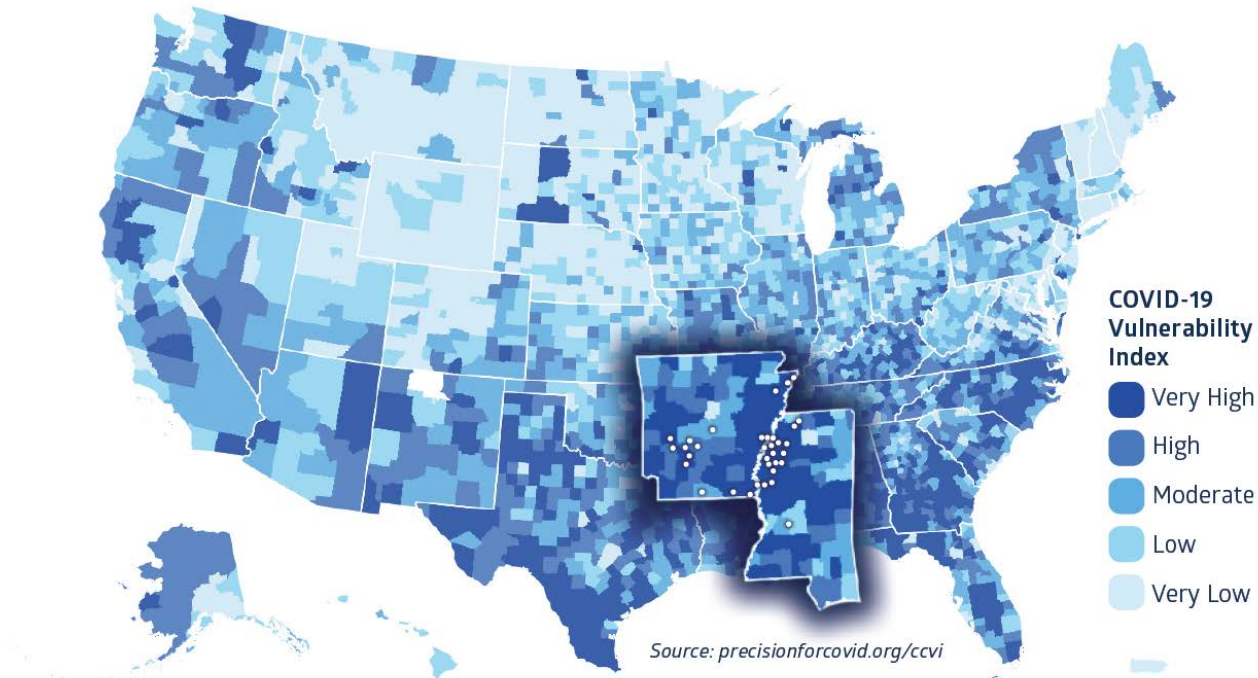
Southern Bancorp Community Partners Update

Business Continuity Grants

SBCP is offering Business Continuity Grants to small businesses in select counties that have not received SBA pandemic-related funding.

- Of the 19 counties with Southern branches, nine have a CCVI score of more than 0.9; thirteen have a score of more than 0.8.
- Quitman County, MS is the 8th most vulnerable county in the US.

THE COVID-19 COMMUNITY VULNERABILITY INDEX MAP



Business Continuity Grants

“Applying for assistance during this pandemic has been challenging. I am very thankful for the opportunity to apply for this grant.” - BCG recipient

123 Business Continuity Grants representing 321 jobs *June 1 – September 30, 2020*

Race	Gender
African American – 63%	Female – 53%
Asian American – 1%	Male – 47%
Hispanic American – 1%	
European American – 12%	
Did not choose to identify – 23%	

n=123. Percentages may not add to 100% due to rounding. At least 84% of recipients are women or people of color. All are rural.

Select business types include:

- Agritourism
- Auto sales
- Bakery
- Car detailing
- Church musician
- Cleaning service
- Cosmetic sales
- Funeral home
- HVAC servicing
- Insurance agency
- Mechanic
- Pest control service
- Produce sales
- Restaurant
- Salon
- Screen printing
- Tanning salon
- Trucking

Loan Portfolio and Financial Position and Outlook

- Commercial real estate and other commercial demand less due to pandemic
- No new payment deferral requests, past dues are manageable
- No slippage in property values
- Quarterly stress testing in place
- Currently in strongest financial position in organizational history

SBCP Loan Originations			
Year	2018	2019	Jan – Sep 2020
# of new loans	23	23	20
\$ of new loans	\$1,619,230	\$3,979,002	\$3,705,332

New Targeted Funding

COVID Relief and Recovery

- \$154,300 in new grants and donations (5 organizations and 20+ individuals)
- \$119,000 of existing funds released from restriction (2 funders)
- \$875,000 in pending funding (3 proposals)

Racial and Social Equity

- \$150,000 in new grants (2 organizations)

Building a New CDFI Model

Capital campaign – share sales

- WKKF converted \$4 MLN of preferred stock to 875,831 shares of common stock (July 2017)

Per Share Purchase Price	Total Shares Purchased	Total Proceeds
\$8.40	2,288,014	\$19,219,317.60
\$9.83	1,195,126	\$11,748,088.58
\$11.73	408,546	\$4,792,244.58

- Southern Bancorp KSOP has purchased 249,904 shares of common stock

Liquidity

Return on capital

- Southern begin paying regular quarterly dividends in 2017
- Total dividends - \$1,904,432.06

Return of capital

- Share buybacks - \$8,750,000.00

Our Shareholders – Important Shareholder Information

Next Proposed Share Buyback

- Notice mailed: October 12, 2020
- Offer period closes: November 13, 2020
- Payments made by: November 20, 2020

NOTICE: New mailing address: 400 Hardin Road, Suite 100, Little Rock, AR 72211

Paying Regular Quarterly Dividends

- 15th consecutive and increasing quarterly dividend paid on October 10, 2020
- To receive dividend payments by ACH or wire, contact:
Jayla.Wilson@banksouthern.com | (501) 850-8960 | TF: (800) 789-3428

Attracting National Attention

Bloomberg Businessweek

One of Finance's Few Black CEOs Thrives Where Big Banks Fled

Under Darrin Williams, Southern Bancorp is pitching traditional banking to the untrusting and the unbanked.



Q & A

SAVE THE DATE:

Q4 2020 Shareholder Engagement Call

Thursday, January 21, 2021

9:30 am CT



BankSouthern.com

SouthernPartners.org

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