

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of Report (Date of earliest event reported): October 24, 2022



Southern States Bancshares, Inc.

(Exact Name of Registrant as Specified in its Charter)

Alabama  
(State or Other Jurisdiction  
of Incorporation)  
615 Quintard Ave.  
Anniston, AL  
(Address of Principal Executive Offices)

001-40727  
(Commission  
File Number)

26-2518085  
(IRS Employer  
Identification No.)

36201  
(Zip Code)

Registrant's telephone number, including area code: (256) 241-1092

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Common Stock, \$5.00 par value

Trading  
Symbols(s)  
SSBK

Name of exchange  
on which registered  
The NASDAQ Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On October 24, 2022, Southern States Bancshares, Inc. (the "Company") issued a press release announcing its financial results for the third quarter ended September 30, 2022 (the "Earnings Release"). A copy of the Earnings Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this "Report").

The information set forth under Item 7.01 is also furnished pursuant to this Item 2.02

**Item 7.01 Regulation FD Disclosure.**

The Company has prepared a presentation of its results for the third quarter ended September 30, 2022 (the "Presentation") to be used from time to time during meetings with members of the investment community. A copy of the Presentation is furnished as Exhibit 99.2 to this Report. The Presentation will also be made available on the Company's investor relations website at [ir.southernstatesbank.net](http://ir.southernstatesbank.net) under the Presentations section.

The information contained in Items 2.02 and 7.01, including Exhibits 99.1 and 99.2 furnished herewith, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that section, nor shall it be deemed incorporated by reference into any registration statement or other documents pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	<a href="#">Earnings Release issued October 24, 2022 for the Third Quarter Ended September 30, 2022</a>
99.2	<a href="#">Southern States Bancshares, Inc. Presentation of Results for the Third Quarter Ended September 30, 2022</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 24, 2022

**SOUTHERN STATES BANCSHARES, INC.**

By: /s/ Lynn Joyce  
Name: Lynn Joyce  
Title: Senior Executive Vice President and Chief Financial Officer



## Southern States Bancshares, Inc. Announces Third Quarter 2022 Financial Results

### **Third Quarter 2022 Highlights**

- **Linked-quarter loan growth was 26.3% annualized**
- **Net income of \$6.7 million, or \$0.75 per diluted share**
- **Core net income<sup>(1)</sup> of \$6.8 million, or \$0.77 per diluted share<sup>(1)</sup>**
- **Net interest margin ("NIM") of 4.15%, up 31 basis points from the prior quarter**
- **NIM of 4.17% on a fully-taxable equivalent basis<sup>(1)</sup>**
- **Return on average assets ("ROAA") of 1.35%; return on average stockholders' equity ("ROAE") of 15.42%; and return on average tangible common equity ("ROATCE")<sup>(1)</sup> of 17.24%**
- **Core ROAA<sup>(1)</sup> of 1.37%; and core ROATCE<sup>(1)</sup> of 17.51%**
- **Efficiency ratio of 48.94%, an improvement from 54.19% for the prior quarter**

(1) See "Reconciliation of Non-GAAP Financial Measures" below for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures.

ANNISTON, Ala., October 24, 2022 – Southern States Bancshares, Inc. (NASDAQ: SSBK) ("Southern States" or the "Company"), the holding company for Southern States Bank, an Alabama state-chartered commercial bank (the "Bank"), today reported net income of \$6.7 million, or \$0.75 diluted earnings per share, for the third quarter of 2022. This compares to net income of \$5.2 million, or \$0.59 diluted earnings per share, for the second quarter of 2022, and net income of \$4.9 million, or \$0.58 diluted earnings per share, for the third quarter of 2021. The Company reported core net income of \$6.8 million, or \$0.77 diluted core earnings per share, for the third quarter of 2022. This compares to core net income of \$5.3 million, or \$0.59 diluted core earnings per share, for the second quarter of 2022, and core net income of \$4.0 million, or \$0.48 diluted core earnings per share, for the third quarter of 2021 (see "Reconciliation of Non-GAAP Financial Measures").

Stephen Whatley, Chairman and Chief Executive Officer of Southern States, said, "Our team's ongoing diligent business development efforts fueled robust annualized third quarter loan growth of 26.3%, extending the momentum we've generated throughout the past year. Our net interest income increased 18.8% from the second quarter and was up 42.5% from a year earlier on a combination of robust loan growth and increasing yields on interest-earning assets, which drove our expanded NIM."

"As always, we are focused on disciplined, prudent expansion that minimizes risk and maintains our stellar credit quality. Our bank is dedicated to superior customer service and sound underwriting, key pillars of strength that we believe position the franchise for continued growth and improved profitability. This gives us confidence in our ability to deliver long-term value for our shareholders."

**Net Interest Income and Net Interest Margin**

Net interest income for the third quarter of 2022 was \$19.4 million, an increase of 18.8% from \$16.4 million for the second quarter of 2022. The increase was primarily attributable to rising interest rates, coupled with an increase in interest-bearing assets and partially offset by an increase in expense on interest-bearing liabilities.

Relative to the third quarter of 2021, net interest income increased \$5.8 million, or 42.5%. The increase was substantially the result of an increase in interest-earning assets.

Net interest margin for the third quarter of 2022 was 4.15%, up from 3.84% for the second quarter of 2022. The increase was primarily the result of a 65 basis point increase in the yield on interest-earning assets, partially offset by a 46 basis point increase in the cost of interest-bearing liabilities.

Relative to the third quarter of 2021, net interest margin increased from 3.77%. The increase was primarily due to an increase in the yield on interest-earning assets that more than offset an increase in the cost of interest-bearing liabilities.

**Noninterest Income**

Noninterest income for the third quarter of 2022 was \$1.3 million, a decrease of 4.6% from \$1.4 million for the second quarter of 2022. The decrease was substantially the result of a \$101,000 increase in the net loss on securities.

Relative to the third quarter of 2021, noninterest income decreased 46.6% from \$2.5 million. The third quarter 2021 included a bank owned life insurance ("BOLI") death benefit claim of \$742,000 and a net gain on securities. The third quarter 2022 results included reductions in mortgage income and a net loss on securities.

**Noninterest Expense**

Noninterest expense for the third quarter of 2022 was \$10.2 million, up from \$9.7 million for the second quarter of 2022. The increase was substantially attributable to a \$336,000 increase in fraud losses, of which a portion has since been recovered, and an increase in salaries and benefits as a result of additional incentive accruals based on operating results. The efficiency ratio for the third quarter improved to 48.94% from 54.19% in the second quarter.

Relative to the third quarter of 2021, noninterest expense increased 11.5% from \$9.2 million. The increase was primarily attributable to higher salaries and incentive expense as production personnel were added in the Georgia market. Also contributing to the increase were fraud losses, of which a portion has since been recovered. These increases were partially offset by a decrease in occupancy expense as a result of accelerated depreciation during the third quarter of 2021 on a formerly leased Birmingham branch location and a reduction in SBA expense from the third quarter of 2021.

**Loan Portfolio**

Total loans outstanding, before allowance for loan losses, were \$1.5 billion at September 30, 2022, up \$94.8 million from June 30, 2022 and up \$379.5 million from September 30, 2021. The linked-quarter increase in loans was primarily attributable to increases in construction/development and commercial real estate loans in the Auburn, Alabama and Georgia markets.

**Deposits**

Total deposits were \$1.8 billion at September 30, 2022, compared with \$1.6 billion at June 30, 2022 and \$1.3 billion at September 30, 2021. The \$122.1 million net increase in total deposits in the third quarter was due to an increase of \$135.1 million in interest-bearing account balances that more than offset a slight decrease in noninterest-bearing deposits.

**Asset Quality**

Nonperforming loans totaled \$4.0 million, or 0.26% of gross loans, at September 30, 2022, compared with \$3.6 million, or 0.25% of gross loans, at June 30, 2022, and \$3.3 million, or 0.29% of gross loans, at September 30, 2021. The \$400,000 net increase in nonperforming loans in the third quarter was primarily attributable to one commercial real estate loan and one commercial and industrial loan that were placed on nonaccrual and partially offset by one commercial and industrial loan that was sold. The \$642,000 increase in nonperforming loans from September 30, 2021 was primarily attributable to three commercial real estate loans, one residential loan and one commercial and industrial loan that were placed on nonaccrual. These increases were partially offset by one residential loan being moved back to accruing status and multiple loans associated with one borrower being paid off.

The Company recorded a provision for loan losses of \$1.7 million for the third quarter of 2022, compared to \$1.3 million for the second quarter of 2022. The provision was due to robust loan growth as well as changes in our qualitative economic factors.

Net charge-offs for the third quarter of 2022 were \$47,000, or 0.01% of average loans on an annualized basis, compared to net recoveries of \$11,000, or 0.00% of average loans on an annualized basis, for the second quarter of 2022, and net recoveries of \$8,000, or 0.00% of average loans on an annualized basis, for the third quarter of 2021.

The Company's allowance for loan losses was 1.21% of total loans and 466.41% of nonperforming loans at September 30, 2022, compared with 1.18% of total loans and 473.44% of nonperforming loans at June 30, 2022.

**Capital**

As of September 30, 2022, total stockholders' equity was \$170.3 million, compared with \$167.9 million at June 30, 2022. The increase of \$2.4 million was primarily due to strong earnings growth that more than offset an increase in accumulated other comprehensive loss resulting from changes in the value of the available for sale securities portfolio due to rapid increases in interest rates.

**About Southern States Bancshares, Inc.**

Headquartered in Anniston, Alabama, Southern States Bancshares, Inc. is a bank holding company that operates primarily through its wholly-owned subsidiary, Southern States Bank. The Bank is a full service community banking institution, which offers an array of deposit, loan and other banking-related products and services to businesses and individuals in its communities. The Bank operates 13 branches in Alabama and Georgia and two loan production offices in Atlanta.

## Forward-Looking Statements

This press release 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.

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**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

*(In thousands, except share amounts)*

	<u>September 30, 2022 (Unaudited)</u>	<u>June 30, 2022 (Unaudited)</u>	<u>December 31, 2021 (Audited)</u>	<u>September 30, 2021 (Unaudited)</u>
<b>Assets</b>				
Cash and due from banks	\$ 17,394	\$ 22,167	\$ 6,397	\$ 19,000
Interest-bearing deposits in banks	165,637	95,156	203,537	114,800
Federal funds sold	63,031	73,024	74,022	44,022
<b>Total cash and cash equivalents</b>	<b>246,062</b>	<b>190,347</b>	<b>283,956</b>	<b>177,822</b>
Securities available for sale, at fair value	150,718	151,749	132,172	113,317
Securities held to maturity, at amortized cost	19,657	19,662	19,672	19,678
Other equity securities, at fair value	5,694	6,958	9,232	9,227
Restricted equity securities, at cost	2,791	2,825	2,600	2,600
Loans held for sale	1,643	2,709	2,400	2,097
Loans, net of unearned income	1,524,990	1,430,205	1,250,300	1,145,447
Less allowance for loan losses	18,423	16,807	14,844	14,097
<b>Loans, net</b>	<b>1,506,567</b>	<b>1,413,398</b>	<b>1,235,456</b>	<b>1,131,350</b>
Premises and equipment, net	28,585	28,467	27,044	25,916
Accrued interest receivable	5,699	4,839	4,170	3,933
Bank owned life insurance	29,677	29,509	22,201	22,081
Annuities	15,564	15,540	12,888	12,968
Foreclosed assets	2,930	2,930	2,930	10,146
Goodwill	16,862	16,862	16,862	16,862
Core deposit intangible	1,302	1,368	1,500	1,566
Other assets	18,974	15,332	9,509	9,499
<b>Total assets</b>	<b>\$ 2,052,725</b>	<b>\$ 1,902,495</b>	<b>\$ 1,782,592</b>	<b>\$ 1,559,062</b>
<b>Liabilities and Stockholders' Equity</b>				
Liabilities:				
Deposits:				
Noninterest-bearing	\$ 499,613	\$ 512,598	\$ 541,546	\$ 380,111
Interest-bearing	1,267,479	1,132,348	1,014,905	956,211
<b>Total deposits</b>	<b>1,767,092</b>	<b>1,644,946</b>	<b>1,556,451</b>	<b>1,336,322</b>
Other borrowings	19,978	—	12,498	12,498
FHLB advances	26,000	25,000	25,950	26,900
Subordinated notes	47,042	47,013	—	—
Accrued interest payable	359	88	132	125
Other liabilities	21,929	17,501	10,363	8,996
<b>Total liabilities</b>	<b>1,882,400</b>	<b>1,734,548</b>	<b>1,605,394</b>	<b>1,384,841</b>



**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

*(In thousands, except share amounts)*

	<u>September 30, 2022 (Unaudited)</u>	<u>June 30, 2022 (Unaudited)</u>	<u>December 31, 2021 (Audited)</u>	<u>September 30, 2021 (Unaudited)</u>
Stockholders' equity:				
Common stock	43,529	43,458	45,064	45,064
Capital surplus	75,835	75,597	80,640	80,547
Retained earnings	63,956	58,039	49,858	46,611
Accumulated other comprehensive income (loss)	(12,403)	(8,439)	2,113	2,600
Unvested restricted stock	(592)	(708)	(477)	(601)
<b>Total stockholders' equity</b>	<b>170,325</b>	<b>167,947</b>	<b>177,198</b>	<b>174,221</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,052,725</b>	<b>\$ 1,902,495</b>	<b>\$ 1,782,592</b>	<b>\$ 1,559,062</b>
<b>Shares issued and outstanding</b>	<b>8,705,920</b>	<b>8,691,620</b>	<b>9,012,857</b>	<b>9,012,857</b>

**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**
*(In thousands, except per share amounts)*

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Interest income:</b>					
Loans, including fees	\$ 20,052	\$ 16,265	\$ 13,923	\$ 51,083	\$ 40,429
Taxable securities	1,010	788	402	2,417	1,134
Nontaxable securities	323	309	266	931	729
Other interest and dividends	1,135	390	143	1,713	315
<b>Total interest income</b>	<b>22,520</b>	<b>17,752</b>	<b>14,734</b>	<b>56,144</b>	<b>42,607</b>
<b>Interest expense:</b>					
Deposits	2,489	889	1,034	4,251	3,355
Other borrowings	596	498	60	1,439	435
<b>Total interest expense</b>	<b>3,085</b>	<b>1,387</b>	<b>1,094</b>	<b>5,690</b>	<b>3,790</b>
<b>Net interest income</b>	<b>19,435</b>	<b>16,365</b>	<b>13,640</b>	<b>50,454</b>	<b>38,817</b>
<b>Provision for loan losses</b>	<b>1,663</b>	<b>1,304</b>	<b>750</b>	<b>3,667</b>	<b>2,250</b>
<b>Net interest income after provision for loan losses</b>	<b>17,772</b>	<b>15,061</b>	<b>12,890</b>	<b>46,787</b>	<b>36,567</b>
<b>Noninterest income:</b>					
Service charges on deposit accounts	508	480	403	1,433	1,101
Swap fees	11	21	101	48	938
SBA/USDA fees	95	93	130	575	3,434
Mortgage origination fees	218	213	393	717	1,196
Net gain (loss) on securities	(143)	(42)	189	(546)	(17)
Other operating income	650	639	1,293	1,847	2,399
<b>Total noninterest income</b>	<b>1,339</b>	<b>1,404</b>	<b>2,509</b>	<b>4,074</b>	<b>9,051</b>
<b>Noninterest expenses:</b>					
Salaries and employee benefits	6,152	5,982	5,517	17,859	16,104
Equipment and occupancy expenses	764	719	908	2,188	2,697
Data processing fees	599	570	524	1,733	1,565
Regulatory assessments	235	262	248	760	689
Other operating expenses	2,487	2,119	1,988	6,638	5,768
<b>Total noninterest expenses</b>	<b>10,237</b>	<b>9,652</b>	<b>9,185</b>	<b>29,178</b>	<b>26,823</b>
<b>Income before income taxes</b>	<b>8,874</b>	<b>6,813</b>	<b>6,214</b>	<b>21,683</b>	<b>18,795</b>
Income tax expense	2,174	1,590	1,293	5,204	4,287
<b>Net income</b>	<b>\$ 6,700</b>	<b>\$ 5,223</b>	<b>\$ 4,921</b>	<b>\$ 16,479</b>	<b>\$ 14,508</b>
<b>Basic earnings per share</b>	<b>\$ 0.77</b>	<b>\$ 0.60</b>	<b>\$ 0.59</b>	<b>\$ 1.87</b>	<b>\$ 1.84</b>
<b>Diluted earnings per share</b>	<b>\$ 0.75</b>	<b>\$ 0.59</b>	<b>\$ 0.58</b>	<b>\$ 1.84</b>	<b>\$ 1.82</b>

The following table provides an analysis of the allowance for loan losses as of the dates indicated.

	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	<i>(Dollars in thousands)</i>				
Average loans, net of unearned income	\$ 1,480,735	\$ 1,359,320	\$ 1,122,741	\$ 1,373,564	\$ 1,093,684
Loans, net of unearned income	\$ 1,524,990	\$ 1,430,205	\$ 1,145,447	\$ 1,524,990	\$ 1,145,447
Allowance for loan losses at beginning of the period	\$ 16,807	\$ 15,492	\$ 13,339	\$ 14,844	\$ 11,859
Charge-offs:					
Construction and development	—	—	—	66	—
Residential	—	7	—	7	44
Commercial	—	—	—	—	—
Commercial and industrial	269	—	—	269	—
Consumer and other	1	1	—	8	2
<b>Total charge-offs</b>	<b>270</b>	<b>8</b>	<b>—</b>	<b>350</b>	<b>46</b>
Recoveries:					
Construction and development	—	—	—	—	—
Residential	11	18	7	46	12
Commercial	—	—	—	—	—
Commercial and industrial	204	—	1	204	14
Consumer and other	8	1	—	12	8
<b>Total recoveries</b>	<b>223</b>	<b>19</b>	<b>8</b>	<b>262</b>	<b>34</b>
<b>Net charge-offs (recoveries)</b>	<b>\$ 47</b>	<b>\$ (11)</b>	<b>\$ (8)</b>	<b>\$ 88</b>	<b>\$ 12</b>
Provision for loan losses	\$ 1,663	\$ 1,304	\$ 750	\$ 3,667	\$ 2,250
Balance at end of period	\$ 18,423	\$ 16,807	\$ 14,097	\$ 18,423	\$ 14,097
Ratio of allowance to end of period loans	1.21 %	1.18 %	1.23 %	1.21 %	1.23 %
Ratio of net charge-offs (recoveries) to average loans	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %

The following table sets forth the allocation of the Company's nonperforming assets among different asset categories as of the dates indicated. Nonperforming assets consist of nonperforming loans plus OREO and repossessed property. Nonperforming loans include nonaccrual loans and loans past due 90 days or more.

	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
<i>(Dollars in thousands)</i>				
Nonaccrual loans	\$ 3,950	\$ 3,550	\$ 1,478	\$ 3,308
Past due loans 90 days or more and still accruing interest	—	—	494	—
Total nonperforming loans	<u>3,950</u>	<u>3,550</u>	<u>1,972</u>	<u>3,308</u>
OREO	2,930	2,930	2,930	10,146
Total nonperforming assets	<u>\$ 6,880</u>	<u>\$ 6,480</u>	<u>\$ 4,902</u>	<u>\$ 13,454</u>
Troubled debt restructured loans – nonaccrual(1)	1,011	676	940	1,041
Troubled debt restructured loans - accruing	1,307	1,323	1,072	1,085
Total troubled debt restructured loans	<u>\$ 2,318</u>	<u>\$ 1,999</u>	<u>\$ 2,012</u>	<u>\$ 2,126</u>
Allowance for loan losses	\$ 18,423	\$ 16,807	\$ 14,844	\$ 14,097
Gross loans outstanding at the end of period	\$ 1,530,129	\$ 1,435,089	\$ 1,254,117	\$ 1,149,340
Allowance for loan losses to gross loans	1.20 %	1.17 %	1.18 %	1.23 %
Allowance for loan losses to nonperforming loans	466.41 %	473.44 %	752.74 %	426.15 %
Nonperforming loans to gross loans	0.26 %	0.25 %	0.16 %	0.29 %
Nonperforming assets to gross loans and OREO	0.45 %	0.45 %	0.39 %	1.16 %
Nonaccrual loans by category:				
Real estate mortgages:				
Construction & Development	\$ 70	\$ 73	\$ 346	\$ 1,972
Residential Mortgages	550	563	167	339
Commercial Real Estate Mortgages	2,888	2,135	674	690
Commercial & Industrial	434	768	285	300
Consumer and other	8	11	6	7
	<u>\$ 3,950</u>	<u>\$ 3,550</u>	<u>\$ 1,478</u>	<u>\$ 3,308</u>

(1) Troubled debt restructured loans are excluded from nonperforming loans unless they otherwise meet the definition of nonaccrual loans or are more than 90 days past due.

The following tables show the average outstanding balance of each principal category of our assets, liabilities and stockholders' equity, together with the average yields on our assets and average costs of our liabilities for the periods indicated. Yields and costs are calculated by dividing the annualized income or expense by the average daily balances of the corresponding assets or liabilities for the same period.

	Three Months Ended								
	September 30, 2022			June 30, 2022			September 30, 2021		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
	<i>(Dollars in thousands)</i>								
<b>Assets:</b>									
Interest-earning assets:									
Gross loans, net of unearned income(1)	\$ 1,480,735	\$ 20,052	5.37 %	\$ 1,359,320	\$ 16,265	4.80 %	\$ 1,122,741	\$ 13,923	4.92 %
Taxable securities	128,932	1,010	3.11 %	121,677	788	2.60 %	76,612	402	2.08 %
Nontaxable securities	56,738	323	2.26 %	56,850	309	2.18 %	48,162	266	2.20 %
Other interest-earnings assets	192,699	1,135	2.34 %	172,175	390	0.91 %	189,131	143	0.30 %
Total interest-earning assets	\$ 1,859,104	\$ 22,520	4.81 %	\$ 1,710,022	\$ 17,752	4.16 %	\$ 1,436,646	\$ 14,734	4.07 %
Allowance for loan losses	(17,250)			(15,815)			(13,645)		
Noninterest-earning assets	124,702			127,230			125,870		
Total Assets	\$ 1,966,556			\$ 1,821,437			\$ 1,548,871		
<b>Liabilities and Stockholders' Equity:</b>									
Interest-bearing liabilities:									
Interest-bearing transaction accounts	114,517	26	0.09 %	114,743	27	0.09 %	98,203	24	0.10 %
Savings and money market accounts	811,349	1,644	0.80 %	735,845	625	0.34 %	565,861	665	0.47 %
Time deposits	281,931	819	1.15 %	208,774	237	0.46 %	290,460	345	0.47 %
FHLB advances	27,380	102	1.47 %	25,000	21	0.33 %	31,520	34	0.43 %
Other borrowings	47,659	494	4.12 %	47,066	477	4.07 %	6,652	26	1.57 %
Total interest-bearing liabilities	\$ 1,282,836	\$ 3,085	0.95 %	\$ 1,131,428	\$ 1,387	0.49 %	\$ 992,696	\$ 1,094	0.44 %
Noninterest-bearing liabilities:									
Noninterest-bearing deposits	\$ 491,917			\$ 502,728			\$ 384,207		
Other liabilities	19,401			17,243			9,663		
Total noninterest-bearing liabilities	\$ 511,318			\$ 519,971			\$ 393,870		
Stockholders' Equity	172,402			170,038			162,305		
Total Liabilities and Stockholders' Equity	\$ 1,966,556			\$ 1,821,437			\$ 1,548,871		
Net interest income		\$ 19,435			\$ 16,365			\$ 13,640	
Net interest spread(2)			3.86 %			3.67 %			3.63 %
Net interest margin(3)			4.15 %			3.84 %			3.77 %
Net interest margin - FTE(4)(5)			4.17 %			3.86 %			3.79 %

(1) Includes nonaccrual loans.

(2) Net interest spread is the difference between interest rates earned on interest earning assets and interest rates paid on interest-bearing liabilities.

(3) Net interest margin is a ratio of net interest income to average interest earning assets for the same period.

(4) Net interest margin - FTE is a ratio of fully-taxable equivalent net interest income to average interest earning assets for the same period. It assumes a 24.0% tax rate for the three and nine months ended September 30, 2022 and 2021 and a 23.5% tax rate for the three months ended June 30, 2022.

(5) Refer to "Reconciliation of Non-GAAP Financial Measures".

	Nine Months Ended					
	September 30, 2022			September 30, 2021		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
	(Dollars in thousands)					
<b>Assets:</b>						
Interest-earning assets:						
Gross loans, net of unearned income(1)	\$ 1,373,564	\$ 51,083	4.97 %	\$ 1,093,684	\$ 40,429	4.94 %
Taxable securities	119,224	2,417	2.71 %	74,244	1,134	2.04 %
Nontaxable securities	56,157	931	2.22 %	42,191	729	2.31 %
Other interest-earnings assets	202,837	1,713	1.13 %	148,349	315	0.28 %
Total interest-earning assets	\$ 1,751,782	\$ 56,144	4.29 %	\$ 1,358,468	\$ 42,607	4.19 %
Allowance for loan losses	(16,044)			(12,890)		
Noninterest-earning assets	123,255			124,539		
Total Assets	<u>\$ 1,858,993</u>			<u>\$ 1,470,117</u>		
<b>Liabilities and Stockholders' Equity</b>						
Interest-bearing liabilities:						
Interest-bearing transaction accounts	113,427	78	0.09 %	94,696	66	0.09 %
Savings and money market accounts	741,397	2,862	0.52 %	503,064	2,056	0.55 %
Time deposits	242,869	1,311	0.72 %	310,758	1,233	0.53 %
FHLB advances	26,115	144	0.74 %	32,215	120	0.50 %
Other borrowings	42,604	1,295	4.06 %	10,625	315	3.96 %
Total interest-bearing liabilities	\$ 1,166,412	\$ 5,690	0.65 %	\$ 951,358	\$ 3,790	0.53 %
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	\$ 502,951			\$ 358,556		
Other liabilities	16,420			9,207		
Total noninterest-bearing liabilities	\$ 519,371			\$ 367,763		
Stockholders' Equity	173,210			150,996		
Total Liabilities and Stockholders' Equity	<u>\$ 1,858,993</u>			<u>\$ 1,470,117</u>		
Net interest income		\$ 50,454			\$ 38,817	
Net interest spread(2)			3.64 %			3.66 %
Net interest margin(3)			3.85 %			3.82 %
Net interest margin - FTE(4)(5)			3.87 %			3.84 %

(1) Includes nonaccrual loans.

(2) Net interest spread is the difference between interest rates earned on interest earning assets and interest rates paid on interest-bearing liabilities.

(3) Net interest margin is a ratio of net interest income to average interest earning assets for the same period.

(4) Net interest margin - FTE is a ratio of fully-taxable equivalent net interest income to average interest earning assets for the same period. It assumes a 24.0% tax rate for the three and nine months ended September 30, 2022 and 2021 and a 23.5% tax rate for the three months ended June 30, 2022.

(5) Refer to "Reconciliation of Non-GAAP Financial Measures".

**Per Share Information**

	Three Months Ended			Nine Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
	<i>(Dollars in thousands, except share and per share amounts)</i>					
Net income	\$ 6,700	\$ 5,223	\$ 4,921	\$ 16,479	\$ 14,508	
Earnings per share - basic	\$ 0.77	\$ 0.60	\$ 0.59	\$ 1.87	\$ 1.84	
Earnings per share - diluted	\$ 0.75	\$ 0.59	\$ 0.58	\$ 1.84	\$ 1.82	
Weighted average shares outstanding	8,693,745	8,740,295	8,354,860	8,797,720	7,861,780	
Diluted weighted average shares outstanding	8,871,116	8,894,577	8,467,460	8,952,600	7,980,159	
Shares issued and outstanding	8,705,920	8,691,620	9,012,857	8,705,920	9,012,857	
Total stockholders' equity	\$ 170,325	\$ 167,947	\$ 174,221	\$ 170,325	\$ 174,221	
Book value per share	\$ 19.56	\$ 19.32	\$ 19.33	\$ 19.56	\$ 19.33	

**Performance Ratios**

	Three Months Ended			Nine Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
Net interest margin	4.15 %	3.84 %	3.77 %	3.85 %	3.82 %	
Net interest spread	3.86 %	3.67 %	3.63 %	3.64 %	3.66 %	
Efficiency ratio	48.94 %	54.19 %	57.55 %	52.98 %	56.02 %	
Return on average assets	1.35 %	1.15 %	1.26 %	1.19 %	1.32 %	
Return on average stockholders' equity	15.42 %	12.32 %	12.03 %	12.72 %	12.85 %	

**Core and PPP Loans**

	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
	<i>(Dollars in thousands)</i>			
Core loans	\$ 1,530,129	\$ 1,435,089	\$ 1,244,914	\$ 1,129,075
PPP loans	—	—	9,203	20,265
Unearned income	(5,139)	(4,884)	(3,817)	(3,893)
Loans, net of unearned income	1,524,990	1,430,205	1,250,300	1,145,447
Allowance for loan losses	(18,423)	(16,807)	(14,844)	(14,097)
Loans, net	\$ 1,506,567	\$ 1,413,398	\$ 1,235,456	\$ 1,131,350

**Reconciliation of Non-GAAP Financial Measures**

In addition to reporting GAAP results, the Company reports non-GAAP financial measures in this earnings release 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.

The following table provides a reconciliation of the non-GAAP financial measures to their most directly comparable financial measure presented in accordance with GAAP.



**Reconciliation of Non-GAAP Financial Measures**

	Three Months Ended			Nine Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
	<i>(Dollars in thousands, except share and per share amounts)</i>					
Net income	\$ 6,700	\$ 5,223	\$ 4,921	\$ 16,479	\$ 14,508	
Add: Net OREO gains	—	—	—	—	(8)	
Less: Gain on sale of USDA loan	—	—	—	—	2,806	
Less: BOLI death benefits	—	—	742	—	742	
Less: Gain (loss) on securities	(143)	(42)	189	(546)	(17)	
Less: Tax effect	37	11	(52)	142	(730)	
<b>Core net income</b>	<b>\$ 6,806</b>	<b>\$ 5,254</b>	<b>\$ 4,042</b>	<b>\$ 16,883</b>	<b>\$ 11,699</b>	
Average assets	\$ 1,966,556	\$ 1,821,437	\$ 1,548,871	\$ 1,858,993	\$ 1,470,117	
<b>Core return on average assets</b>	<b>1.37 %</b>	<b>1.16 %</b>	<b>1.04 %</b>	<b>1.21 %</b>	<b>1.06 %</b>	
Net income	\$ 6,700	\$ 5,223	\$ 4,921	\$ 16,479	\$ 14,508	
Add: Net OREO gains	—	—	—	—	(8)	
Add: Provision	1,663	1,304	750	3,667	2,250	
Less: Gain on sale of USDA loan	—	—	—	—	2,806	
Less: BOLI death benefits	—	—	742	—	742	
Less: Gain (loss) on securities	(143)	(42)	189	(546)	(17)	
Add: Income taxes	2,174	1,590	1,293	5,204	4,287	
<b>Pretax pre-provision core net income</b>	<b>\$ 10,680</b>	<b>\$ 8,159</b>	<b>\$ 6,033</b>	<b>\$ 25,896</b>	<b>\$ 17,506</b>	
Average assets	\$ 1,966,556	\$ 1,821,437	\$ 1,548,871	\$ 1,858,993	\$ 1,470,117	
<b>Pretax pre-provision core return on average assets</b>	<b>2.15 %</b>	<b>1.80 %</b>	<b>1.55 %</b>	<b>1.86 %</b>	<b>1.59 %</b>	
Net interest income	\$ 19,435	\$ 16,365	\$ 13,640	\$ 50,454	\$ 38,817	
Add: Fully-taxable equivalent adjustments(1)	86	83	72	251	203	
Net interest income - FTE	\$ 19,521	\$ 16,448	\$ 13,712	\$ 50,705	\$ 39,020	
Net interest margin	4.15 %	3.84 %	3.77 %	3.85 %	3.82 %	
Effect of fully-taxable equivalent adjustments(1)	0.02 %	0.02 %	0.02 %	0.02 %	0.02 %	
Net interest margin - FTE	4.17 %	3.86 %	3.79 %	3.87 %	3.84 %	
Total stockholders' equity	\$ 170,325	\$ 167,947	\$ 174,221	\$ 170,325	\$ 174,221	
Less: Intangible assets	18,164	18,230	18,428	18,164	18,428	
Tangible common equity	\$ 152,161	\$ 149,717	\$ 155,793	\$ 152,161	\$ 155,793	

### Reconciliation of Non-GAAP Financial Measures

	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	<i>(Dollars in thousands, except share and per share amounts)</i>				
Core net income	\$ 6,806	\$ 5,254	\$ 4,042	\$ 16,883	\$ 11,699
Diluted weighted average shares outstanding	8,871,116	8,894,577	8,467,460	8,952,600	7,980,159
<b>Diluted core earnings per share</b>	<b>\$ 0.77</b>	<b>\$ 0.59</b>	<b>\$ 0.48</b>	<b>\$ 1.89</b>	<b>\$ 1.47</b>
Common shares outstanding at year or period end	8,705,920	8,691,620	9,012,857	8,705,920	9,012,857
Tangible book value per share	\$ 17.48	\$ 17.23	\$ 17.29	\$ 17.48	\$ 17.29
Total assets at end of period	\$ 2,052,725	\$ 1,902,495	\$ 1,559,062	\$ 2,052,725	\$ 1,559,062
Less: Intangible assets	18,164	18,230	18,428	18,164	18,428
Adjusted assets at end of period	\$ 2,034,561	\$ 1,884,265	\$ 1,540,634	\$ 2,034,561	\$ 1,540,634
<b>Tangible common equity to tangible assets</b>	<b>7.48 %</b>	<b>7.95 %</b>	<b>10.11 %</b>	<b>7.48 %</b>	<b>10.11 %</b>
Total average shareholders equity	\$ 172,402	\$ 170,038	\$ 162,305	\$ 173,210	\$ 150,996
Less: Average intangible assets	18,203	18,270	18,470	18,270	18,535
Average tangible common equity	\$ 154,199	\$ 151,768	\$ 143,835	\$ 154,940	\$ 132,461
Net income to common shareholders	\$ 6,700	\$ 5,223	\$ 4,921	\$ 16,479	\$ 14,508
<b>Return on average tangible common equity</b>	<b>17.24 %</b>	<b>13.80 %</b>	<b>13.57 %</b>	<b>14.22 %</b>	<b>14.64 %</b>
Average tangible common equity	\$ 154,199	\$ 151,768	\$ 143,835	\$ 154,940	\$ 132,461
Core net income	\$ 6,806	\$ 5,254	\$ 4,042	\$ 16,883	\$ 11,699
<b>Core return on average tangible common equity</b>	<b>17.51 %</b>	<b>13.89 %</b>	<b>11.15 %</b>	<b>14.57 %</b>	<b>11.81 %</b>
Net interest income	\$ 19,435	\$ 16,365	\$ 13,640	\$ 50,454	\$ 38,817
Add: Noninterest income	1,339	1,404	2,509	4,074	9,051
Less: Gain on sale of USDA loan	—	—	—	—	2,806
Less: BOLI death benefits	—	—	742	—	742
Less: Gain (loss) on securities	(143)	(42)	189	(546)	(17)
Operating revenue	\$ 20,917	\$ 17,811	\$ 15,218	\$ 55,074	\$ 44,337
Expenses:					
Total noninterest expense	\$ 10,237	\$ 9,652	\$ 9,185	\$ 29,178	\$ 26,823
Less: Net OREO gains	—	—	—	—	(8)
Adjusted noninterest expenses	\$ 10,237	\$ 9,652	\$ 9,185	\$ 29,178	\$ 26,831
<b>Core efficiency ratio</b>	<b>48.94 %</b>	<b>54.19 %</b>	<b>60.36 %</b>	<b>52.98 %</b>	<b>60.52 %</b>

(1) Assumes a 24.0% tax rate for the three and nine months ended September 30, 2022 and 2021 and a 23.5% tax rate for the three months ended June 30, 2022.



SOUTHERN STATES  
BANCSHARES, INC.

**Q3 2022**

**Investor Presentation**

October 2022

## Important Notices and Disclaimers

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### 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.

# Q3 2022 Results Highlights

## Operating Results



- **Net income** of \$6.7 million, or \$0.75 per diluted share, and **core net income** <sup>(1)</sup> of \$6.8 million, or \$0.77 per diluted share <sup>(1)</sup>
- **ROAA** of 1.35% and **ROATCE** of 17.24%; **Core ROAA** <sup>(1)</sup> of 1.37% and **Core ROATCE** <sup>(1)</sup> of 17.51%
- **Net interest margin** of 4.17%
- **Core efficiency ratio** <sup>(1)</sup> of 48.94%

## Loans



- **Annualized Loan growth** of 26.3% from Q2 2022
- **Loan portfolio** of \$1.5 billion increased 6.6% from Q2 2022
- **Average yield on loans** of 5.37% improved from 4.80% for Q2 2022
- **Loans / deposits ratio** of 86.3% compared to 86.9% for Q2 2022

## Deposits



- **Deposits** of \$1.8 billion increased \$122.1 million, or 7.4%, from Q2 2022
- **Average cost of total deposits** increased to 0.58% from 0.23% in Q2 2022
- **Noninterest-bearing deposits** comprised 28.3% of total deposits compared to 31.2% at Q2 2022

## Asset Quality



- **Nonperforming loans to gross loans** of 0.26%
- **Net charge-offs** at \$47,000
- **Allowance for loan losses to gross loans** of 1.20%
- **OREO balance** remained at \$2.9 million from Q2 2022

## Capital



- **Announced and paid quarterly dividend** of \$0.09 per share
- **Tangible common equity to tangible assets** <sup>(1)</sup> of 7.48%
- **Tangible book value per share** <sup>(1)</sup> of \$17.48

3

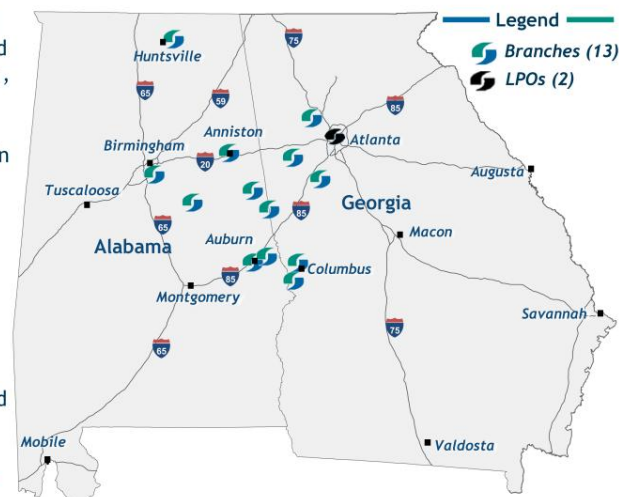
<sup>(1)</sup> Please refer to non-U.S. GAAP reconciliation in the appendix



SOUTHERN STATES  
BANCSHARES, INC.

# 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**



## Q3 '22 Financial Highlights

Assets (\$B):	\$2.1	YoY Asset Growth:	31.7%	NPLs / Loans:	0.26%	Core Net Income <sup>(1)</sup> (\$M):	\$6.8
Gross Loans (\$B):	\$1.5	YoY Loan Growth:	33.1%	LLR / Loans:	1.21%	Core ROAA <sup>(1)</sup> :	1.37%
Deposits (\$B):	\$1.8	YoY Deposit Growth:	32.2%	YTD NCOs / Avg. Loans:	0.01%	NIM:	4.17%
Loans / Deposits:	86.3%	YoY Core Deposit Growth:	30.2%	TCE / TA <sup>(1)</sup> :	7.48%	Core Efficiency Ratio <sup>(1)</sup> :	48.94%

Source: S&P Global Market Intelligence; Company Documents

Financial data as of the three months ended 9/30/22 unless otherwise noted

Note: Core Deposits defined as total deposits less jumbo time deposits; jumbo time deposits classified as deposits larger than \$250,000

4

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



SOUTHERN STATES  
BANCSHARES, INC.

## Experienced Management Team

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



**Steve Whatley**

*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 14.6% of the common shares and equivalents<sup>(1)</sup>



# Our History and Growth

Historical Highlights

- 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**

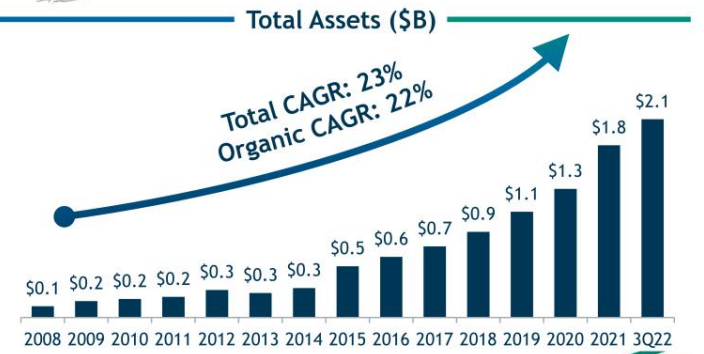
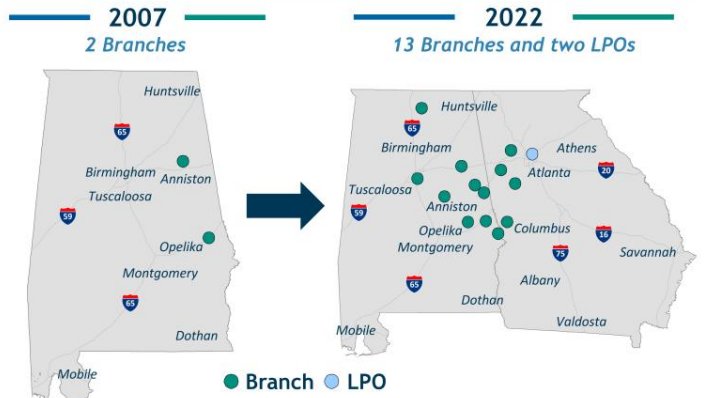
Opened Auburn, AL office  
Issued \$4.5 million of 10-year subordinated notes  
Completed \$41.2 million capital raise at \$14 per share
- February 2017**

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 Q3 2022**

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



6

Source: S&P Global Market Intelligence; Company Documents Dollars in billions





# Robust Market Dynamics Creates Growth Opportunities

## Market Highlights

### Atlanta, GA



- 9<sup>th</sup> largest Metro Area in the USA
- Voted 3<sup>rd</sup> metro area for corporate headquarters
- Ranked 13<sup>th</sup> 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 3<sup>rd</sup> 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 4<sup>th</sup> MSA for migration growth

### Columbus, GA

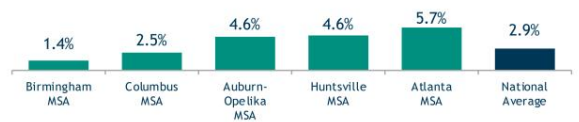


- Fort Benning Military Base
  - U.S. Army Infantry and Armor Training Post
  - Columbus Chamber of Commerce estimates annual economic impact of \$4.8 billion
- Major companies headquartered include Aflac and Total Systems Services, Inc.

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



## '21 - '26 Projected Population Growth (%)

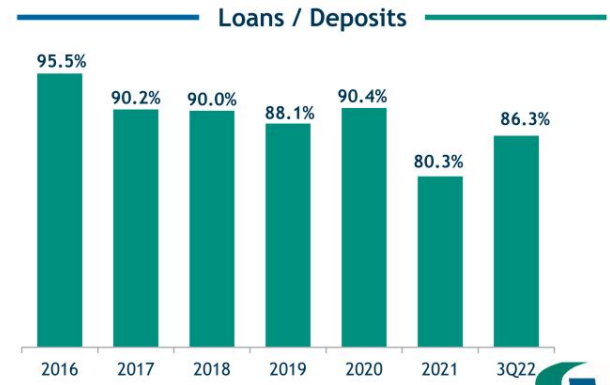
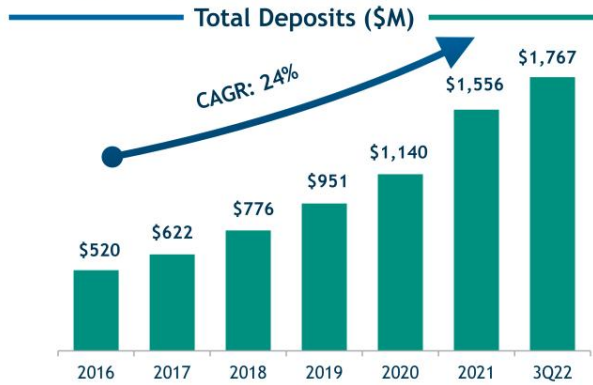
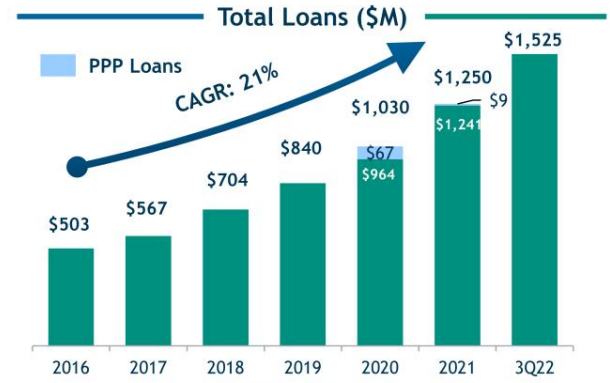
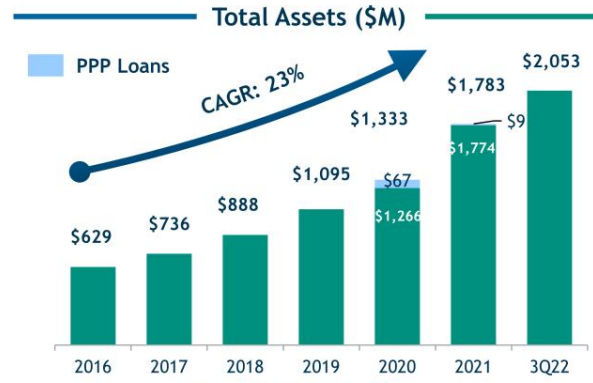


## Major Employers



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



# 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



9 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

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## 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

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- **Loan balances** expected to continue growing based on our healthy pipeline
  - The pace of growth is likely to ease from the robust third-quarter level
- **Deposit balances** expected to increase slightly
- **Net interest income** expected to increase incrementally from loan growth and rate increases
  - Net interest margin expected to moderate or decrease slightly as deposit betas increase
- **Core noninterest income** expected to be fairly consistent with Q3 2022
- Quarterly **adjusted noninterest expense** is expected to remain fairly consistent with Q3 2022
- Continued **strong credit metrics** are expected to allow for provision levels based on growth, but we will consider current and evolving economic conditions
- **Balanced approach to capital deployment** with flexibility to support strong organic loan growth trajectory and cash dividend while evaluating stock repurchases
- Well-positioned to capitalize on additional **accretive acquisition opportunities**

## Appendix



## Non-GAAP Financial Measures Reconciliations

(\$000)	(Three Months Ended)		
	September 30, 2022	June 30, 2022	September 30, 2021
Net Income	\$6,700	\$5,223	\$4,921
Add: Net OREO gains	—	—	—
Less: BOLI death benefits	—	—	742
Less: Gain (loss) on securities	(143)	(42)	189
Less: Tax effect	37	11	(52)
<b>Core net income</b>	<b>\$6,806</b>	<b>\$5,254</b>	<b>\$4,042</b>
Average assets	\$1,966,556	\$1,821,437	\$1,548,871
<b>Core return on average assets</b>	<b>1.37%</b>	<b>1.16%</b>	<b>1.04%</b>
Total stockholders' equity	\$170,325	\$167,947	\$174,221
Less: Intangible assets	18,164	18,230	18,428
<b>Tangible common equity</b>	<b>\$152,161</b>	<b>\$149,717</b>	<b>\$155,793</b>
Core net income	\$6,806	\$5,254	\$4,042
Diluted weighted average shares outstanding	8,871,116	8,894,577	8,467,460
<b>Diluted core earnings per share</b>	<b>\$0.77</b>	<b>\$0.59</b>	<b>\$0.48</b>
Common shares outstanding at year or period end	8,705,920	8,691,620	9,012,857
<b>Tangible book value per share</b>	<b>\$17.48</b>	<b>\$17.23</b>	<b>\$17.29</b>

## Non-GAAP Financial Measures Reconciliations

(Three Months Ended)

(\$000)	September 30, 2022	June 30, 2022	September 30, 2021
Total assets at end of period	\$2,052,725	\$1,902,495	\$1,559,062
Less: Intangible assets	18,164	18,230	18,428
Adjusted assets at end of period	\$2,034,561	\$1,884,265	\$1,540,634
<b>Tangible common equity to tangible assets</b>	<b>7.48%</b>	<b>7.95%</b>	<b>10.11%</b>
Total average shareholders equity	\$172,402	\$170,038	\$162,305
Less: Average intangible assets	18,203	18,270	18,470
Average tangible common equity	\$154,199	\$151,768	\$143,835
Net income to common shareholders	\$6,700	\$5,223	\$4,921
<b>Return on average tangible common equity</b>	<b>17.24%</b>	<b>13.80%</b>	<b>13.57%</b>
Core net income	\$6,806	\$5,254	\$4,042
<b>Core return on average tangible common equity</b>	<b>17.51%</b>	<b>13.89%</b>	<b>11.15%</b>
Net interest income	\$19,435	\$16,365	\$13,640
Add: Noninterest income	1,339	1,404	2,509
Less: BOLI death benefits	—	—	742
Less: Gain (loss) on securities	(143)	(42)	189
Operating revenue	\$20,917	\$17,811	\$15,218
Expenses:			
Total noninterest expense	\$10,237	\$9,652	\$9,185
Less: Net OREO gains	—	—	—
Adjusted noninterest expenses	\$10,237	\$9,652	\$9,185
<b>Core efficiency ratio</b>	<b>48.94%</b>	<b>54.19%</b>	<b>60.36%</b>



