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Q1 2019
Shareholder Engagement Call
April 18, 2019

Profits Through Purpose

Executive Leadership on This Call



Darrin Williams, CEO
Southern Bancorp, Inc.



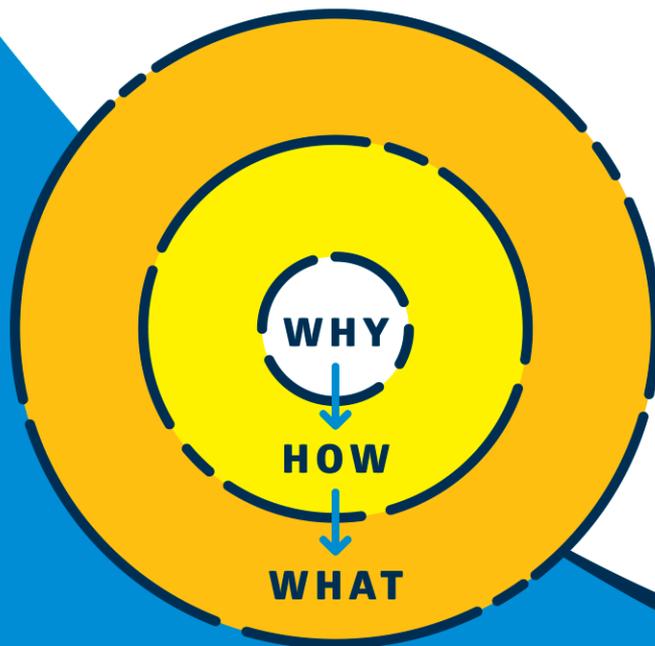
Chris Wewers, CFO
Southern Bancorp, Inc.



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.

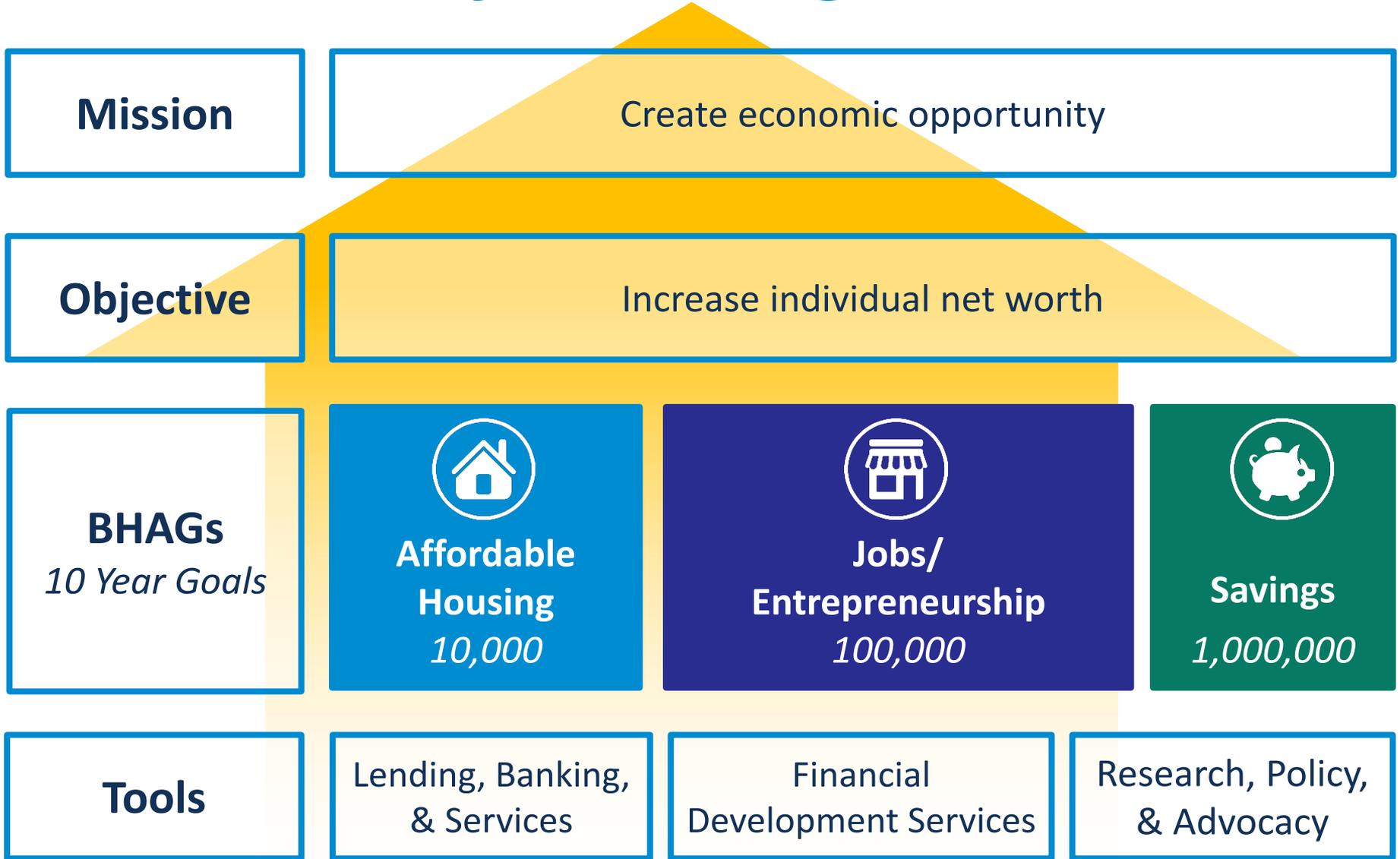
HOW

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.

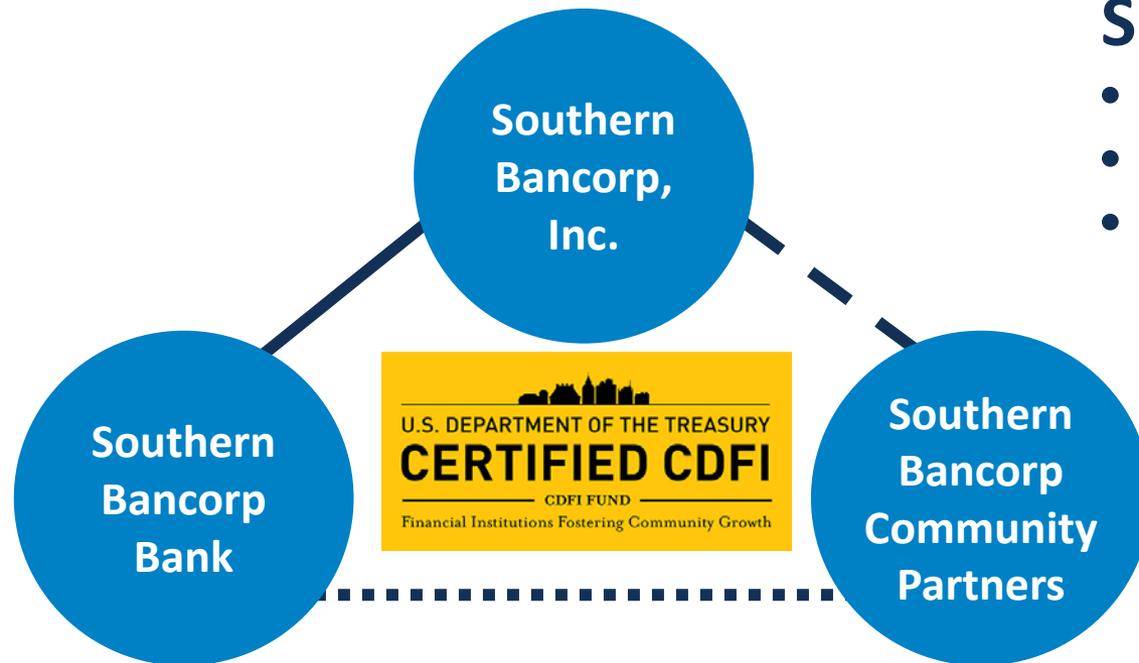
WHAT

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

Our Theory of Change



Integrated Structure & Strategy



SBI – Vision and Strategy

- Capital
- Communications
- Governance & Metrics

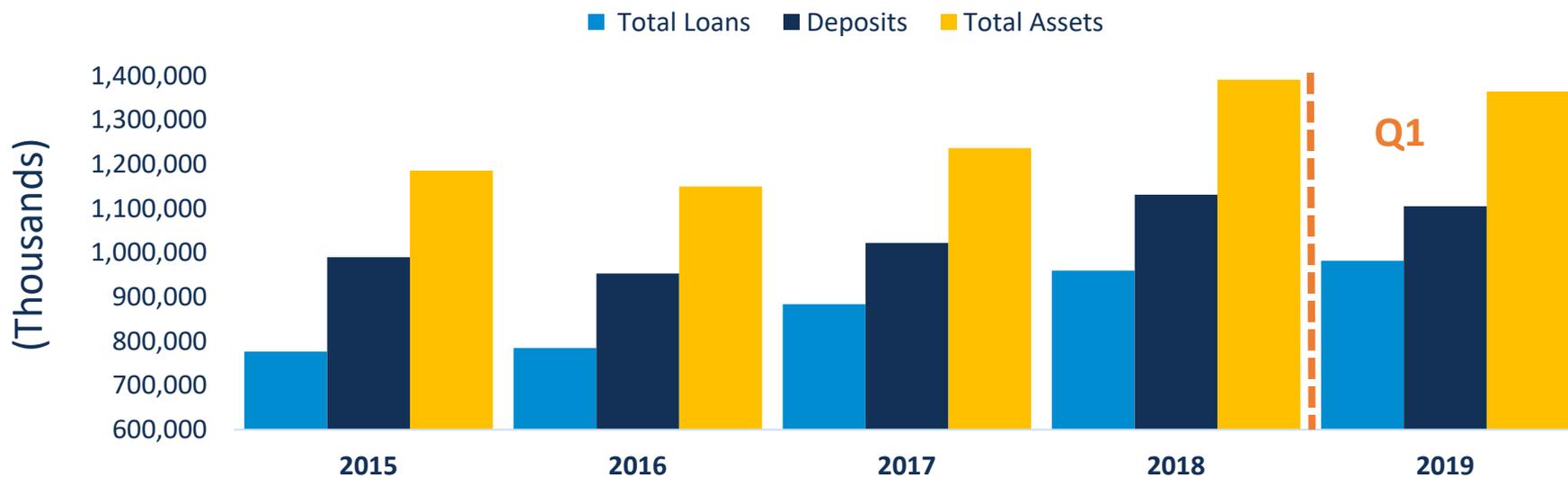
SBCP – Financial Development

- Loans & Credit Enhancement
- Financial Education
- Research & Advocacy

SBB – Banking Services

- Loans
- Deposits
- Targeted Investment Portfolio

Financial Highlights



Tangible Common Equity

Q1



Book Value

Q1



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

	2018	2019
Cash & Investments	\$239,096	\$258,358
Net Loans	\$859,776	\$970,200
Fixed Assets	\$40,300	\$40,289
Intangibles	\$37,468	\$37,390
Other Assets	\$56,526	\$58,643
TOTAL ASSETS	\$1,233,166	\$1,364,880
Deposits	\$1,006,849	\$1,105,381
Other Borrowings	\$97,960	\$109,585
Other Liabilities	\$5,643	\$8,660
Shareholder's Equity	\$122,714	\$141,254
TOTAL LIABILITIES & EQUITY	\$1,233,166	\$1,364,880

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

	2018	2019
Interest Income	\$12,401	\$14,119
Interest Expense	(\$1,090)	(\$2,531)
Net Interest Revenue	\$11,311	\$11,588
PLLL	(\$1,000)	(\$980)
Non Interest Income	\$2,412	\$3,632
Non Interest Expense	(\$10,839)	(\$10,884)
Income Before Taxes	\$1,884	\$3,356
Taxes	(\$115)	(\$575)
Net Income	\$1,769	\$2,781

Providing Access to Credit in Low-to-Moderate Income Communities (LMI)

	Q1 SBB 3/31/2018	Q1 SBB 3/31/2019
% of loans (#) in LMI tracts	79.0%	70.2%
% of loans (\$) in LMI tracts	81.8%	71.0%
Loans originated (#)	1,366	1,367
Loan originations (\$ millions)	\$129	\$157
% of loans under \$10,000	47.3%	44.0%
# of loans under \$1,000	93	133

Southern Bancorp Community Partners 2019-2021 Strategic Plan

Themes

- Impact
- Scale
- Innovation
- Self Sufficiency

Areas of Work – programs and operations

- Financial development services
- Development lending
- Public policy and advocacy
- Organizational operations



Southern Bancorp Community Partners

Q1 Highlights

Volunteer Income Tax Assistance (as of April 15)

- 3,639 returns
- 41% EITC
- \$7.5 million in refunds and credits
- 203 Split Save and Win participants

Opportunity Center

- 3,726 referrals and activities
- 2019 focus on quality

Savings policy

- Passage of Arkansas Act 774 of 2019
- Adds a second direct deposit line to income tax forms



Arkansas Governor Asa Hutchinson signs Act 774 into law.

Annual Shareholder Meeting – June 13, 2019

Overview of SBI Board of Director's Shareholder Proposals

- To amend the convertibility feature of Series B, non-voting common stock to comply with the Federal Reserve Board's policy guidance
- To convert from a Delaware to an Arkansas Public Benefit Corporation
- To reduce from 80% to 66% the affirmative vote requirement to amend, alter or repeal provisions of SBI's Articles and By-Laws
- To repeal the age limit on board service
- To amend the board service term of years from three to four years
- To clarify that the SBI CEO is an advisory board member
- To reappoint John Edwards to the SBI Board of Directors

Proxy materials will be sent on **May 20, 2019**

Proxy voting will end on **June 13, 2019 @ 9:00 am**

Building a New CDFI Model

Paying Regular Quarterly Dividends

- 9th consecutive and increasing quarterly dividend (4/14/2019)
- For information on how to receive dividend payments by ACH, contact Jayla.Wilson@banksouthern.com | (501) 850-8960 | TF: (800) 789-3428

Providing Liquidity for Shareholders

- Share buyback projected for Q3
- \$3 million available for share buyback
- Share buyback established by independent 3rd party valuation
- Pro-rata share buyback if oversubscribed

Q & A

SAVE THE DATE:

Q2 2019 Shareholder Engagement Call

Thursday, July 18, 2019

9:30 am CST



BankSouthern.com

SouthernPartners.org

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