



Q3 2021

SHAREHOLDER ENGAGEMENT CALL

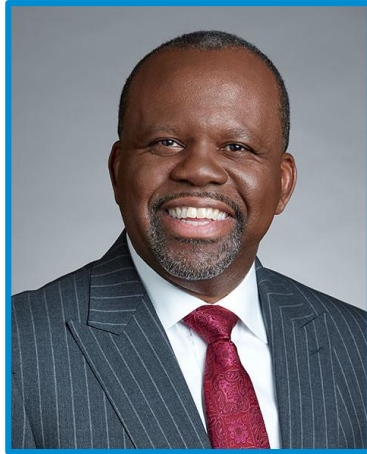
October 14, 2021

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# Profits Through Purpose

## Executive Leadership on This Call



**Darrin Williams**  
Southern Bancorp, Inc. CEO  
& Southern Bancorp Community Partners  
Interim President



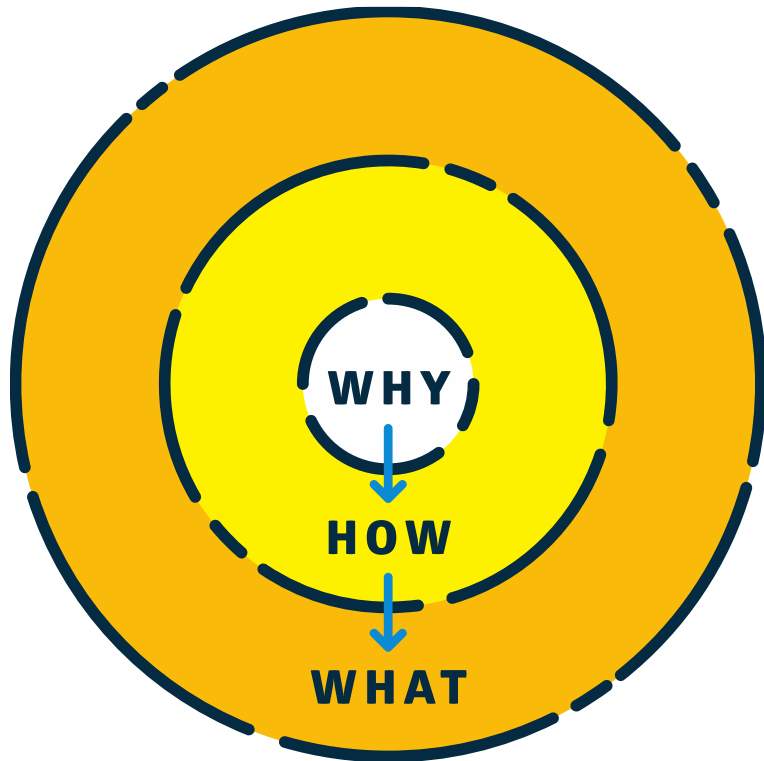
**John Olaimy**  
Southern Bancorp Bank  
President & CEO



**Chris Wewers**  
Southern Bancorp, Inc.  
CFO

# 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.

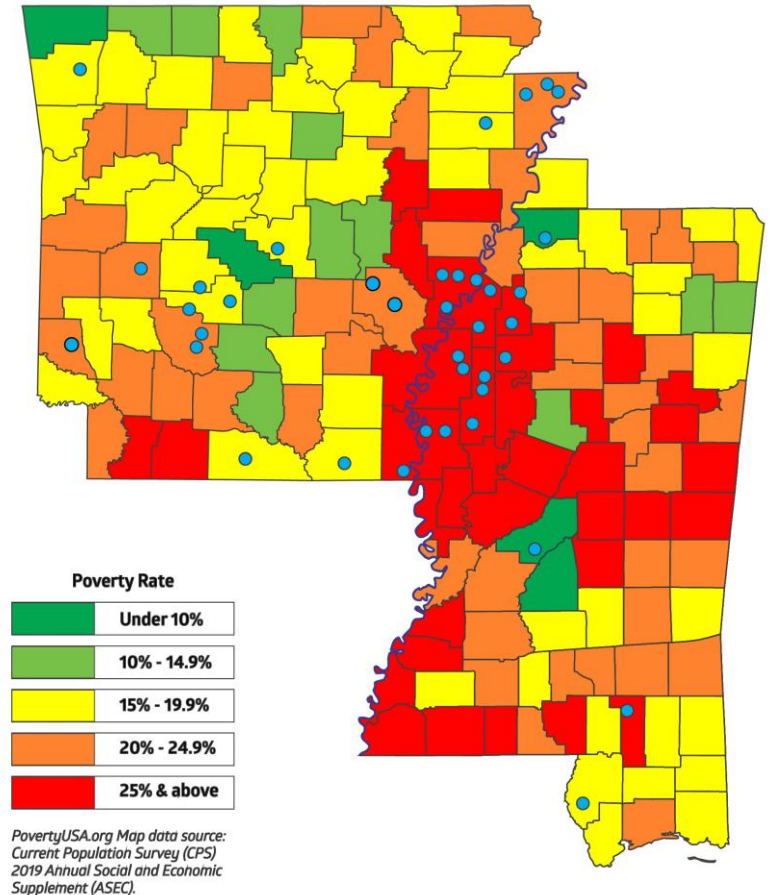
### WHAT

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

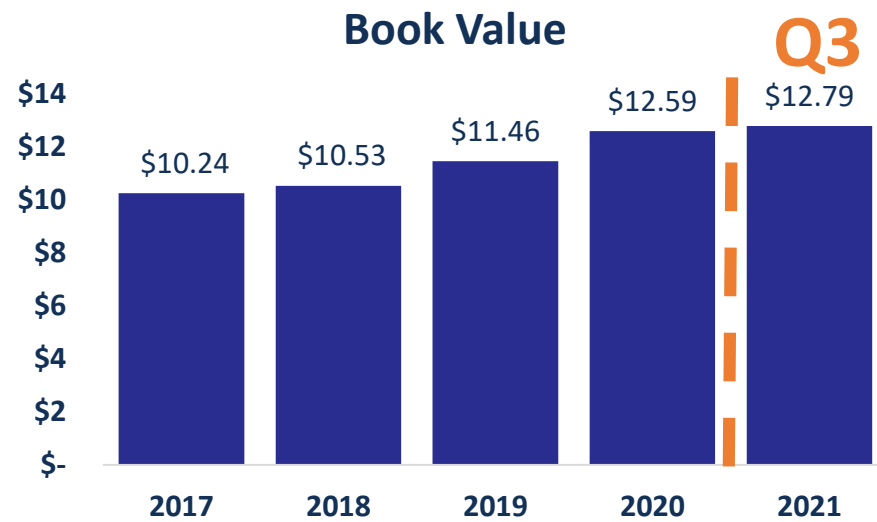
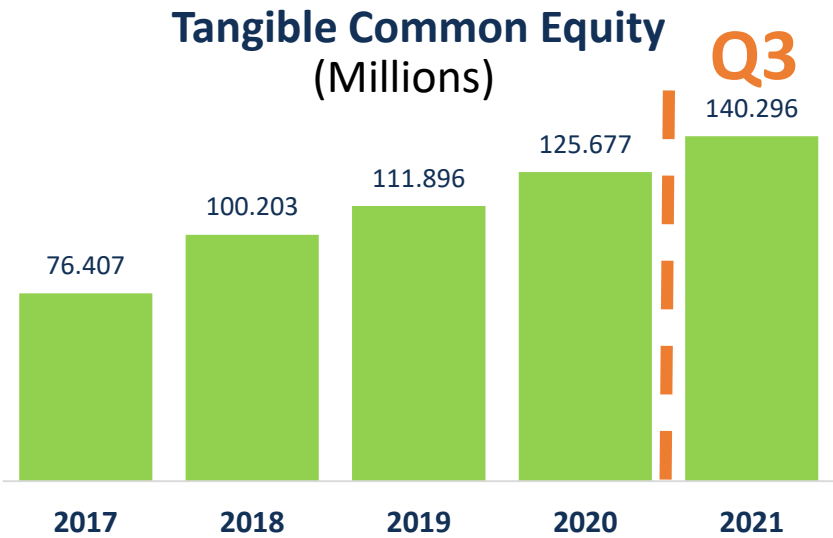
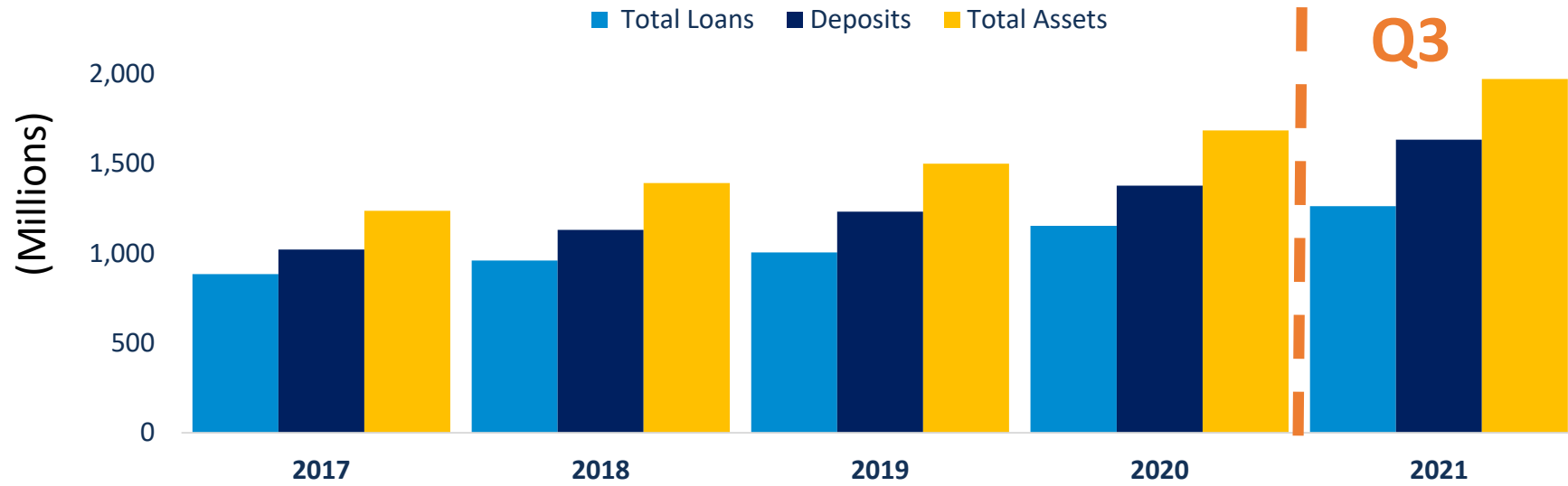
# Providing Access to Credit in CDFI Targeted Underserved Communities

SBB	Q1 YTD	Q2 YTD	Q3 YTD
% of loans (#) in CDFI tracts	95.6%	95.7%	95.72%
% of loans (\$) in CDFI tracts	90.5%	87.9%	89.36%
Loans originated (#)	1,728	4,037	5,588
Loan originations (\$ millions)	\$219	\$366	\$499
% of loans under \$10,000	30.2%	35.9%	37.5%
# of loans under \$1,000	88	223	347

Loans in persistent poor counties Q3 YTD: 2008 loans Total: \$145M  
 % of all loans made: 35.93% (#) 29.09% (\$)



# Financial Highlights



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

	<u>2020</u>	<u>2021</u>
Cash & Investments	\$321,650	\$552,784
Net Loans	\$1,145,580	\$1,262,780
Fixed Assets	\$39,013	\$43,535
Intangibles	\$37,316	\$45,004
Other Assets	\$63,225	\$68,019
<b>TOTAL ASSETS</b>	<b><u>\$1,606,784</u></b>	<b><u>\$1,972,122</u></b>
Deposits	\$1,303,397	\$1,633,567
Other Borrowings	\$122,324	\$140,533
Other Liabilities	\$12,425	\$12,007
Shareholder's Equity	\$168,638	\$186,015
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$1,606,784</u></b>	<b><u>\$1,972,122</u></b>

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

	<u>2020</u>	<u>2021</u>
Interest Income	\$47,858	\$49,617
Interest Expense	(\$7,128)	(\$4,475)
Net Interest Revenue	\$40,730	\$45,142
PLLL	(\$4,550)	-
Non Interest Income	\$7,837	\$10,010
Non Interest Expense	(\$34,078)	(\$40,453)
Income Before Taxes	\$9,939	\$14,699
Taxes	(\$1,885)	(\$3,775)
Net Income	<u>\$8,054</u>	<u>\$10,924</u>



# Overview of the Acquisition of Arkansas County Bank

- Added \$193 million in Total Assets to Southern's Balance Sheet
- Actual income results have been slightly more accretive than our initial financial projections
- Added 3 new branches to SBB's branch network, including Stuttgart, DeWitt and Lockesburg, Arkansas
- Closed and Converted Core Processor to Smiley Technologies on same day to generate immediate efficiencies
- Creates opportunity to provide Southern's unique brand of financial products and financial development services to expanded distressed areas

# SBA Paycheck Protection Program (PPP)

PPP Loans	2020	2021	Total (2020 & 2021)
Total loans by #	1,366	1,330	2,696
Total loans by \$	\$115,262,323	\$46,005,108	\$161,267,431
Jobs Supported	15,714	6,384	22,098
1-10 Employees	995	1,301	2,296
11-25 Employees	160	77	237
\$10,000 or less	410	474	884

These PPP numbers include 190 PPP loans totaling \$2,960,465 originated by Arkansas County Bank

PPP Loan Forgiveness	2020	2021	Total (2020 & 2021)
Applied	1,343	989	2,332
Granted	1,341	964	2,305
Total Granted by \$	\$114,895,257	\$25,144,376	\$140,039,633

# Southern Bancorp Q3 Highlights

- JPMorgan Chase makes a multi-million dollar investment in Southern Bancorp, Inc., as part of its \$100 MLN commitment to minority-owned and minority-led financial institutions; Southern's customers receive free access to Chase's 16,000 ATMs
- Southern Bancorp Bank receives \$50 MLN allocation of New Market Tax Credits from the CDFI Fund
- President Biden appoints Southern Bancorp CEO, Darrin Williams, to the Community Development Advisory Board
- CDFI Emergency Capital Investment Program application filed

# Building a *New* CDFI Model

## Capital raised since 2017

- WKKF (Kellogg Foundation) converted \$4MLN in preferred to common stock

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	427,172	\$5,010,727.56
\$12.40	1,027,715	\$12,743,666.00

*Southern Bancorp KSOP owns 287,927 shares of common stock*

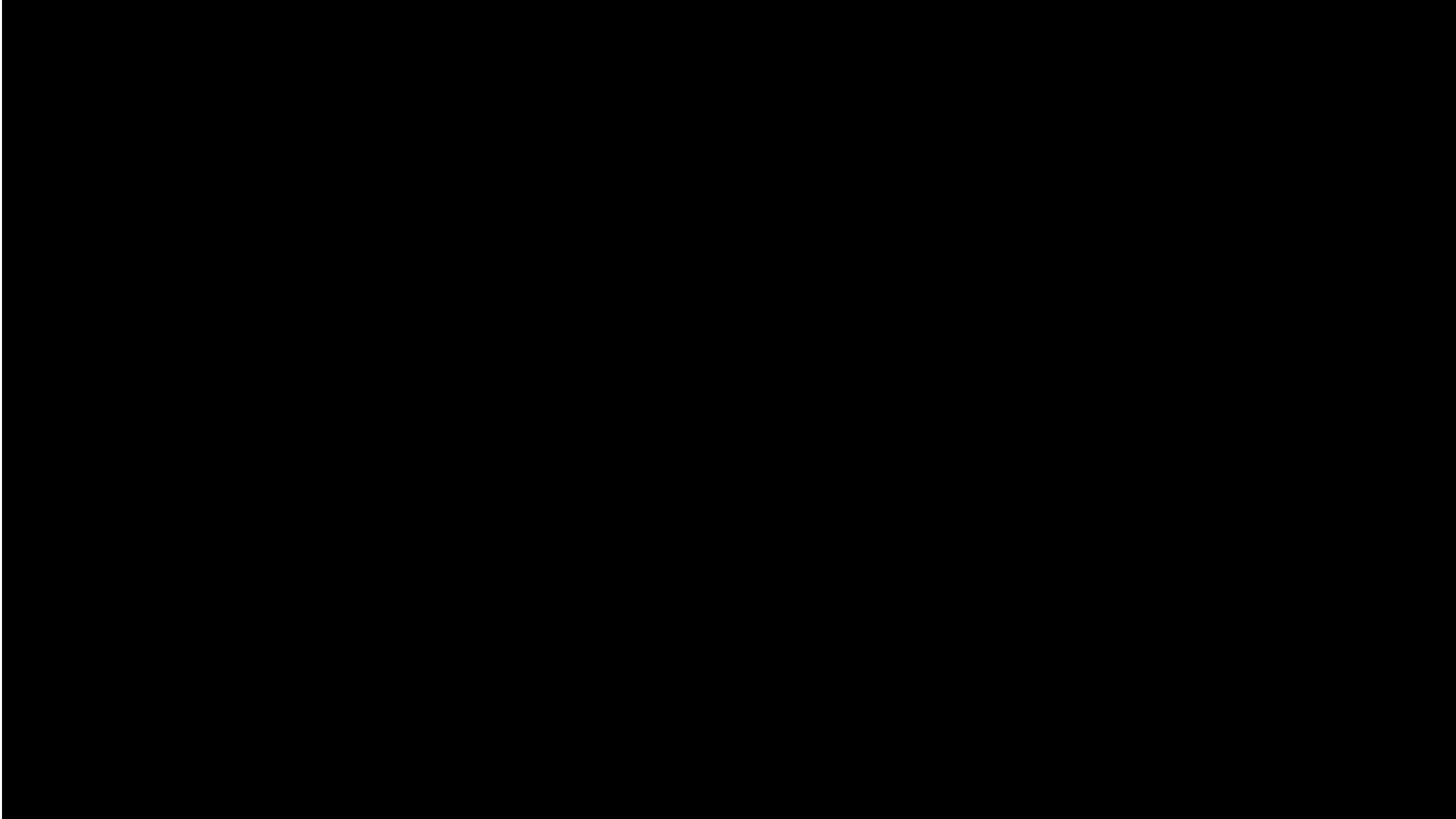
## Liquidity

### ***Return on capital***

- Southern has paid regular quarterly dividends in 2017
- Total dividends - \$2,575,865.38

### ***Return of capital***

- Share buybacks - \$10,999,972.24



# Q & A

***SAVE THE DATE:***






**Q4 2020 Shareholder Engagement Call**

Thursday, January 20, 2022

9:30 am CST



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