



SOUTHERN STATES
BANCSHARES, INC.

Q4 2022

Investor Presentation

January 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, 2021 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.



Q4 2022 Results Highlights

Operating Results



- **Net income** of \$10.6 million, or \$1.18 per diluted share, and **core net income** ⁽¹⁾ of \$8.1 million, or \$0.90 per diluted share ⁽¹⁾
- **ROAA** of 2.11% and **ROATCE** of 26.49%; **Core ROAA** ⁽¹⁾ of 1.61% and **Core ROATCE** ⁽¹⁾ of 20.21%
- **Completed** sale of two branches resulting in a \$2.4 million net gain
- **Net interest margin** of 4.39%
- **Core efficiency ratio** ⁽¹⁾ of 45.98%

Loans



- **Annualized loan growth** of 18.1% from Q3 2022 ⁽²⁾
- **Loan portfolio** of \$1.6 billion increased 4.1% from Q3 2022
- **Average yield on loans** of 6.05% improved from 5.37% for Q3 2022
- **Loans / deposits ratio** of 92.24% compared to 86.30% for Q3 2022

Deposits



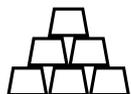
- **Deposits** of \$1.7 billion increased \$19.7 million, or 1.2%, from Q3 2022 ⁽³⁾
- **Average cost of total deposits** increased to 1.09% from 0.58% in Q3 2022
- **Noninterest-bearing deposits** comprised 26.79% of total deposits compared to 28.27% at Q3 2022

Asset Quality



- **Nonperforming loans to gross loans** of 0.14% improved from 0.26% at Q3 2022
- **Net charge-offs** at \$205,000
- **Allowance for loan losses to gross loans** of 1.27% compared to 1.20% at Q3 2022
- **OREO balance** remained flat from Q3 at \$2.9 million

Capital



- **Announced and paid quarterly dividend** of \$0.09 per share
- **Tangible common equity to tangible assets** ⁽¹⁾ of 8.07%, up from 7.48% at Q3 2022
- **Tangible book value per share** ⁽¹⁾ of \$18.79, up 7.5% from Q3 2022

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

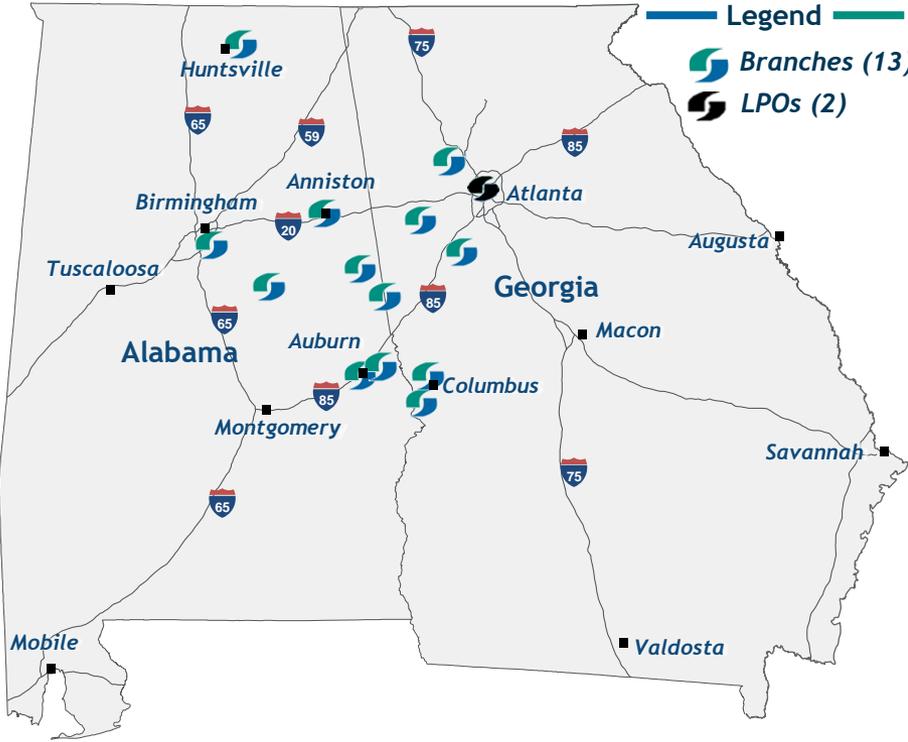
⁽²⁾ The sale of two branches on October 1, 2022 resulted in a \$7.3 million reduction in loans; the growth percentage is net of the accounts sold

⁽³⁾ The sale of two branches on October 1, 2022 resulted in a \$66.0 million reduction in deposits; the growth represented is net of the accounts sold



Overview of Southern States Bancshares, Inc.

- **Southern States Bancshares (Nasdaq: SSBK)** was founded in August 2007 by current CEO and Chairman, Steve Whatley, and a group of organizing directors 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**



Q4 '22 Financial Highlights

Assets (\$B):	\$2.0	YoY Asset Growth:	14.7%	NPLs / Loans:	0.14%	Core Net Income ⁽¹⁾ (\$M):	\$8.1
Gross Loans (\$B):	\$1.6	YoY Loan Growth:	26.9%	LLR / Loans:	1.27%	Core ROAA ⁽¹⁾ :	1.61%
Deposits (\$B):	\$1.7	YoY Deposit Growth:	10.6%	YTD NCOs / Avg. Loans:	0.05%	NIM:	4.39%
Loans / Deposits:	92.24%	YoY Core Deposit Growth:	8.3%	TCE / TA ⁽¹⁾ :	8.07%	Core Efficiency Ratio ⁽¹⁾ :	45.98%

Source: S&P Global Market Intelligence; Company Documents
 Financial data as of the three months ended 12/31/22 unless otherwise noted
 Note: Core Deposits defined as total deposits less jumbo time deposits; jumbo time deposits classified as deposits larger than \$250,000

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



Experienced Management Team

Our senior management team has an average of over 30 years of experience in the banking industry



Steve Whately

Founder, Chairman & CEO

- **1982-2006** Market President Colonial Bank
- **1980-1982** Vice President Commercial Lender AmSouth Bank
- **1978-1980** Vice President Trust Company Bank
- **1973-1978** Loan Officer/Mgt. Trainee Security Pacific Bank



Mark Chambers

President

- **2007-2019** SEVP & President Southeast Region Southern States Bank
- **2004-2007** Market President Wachovia Bank
- **1998-2004** Commercial Lender Aliant Bank



Lynn Joyce

SEVP & Chief Financial Officer

- **1992-2013** EVP & CFO First Financial Bank, a NASDAQ listed Financial Institution
- **1986-1992** Arthur Andersen & Co



Greg Smith

SEVP & Chief Risk and Credit Officer

- **2006-2019** SEVP & CCO Southern States Bank
- **1986-2006** Credit Admin, Commercial Loan Officer and Market President Regions Bank



Jack Swift

SEVP & Chief Operating Officer

- **2006-2019** SEVP & President Central Region Southern States Bank
- **1996-2006** Senior Vice President Colonial Bank
- **1992-1996** Vice President SouthTrust Bank

Company insiders own 15.9% of the common shares and equivalents⁽¹⁾

(1) Refers to management and directors, excludes institutional owners or direct representatives of an institutional owner



Our History and Growth

August 2007

Established Anniston, AL headquarters and Opelika, AL Office with \$31 million in capital at \$10.00 per share

2008

Established a full-service banking office in Birmingham, AL

May 2012

Acquired Alabama Trust Bank in Sylacauga, AL

2015

Opened offices in Huntsville, AL, Carrollton, GA, and an LPO in Atlanta, GA

Acquired Columbus Community Bank in Columbus, GA and opened a second location in Columbus

2016

Opened Auburn, AL office

Issued \$4.5 million of 10-year subordinated notes
Completed \$41.2 million capital raise at \$14 per share

February 2017

Completed \$3.4 million local capital raise at \$14 per share

2018

Established a full-service banking office in Newnan, GA

September 2019

Closed acquisition of Small Town Bank in Wedowee, AL

2020 through Q4 2022

Hired 4 commercial bankers in Georgia franchise
Completed \$48.0 million subordinated debt offering

2007

2 Branches



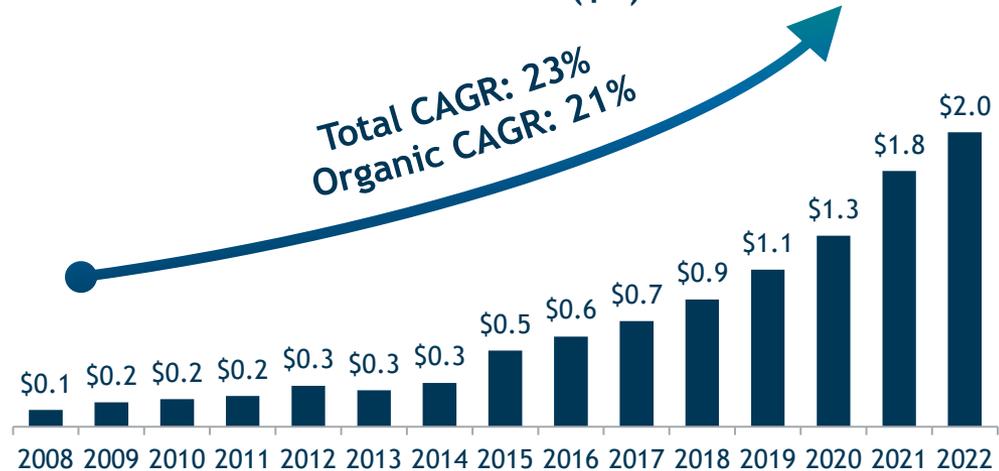
2022

13 Branches and two LPOs



● Branch ● LPO

Total Assets (\$B)



Historical Highlights

Robust Market Dynamics Creates Growth Opportunities

Market Highlights

Atlanta, GA



- 9th largest Metro Area in the USA
- Voted 3rd metro area for corporate headquarters
- Ranked 13th Best Places for Business and Careers
- 16 Fortune 500 companies headquartered in Atlanta

Birmingham, AL



- Largest market in Alabama
- One of the lowest costs of living in America
- A top 10 moving destination for new college graduates
- University of Alabama Birmingham serves as an international leader in healthcare

Huntsville, AL



- Voted 3rd best place to live in the country by US News
- Highest concentration of engineers in the US
- A Top 10 best city for jobs in STEM
- 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



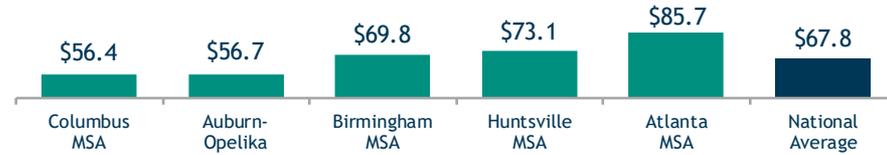
- One of the fastest growing MSAs in the Southeast
- Auburn University contributes \$5.6 billion annually and 27,000 jobs to the Alabama economy
- A U.S. city with most job growth per USA Today
- Ranked 4th MSA for migration growth

Columbus, GA

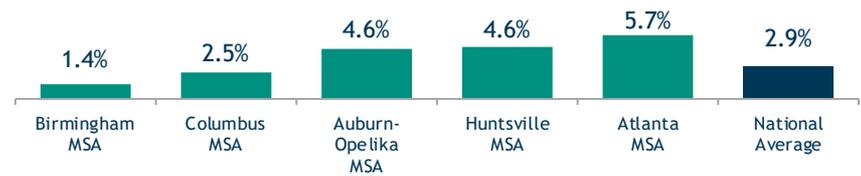


- Fort Benning Military Base
 - U.S. Army Infantry and Armor Training Post
 - Columbus Chamber of Commerce estimates annual economic impact of \$4.8 billion
- Major companies headquartered include Aflac and Total Systems Services, Inc.

'21 - '26 Projected Median HHI (\$M)



'21 - '26 Projected Population Growth (%)



Major Employers

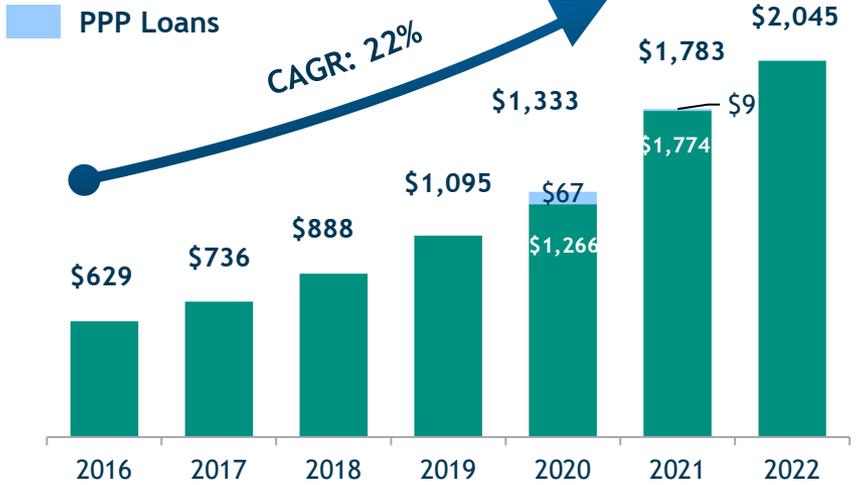


SOUTHERN STATES BANCSHARES, INC.

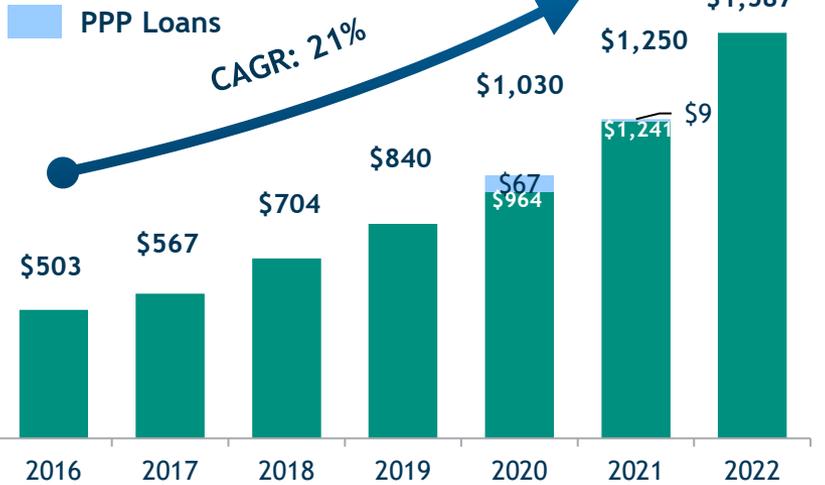
7 Source: U.S. Bureau of Labor Statistics; S&P Global Market Intelligence; Forbes; Money.com; Business Facilities; USA Today; Smartasset Financial Technology; US News; Auburn.edu

Balance Sheet Growth

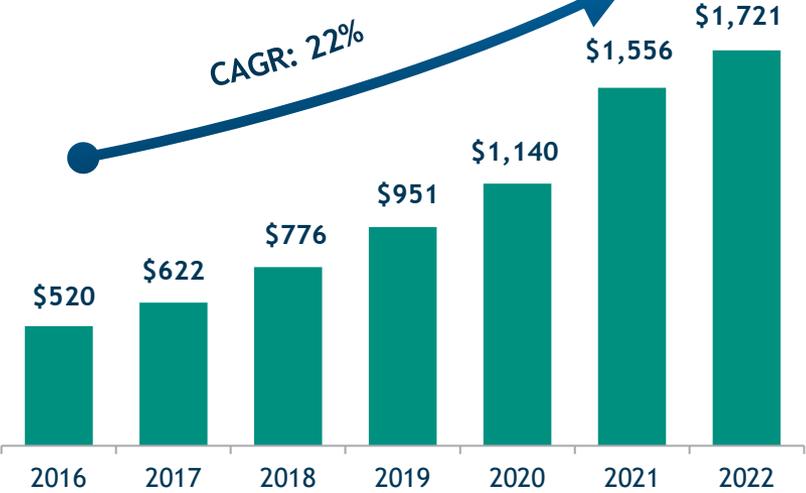
Total Assets (\$M)



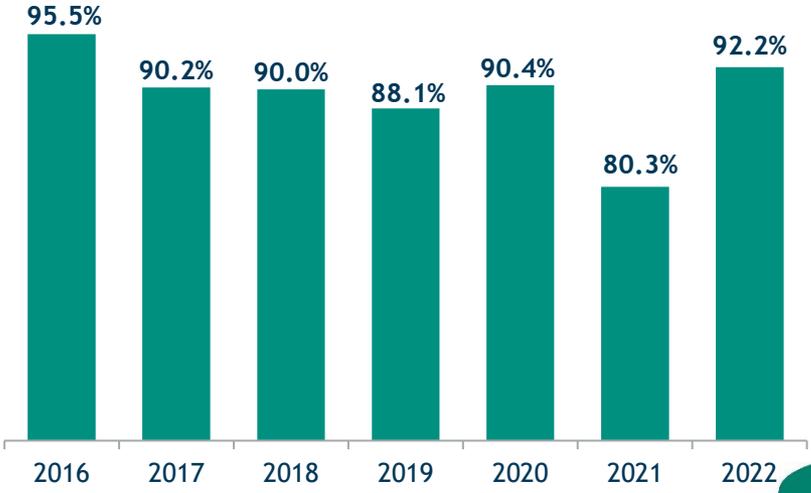
Total Loans (\$M)



Total Deposits (\$M)



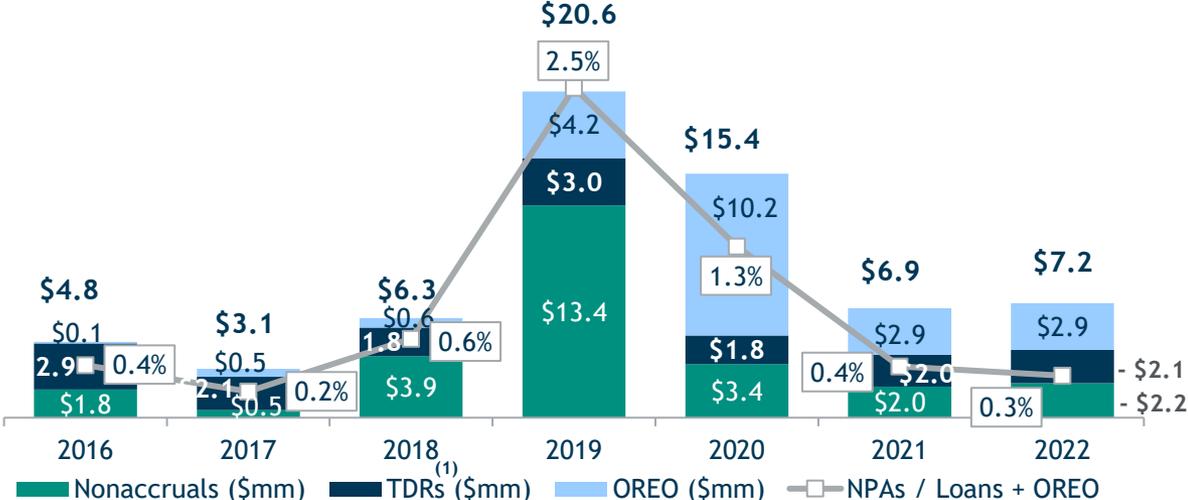
Loans / Deposits



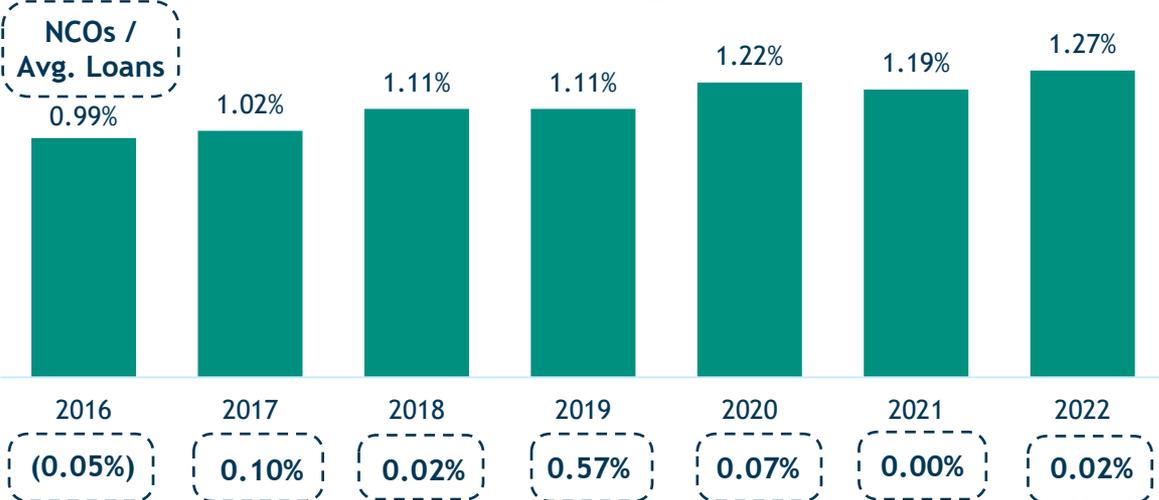
Asset Quality

- 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
 - Caps periodically utilized when needed
- Proactive approach to resolving problem credits

Nonperforming Assets by Type



Reserves / Loans



Source: S&P Global Market Intelligence; 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

Building Shareholder Value

Our Strategic Focus

- Maintain focus on strong, profitable organic growth without compromising our credit quality
- Expand into new markets by hiring commercial bankers
- Focus on high growth markets and further expanding our Atlanta franchise
- Evaluate strategic acquisition opportunities
- Further grow our core deposit franchise
- 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 increase slightly
- ☞ **Net interest income** expected to increase modestly as loans grow, though this will be somewhat offset by net interest margin declines
 - NIM expected to decrease as deposit betas increase
- ☞ **Core noninterest income** expected to be fairly consistent with Q4 2022
- ☞ 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

(\$000)	<i>(Three Months Ended)</i>			<i>(Year Ended December 31)</i>	
	December 31, 2022	September 30, 2022	December 31, 2021	2022	2021
Net Income	\$10,592	\$6,700	\$4,058	\$27,071	\$18,567
Add: Net OREO gains	—	—	227	—	219
Less: Gain on sale of USDA loan	—	—	—	—	2,806
Less: Net gain on sale of branches	2,372	—	—	2,372	—
Less: BOLI benefit claim	774	—	—	774	742
Less: Loss on securities	(86)	(143)	(40)	(632)	(57)
Less: Tax effect	(549)	37	69	(418)	(661)
Core net income	\$8,081	\$6,806	\$4,256	\$24,975	\$15,956
Average assets	\$1,994,087	\$1,966,556	\$1,628,804	\$1,893,044	\$1,510,114
Core return on average assets	1.61%	1.37%	1.04%	1.32%	1.06%
Net Income	\$10,592	\$6,700	\$4,058	\$27,071	\$18,567
Add: Net OREO gains	—	—	227	—	219
Add: Provision	1,938	1,663	732	5,605	2,982
Less: Gain on sale of USDA loan	—	—	—	—	2,806
Less: Net gain on sale of branches	2,372	—	—	2,372	—
Less: BOLI death benefits	774	—	—	774	742
Less: Loss on securities	(86)	(143)	(40)	(632)	(57)
Add: Income Taxes	2,521	2,174	1,445	7,725	5,732
Pretax pre-provision core net income	\$11,991	\$10,680	\$6,502	\$37,887	\$24,009
Average assets	\$1,994,087	\$1,966,556	\$1,628,804	\$1,893,044	\$1,510,114
Pretax pre-provision core return on average assets	2.39%	2.15%	1.58%	2.00%	1.59%
Net interest income	\$20,884	\$19,435	\$14,096	\$71,338	\$52,913
Add: Fully-taxable equivalent adjustments ¹	84	86	77	335	276
Net interest income - FTE	\$20,968	\$19,521	\$14,173	\$71,673	\$53,189
Net interest margin	4.38%	4.15%	3.68%	3.99%	3.78%
Effect of fully-taxable equivalent adjustments ¹	0.01%	0.02%	0.02%	0.02%	0.02%
Net interest margin - FTE	4.39%	4.17%	3.70%	4.01%	3.80%
Total stockholders' equity	\$181,719	\$170,325	\$177,198	\$181,719	\$177,198
Less: Intangible assets	18,088	18,164	18,362	18,088	18,362
Tangible common equity	\$163,631	\$152,161	\$158,836	\$163,631	\$158,836



Non-GAAP Financial Measures Reconciliations

(\$000)	<i>(Three Months Ended)</i>			<i>(Year Ended December 31)</i>	
	December 31, 2022	September 30, 2022	December 31, 2021	2022	2021
Core net income	\$8,081	\$6,806	\$4,256	\$24,975	\$15,956
Diluted weighted average shares outstanding	8,932,585	8,871,116	9,125,872	8,949,669	8,316,536
Diluted core earnings per share	\$0.90	\$0.77	\$0.47	\$2.79	\$1.92
Common shares outstanding at year or period end	8,706,920	8,705,920	9,012,857	8,706,920	9,012,857
Tangible book value per share	\$18.79	\$17.48	\$17.62	\$18.79	\$17.62
Total assets at end of period	\$2,044,866	\$2,052,725	\$1,782,592	\$2,044,866	\$1,782,592
Less: Intangible assets	18,088	18,164	18,362	18,088	18,362
Adjusted assets at end of period	\$2,026,778	\$2,034,561	\$1,764,230	\$2,026,778	\$1,764,230
Tangible common equity to tangible assets	8.07%	7.48%	9.00%	8.07%	9.00%
Total average shareholders equity	\$176,769	\$172,402	\$175,913	\$174,107	\$157,277
Less: Average intangible assets	18,134	18,203	18,402	18,236	18,501
Average tangible common equity	\$158,635	\$154,199	\$157,511	\$155,871	\$138,776
Net income to common shareholders	\$10,592	\$6,700	\$4,058	\$27,071	\$18,567
Return on average tangible common equity	26.49%	17.24%	10.22%	17.37%	13.38%
Average tangible common equity	\$158,635	\$154,199	\$157,511	\$155,871	\$138,776
Core net income	\$8,081	\$6,806	\$4,256	\$24,975	\$15,956
Core return on average tangible common equity	20.21%	17.51%	10.72%	16.02%	11.50%
Net interest income	\$20,884	\$19,435	\$14,096	\$71,338	\$52,913
Add: Noninterest income	4,603	1,339	1,751	8,677	10,803
Less: Gain on sale of USDA loan	—	—	—	—	2,806
Less: Gain on sale of branches	2,600	—	—	2,600	—
Less: BOLI benefit claim	774	—	—	774	742
Less: Loss on securities	(86)	(143)	(40)	(632)	(57)
Operating revenue	\$22,199	\$20,917	\$15,887	\$77,273	\$60,225
Expenses:					
Total noninterest expense	\$10,436	\$10,237	\$9,612	\$39,614	\$36,435
Less: Net OREO gains	—	—	227	—	219
Less: Loss on sale of branches	228	—	—	228	—
Adjusted noninterest expenses	\$10,208	\$10,237	\$9,385	\$39,386	\$36,216
Core efficiency ratio	45.98%	48.94%	59.07%	50.97%	60.13%

