



SOUTHERN STATES
BANCSHARES, INC.

Q1 2023

Investor Presentation

April 24, 2023

Important Notices and Disclaimers

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws, which reflect our current expectations and beliefs with respect to, among other things, future events and our financial performance. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. This may be especially true given the inflationary environment, the COVID-19 pandemic and governmental responses. Although we believe that the expectations reflected in such forward-looking statements are reasonable as of the dates made, we cannot give any assurance that such expectations will prove correct and actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and in other SEC filings under the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors". Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict.

These statements are often, but not always, made through the use of words or phrases such as "may," "can," "should," "could," "to be," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "likely," "anticipate," "seek," "estimate," "intend," "plan," "target," "project," "would" and "outlook," or the negative version of those words or other similar words or phrases of a future or forward-looking nature. Forward-looking statements appear in a number of places in this press release and may include statements about business strategy and prospects for growth, operations, ability to pay dividends, competition, regulation and general economic conditions.

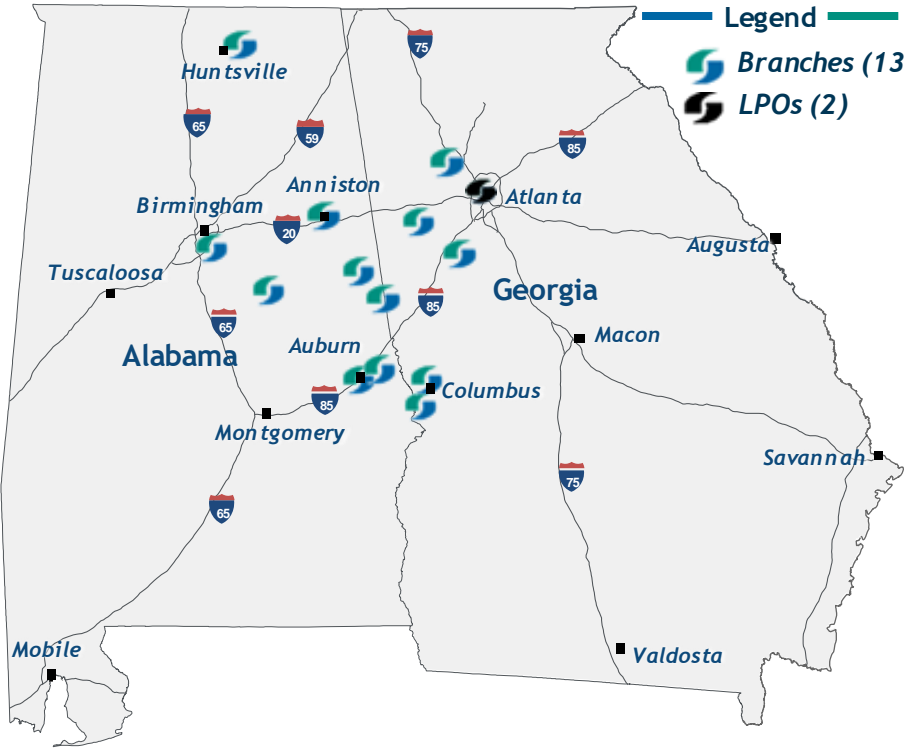
Non-GAAP Financial Measures

In addition to reporting GAAP results, the Company reports non-GAAP financial measures in this presentation and other disclosures. Our management believes that these non-GAAP financial measures and the information they provide are useful to investors since these measures permit investors to view our performance using the same tools that our management uses to evaluate our performance. While we believe that these non-GAAP financial measures are useful in evaluating our performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ from similar measures presented by other companies. For a reconciliation of the non-GAAP measures we use to the most comparable GAAP measures, see the Appendix to this presentation.



Overview of Southern States Bancshares, Inc.

- **Southern States Bancshares (Nasdaq: SSBK)** was founded in August 2007 and priced its IPO on August 11, 2021
- Management team with **200 years of collective experience** in the banking industry and deep ties to local markets
- History of **solid growth, top-tier profitability** and a **strong credit culture**
- **Bifurcated growth strategy** through organic growth and disciplined M&A
- Focused on being a **dominant bank** in our smaller markets and a **competitive player** in the larger metropolitan areas
- **Diversified loan portfolio** complemented by **low-cost, core funding base**



Q1 '23 Financial Highlights

Assets (\$B):	\$2.1	Quarterly Asset Growth ⁽²⁾ :	17.7%	NPLs / Loans:	0.10%	Core Net Income ⁽¹⁾ (\$M):	\$7.3
Gross Loans (\$B):	\$1.7	Quarterly Loan Growth ⁽²⁾ :	14.9%	LLR / Loans:	1.28%	Core ROAA ⁽¹⁾ :	1.44%
Deposits (\$B):	\$1.8	Quarterly Deposit Growth ⁽²⁾ :	16.2%	YTD NCOs / Avg. Loans:	0.05%	NIM:	4.07%
Loans / Deposits:	91.94%	Quarterly Core Deposit Growth ⁽²⁾ :	9.3%	TCE / TA ⁽¹⁾ :	8.11%	Core Efficiency Ratio ⁽¹⁾ :	48.79%

Source: Company Documents
 Financial data as of the three months ended 3/31/23 unless otherwise noted
 Note: Core Deposits defined as total deposits less brokered and jumbo time deposits; jumbo time deposits classified as deposits larger than \$250,000

³ (1) Please refer to non-U.S. GAAP reconciliation in the appendix
 (2) Annualized

Robust Market Dynamics

Market Highlights

Atlanta, GA



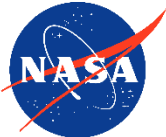
- 8th largest Metro Area in the USA
- Ranked 10th largest economy in the country
- Ranked 13th Best Places for Business and Careers by Forbes
- 17 Fortune 500 companies headquartered in Atlanta

Birmingham, AL



- Largest market in Alabama, supported by strong steel, biotechnology, and banking industries
- Ranked 2nd best US city for job seekers by MoneyGeek
- University of Alabama Birmingham serves as an international leader in medicine and dentistry

Huntsville, AL



- Voted best place to live in the country by US News
- Highest concentration of engineers in the US
- Ranked #1 best city for STEM workers by Livability
- Home of the Redstone Arsenal which includes the U.S. Space and Rocket Center, NASA's Marshall Space Flight Center, and the U.S. Army Aviation and Missile Command

Auburn / Opelika, AL



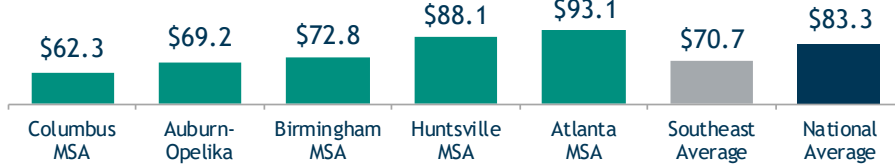
- Auburn University contributes \$5.6 billion annually and 27,000 jobs to the Alabama economy
- Named top-five growth city in America by U-Haul
- High-tech manufacturing and industrial hub for companies like Kia Motors, Hanwha Cimarion, and Niagara Bottling

Columbus, GA

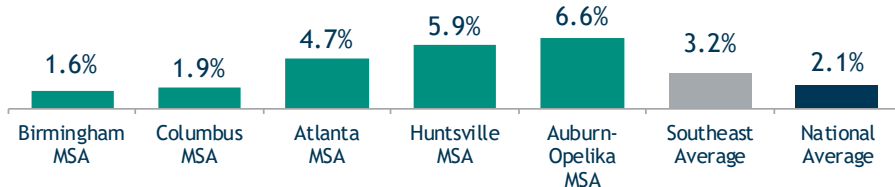


- Fort Benning Military Base
 - U.S. Army Infantry and Armor Training Post
 - Columbus Chamber of Commerce estimates annual economic impact of \$4.8 billion
- Major companies headquartered include Aflac and Total Systems Services, Inc.
- Contains seven colleges and universities, with 83,000 students pursuing degrees in higher education

'28 Projected Median HHI (\$M)



'23 - '28 Projected Population Growth (%)



Major Employers



Source: U.S. Bureau of Labor Statistics; S&P Global Market Intelligence; Fortune; Forbes; Money.com; moneygeek.com; Business Facilities; USA Today; Livability.com; US News; Auburn.edu; Columbus, Georgia Economic Development
 Note: Southeast defined as AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, and WV



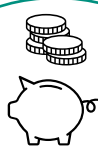
Q1 2023 Results Highlights

Operating Results



- **Net income** of \$7.7 million, or \$0.85 per diluted share, and **core net income** ⁽¹⁾ of \$7.3 million, or \$0.80 per diluted share ⁽¹⁾
- **ROAA** of 1.51% and **ROATCE** of 18.45%; **Core ROAA** ⁽¹⁾ of 1.44% and **Core ROATCE** ⁽¹⁾ of 17.51%
- **Net interest margin** of 4.07%
- **Efficiency ratio** ⁽¹⁾ of 48.79%
- **YTD monthly margin trends** - January 4.16%, February 4.17%, and March 3.90%

Deposits/Liquidity



- **Deposits** of \$1.8 billion increased \$68.7 million, or 4.0%, from Q4 2022 ⁽²⁾
- **Average cost of total deposits** increased to 1.81% from 1.09% in Q4 2022
- **Noninterest-bearing deposits** comprised 24.24% of total deposits compared to 26.79% at Q4 2022

Loans



- **Loan portfolio** of \$1.6 billion increased \$58.2 million from Q4 2022
- **Annualized loan growth** of 14.9% from Q4 2022
- **Average yield on loans** of 6.38% improved from 6.05% for Q4 2022
- **Loans / deposits ratio** of 91.94% compared to 92.24% for Q4 2022

Asset Quality



- **Nonperforming loans to gross loans** of 0.10% improved from 0.14% at Q4 2022
- **Net charge-offs** at \$197,000, or 0.05% of average loans
- **Allowance for loan losses to gross loans** of 1.28% compared to 1.27% at Q4 2022
- **OREO balance** remained flat from Q4 at \$2.9 million

Capital



- **Announced and paid quarterly dividend** of \$0.09 per share
- **Tangible common equity to tangible assets** ⁽¹⁾ of 8.11%, up from 8.07% at Q4 2022
- **Tangible book value per share** ⁽¹⁾ of \$19.68, up 4.7% from Q4 2022

⁽¹⁾ Please refer to non-U.S. GAAP reconciliation in the appendix

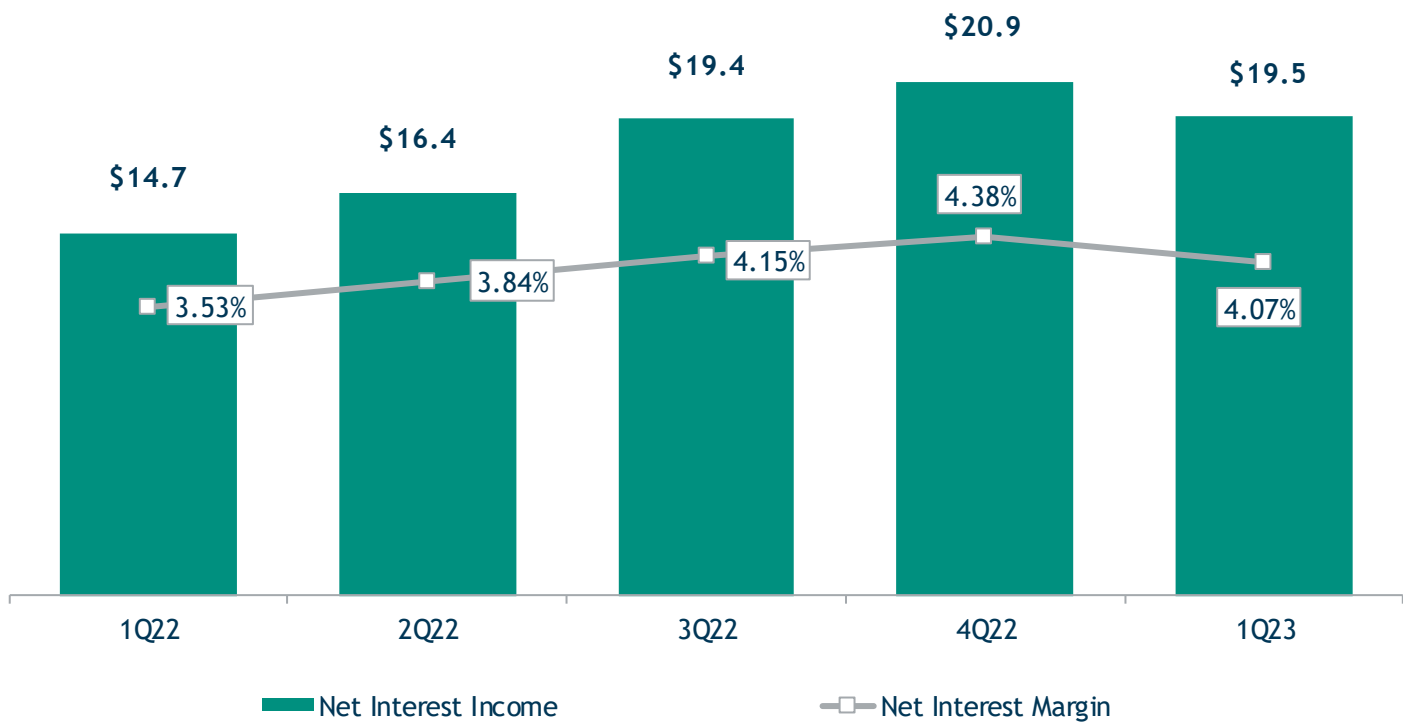
⁽²⁾ Uninsured deposits are 31.4% of total deposits



Net Interest Margin

Net Interest Margin and Net Interest Income

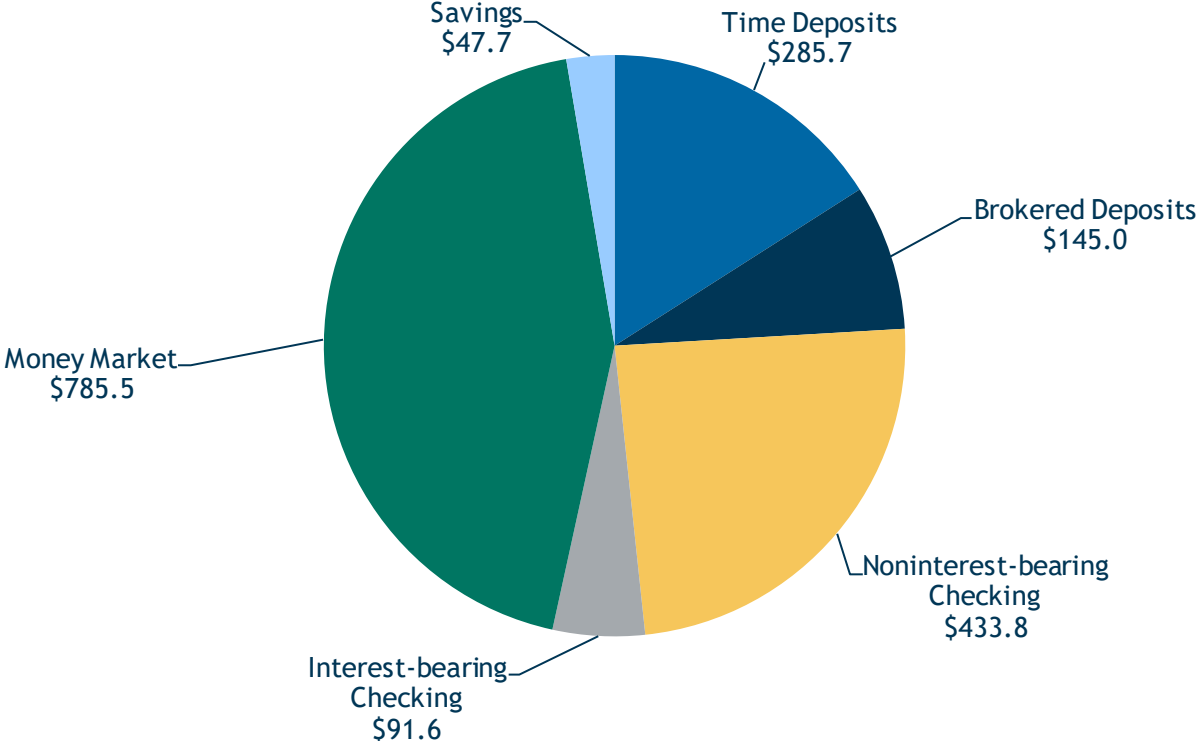
(Dollars in millions)



Deposit Portfolio

Deposits by Type - \$1.79B

(Dollars in millions)



Account Composition ⁽¹⁾

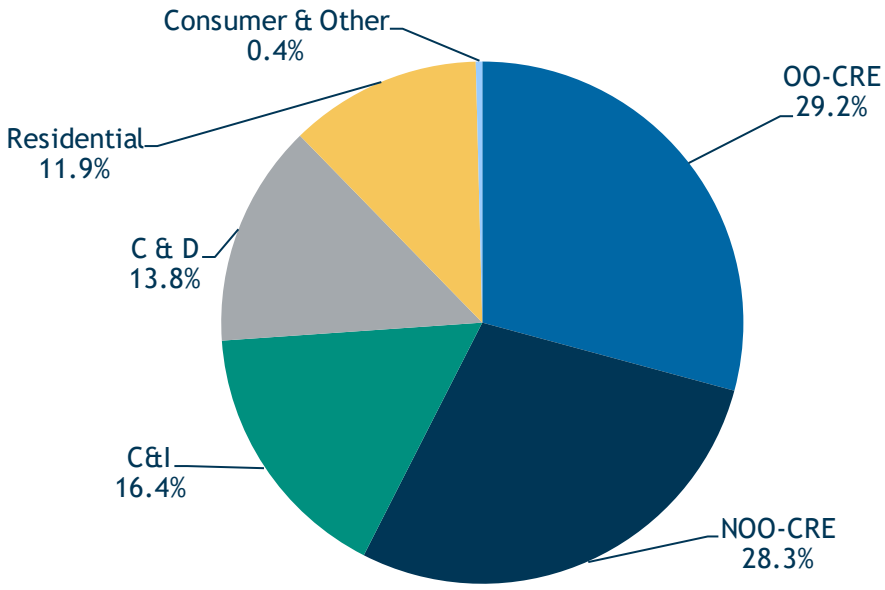
Deposit Type	Composition %	Average Balance
Commercial	57%	\$131.9
Retail	43%	\$44.3

Source: Company Documents; data as of March 31, 2023

(1) Excludes brokered deposits; dollars in thousands

Loan Portfolio

Loans by Type \$1.65B



Loan Composition

Loan Type	Composition %
Fixed	55%
Variable	45%

Concentration Highlights

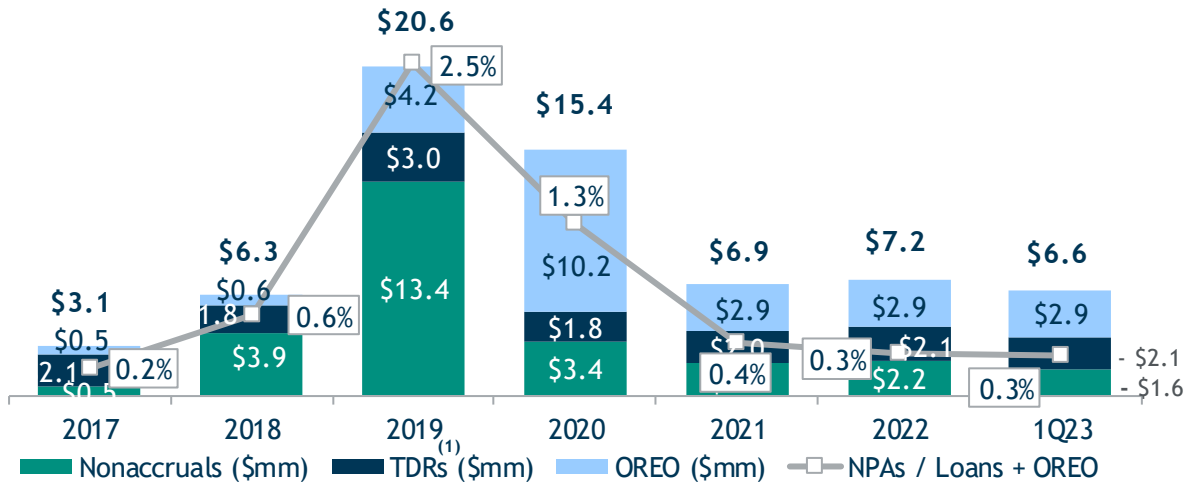
(Dollars in millions)

Loan Type	Total
Office Buildings	\$178.1
Convenience Stores	\$144.9
Industrial Warehouse / Heavy Manufacturing	\$107.2
Retail Warehouse / Light Manufacturing	\$103.0
Hotels / Motels	\$89.1
Commercial Retail Building	\$77.7
Multi-Family (5+)	\$74.8

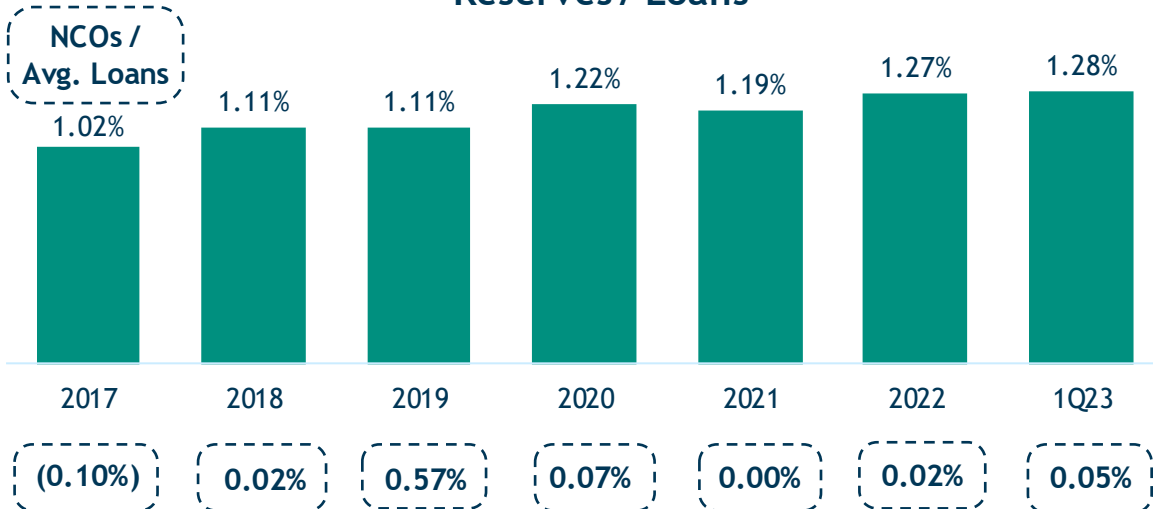
Asset Quality

- Comprehensive and conservative underwriting process
- Highly experienced bankers incentivized with equity ownership
- Commitment to a diverse loan portfolio while maintaining strong asset quality metrics
- Proactively manage loan concentrations with all collateral types capped at approximately 50% of risk-based capital
- Proactive approach to resolving problem credits

Nonperforming Assets by Type



Reserves / Loans



Source: Company Documents
Dollars in millions

(1) TDRs reflect COVID-19 relief under the CARES Act and bank regulatory COVID-19 relief in 2020 and 2021

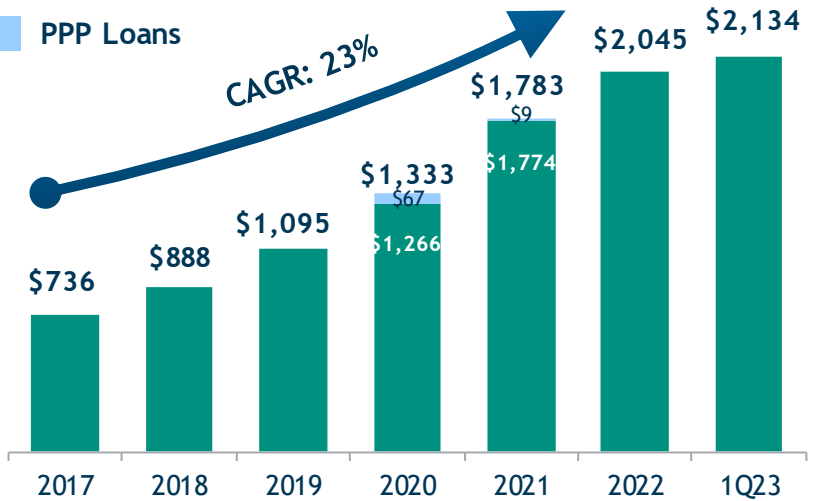


Balance Sheet Growth

Total Assets (\$M)

PPP Loans

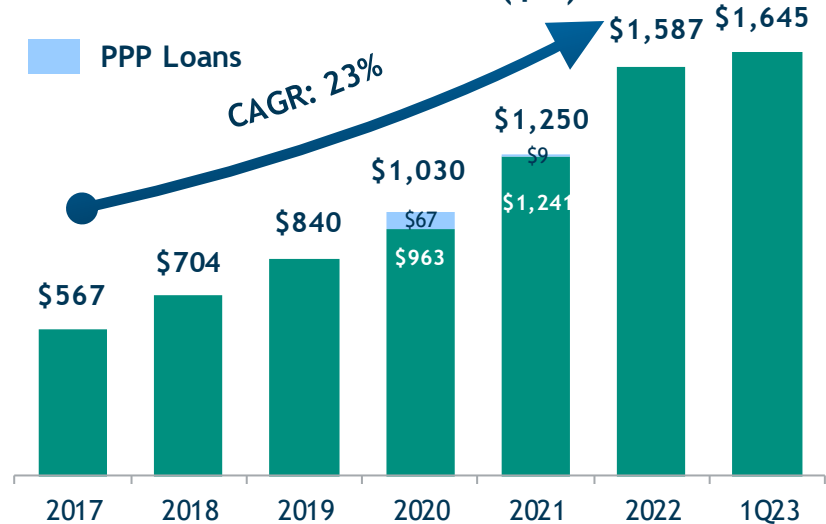
CAGR: 23%



Total Loans (\$M)

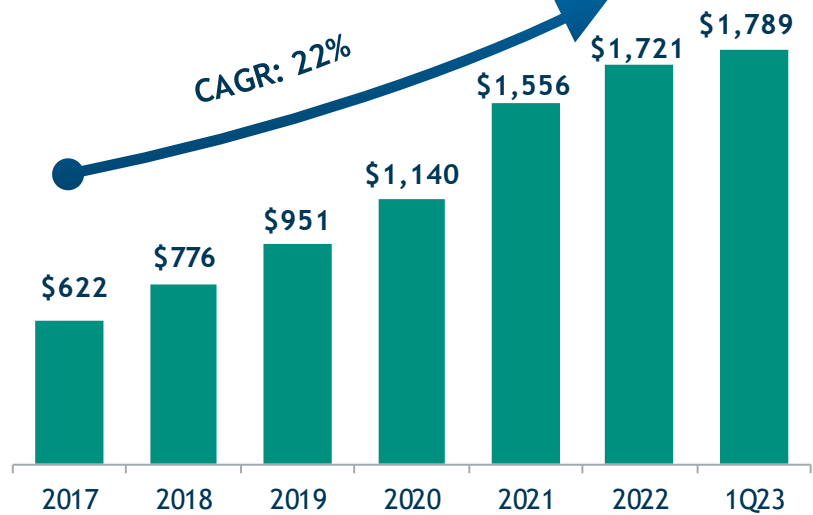
PPP Loans

CAGR: 23%

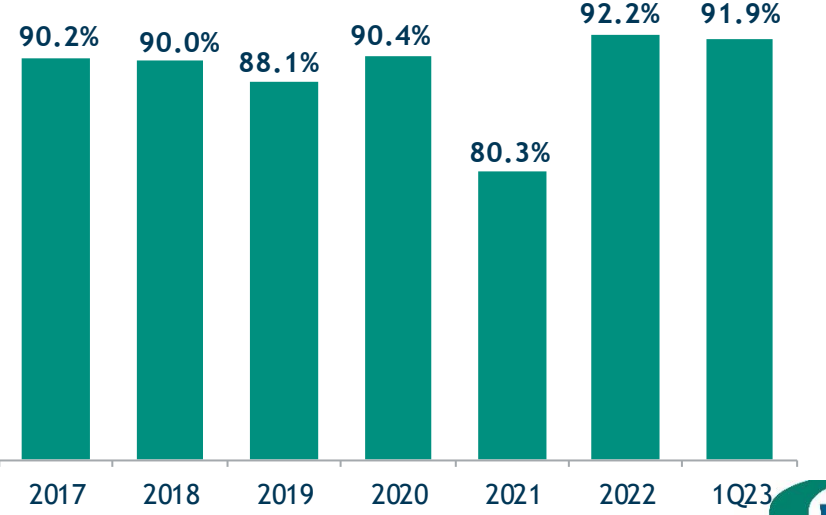


Total Deposits (\$M)

CAGR: 22%



Loans / Deposits



Building Shareholder Value

Our Strategic Focus

- Maintain focus on strong, profitable organic growth without compromising our credit quality
- Further grow our core deposit franchise
- Expand into new markets by hiring commercial bankers
- Focus on high growth markets and further expanding our Atlanta franchise
- Evaluate strategic acquisition opportunities
- Continue implementing technology to optimize customer service and provide efficient opportunities to scale the business
- Prudently manage capital between balance sheet growth and return to shareholders



Near-Term Outlook

- ☞ **Loan balances** expected to continue to grow at a modest pace compared to 2022
- ☞ **Deposit balances** expected to grow moderately
- ☞ **Net interest income** expected to increase modestly as loans grow, though this will be further offset by net interest margin declines
 - NIM expected to decrease as deposit betas increase
- ☞ **Core noninterest income** expected to be fairly consistent with Q1 2023
- ☞ Quarterly **adjusted noninterest expense** is expected to increase slightly
- ☞ **Credit metrics** are currently strong and future provision levels are expected to consider both current and evolving economic conditions, as well as changes in credit
- ☞ **Balanced approach to capital deployment** with flexibility to support organic loan growth trajectory and cash dividend while evaluating stock repurchases
- ☞ Well-positioned to capitalize on additional **accretive acquisition opportunities**

Appendix



SOUTHERN STATES
BANCSHARES, INC.

Non-GAAP Financial Measures Reconciliations

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Net income	\$ 7,671	\$ 10,592	\$ 4,557
Less: Net gain on sale of branches	—	2,372	—
Less: BOLI benefit claim	—	774	—
Less: Gain (loss) on securities	514	(86)	(361)
Less: Tax effect	(123)	(549)	94
Core net income	\$ 7,280	\$ 8,081	\$ 4,824
Average assets	\$ 2,057,005	\$ 1,994,087	\$ 1,787,015
Core return on average assets	1.44%	1.61%	1.09%
Net income	\$ 7,671	\$ 10,592	\$ 4,557
Add: Provision	1,181	1,938	700
Less: Net gain on sale of branches	—	2,372	—
Less: BOLI benefit claim	—	774	—
Less: Gain (loss) on securities	514	(86)	(361)
Add: Income taxes	2,322	2,521	1,440
Pretax pre-provision core net income	\$ 10,660	\$ 11,991	\$ 7,058
Average assets	\$ 2,057,005	\$ 1,994,087	\$ 1,787,015
Pretax pre-provision core return on average assets	2.10%	2.39%	1.60%



Non-GAAP Financial Measures Reconciliations

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Net interest income	\$ 19,546	\$ 20,884	\$ 14,654
Add: Fully-taxable equivalent adjustments ⁽¹⁾	85	84	78
Net interest income - FTE	\$ 19,631	\$ 20,968	\$ 14,732
Net interest margin	4.07 %	4.38 %	3.53 %
Effect of fully-taxable equivalent adjustments ⁽¹⁾	0.02 %	0.01 %	0.02 %
Net interest margin - FTE	4.09 %	4.39 %	3.55 %
Total stockholders' equity	\$ 189,663	\$ 181,719	\$ 169,189
Less: Intangible assets	18,006	18,088	18,296
Tangible common equity	\$ 171,657	\$ 163,631	\$ 150,893

1) Assumes a 24.0% tax rate for the three months ended March 31, 2023 and December 31, 2022 and a 23.5% tax rate for the three months ended March 31, 2022.

Non-GAAP Financial Measures Reconciliations

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Core net income	\$ 7,280	\$ 8,081	\$ 4,824
Diluted weighted average shares outstanding	9,044,490	8,932,585	9,065,364
<i>Diluted core earnings per share</i>	<i>\$ 0.80</i>	<i>\$ 0.90</i>	<i>\$ 0.53</i>
Common shares outstanding at year or period end	8,723,763	8,706,920	8,749,878
<i>Tangible book value per share</i>	<i>\$ 19.68</i>	<i>\$ 18.79</i>	<i>\$ 17.25</i>
Total assets at end of period	\$ 2,134,337	\$ 2,045,204	\$ 1,798,834
Less: Intangible assets	18,006	18,088	18,296
Adjusted assets at end of period	\$ 2,116,331	\$ 2,027,116	\$ 1,780,538
<i>Tangible common equity to tangible assets</i>	<i>8.11 %</i>	<i>8.07 %</i>	<i>8.47 %</i>
Total average shareholders equity	\$ 186,639	\$ 176,769	\$ 177,244
Less: Average intangible assets	18,055	18,134	18,337
Average tangible common equity	\$ 168,584	\$ 158,635	\$ 158,907
Net income to common shareholders	\$ 7,671	\$ 10,592	\$ 4,557
<i>Return on average tangible common equity</i>	<i>18.45 %</i>	<i>26.49 %</i>	<i>11.63 %</i>
Average tangible common equity	\$ 168,584	\$ 158,635	\$ 158,907
Core net income	\$ 7,280	\$ 8,081	\$ 4,824
<i>Core return on average tangible common equity</i>	<i>17.51 %</i>	<i>20.21 %</i>	<i>12.31 %</i>



Non-GAAP Financial Measures Reconciliations

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Net interest income	\$ 19,546	\$ 20,884	\$ 14,654
Add: Noninterest income	1,786	4,603	1,333
Less: Gain on sale of branches	—	2,600	—
Less: BOLI benefit claim	—	774	—
Less: Gain (loss) on securities	514	(86)	(361)
Operating revenue	\$ 20,818	\$ 22,199	\$ 16,348
Expenses:			
Total noninterest expense	\$ 10,158	\$ 10,436	\$ 9,290
Less: Loss on sale of branches	—	228	—
Adjusted noninterest expenses	\$ 10,158	\$ 10,208	\$ 9,290
Core efficiency ratio	48.79 %	45.98 %	56.83 %