



SOUTHERN STATES
BANCSHARES, INC.

Q3 2023

Investor Presentation

October 23, 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 recent events and trends in the banking industry and the inflationary environment. 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 presentation and may include statements about business strategy and prospects for growth, operations, ability to pay dividends, competition, regulation and general economic conditions.

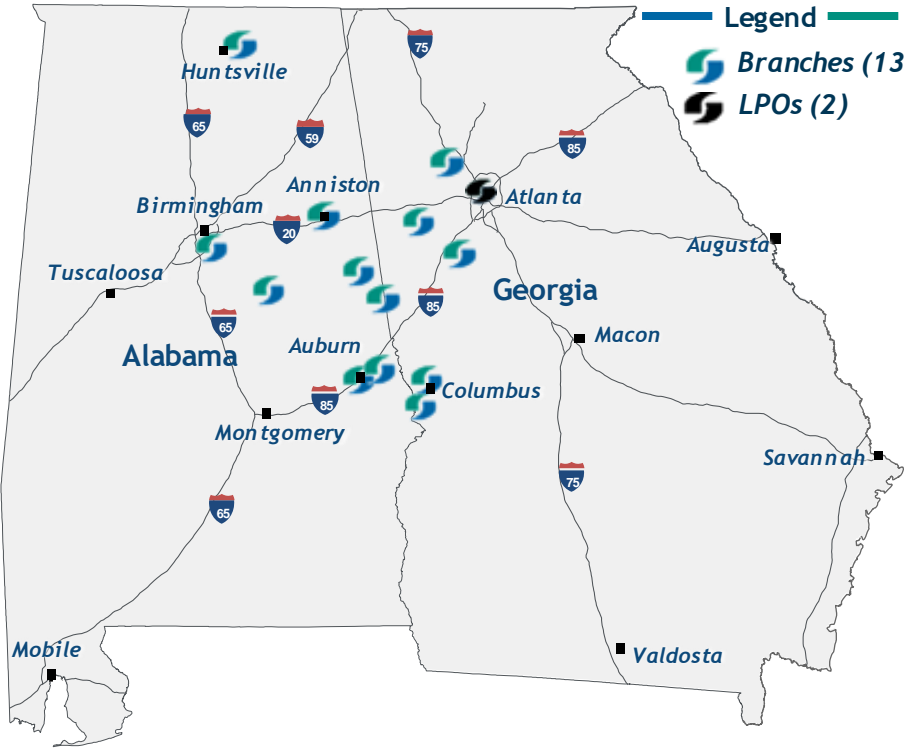
Non-GAAP Financial Measures

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 expansion 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 **lower-cost, core funding base**



Q2 '23 Financial Highlights

Assets (\$B):	\$2.3	Quarterly Asset Growth ⁽²⁾ :	3.3%	NPLs / Loans:	0.06%	Core Net Income ⁽¹⁾ (\$M):	\$9.6
Gross Loans (\$B):	\$1.8	Quarterly Loan Growth ⁽²⁾ :	13.3%	ACL / Loans:	1.25%	Core ROAA ⁽¹⁾ :	1.66%
Deposits (\$B):	\$1.9	Quarterly Deposit Reduction ⁽³⁾ :	(1.5%)	YTD NCOs / Avg. Loans:	0.02%	NIM:	3.78%
Loans / Deposits:	92.58%	Quarterly Deposit Net of Brokered Growth ⁽²⁾ :	4.2%	TCE / TA ⁽¹⁾ :	8.08%	Core Efficiency Ratio ⁽¹⁾ :	42.79%

Source: Company Documents; financial data as of the three months ended 9/30/23 unless otherwise noted

(1) Please refer to non-U.S. GAAP reconciliation in the appendix
 (2) Annualized
 (3) Annualized; includes a \$25.9 million decrease in brokered deposits in 3Q23

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



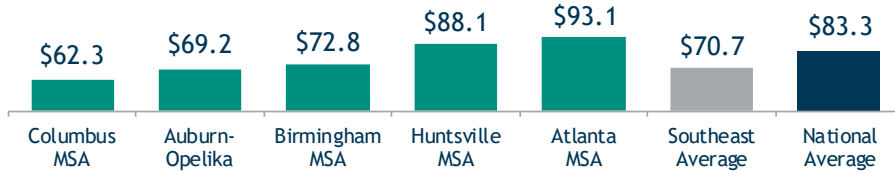
- Auburn University contributes \$5.6 billion annually and 27,000 jobs to the Alabama economy
- Named top-five growth city in America by U-Haul
- High-tech manufacturing and industrial hub for companies like Kia Motors, Hanwha Cimarion, and Niagara Bottling

Columbus, GA

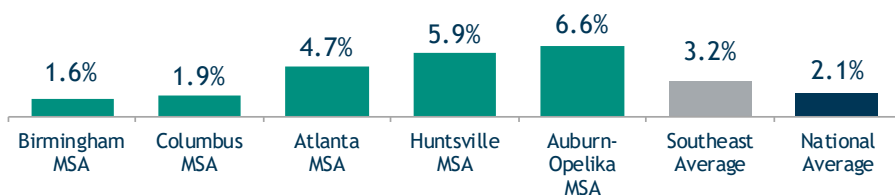


- Fort Benning Military Base
 - U.S. Army Infantry and Armor Training Post
 - Columbus Chamber of Commerce estimates annual economic impact of \$4.8 billion
- Major companies headquartered include Aflac and Total Systems Services, Inc.
- Contains seven colleges and universities, with 83,000 students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

Proven, Veteran Management Team

Our senior management team, on average, has more than 25 years of banking experience



Mark Chambers
CEO and 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

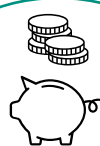
Q3 2023 Results Highlights

Operating Results



- **Net income** of \$6.6 million, or \$0.73 per diluted share, and **core net income** ⁽¹⁾ of \$9.6 million, or \$1.06 per diluted share ⁽¹⁾
- **ROAA** of 1.15% and **ROATCE** of 14.21%; **Core ROAA** ⁽¹⁾ of 1.66% and **Core ROATCE** ⁽¹⁾ of 20.50%
- **Net interest margin** of 3.78%
- **Efficiency ratio** ⁽¹⁾ of 48.01% and **core efficiency ratio** ⁽¹⁾ of 42.79%
- **Monthly margin trends** - July 3.73%, August 3.83%, and September 3.79%

Deposits/Liquidity



- **Deposits** of \$1.9 billion decreased slightly by \$7.5 million, or 0.4%, from Q2 2023 ⁽²⁾
- **Deposits, excluding brokered deposits**, increased by \$18.4 million, or 4.2% annualized, from Q2 2023
- **Average cost of total deposits** increased to 2.63% from 2.38% in Q2 2023
- **Noninterest-bearing deposits** comprised 21.82% of total deposits compared to 23.36% at Q2 2023

Loans



- **Loan portfolio** of \$1.8 billion increased \$57.6 million, or 3.4%, from Q2 2023
- **Annualized loan growth** of 13.3% from Q2 2023
- **Average yield on loans** of 6.86% improved 25 bps from 6.61% for Q2 2023
- **Loans / deposits ratio** of 92.58% compared to 89.22% for Q2 2023

Asset Quality



- **Nonperforming loans to gross loans** of 0.06% remained stable from Q2 2023
- **Net charge-offs (recoveries)** at (\$23,000), or (0.01%) of average loans
- **Allowance for credit losses to gross loans** of 1.25% compared to 1.24% at Q2 2023
- **Nonperforming loans** increased slightly to \$1.1 million from \$1.0 million at Q2 2023

Capital



- **Announced and paid quarterly dividend** of \$0.09 per share
- **Tangible common equity to tangible assets** ⁽¹⁾ of 8.08%, compared to 7.94% at Q2 2023
- **Tangible book value per share** ⁽¹⁾ of \$20.84, up 1.6% from Q2 2023

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

⁽²⁾ Uninsured deposits are 29.66% of total deposits



Change In Employee Retention Credit Summary

- During Q2 2023, the Company received a **\$5.1 million employee retention credit (“ERC”)**
- Q2 2023 results included the \$5.1 million ERC in **noninterest income** and included \$1.2 million in **noninterest expense** for professional fees paid by the Company in obtaining the ERC
- After reviewing the revised IRS guidelines pertaining to the ERC issued during Q3, the Company determined to return the full \$5.1 million ERC to the IRS and has recorded a payable; the Company will also receive a refund of all professional fees totaling \$1.2 million related to the ERC
- Accordingly, Q3 2023 reflects a \$5.1 million reduction in **noninterest income** and a \$1.2 million reduction in **noninterest expense** related to the return of the ERC; this was deemed a change in circumstance between Q2 and Q3 of 2023
- The following table eliminates the effect of the ERC; there is no impact on the nine months ended September 30, 2023:

	Three Months Ended		Nine Months Ended
	September 30, 2023	June 30, 2023	September 30, 2023
Results of Operations			
Interest income	\$ 35,204	\$ 32,185	\$ 96,088
Interest expense	14,473	12,753	36,379
Net interest income	20,731	19,432	59,709
Provision for credit losses	773	1,557	3,511
Net interest income after provision	19,958	17,875	56,198
Noninterest income	2,206	1,762	5,755
Noninterest expense	9,812	12,189	32,159
Income tax expense	2,843	1,572	6,738
Net income	\$ 9,509	\$ 5,876	\$ 23,056
Per Share Data			
Earnings per share:			
Basic	\$ 1.07	\$ 0.67	\$ 2.62
Diluted	\$ 1.05	\$ 0.66	\$ 2.56
Performance and Financial Ratios			
ROAA	1.65 %	1.07 %	1.41 %
ROAE	18.59 %	12.18 %	15.85 %
Efficiency ratio	42.76 %	57.39 %	49.47 %

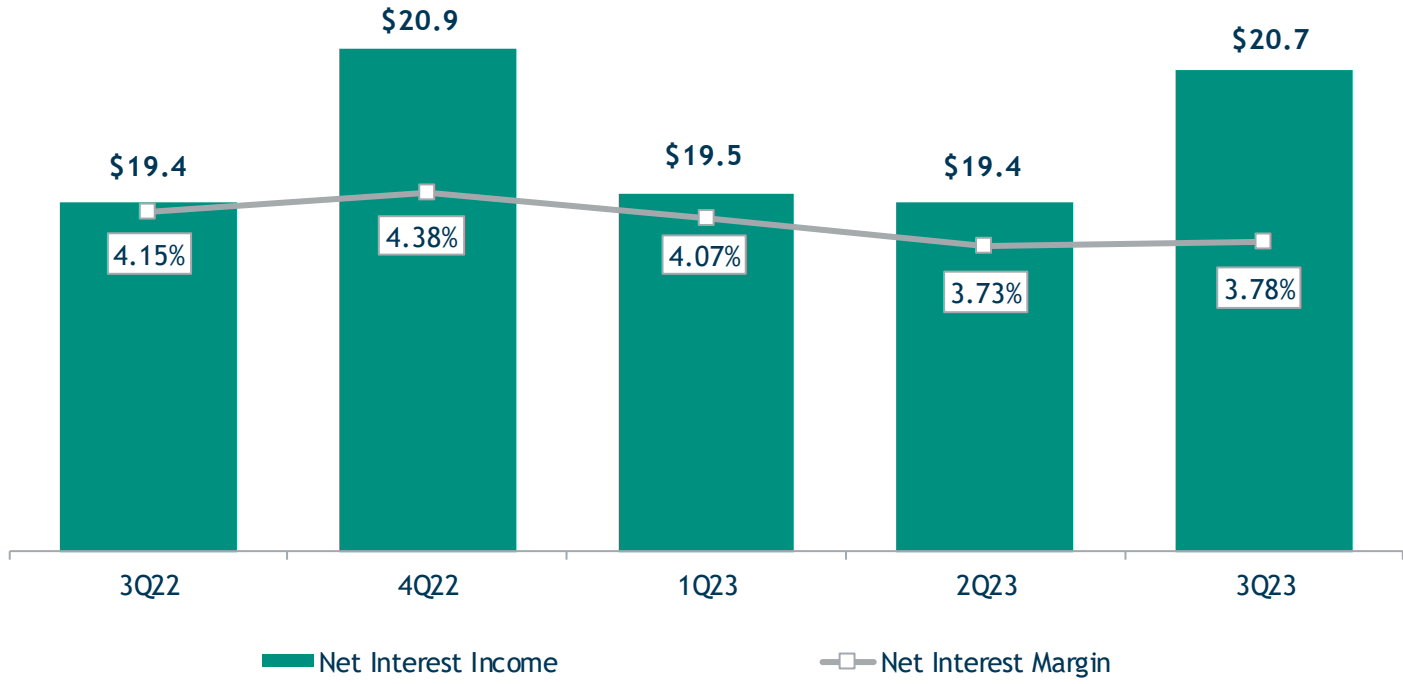
Dollars in millions, except for per share data



Net Interest Margin

Net Interest Income and Net Interest Margin

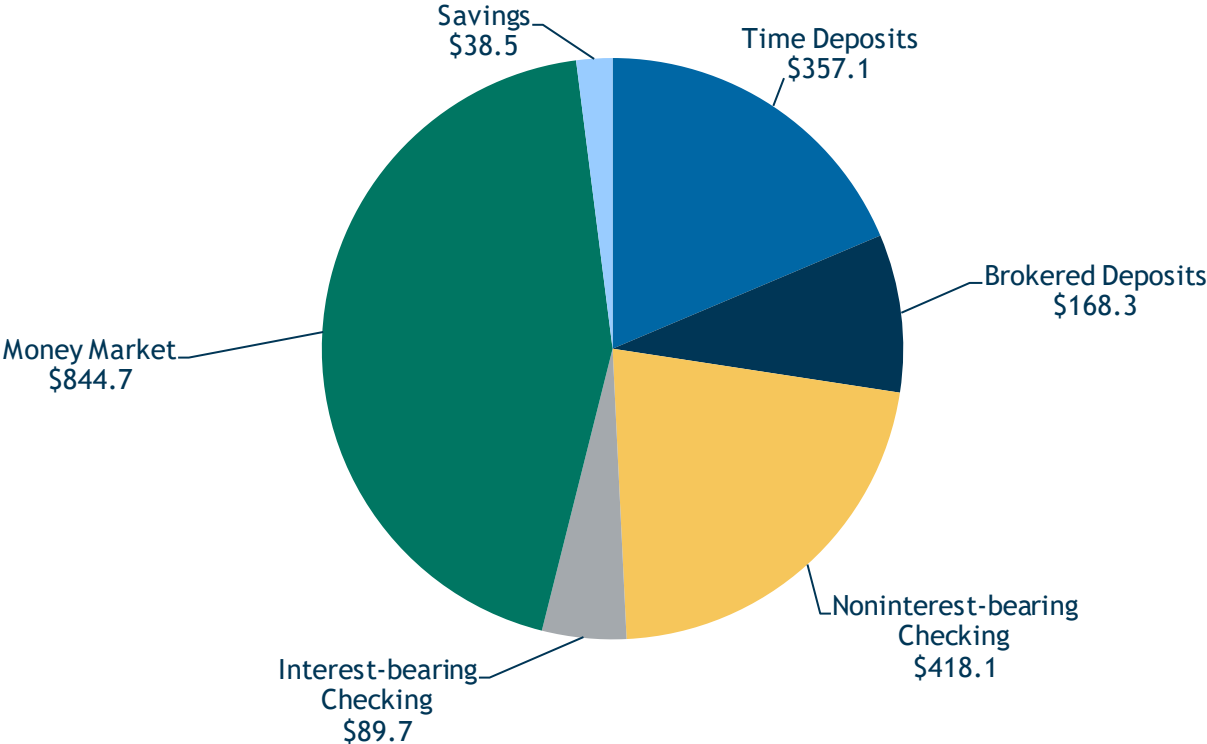
(Dollars in millions)



Deposit Portfolio

Deposits by Type - \$1.92B

(Dollars in millions)



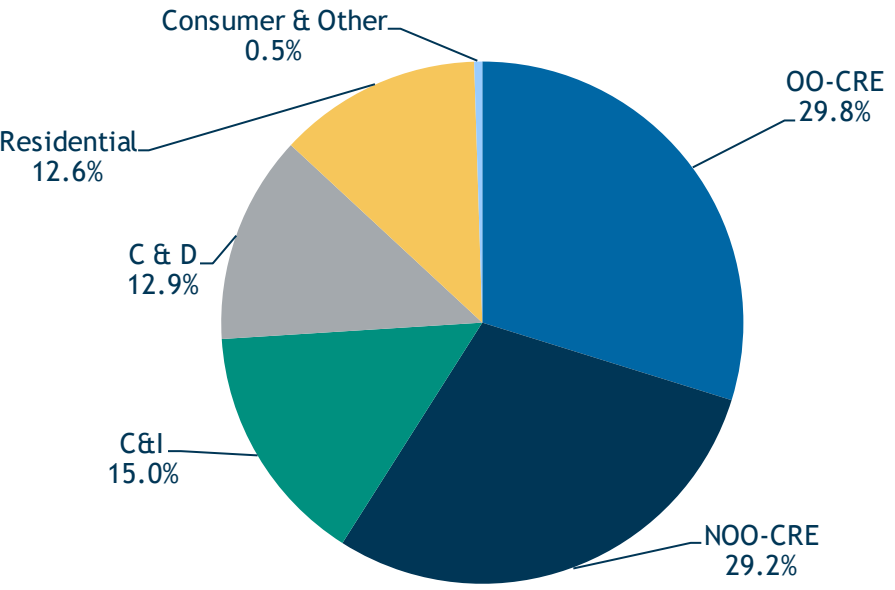
Account Composition ⁽¹⁾

Deposit Type	Composition %	Average Balance
Commercial	59%	\$138.7
Retail	41%	\$43.5

⁹ Source: Company Documents; data as of 9/30/23
⁽¹⁾ Excludes brokered deposits; dollars in thousands

Loan Portfolio

Loans by Type \$1.78B



Loan Composition

Loan Type	Composition %
Fixed	53.3%
Variable	46.7%

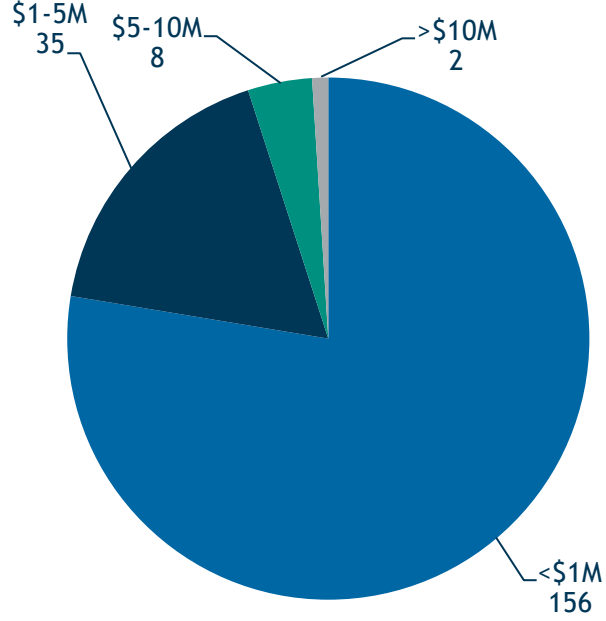
Concentration Highlights

(Dollars in millions)

Loan Type	Total
Office Buildings	\$190.1
Industrial Warehouse / Heavy Manufacturing	\$159.6
Convenience Stores	\$146.3
Retail Warehouse / Light Manufacturing	\$128.4
Hotels / Motels	\$101.7
Multi-Family (5+)	\$93.3
Commercial Retail Building	\$82.4

Loan Portfolio - Office Building

Office Building Loans \$190.1M



Loan Composition

Location	Composition %
Georgia	71%
Alabama	25%
Other	4%

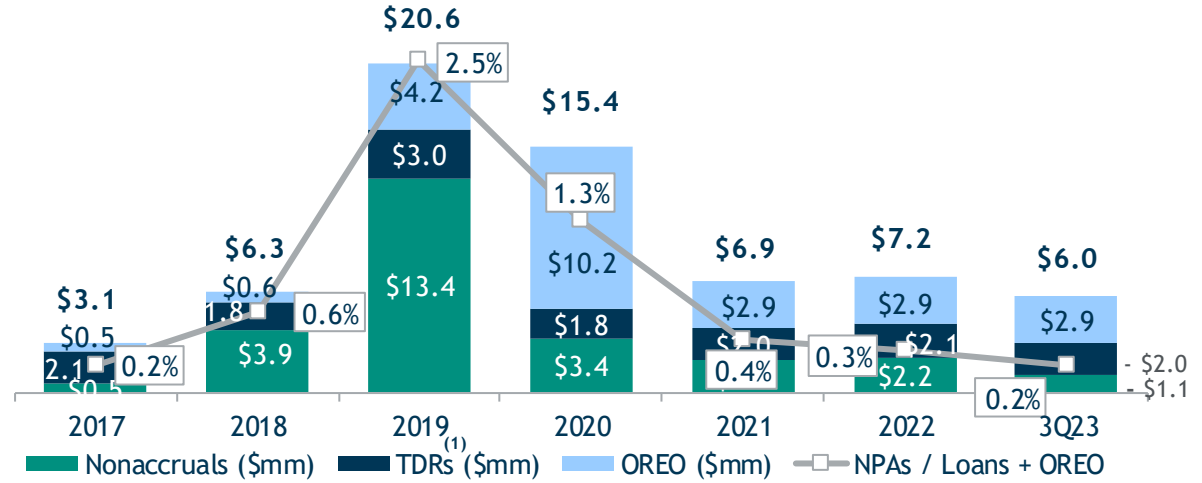
Office Building Type

# of Stories	Total
Six Stories	3
Five stories	3
Four stories	5
Three stories	9
One & two stories	181

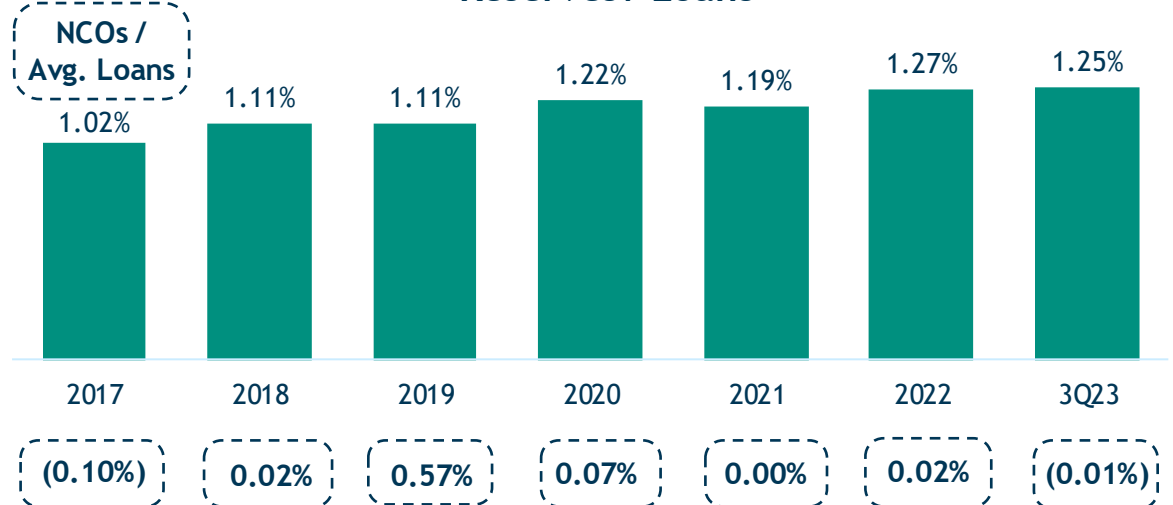
Asset Quality

- 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



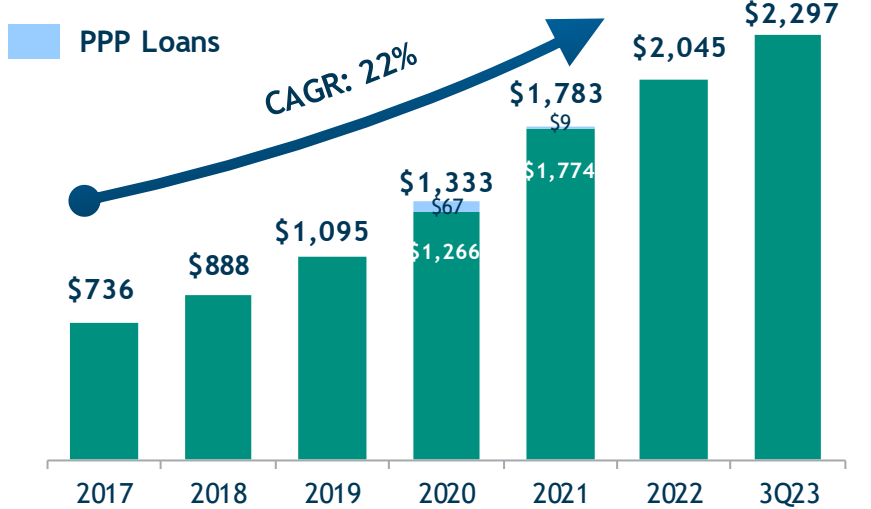
Source: Company Documents
Dollars in millions

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

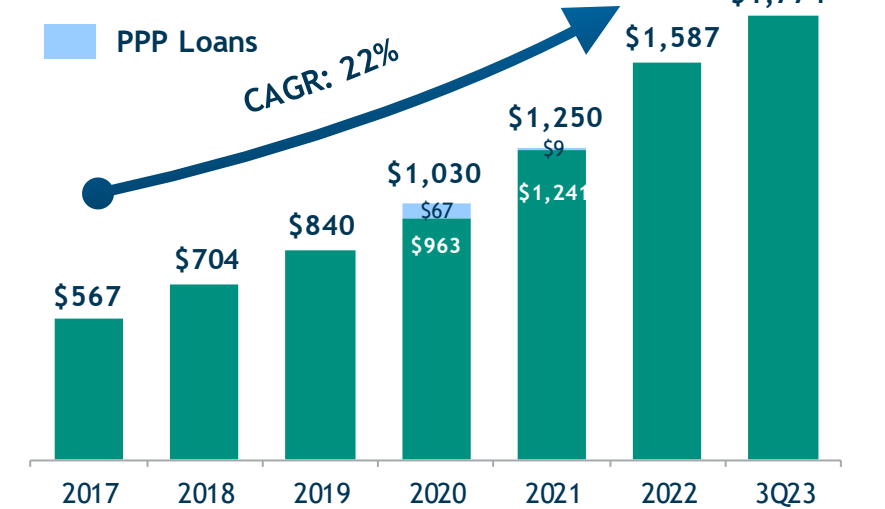


Growth History

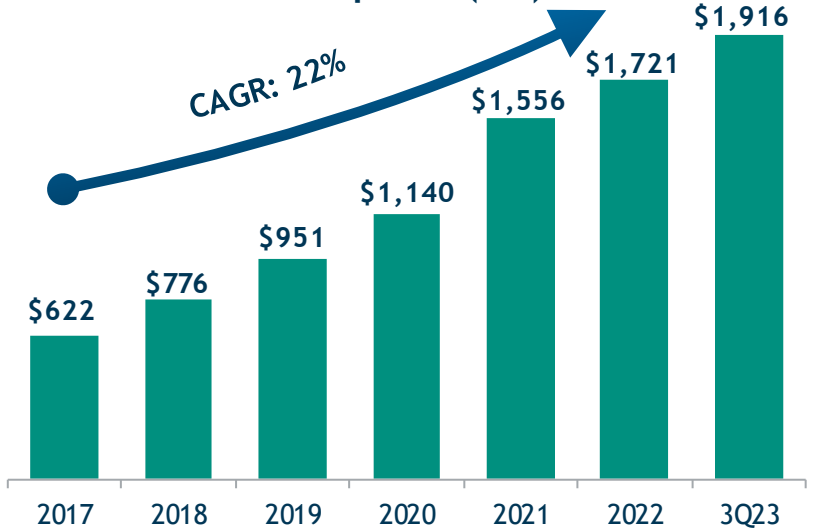
Total Assets (\$M)



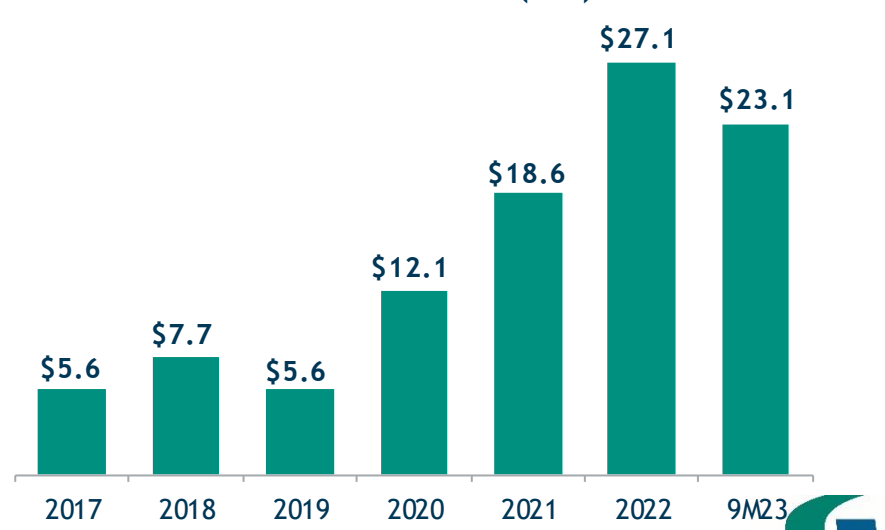
Total Loans (\$M)



Total Deposits (\$M)



Net Income (\$M)



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
- ☞ **Deposit balances** expected to grow slightly
- ☞ **Net interest income** expected to be fairly flat as loans grow, though this will be somewhat offset by net interest margin declines
- ☞ **Core noninterest income** expected to decline slightly from Q3 2023
- ☞ **Core noninterest expense** is expected to be fairly consistent with Q3 2023
- ☞ **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			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income	\$ 6,629	\$ 8,756	\$ 6,700	\$ 23,056	\$ 16,479
Add: One-time retirement related expenses	—	1,571	—	1,571	—
Add: Professional fees related to ERC	(1,243)	1,243	—	—	—
Add: Net OREO (losses) gains	(9)	7	—	(2)	—
Less: Employee retention related revenue	(5,100)	5,100	—	—	—
Less: (Loss) gain on securities	(12)	(45)	(143)	457	(546)
Less: Tax effect	926	(536)	37	267	142
Core net income	\$ 9,563	\$ 7,058	\$ 6,806	\$ 23,901	\$ 16,883
Average assets	\$ 2,282,217	\$ 2,200,843	\$ 1,966,556	\$ 2,180,851	\$ 1,858,993
Core return on average assets	1.66 %	1.29 %	1.37 %	1.47 %	1.21 %
Net income	\$ 6,629	\$ 8,756	\$ 6,700	\$ 23,056	\$ 16,479
Add: One-time retirement related expenses	—	1,571	—	1,571	—
Add: Professional fees related to ERC	(1,243)	1,243	—	—	—
Add: Net OREO (losses) gains	(9)	7	—	(2)	—
Add: Provision	773	1,557	1,663	3,511	3,667
Less: Employee retention related revenue	(5,100)	5,100	—	—	—
Less: (Loss) gain on securities	(12)	(45)	(143)	457	(546)
Add: Income taxes	1,866	2,549	2,174	6,738	5,204
Pretax pre-provision core net income	\$ 13,128	\$ 10,628	\$ 10,680	\$ 34,417	\$ 25,896
Average assets	\$ 2,282,217	\$ 2,200,843	\$ 1,966,556	\$ 2,180,851	\$ 1,858,993
Pretax pre-provision core return on average assets	2.28 %	1.94 %	2.15 %	2.11 %	1.86 %



Non-GAAP Financial Measures Reconciliations

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net interest income	\$ 20,731	\$ 19,432	\$ 19,435	\$ 59,709	\$ 50,454
Add: Fully-taxable equivalent adjustments ⁽¹⁾	70	65	86	213	251
Net interest income - FTE	\$ 20,801	\$ 19,497	\$ 19,521	\$ 59,922	\$ 50,705
Net interest margin	3.78 %	3.73 %	4.15 %	3.85 %	3.85 %
Effect of fully-taxable equivalent adjustments ⁽¹⁾	0.01 %	0.01 %	0.02 %	0.02 %	0.02 %
Net interest margin - FTE	3.79 %	3.74 %	4.17 %	3.87 %	3.87 %
Total stockholders' equity	\$ 201,924	\$ 197,250	\$ 170,325	\$ 201,924	\$ 170,325
Less: Intangible assets	17,843	17,924	18,164	17,843	18,164
Tangible common equity	\$ 184,081	\$ 179,326	\$ 152,161	\$ 184,081	\$ 152,161

(1) Assumes a 24.0% tax rate.

Non-GAAP Financial Measures Reconciliations

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Core net income	\$ 9,563	\$ 7,058	\$ 6,806	\$ 23,901	\$ 16,883
Diluted weighted average shares outstanding	9,040,687	8,950,847	8,871,116	9,016,603	8,952,600
<i>Diluted core earnings per share</i>	<i>\$ 1.06</i>	<i>\$ 0.79</i>	<i>\$ 0.77</i>	<i>\$ 2.65</i>	<i>\$ 1.89</i>
Common shares outstanding at year or period end	8,834,168	8,738,814	8,705,920	8,834,168	8,705,920
<i>Tangible book value per share</i>	<i>\$ 20.84</i>	<i>\$ 20.52</i>	<i>\$ 17.48</i>	<i>\$ 20.84</i>	<i>\$ 17.48</i>
Total assets at end of period	\$ 2,296,527	\$ 2,277,803	\$ 2,052,725	\$ 2,296,527	\$ 2,052,725
Less: Intangible assets	17,843	17,924	18,164	17,843	18,164
Adjusted assets at end of period	\$ 2,278,684	\$ 2,259,879	\$ 2,034,561	\$ 2,278,684	\$ 2,034,561
<i>Tangible common equity to tangible assets</i>	<i>8.08 %</i>	<i>7.94 %</i>	<i>7.48 %</i>	<i>8.08 %</i>	<i>7.48 %</i>
Total average shareholders equity	\$ 202,955	\$ 193,516	\$ 172,402	\$ 194,430	\$ 173,210
Less: Average intangible assets	17,893	17,974	18,203	17,973	18,270
Average tangible common equity	\$ 185,062	\$ 175,542	\$ 154,199	\$ 176,457	\$ 154,940
Net income to common shareholders	\$ 6,629	\$ 8,756	\$ 6,700	\$ 23,056	\$ 16,479
<i>Return on average tangible common equity</i>	<i>14.21 %</i>	<i>20.01 %</i>	<i>17.24 %</i>	<i>17.47 %</i>	<i>14.22 %</i>
Average tangible common equity	\$ 185,062	\$ 175,542	\$ 154,199	\$ 176,457	\$ 154,940
Core net income	\$ 9,563	\$ 7,058	\$ 6,806	\$ 23,901	\$ 16,883
<i>Core return on average tangible common equity</i>	<i>20.50 %</i>	<i>16.13 %</i>	<i>17.51 %</i>	<i>18.11 %</i>	<i>14.57 %</i>



Non-GAAP Financial Measures Reconciliations

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net interest income	\$ 20,731	\$ 19,432	\$ 19,435	\$ 59,709	\$ 50,454
Add: Noninterest income	(2,894)	6,862	1,339	5,755	4,074
Less: Employee retention related revenue	(5,100)	5,100	—	—	—
Less: (Loss) gain on securities	(12)	(45)	(143)	457	(546)
Operating revenue	\$ 22,949	\$ 21,239	\$ 20,917	\$ 65,007	\$ 55,074
Expenses:					
Total noninterest expense	\$ 8,569	\$ 13,432	\$ 10,237	\$ 32,159	\$ 29,178
Less: One-time retirement related expenses	—	1,571	—	1,571	—
Less: Professional fees related to ERC	(1,243)	1,243	—	—	—
Less: Net OREO (losses) gains	(9)	7	—	(2)	—
Adjusted noninterest expenses	\$ 9,821	\$ 10,611	\$ 10,237	\$ 30,590	\$ 29,178
Core efficiency ratio	42.79 %	49.96 %	48.94 %	47.06 %	52.98 %