



Q4 2021

SHAREHOLDER ENGAGEMENT CALL

January 20, 2022

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Profits Through Purpose

Executive Leadership on This Call



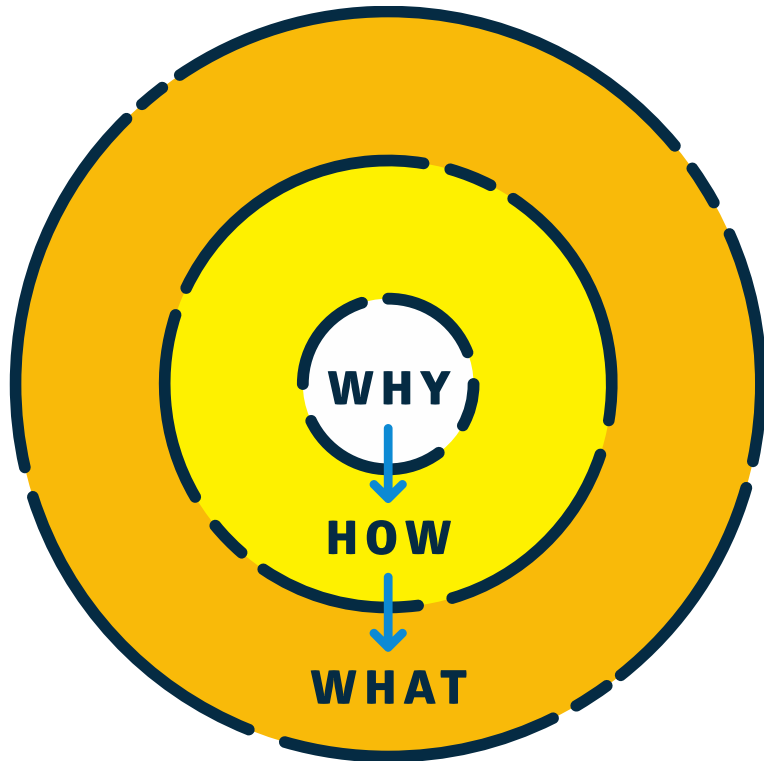
Darrin Williams
Southern Bancorp, Inc. CEO



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

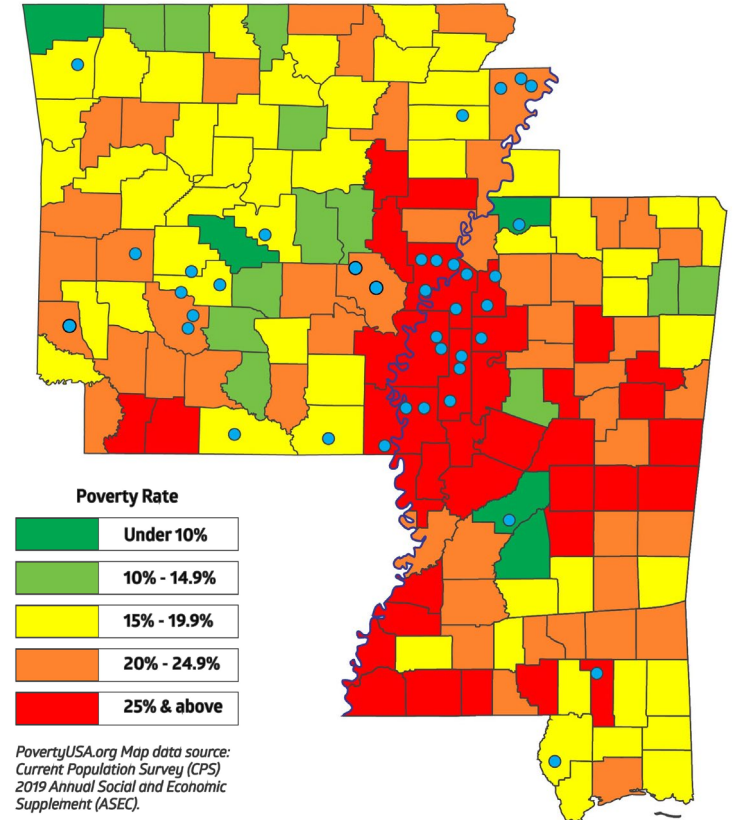
We combine the strength of a billion dollar bank with the flexibility of a non-profit financial education and development company to **EMPOWER** our customers and communities.

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

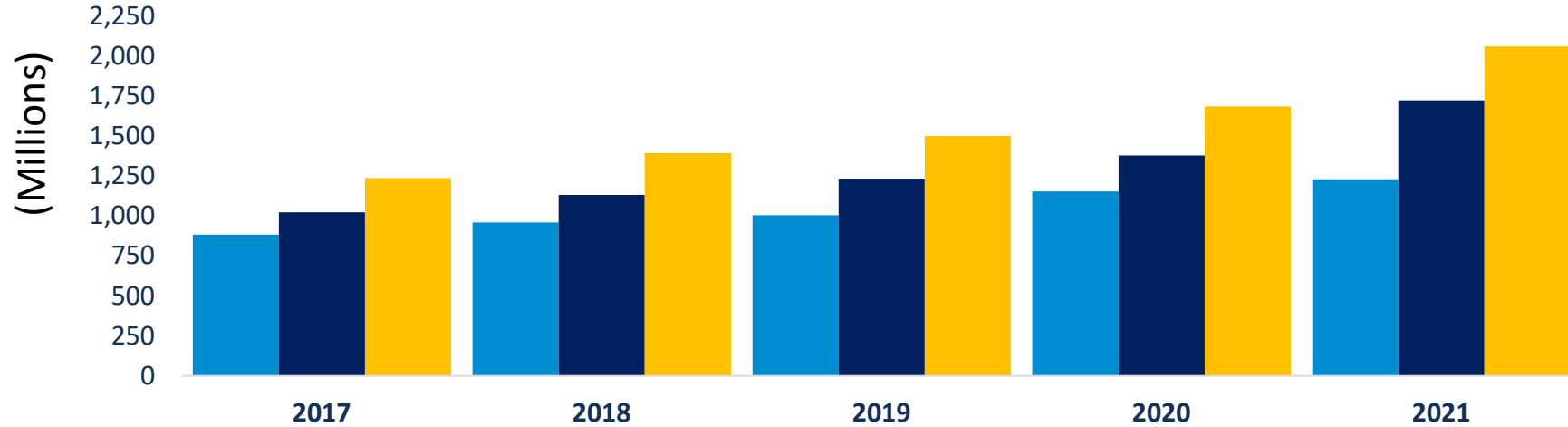
SBB 2021	Q1 YTD	Q2 YTD	Q3 YTD	Q4 YTD
% of loans (#) in CDFI tracts	95.6%	95.7%	95.72%	96.03%
% of loans (\$) in CDFI tracts	90.5%	87.9%	89.36%	86.78%
Loans originated (#)	1,728	4,037	5,588	8,157
Loan originations (\$ millions)	\$219	\$366	\$499	\$670
% of loans under \$10,000	30.2%	35.9%	37.5%	47.7%
# of loans under \$1,000	88	223	347	1,644



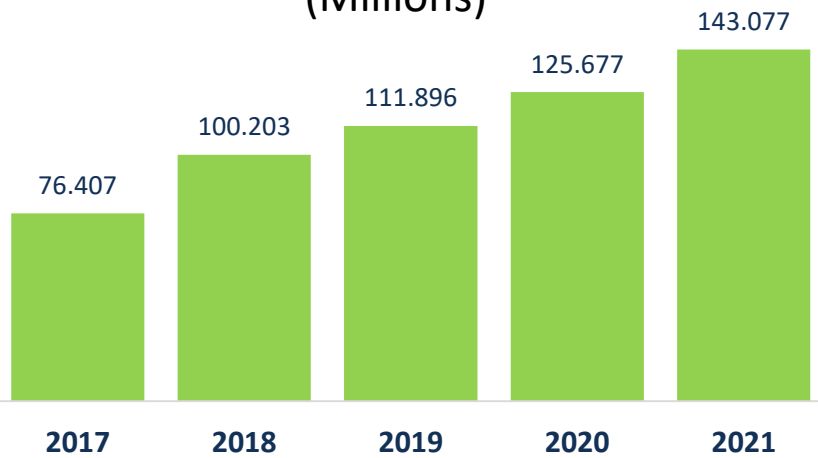
Loans in persistent poor counties Q4 YTD: 3178 loans Total: \$169M
% of all loans made: 38.96% (#) 25.23% (\$)

Financial Highlights

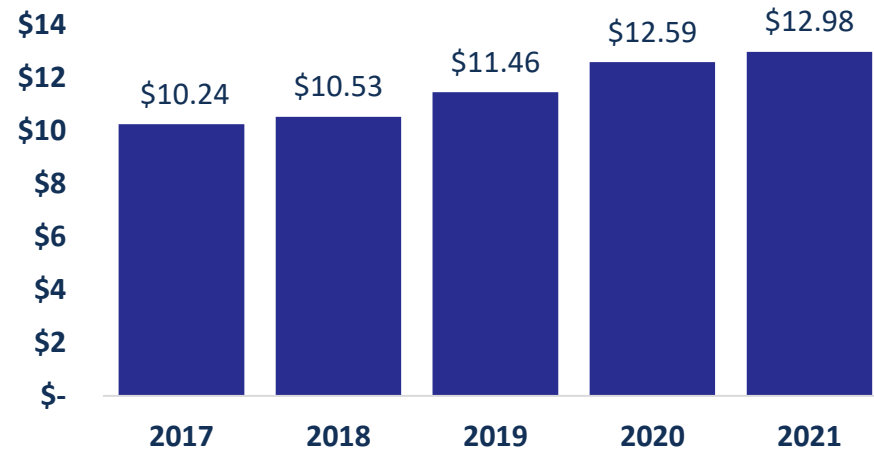
■ Total Loans ■ Deposits ■ Total Assets



Tangible Common Equity (Millions)



Book Value



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

	<u>2020</u>	<u>2021</u>
Cash & Investments	\$410,945	\$665,035
Net Loans	\$1,136,405	\$1,230,441
Fixed Assets	\$38,709	\$43,134
Intangibles	\$37,294	\$44,983
Other Assets	\$61,725	\$75,549
TOTAL ASSETS	<u>\$1,685,078</u>	<u>\$2,059,142</u>
Deposits	\$1,377,693	\$1,721,789
Other Borrowings	\$124,495	\$135,748
Other Liabilities	\$12,691	\$13,434
Shareholder's Equity	\$170,199	\$188,171
TOTAL LIABILITIES & EQUITY	<u>\$1,685,078</u>	<u>\$2,059,142</u>

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

	<u>2020</u>	<u>2021</u>
Interest Income	\$62,424	\$66,721
Interest Expense	(\$8,906)	(\$5,787)
Net Interest Revenue	\$53,518	\$60,934
PLLL	(\$5,850)	-
Non Interest Income	\$9,941	\$13,375
Non Interest Expense	(\$45,512)	(\$55,874)
Income Before Taxes	\$12,097	\$18,435
Taxes	(\$1,885)	(\$4,400)
Net Income	<u>\$10,212</u>	<u>\$14,035</u>

Emergency Capital Investment Program (ECIP) – A Transformational Opportunity

Southern Bancorp eligible for \$237.5 million ECIP investment

Emergency Capital Investment Program

- Equity investments to support CDFIs and MDIs (Low- and Moderate-Income Community Financial Institutions)
- Target audiences - small businesses, minority-owned businesses and consumers, especially in low income and underserved communities, including persistent poverty counties, that have been disproportionately impacted by the economic effects of COVID-19
- \$9 billion authorized (\$8.75 billion to be awarded)
- 204 applicants (113 banks, savings and loans and holding companies; 91 credit unions, representing 36 states, DC and Guam); total requested \$12.88 billion (oversubscribed by \$4.13 billion)
- Maximum award amount - \$250 million
- Southern Bancorp awarded one of the largest awards in the program (95% of its request or \$237.5 million)

Emergency Capital Investment Program (ECIP) – A Transformational Opportunity

Southern Bancorp eligible for \$237.5 million ECIP investment

Emergency Capital Investment Program

- Noncumulative, preferred security stock - (shareholder vote will be required)
- Tier 1 regulatory treatment
- No dividend for the first 24 months
- Maximum annual dividend of 2% with the opportunity for a rate reduction to 1.25% or 0.5% annually based on increased “qualified lending” to target market
- After year 10 the dividend rate will be set at the average dividend rate for years 2-10

Expansion of Our Leadership Team



Anthony Young
President
Southern Bancorp Community Partners



Will Lambe
Chief Strategy Officer
Southern Bancorp, Inc.



Kenya Davenport
*Chief of Staff & SVP of
Stakeholder Engagement*
Southern Bancorp, Inc.

2021 Highlights

Another record setting year of impact

- Net Income –\$14.033 million
- Total Assets—\$2.059 billion
- Total Loans—\$1.247 billion
- 8,157 loans originated in underserved communities (86.78% of originations by dollar)
- 3,178 loans in persistent poor counties (38.96% of all loans)
- Acquisition of Arkansas County Bank (\$185 million in assets; 3 new branch locations)
- 9,562 Opportunity Center referrals by Southern employees
- 8,721 community volunteer hours, (6,952 CRA eligible) donated by Southern employees

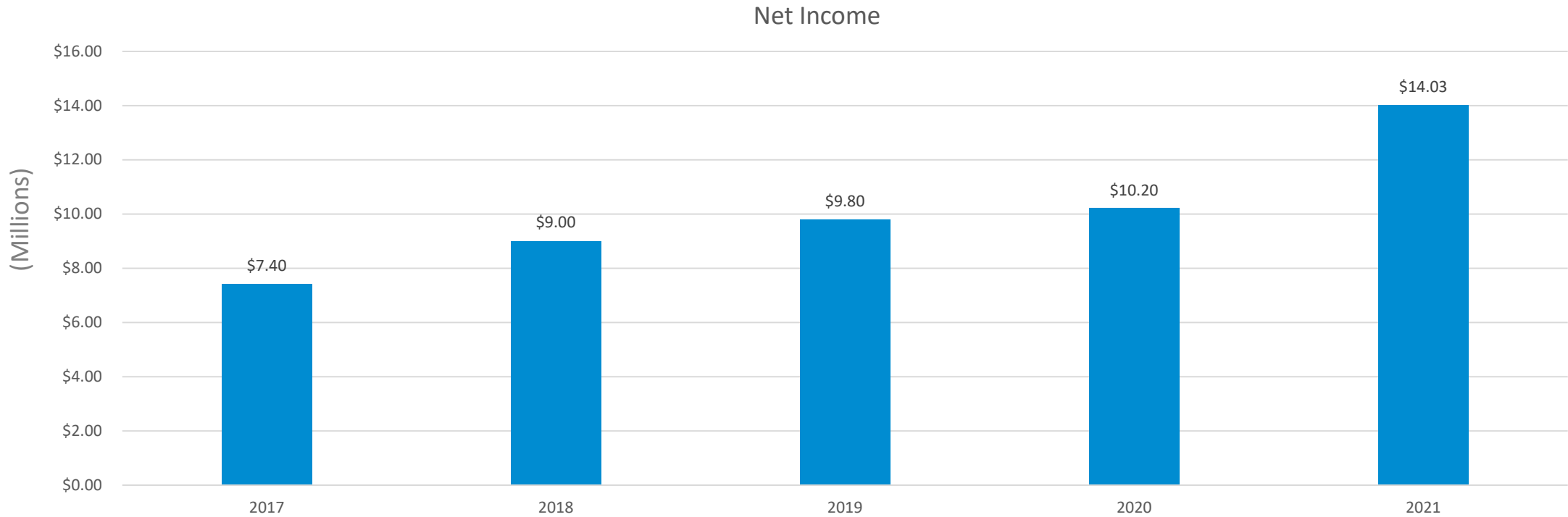
2021 Highlights

Another record setting year of impact

- Net Promoter Score – 69.3%
- 94 % of Southern Bancorp team members are employee-owners
- 3,800 tax returns filed for low income individuals through our VITA Program (\$7.6 million in refunds)
- PPP Loans – 1,330 loans originated totaling \$46 million, supporting 6,384 loans (Total PPP 2020-21: 2,696 loans originated totaling \$161 million, supporting 22,098 jobs)
- CDFI Program Awards:
 - Rapid Response Program: SBCP - \$1.5 million; SBI - \$1.8 million
 - NMTC: \$50 million
 - ECIP: \$237.5 million

2017 - 2021 Highlights and Trends

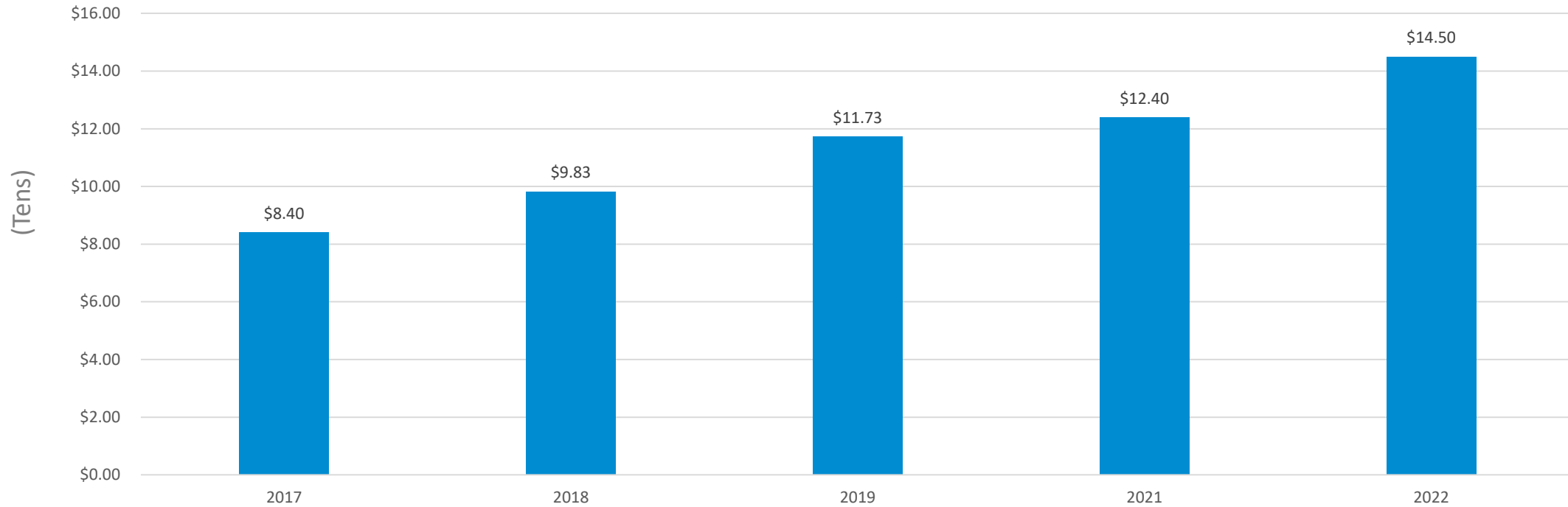
Balancing purpose and profits



2017 - 2021 Highlights and Trends

Balancing purpose and profits

Stock Price



2018 - 2021 Highlights and Trends

Providing access to capital and credit in underserved markets

	2018	2019	2020*	2021
% of loans (#) in LMI tracts	78.90%	72.7%	95.6%	96.03%
% of loans (\$) in LMI tracts	65.97%	66.8%	88.3%	86.78%
Loans originated (#)	7,120	6,967	7,220	8,157
Loans originations (\$ millions)	\$507	\$516	\$655	\$670
% of loans under \$10,000	53.9%	55.5%	47.4%	47.7%
# of loans under \$1,000	1,486	1,594	1,413	1,644

*Target Market modified in 2020

Building a *New CDFI Model*

Return on and of capital

Common equity 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
\$14.50	127,499	\$1,848,735.50*

*investment set to close Q1 2022

Southern Bancorp KSOP owns 287,927 shares of common stock

Liquidity provided since 2017

Return on capital

- Southern has paid regular quarterly cash dividends since Q-1 2017
- Total dividends - \$2,757,12.40

Return of capital

- Share buybacks - \$10,999,972.24

Q & A

SAVE THE DATE:

Q1 2022 Shareholder Engagement Call

Thursday, April 21, 2022

9:30 am CST






All investor questions can be directed to

Kenya Davenport, Chief of Staff and SVP Stakeholder Engagement

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