South Plains Financial

Earnings Presentation

First Quarter, 2022

Safe Harbor Statement and Other Disclosures

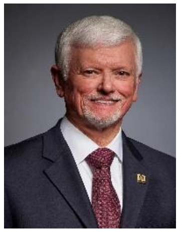
FORWARD-LOOKING STATEMENTS

This presentation contains, and future oral and written statements of South Plains Financial, Inc. ("South Plains" or the "Company") and City Bank ("City Bank" or the "Bank") may contain, statements about future events that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect South Plains' current views with respect to, among other things, the ongoing COVID-19 pandemic, future events and South Plains' financial performance. Any statements about South Plains' expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Forward-looking statements include, but are not limited to: (i) projections and estimates of revenues, expenses, income or loss, earnings or loss per share, and other financial items, (ii) statements of plans, objectives and expectations of South Plains or its management, (iii) statements of future economic performance, and (iv) statements of assumptions underlying such statements. Forward-looking statements should not be relied on because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of South Plains and City Bank. These risks, uncertainties and other factors may cause the actual results, performance, and achievements of South Plains and City Bank to be materially different from the anticipated future results, performance or achievements expressed in, or implied by, the forward-looking statements. Factors that could cause such differences include, but are not limited to, local, regional, national and international economic conditions, the extent of the impact of the COVID-19 pandemic (and any current or future variant thereof), including the impact of actions taken by governmental and regulatory authorities in response to such pandemic, such as the Coronavirus Aid, Relief, and Economic Security Act and subsequent related legislations, and the programs established thereunder, and City Bank's participation in such programs, volatility of the financial markets, fluctuations in market interest rates, regulatory considerations, competition and market expansion opportunities, changes in non-interest expenditures or in the anticipated benefits of such expenditures, the receipt of required regulatory approvals, changes in non-performing assets and charge-offs, adequacy of loan loss reserves, changes in tax laws, current or future litigation, regulatory examinations or other legal and/or regulatory actions, the impact of any tariffs, terrorist threats and attacks, acts of war or threats thereof or other pandemics. Due to these and other possible uncertainties and risks, South Plains can give no assurance that the results contemplated in the forward-looking statements will be realized and readers are cautioned not to place undue reliance on the forward-looking statements contained in this presentation. For more information about these factors, please see South Plains' reports filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC"), including South Plains' most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q on file with the SEC, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Further, any forward-looking statement speaks only as of the date on which it is made and South Plains undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as required by law. All forward-looking statements, express or implied, herein are qualified in their entirety by this cautionary statement.

NON-GAAP FINANCIAL MEASURES

Management believes that certain non-GAAP performance measures used in this presentation provide meaningful information about underlying trends in its business and operations. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, SPFI's reported results prepared in accordance with GAAP. Numbers in this presentation may not sum due to rounding.

Today’s Speakers



Curtis C. Griffith
Chairman & Chief Executive Officer

- Elected to the board of directors of First State Bank of Morton, Texas, in 1972 and employed by it in 1979
- Elected Chairman of the First State Bank of Morton board in 1984
- Chairman of the Board of City Bank and the Company since 1993

Cory T. Newsom
President

- Entire banking career with the Company focused on lending and operations
- Appointed President and Chief Executive Officer of the Bank in 2008
- Joined the Board in 2008

Steven B. Crockett
Chief Financial Officer & Treasurer

- Appointed Chief Financial Officer in 2015
- Previously Controller of City Bank and the Company for 14 and 5 years respectively
- Began career in public accounting in 1994 by serving for seven years with a local firm in Lubbock, Texas

First Quarter 2022 Highlights

Parent company of City Bank, a leading Texas-based community bank headquartered in Lubbock, TX

One of the largest independent banks headquartered in West Texas

$4.0 Billion in Total Assets as of March 31, 2022

NASDAQ: SPFI 1Q'22 Highlights

- ✓ Net income of $14.3 million, compared to $14.6 million in 4Q'21 and $15.2 million in 1Q'21
- ✓ Diluted earnings per share of $0.78, compared to $0.79 in 4Q'21 and $0.82 in 1Q'21
- ✓ Pre-tax, pre-provision income (non-GAAP) of $15.7 million, compared to $18.2 million in 4Q'21 and $19.0 million in 1Q'21
- ✓ Average cost of deposits was 23 bps, unchanged as compared to 4Q'21 and decreased as compared to 29 bps in 1Q'21
- ✓ Net interest margin, calculated on a tax-equivalent basis, of 3.33%, compared to 3.50% in 4Q'21 and 3.52% in 1Q'21
- ✓ Loans held for investment ("HFI") grew $16.1 million, or 0.7%, during the first quarter of 2022 as compared to December 31, 2021
- ✓ Nonperforming assets to total assets were 0.33%, compared to 0.30% at 12/31/21 and 0.42% at 3/31/21
- ✓ Efficiency ratio was 70.30%, compared to 66.07% in 4Q'21 and 65.76% in 1Q'21
- ✓ Tangible book value (non-GAAP) per share was $20.49, compared to $21.51 per share as of 12/31/21 and $19.28 per share as of 3/31/21
- ✓ Return on average assets (annualized) of 1.47%, compared to 1.50% in 4Q'21 and 1.66% in 1Q'21

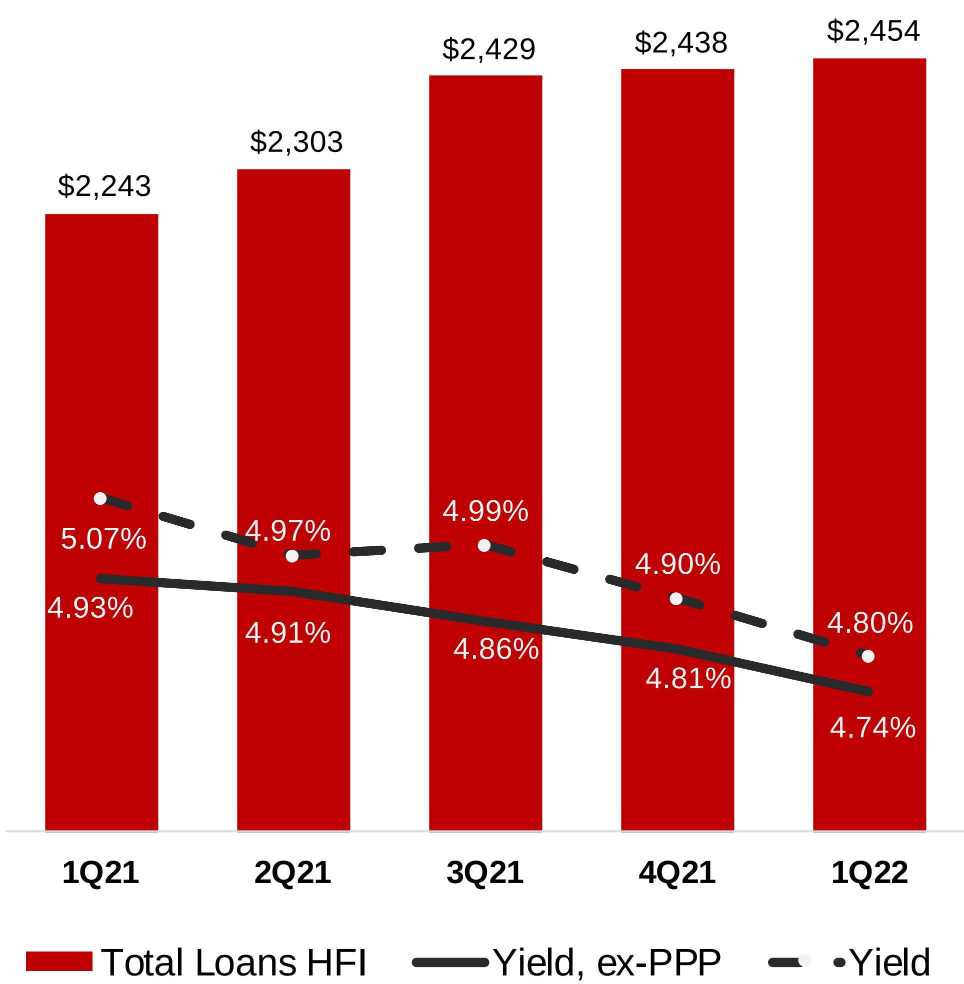
Source: Company documents

Note: Tangible book value per share is a non-GAAP measures. See appendix for the reconciliation to GAAP

Loan Portfolio

Total Loans HFI

$ in Millions



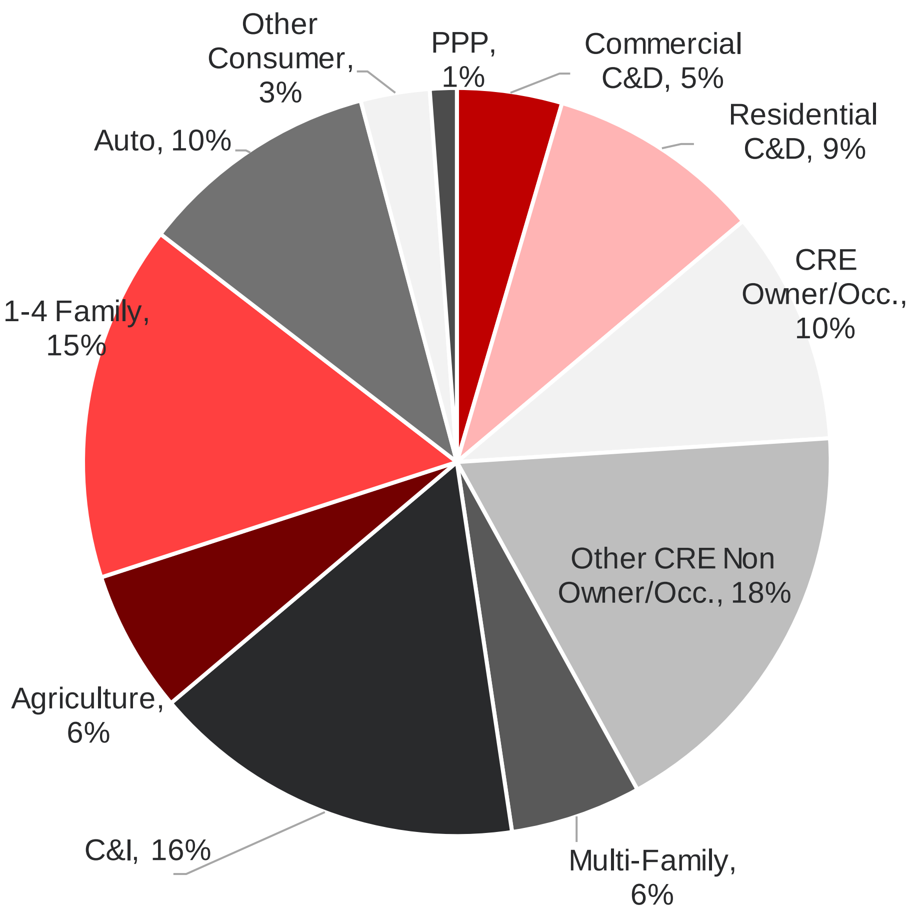
1Q'22 Highlights

- ✓ Total loans HFI increased by $16.1 million compared to 4Q'21, primarily due to:
  - ✓ $27.9 million organic net loan growth – largest growth in land development and construction loans, commercial retail loans, and consumer loans
  - ✓ SBA forgiveness and repayments of $11.8 million in Paycheck Protection Program ("PPP") loans
- ✓ Loans HFI increased $211.0 million, from 1Q'21
- ✓ 1Q'22 yield on loans, ex-PPP, of 4.74%; a decrease of 7 bps compared to 4Q'21, excluding PPP loans

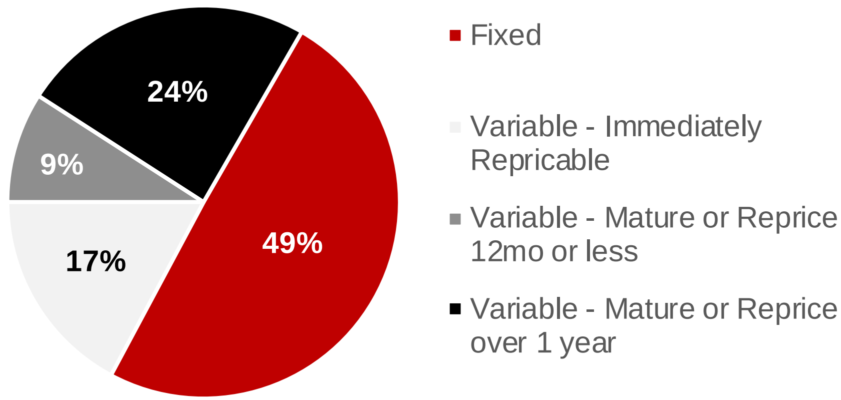
Source: Company documents

Loan HFI Portfolio

Loan Mix



Fixed vs. Variable Rate at 3/31/22



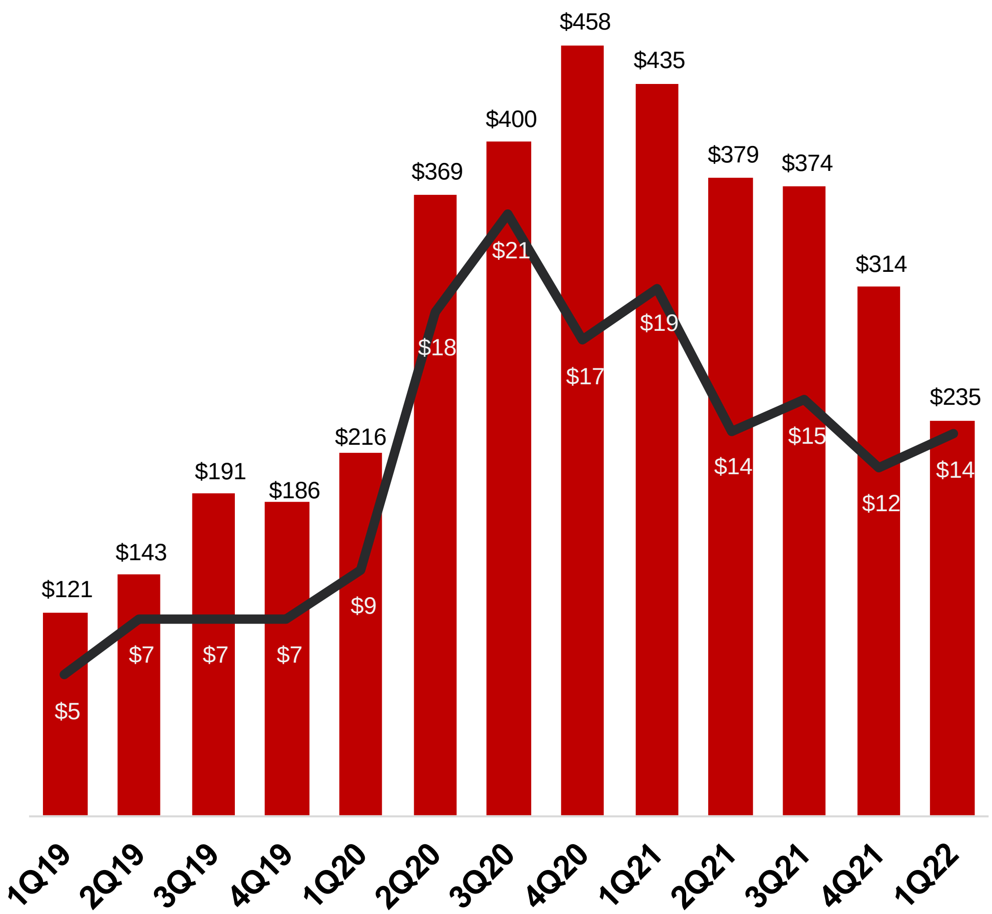
Loan Portfolio *($ in millions)*		3/31/22
Commercial C&D	$	111.4
Residential C&D		228.8
CRE Owner/Occ.		248.3
Other CRE Non Owner/Occ.		441.5
Multi-Family		138.9
C&I		397.8
Agriculture		151.1
1-4 Family		378.4
Auto		255.7
Other Consumer		73.3
PPP		28.4
Total	$	2,453.6

Source: Company documents

Mortgage Banking Overview

Mortgage Banking Activity

$ in Millions



1Q'22 Highlights

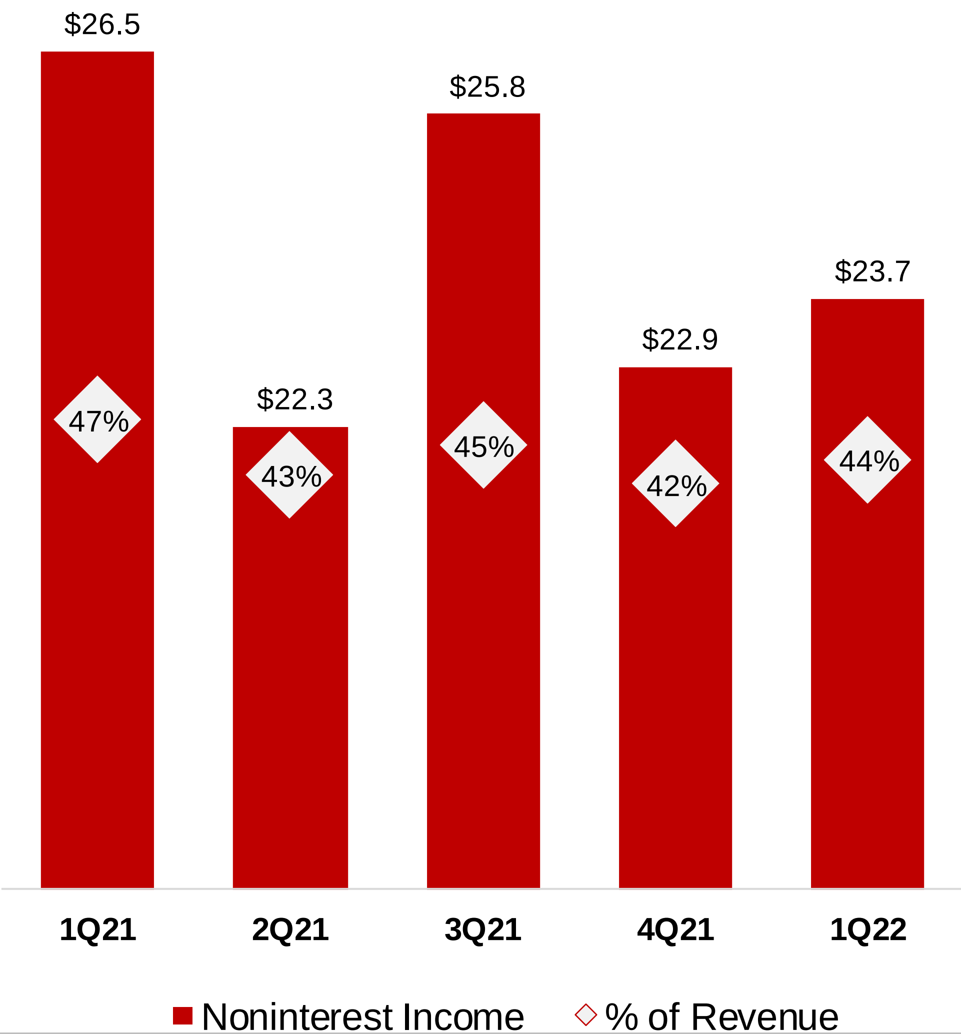
- ✓ Mortgage loan originations decreased 25% in 1Q'22 compared to 4Q'21
  - ✓ Slowdown anticipated, after record volume in 2020 and 2021, due to increase in mortgage interest rates beginning in 4Q'21
  - ✓ There has been a reduction in the number of mortgage originators in 2022
- ✓ Mortgage servicing rights – a positive fair value adjustment of $4.5 million in 1Q'22, compared to $400 thousand in 4Q'21. Increase driven by rise in mortgage rates, causing a longer estimated life and a reduction in the prepayment rate

Source: Company documents

Noninterest Income

Noninterest Income

$ in Millions



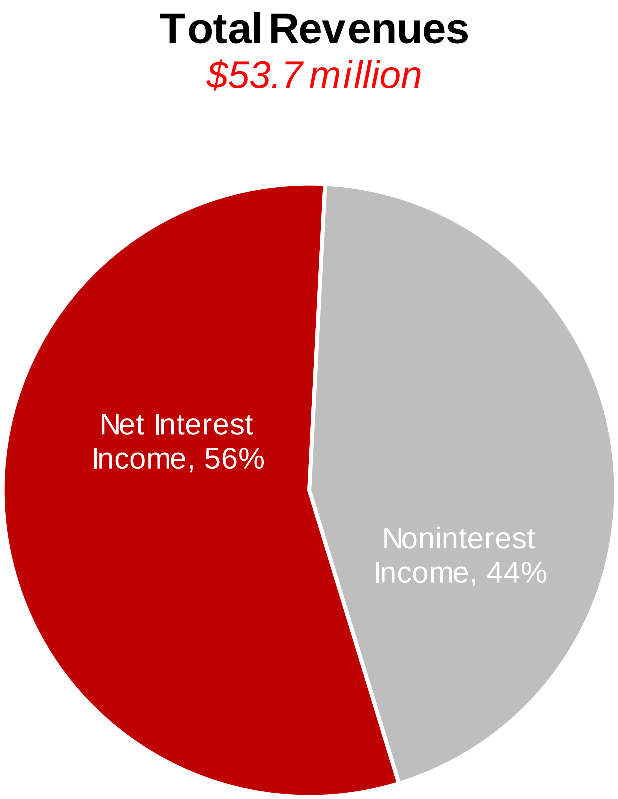
1Q'22 Highlights

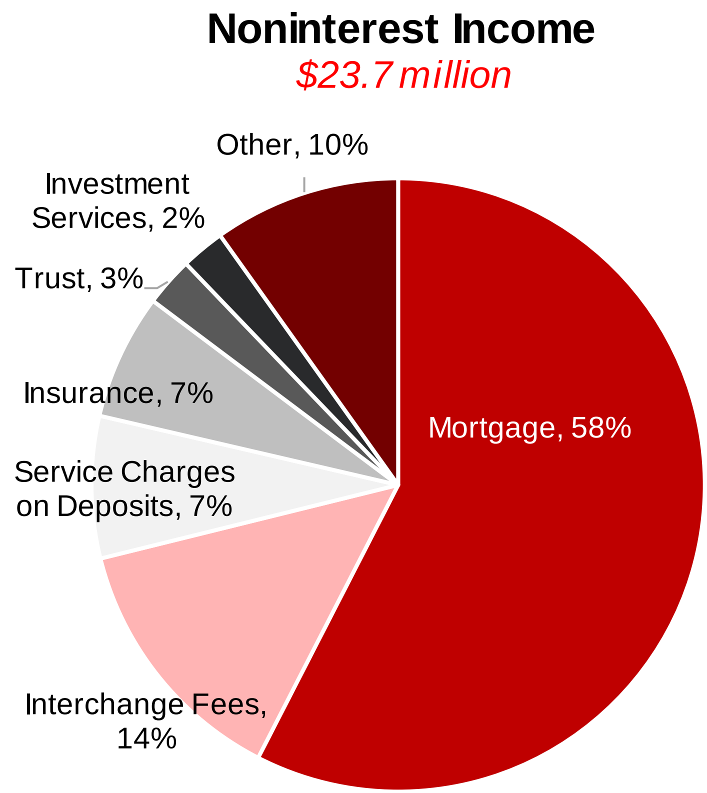
- ✓ Noninterest income of $23.7 million, compared to $22.9 million in 4Q'21; the improvement is primarily due to:
  - ✓ $1.2 million increase in mortgage banking activities revenue
  - ✓ $869 thousand increase in income from an investment in Small Business Investment Company ("SBIC")
  - ✓ Partially offset by a seasonal decrease of $598 thousand from insurance activities

Source: Company documents

Diversified Revenue Stream

Three Months Ended March 31, 2022



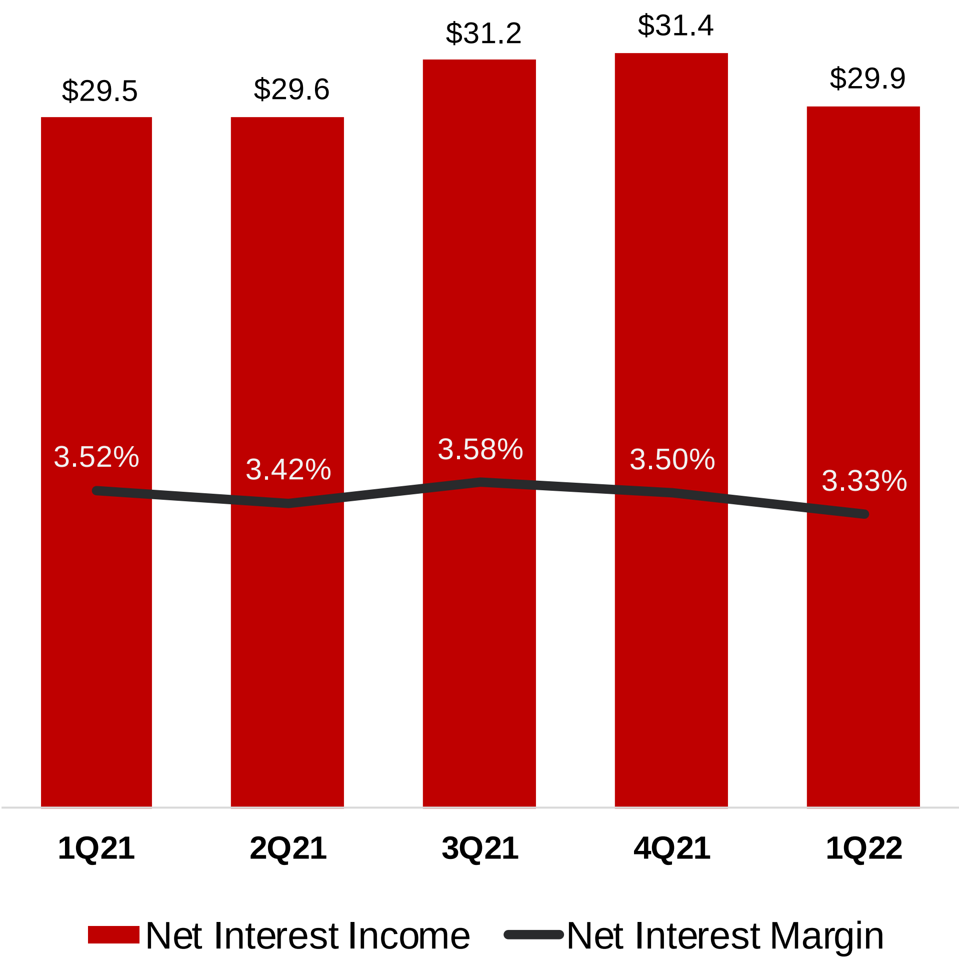


Source: Company documents

Net Interest Income and Margin

Net Interest Income & Margin

$ in Millions



1Q'22 Highlights

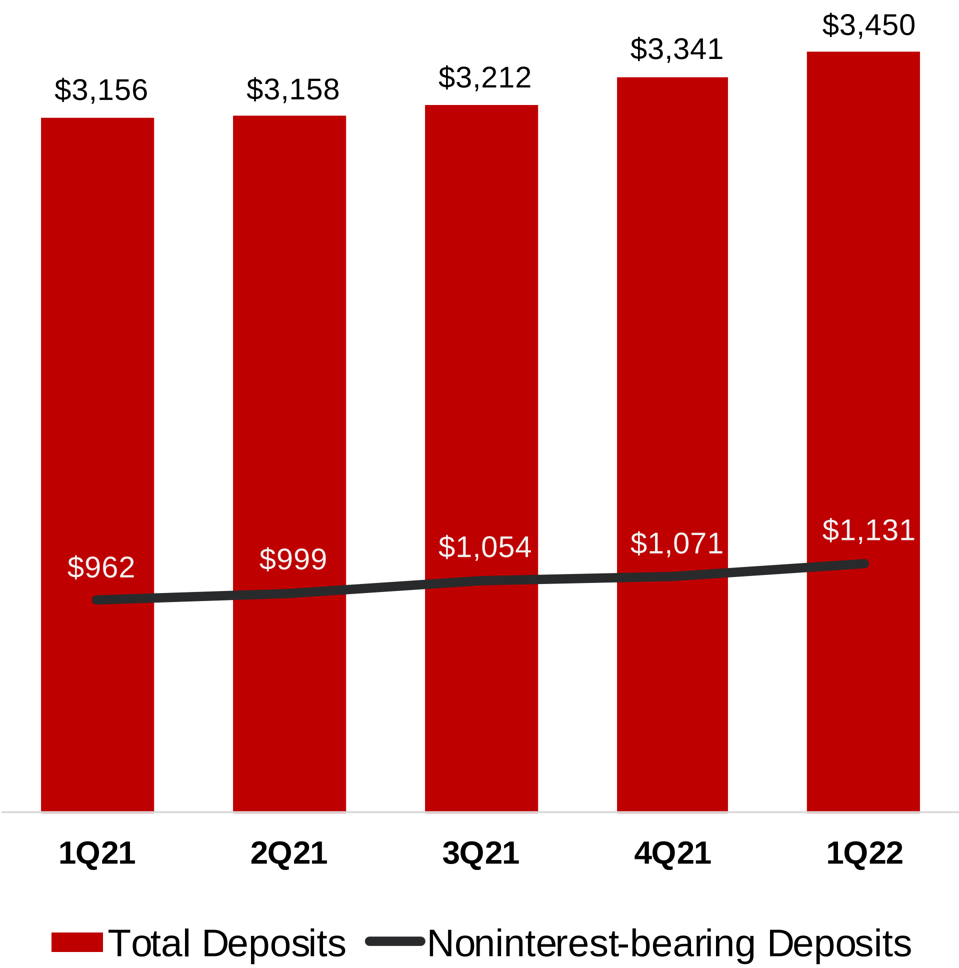
- ✓ Net interest income of $29.9 million, compared to $31.4 million in 4Q’21
- ✓ 1Q'22 net interest margin (“NIM”), calculated on a tax-equivalent basis, of 3.33% and a decrease of 17 bps compared to 4Q’21:
  - ✓ 4 bps of yield recognized in 4Q’21 on several large payoffs
  - ✓ Excess liquidity - $86 million growth in average deposits negatively affected NIM 8 bps

Source: Company documents

Deposit Portfolio

Total Deposits

$ in Millions



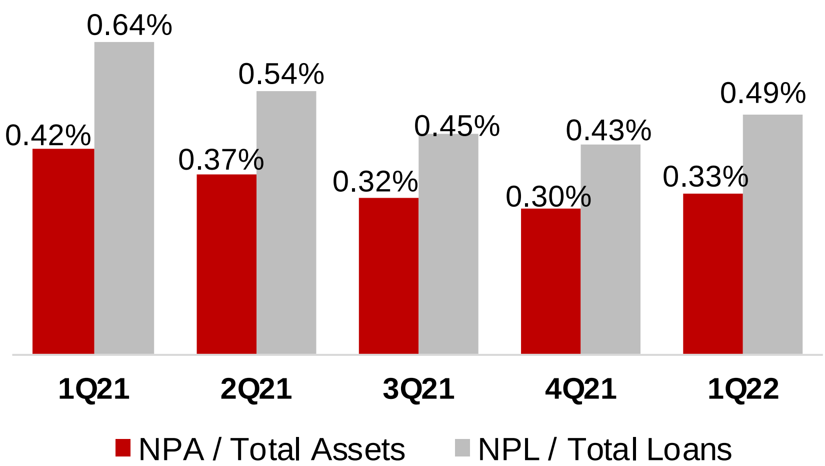
1Q'22 Highlights

- ✓ Total Deposits of $3.45 billion at 1Q'22, an increase of roughly $110 million from 4Q'21
  - ✓ Largest increase was experienced in personal accounts
- ✓ Cost of interest-bearing deposits declined in 1Q'22 to 34 bps from 35 bps in 4Q'21
- ✓ Noninterest-bearing deposits represented 32.8% of deposits in 1Q'22, compared to 32.1% in 4Q'21

Source: Company documents

Credit Quality

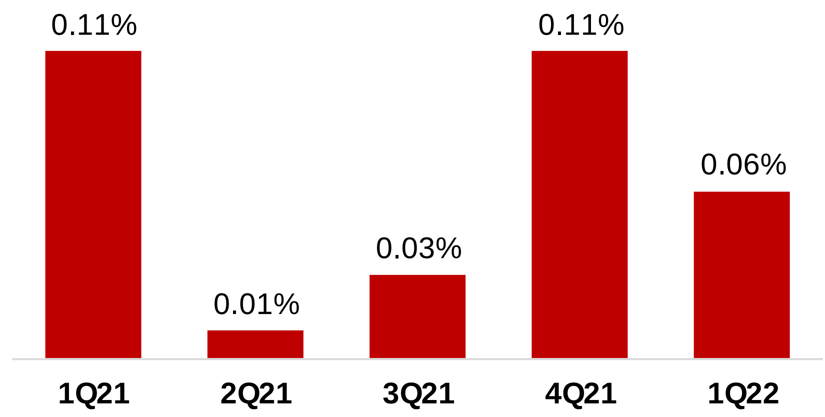
Credit Quality Ratios



1Q'22 Highlights

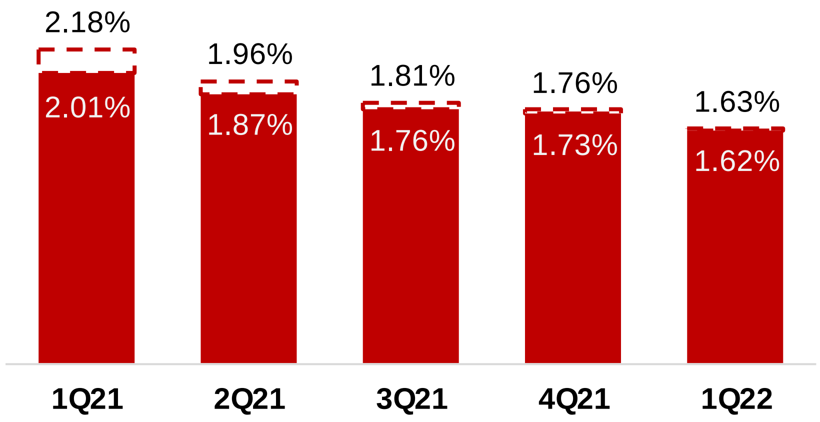
- ✓ The Company recorded a negative provision for loan loss of $2.1 million in 1Q’22, compared to no provision for loan loss in 4Q’21.
- ✓ The Company experienced improving credit metrics in the portfolio during the first quarter of 2022, specifically in the hotel segment, direct energy segment, and other Permian Basin-related credits
- ✓ Ratio of Allowance for Loan Losses (“ALLL”) to Loans HFI was 1.62% at 3/31/22

Net Charge-Offs to Average Loans



Source: Company documents

ALLL to Total Loans HFI



Select Loan Industry Concentration Detail

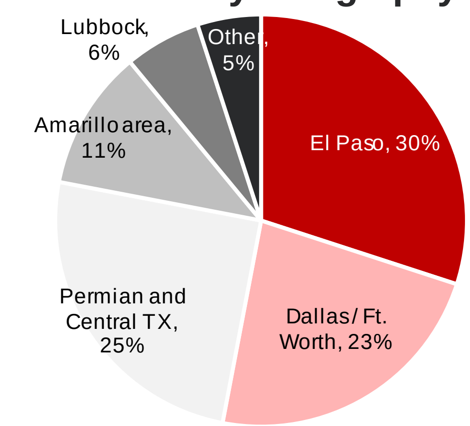
As of March 31, 2022

Hospitality

- Total operating hospitality loans of $116 million*
- No hotels under construction, with no unfunded commitments
- 82% of balances are to limited service hotels
- 33% of operating hospitality classified; <1.0% is nonaccrual; none are 30 days or more past due
- ALLL on operating hospitality is 6.9%*

* Does not include loans reported in construction and development

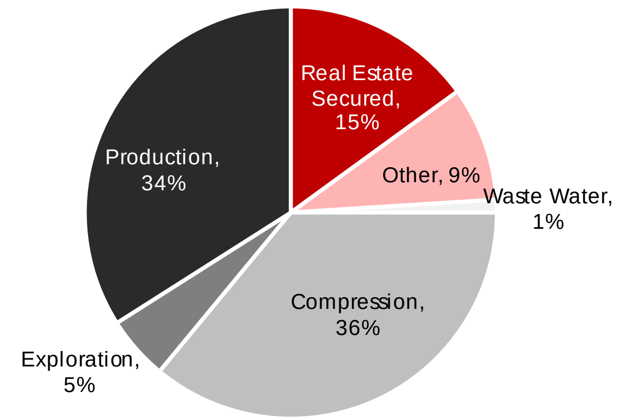
Hotels by Geography



Direct Energy

- Total direct energy loans of $122 million
- 94% support services, 6% upstream
- Nearly 100% are located in Permian and Palo Duro Basins
- 5% of energy sector classified; <1.0% is 30 days or more past due
- ALLL on energy sector is 1.3%

Energy Support Services by Type

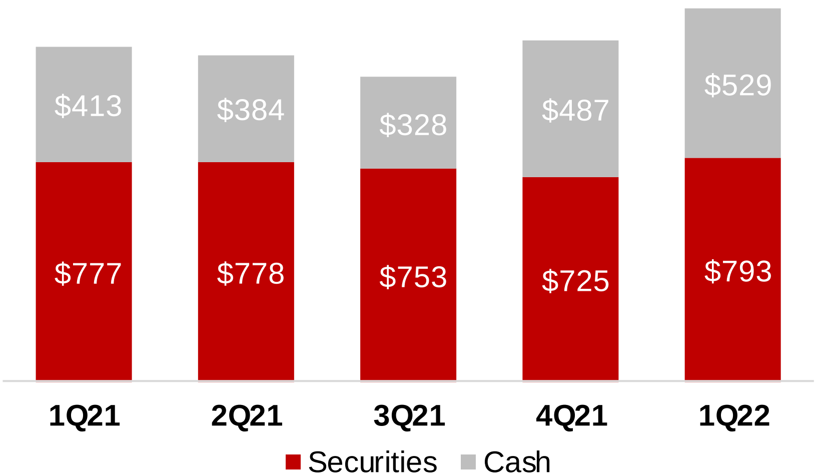


Source: Company documents

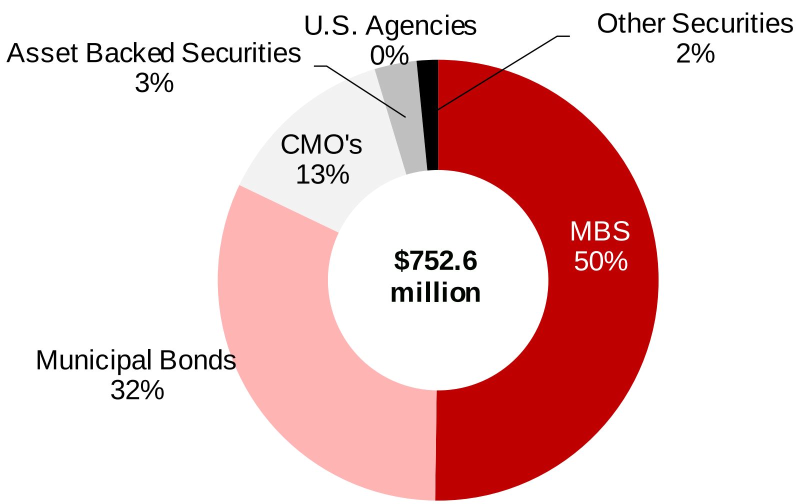
Investment Securities

Securities & Cash

$ in Millions



1Q'22 Securities Composition



1Q'22 Highlights

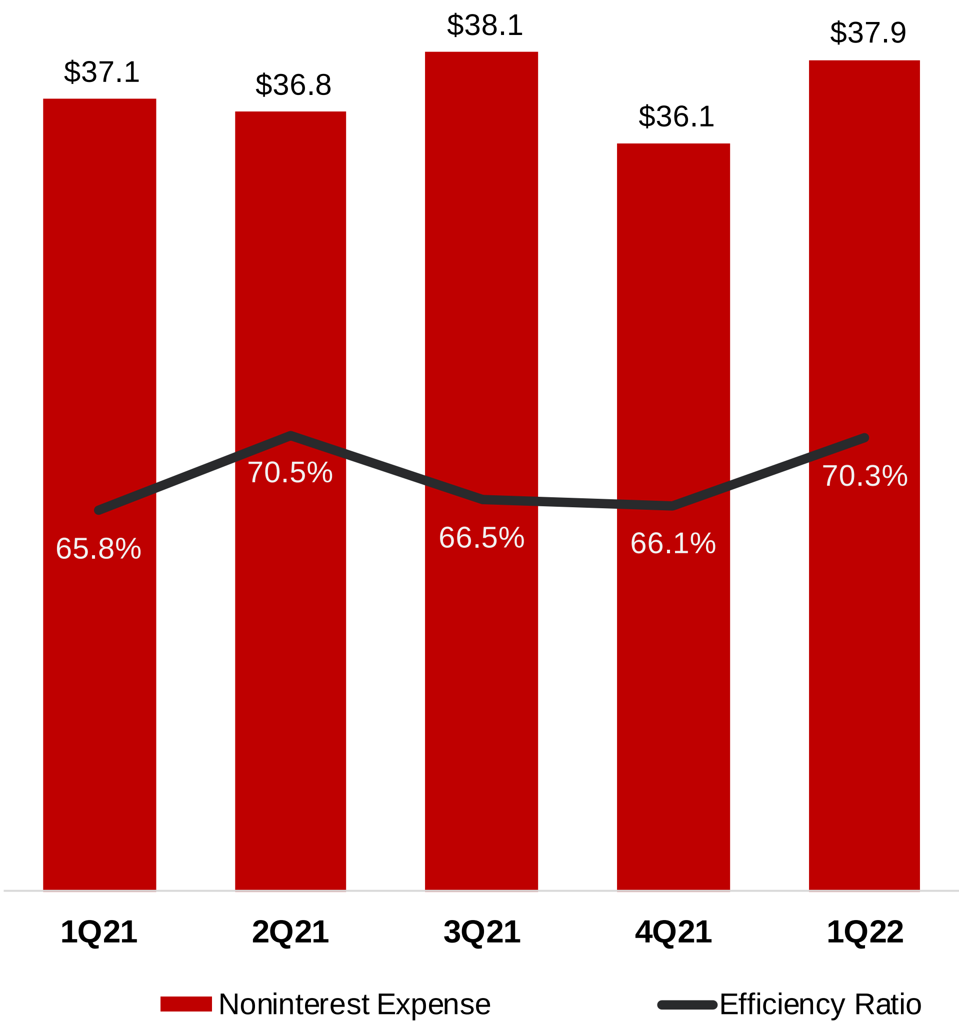
- ✓ Investment Securities totaled $793.4 million at 3/31/2022, an increase of $68.9 million from 4Q'21
- ✓ All municipal bonds are in Texas
- ✓ All MBS, CMO, and Asset Backed securities are U.S. Government or GSE

Source: Company documents

Noninterest Expense and Efficiency

Noninterest Expense

$ in Millions



1Q'22 Highlights

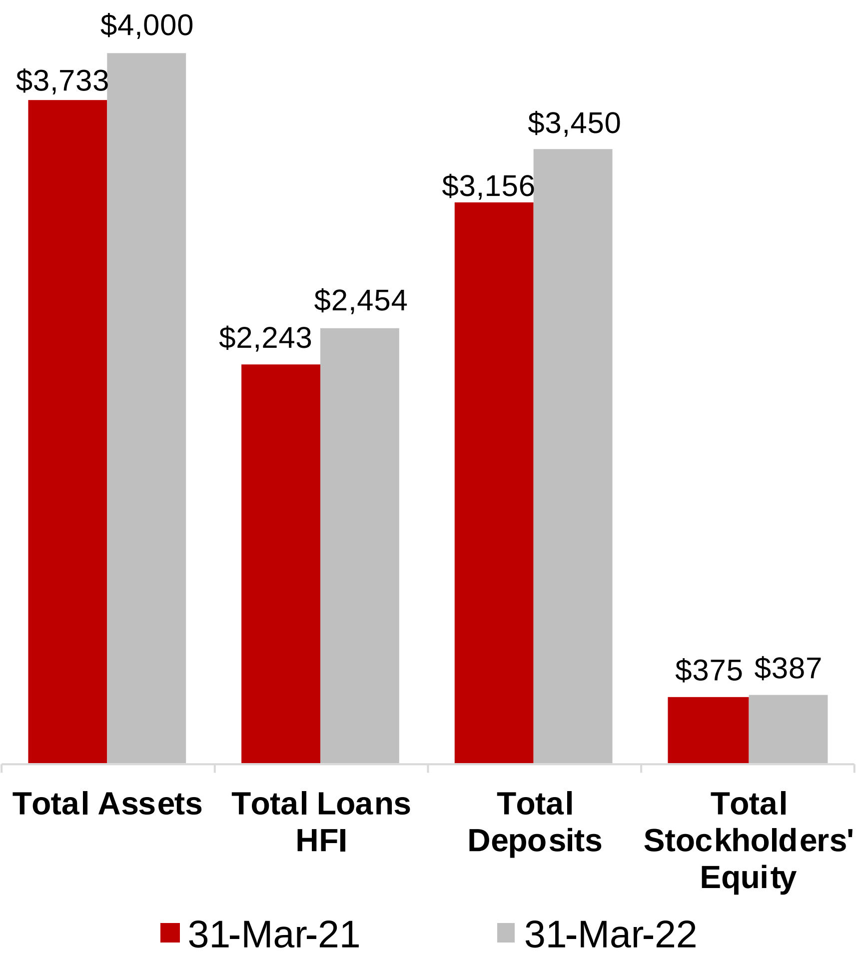
- ✓ Noninterest expense for 1Q'22 increased $913 thousand from 1Q'21 primarily due to:
  - ✓ Additional commercial lenders hired as part of planned initiative
  - ✓ An increase of $712 thousand in legal expenses
  - ✓ An increase of $247 thousand in travel, meals, and entertainment
  - ✓ Partially offset by lower mortgage commissions and other variable mortgage-based expenses due to the reduction in mortgage loan originations.

Source: Company documents

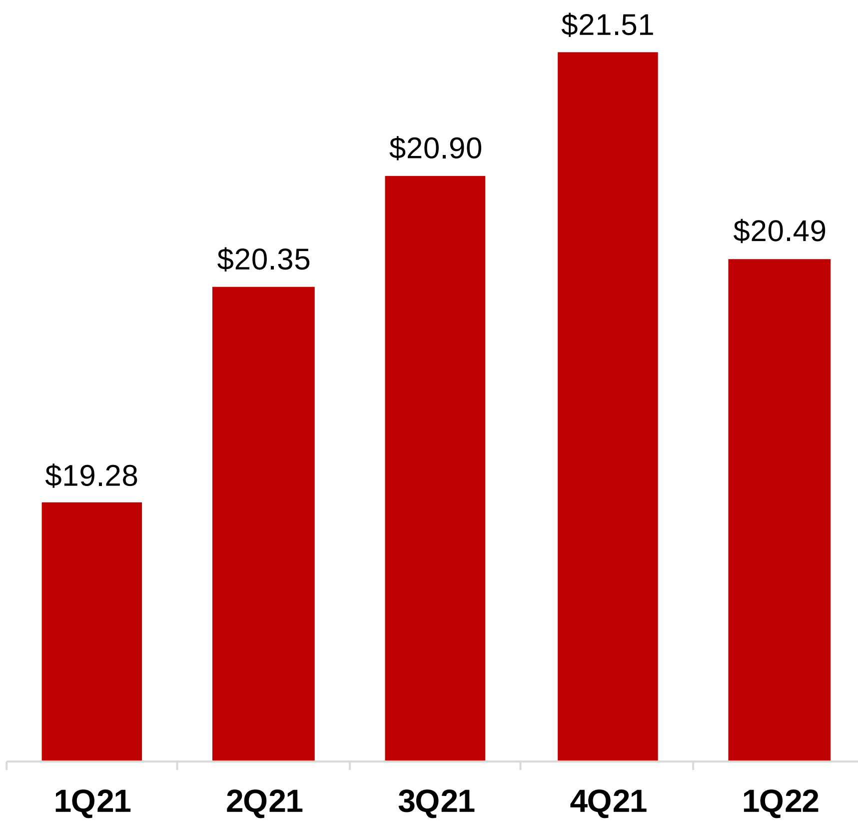
Balance Sheet Growth and Development

Balance Sheet Highlights

$ in Millions



Tangible Book Value Per Share

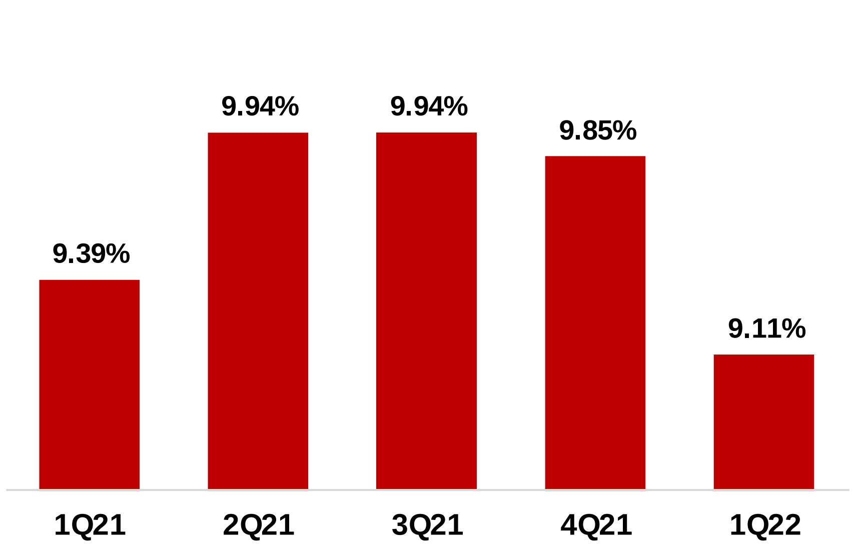


Note: Tangible book value per share is a non-GAAP measure. See appendix for the reconciliation to GAAP

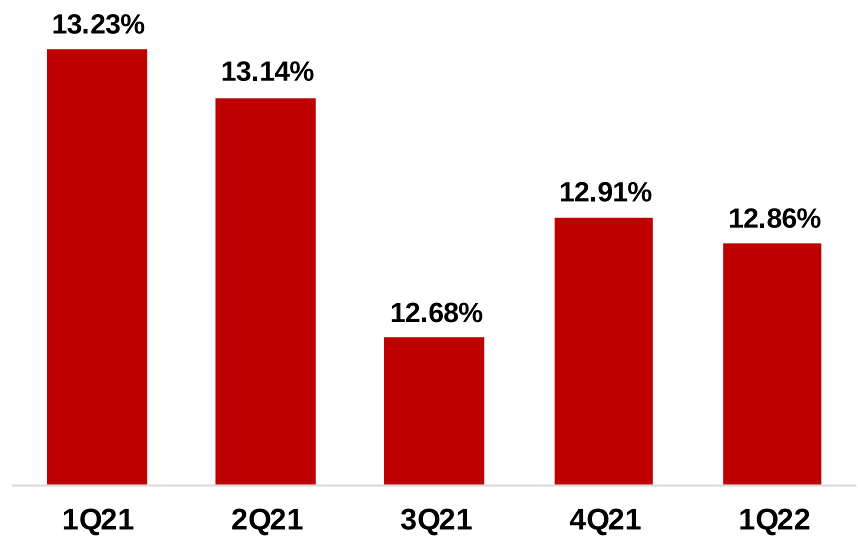
Source: Company documents

Strong Capital Base

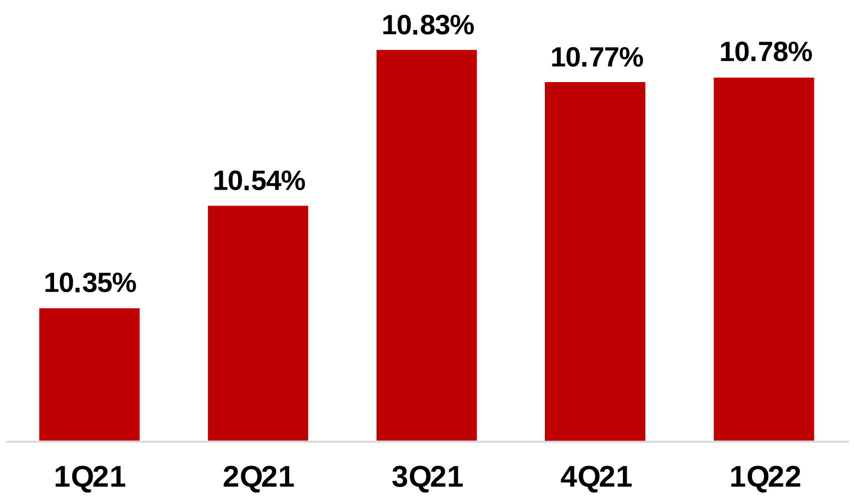
Tangible Common Equity to Tangible Assets Ratio



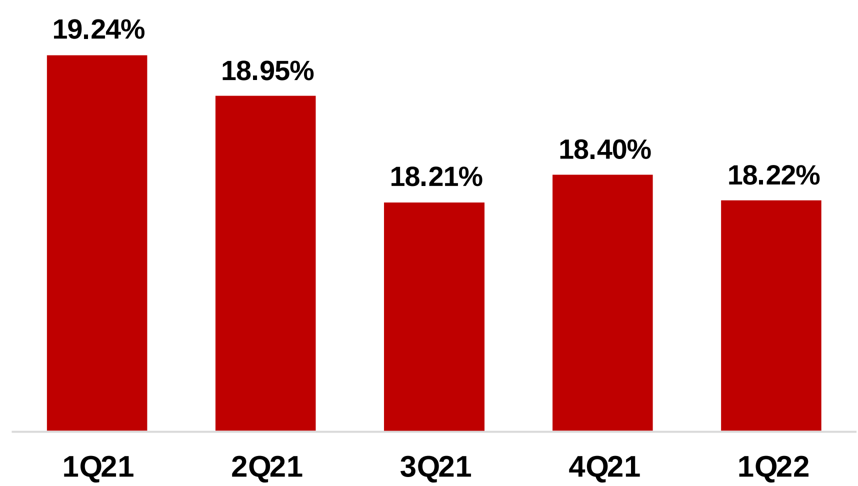
Common Equity Tier 1 Ratio



Tier 1 Capital to Average Assets Ratio



Total Capital to Risk-Weighted Assets Ratio



Source: Company documents

Note: Tangible common equity to tangible assets is a non-GAAP measure. See appendix for the reconciliation to GAAP

Appendix

Non-GAAP Financial Measures

Unaudited

$ in Thousands

	As of and for the quarter ended				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Pre-Tax, Pre-Provision Income					
Net income	$ 14,278	$ 14,614	$ 15,190	$ 13,650	$ 15,160
Income tax expense	3,527	3,631	3,716	3,422	3,738
Provision for loan losses	(2,085)	-	-	(2,007)	89
Pre-tax, pre-provision income	$ 15,720	$ 18,245	$ 18,906	$ 15,065	$ 18,987

	As of the quarter ended				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Tangible common equity					
Total common stockholders' equity	$ 387,068	$ 407,427	$ 398,276	$ 392,815	$ 374,671
Less: goodwill and other intangibles	(25,011)	(25,403)	(25,804)	(26,226)	(26,648)
Tangible common equity	$ 362,057	$ 382,024	$ 372,472	$ 366,589	$ 348,023
Tangible assets					
Total assets	$ 3,999,744	$ 3,901,855	$ 3,774,175	$ 3,712,915	$ 3,732,894
Less: goodwill and other intangibles	(25,011)	(25,403)	(25,804)	(26,226)	(26,648)
Tangible assets	$ 3,974,733	$ 3,876,452	$ 3,748,371	$ 3,686,689	$ 3,706,246
Shares outstanding	17,673,407	17,760,243	17,824,094	18,014,398	18,053,229
Total stockholders' equity to total assets	9.68%	10.44%	10.55%	10.58%	10.04%
Tangible common equity to tangible assets	9.11%	9.85%	9.94%	9.94%	9.39%
Book value per share	$ 21.90	$ 22.94	$ 22.34	$ 21.81	$ 20.75
Tangible book value per share	$ 20.49	$ 21.51	$ 20.90	$ 20.35	$ 19.28

Source: Company documents