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Q3 2018
Shareholder Engagement Call
October 18, 2018

Profits Through Purpose

Executive Leadership on This Call



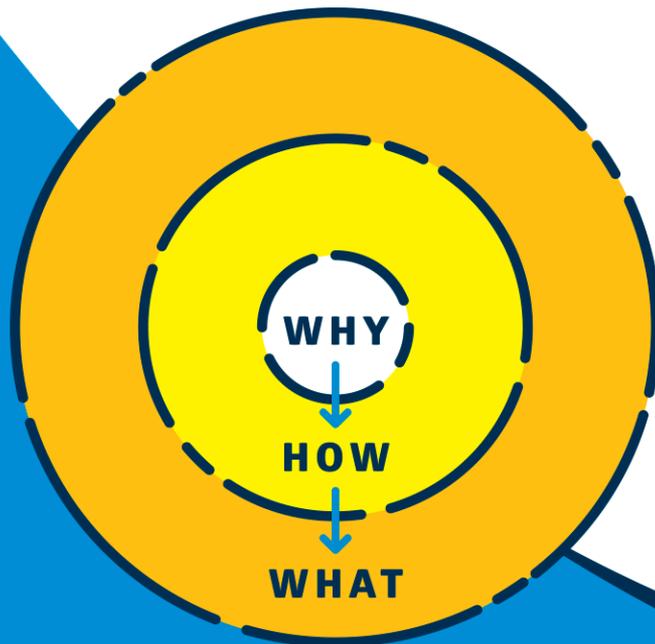
Darrin Williams, CEO
Southern Bancorp, Inc.



Chris Wewers, CFO
Southern Bancorp, Inc.

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.

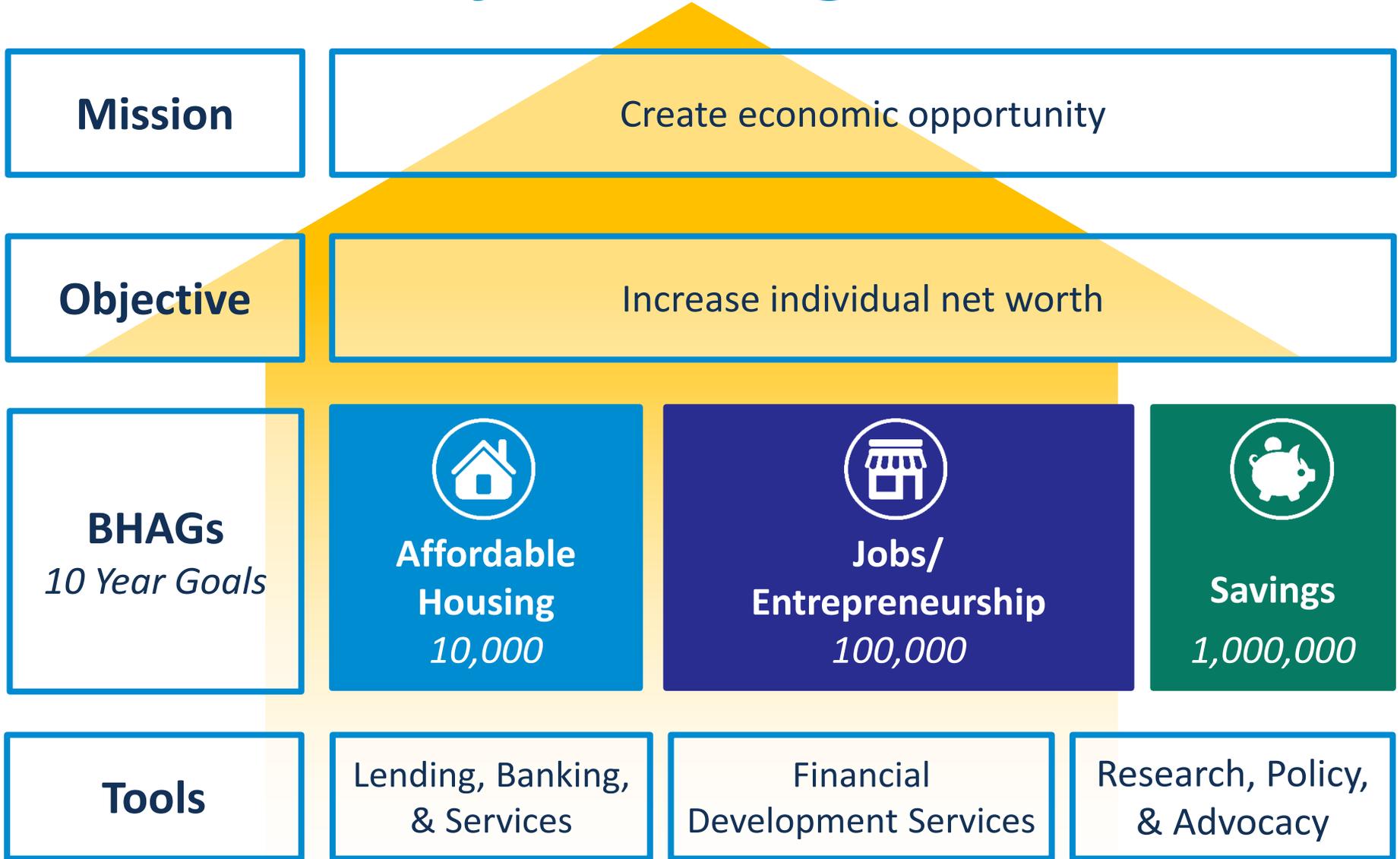
HOW

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.

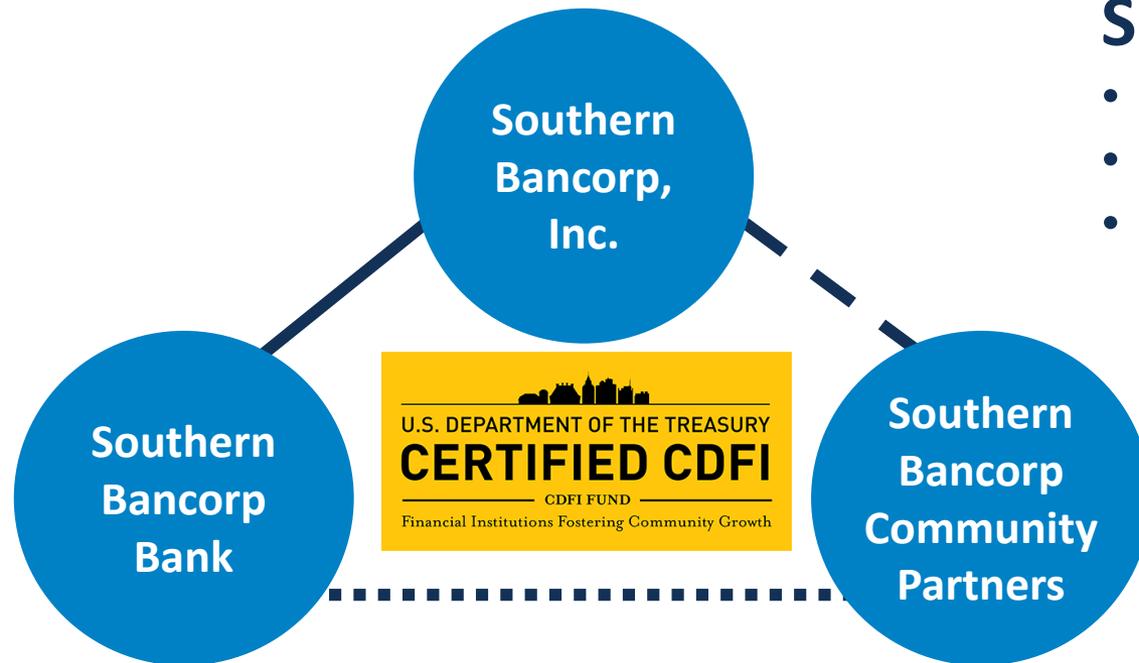
WHAT

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

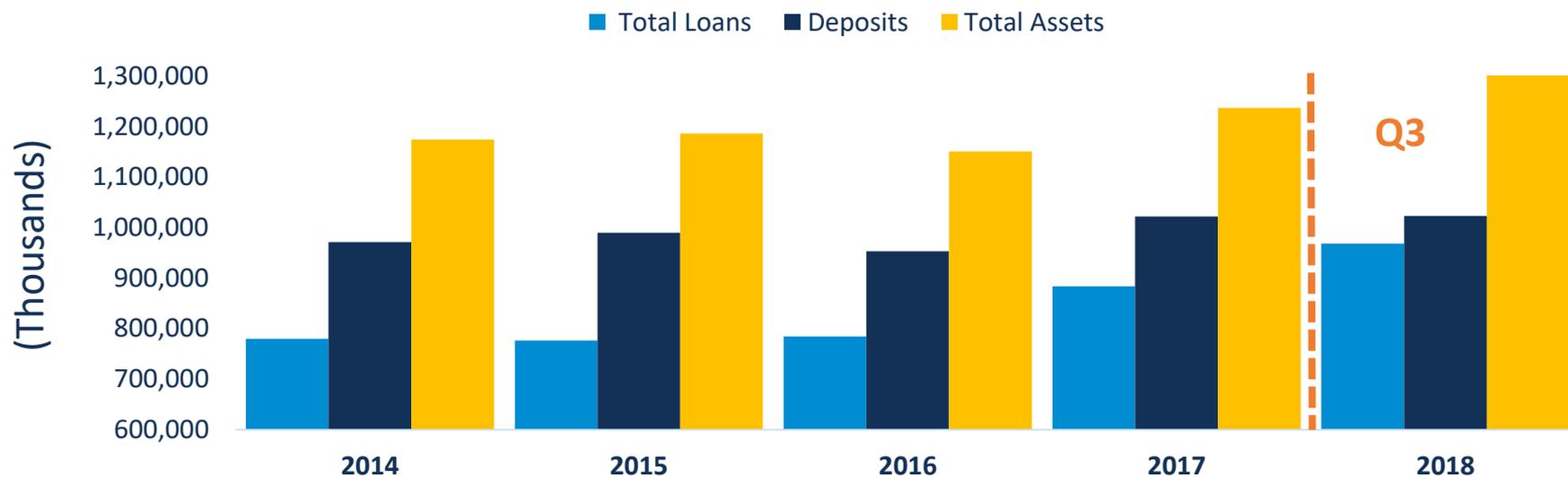
SBCP – Financial Development

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

SBB – Banking Services

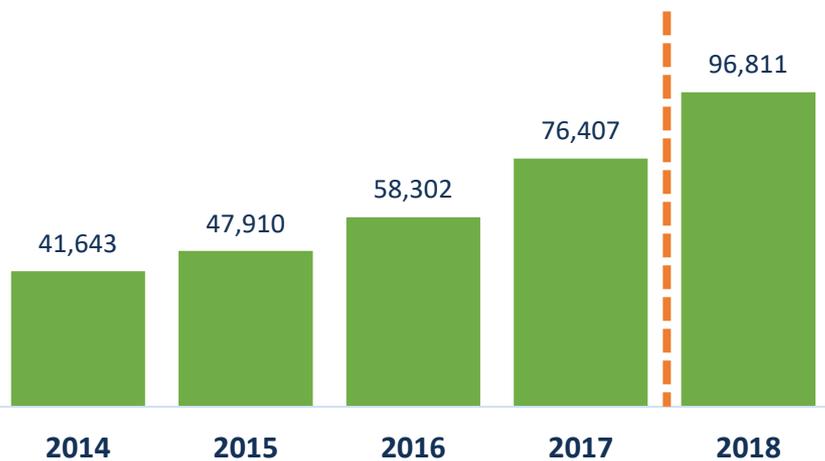
- Loans
- Deposits
- Targeted Investment Portfolio

Financial Highlights



Tangible Common Equity

Q3



Book Value

Q3



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

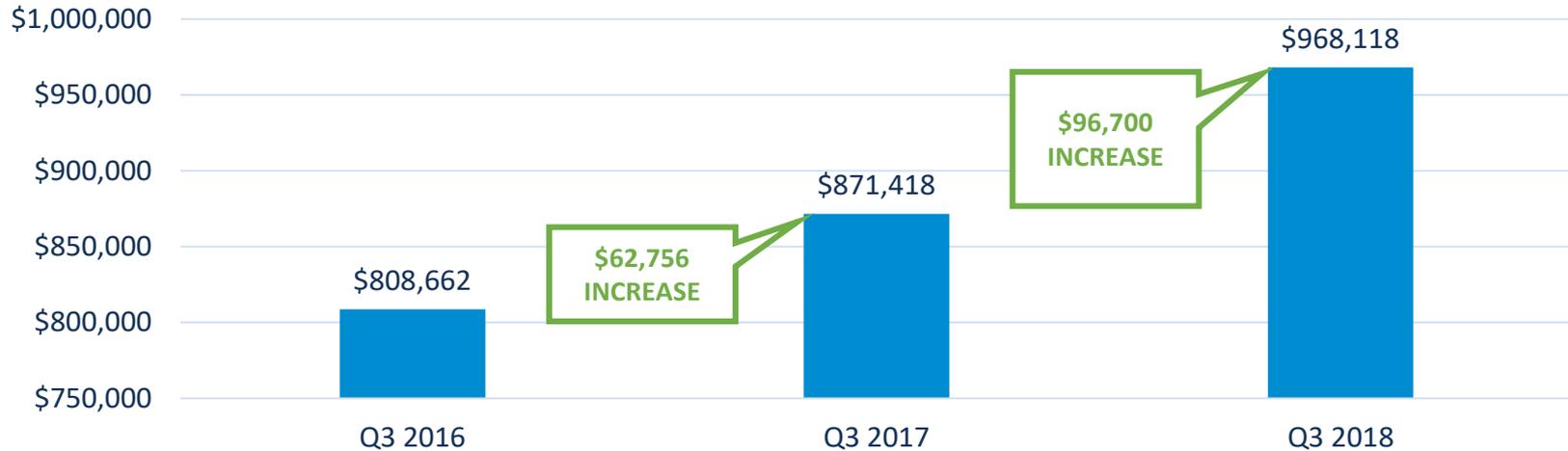
| | <u>Q3 2017</u> | <u>Q3 2018</u> |
|---------------------------------------|----------------------------|----------------------------|
| Cash & Investments | 246,572 | 231,802 |
| Net Loans | 864,770 | 958,080 |
| Fixed Assets | 40,990 | 39,796 |
| Intangibles | 37,507 | 37,429 |
| Other Assets | 56,284 | 60,354 |
| TOTAL ASSETS | <u>\$ 1,246,123</u> | <u>\$ 1,327,461</u> |
| | | |
| Deposits | 986,087 | 1,023,418 |
| Other Borrowings | 143,943 | 164,216 |
| Other Liabilities | 7,987 | 7,755 |
| Shareholder's Equity | 108,126 | 132,072 |
| TOTAL LIABILITIES & EQUITY | <u>\$ 1,246,123</u> | <u>\$ 1,327,461</u> |

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

| | <u>Q3 2017</u> | <u>Q3 2018</u> |
|----------------------|-----------------|-----------------|
| Interest Income | 36,201 | 38,832 |
| Interest Expense | (2,955) | (4,210) |
| Net Interest Revenue | 33,246 | 34,622 |
| PLLL | (2,050) | (2,850) |
| Non Interest Income | 8,406 | 8,519 |
| Non Interest Expense | (33,658) | (32,734) |
| Income Before Taxes | 5,944 | 7,557 |
| Taxes | (500) | (915) |
| Net Income | <u>\$ 5,444</u> | <u>\$ 6,642</u> |

Growth in Lending

Total Loans



SBA Loan Summary – Arkansas District Office FY 2018

| Rank | 7(a) | # of Loans | Total \$ of Loans | Avg Loan Size |
|------|---------------------------------|------------|-------------------|---------------|
| 1 | Arvest Bank | 64 | \$ 27,229,700 | \$ 425,464 |
| 2 | First Financial Bank | 36 | \$ 28,464,200 | \$ 790,672 |
| 3 | U.S. Bank, National Association | 24 | \$ 2,046,000 | \$ 85,250 |
| 4 | Legacy National Bank | 21 | \$ 10,455,600 | \$ 497,886 |
| 5 | Simmons Bank | 20 | \$ 7,791,800 | \$ 389,590 |
| 6 | Bank OZK | 17 | \$ 8,452,500 | \$ 497,206 |
| 7 | Southern Bancorp Bank | 16 | \$ 18,508,898 | \$ 1,156,806 |
| 8 | Regions Bank | 11 | \$ 6,867,500 | \$ 624,318 |
| 9 | Independence Bank | 11 | \$ 1,425,000 | \$ 129,545 |
| 10 | First Service Bank | 10 | \$ 6,394,100 | \$ 639,410 |

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

| 2018 | Through Q3 |
|---------------------------------|------------|
| % of loans (#) in LMI tracts | 77.54% |
| % of loans (\$) in LMI tracts | 66.93% |
| Loans originated (#) | 4,880 |
| Loan originations (\$ millions) | \$385 |
| % of loans under \$10,000 | 48.0% |
| # of loans under \$1,000 | 406 |

Where does your money spend the night?

We want your Mission Deposits.

Rebekah Kinder

rkinder@banksouthern.com

(501) 492-3494

TF: (800) 789-3428

Q3 Highlights – Opportunity Center

Two Primary Goals

- Ensuring that all existing and potential Southern customers have access to financial development products and services.
- Ensuring that all Southern employees are able to deliver at least a core set of financial development services or referrals

Core Services (5,004 referrals tracked)

- Credit report review
- Credit counseling
- Financial education resources
- Loans and deposits



Building a New CDFI Model

U.S. Department of Treasury – CDFI Fund

- \$950,000 Financial Assistance Award to SBI

Paying Regular Quarterly Dividends

- 7th consecutive and increasing dividend (October 11, 2018)
- For information on how to receive dividend payments by ACH, contact Jayla.Wilson@banksouthern.com | (501) 850-8960 | TF: (800) 789-3428

Employee Owners

- Southern Bancorp KSOP (401K + Employee Stock Ownership Plan)
- Total purchases - \$1.5 million
- 90% of employees participating in KSOP

Providing Liquidity to Shareholders

- Upcoming Dutch auction – *projected* Q1 2019

In the News

Arkansas Business

Sweet Mama T's Success Plan Comes With a Heaping Side of Soul *Minority and Women Owned Businesses Special Publication*

RP Detail Establishes Its Tidy Home

In El Dorado, Dollars Will Get You Spudnuts

ARKANSAS TIMES

NEWS + POLITICS + ENTERTAINMENT

Banking for all in Arkansas
with an effort to reach the unbanked, Southern Bancorp CEO Darrin Williams' Big Idea comes to life.



Expanding Access in Arkansas

For links to these articles, go to
banksouthern.com/investors

Q & A

SAVE THE DATE:

Q4 2018 Shareholder Engagement Call

Thursday, January 17, 2018

9:30 am CST



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