



South Plains
Financial, Inc.

20th Annual KBW Community Bank Investor Conference

(NASDAQ: SPFI)

Safe Harbor and Disclaimers

This presentation contains forward-looking statements about South Plains Financial, Inc. ("South Plains," "SPFI," "we," "us," or "our") within the meaning of the Private Securities Litigation Reform Act of 1995, with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company, and our anticipated acquisition of West Texas State Bank ("WTSB"). Forward-looking statements are typically identified by words or phrases such as "may," "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties and management assumptions about the future performance of the Company, as well as the businesses and markets in which it does and is expected to do business. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. South Plains cautions readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties relating to: (i) local and national economic conditions, (ii) interest rate changes, (iii) competition among financial institutions, (iv) credit quality (v) loan production, (vi) the ability to attract low-cost deposits, (vii) the ability of borrowers to repay their loans, (viii) the ability to maintain capital requirements and adequate sources of liquidity, (ix) effects of or changes in accounting policies, (x) regulatory requirements and changes in regulatory legislation, and (xi) other factors we discuss or refer to in the "Risk Factors" section of South Plains' Prospectus, filed with the Securities and Exchange Commission (the "SEC") on May 8, 2019, in connection with SPFI's Registration Statement on Form S-1. Copies of these filings are available for download free of charge from the Investor Relations section of SPFI's website at www.spfi.bank/investor-relations.

This presentation contains additional forward-looking statements with respect to the Company's expected acquisition of WTSB, including, but not limited to, statements about the benefits of the proposed acquisition of WTSB by the Company, future financial and operating results, South Plains' or WTSB's plans, objectives, expectations and intentions, the expected timing of the completion of the acquisition and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties relating to: (i) the ability to obtain the requisite approval of WTSB's shareholders; (ii) the risk that South Plains or WTSB may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; (iii) the risk that a condition to the closing of the merger may not be satisfied; (iv) the timing to consummate the proposed merger; (v) the risk that the businesses will not be integrated successfully; (vi) the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; (vii) disruption from the transaction making it more difficult to maintain relationships with customers, employees or vendors; (viii) the diversion of management time on merger-related issues; (ix) general worldwide economic conditions and related uncertainties; (x) liquidity risk affecting South Plains' ability to meet its obligations when they come due; (xi) excessive loan losses; and (xii) the effect of changes in governmental regulations.

Any forward-looking statement made by SPFI in this presentation speaks only as of the date on which it is made. Factors or events that could cause SPFI's actual results to differ may emerge from time to time, and it is not possible for SPFI to predict all of them. Except as required under the U.S. federal securities laws and the rules and regulations of the SEC, SPFI disclaims any intention or obligation to update any forward-looking statements after the distribution of this presentation, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

All subsequent written and oral forward-looking statements made during this presentation attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

PRO FORMA AND PROJECTED INFORMATION

This presentation contains certain pro forma and projected information, including projected pro forma information that reflects our current expectations and assumptions regarding the effects of our pending acquisition of WTSB. This pro forma information does not purport to present the results that we may realize if this acquisition is complete.

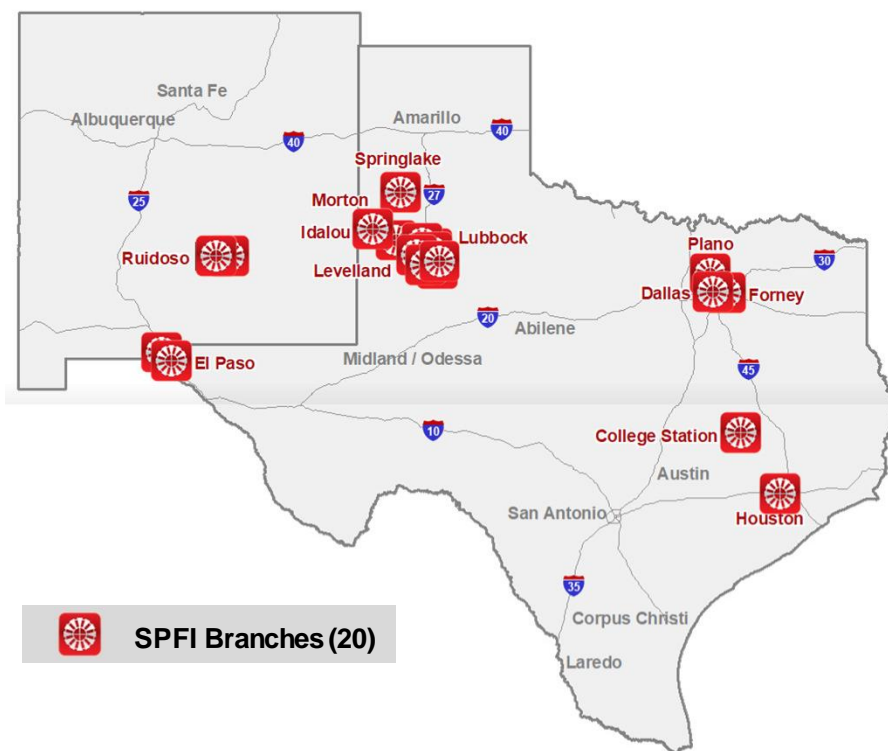
NON-GAAP FINANCIAL MEASURES

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.

A Leading West Texas Franchise

Our Company

- Bank holding company headquartered in Lubbock, Texas with \$2.8 billion in total assets
- One of the largest independent banks headquartered in West Texas
- One of only two publicly-traded Texas institutions west of I-35
- Repeatedly recognized as an outstanding place to work, including being on American Banker's Best Banks to Work For list six consecutive times



SPFI Branches (20)

2Q19 Financial Highlights

Balance Sheet

Total assets	\$2.78 bn
Gross loans held for investment	1.94 bn
Total deposits	2.28 bn
Noninterest-bearing deposits	513.4 mm
Core deposits ⁽¹⁾	2.1 bn
Total shareholders' equity	291.1 mm
Loans to deposits	84.8%

Profitability

Net Income	\$6.1 mm
Return on average assets	0.89%
Return on average equity ^{(2) (3)}	9.57
Net interest margin	3.88
Efficiency ratio	77.46

Capital Ratios

Tangible shareholders' equity to tangible assets	10.48%
Tier 1 capital to average assets	12.10
Common equity tier 1 to risk weighted assets	13.31
Total capital to risk-weighted assets	17.75

Asset Quality

Nonperforming assets to total assets	0.37%
Allowance for loan losses to total loans	1.25
Net charge-offs to average loans (annualized)	0.02

(1) Defined as total deposits less (i) time deposits greater than or equal to \$250,000, (ii) deposits obtained from listing services and, (iii) brokered deposits.

(2) Reflects the ESOP Repurchase Right Termination

(3) Assumes the Company's S Corporation revocation was effective at the beginning of each period prior to May 31, 2018. The Federal tax rate used was 35.0% for periods prior to January 1, 2018 and 21.0% for periods after January 1, 2018



Our History and Growth Profile

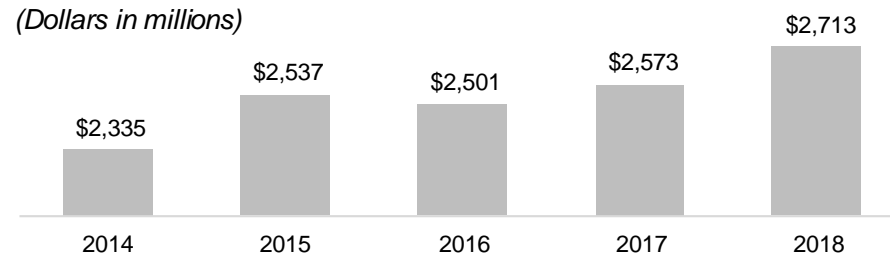
Our History

History dates back more than 75 years with the founding of First State Bank of Morton, a community bank that held approximately \$1 million of total assets in 1941

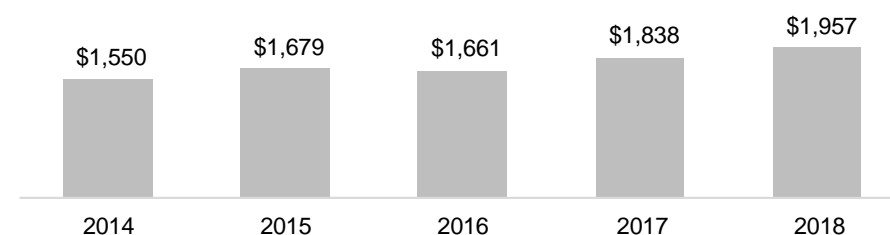
- Parent company to First State Bank of Morton acquired South Plains National Bank of Levelland, Texas in 1991 and changed its name to South Plains Bank
- Company became the holding company to First State Bank of Morton and South Plains Bank in 1993
- Acquired City Bank in 1993, which was originally established in Lubbock in 1984, and merged First State Bank of Morton and South Plains Bank into City Bank in 1998 and 1999, respectively
- 20 full-service banking locations across six geographic markets, and 13 mortgage loan production offices

Total Assets

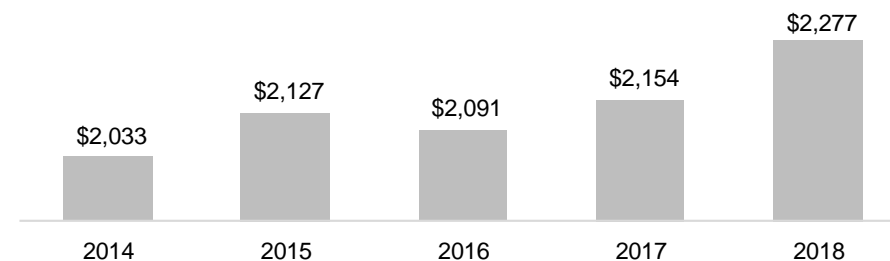
(Dollars in millions)



Gross Loans Held for Investment



Deposits



Experienced Management Team

Name	Experience
Curtis C. Griffith <i>Chairman & Chief Executive Officer</i>	<ul style="list-style-type: none">• Elected to board of directors of Texas based First State Bank of Morton in 1972• Became employed by the Bank in 1979 and elected Chairman in 1984• Chairman of the Board since 1993
Cory T. Newsom <i>President</i>	<ul style="list-style-type: none">• 36 year banking career with the Company focusing on lending and operations• Appointed President and Chief Executive Office of the Bank in 2008• Joined the Board in 2008
Steven B. Crockett <i>Chief Financial Officer & Treasurer</i>	<ul style="list-style-type: none">• Began his career in public accounting in 1994 by serving for seven ears with a local firm in Lubbock, Texas• Controller of the Bank and the Company for 14 and 5 year respectively
Kevin R. Bass <i>Chief Credit Officer</i>	<ul style="list-style-type: none">• Former credit analyst and bank regulator• Joined the Company in 1995 as an asset review officer and has served as the Chief Credit Officer since 2012• Elected to the Bank board in 2006
Mikella D. Newsom <i>Chief Risk Officer & Secretary</i>	<ul style="list-style-type: none">• 23 year baking career• Secretary and Chief Risk Officer of the Company since 2013• Previously Chief Financial Officer of the Bank

Outside Directors

Name	Title	Years with SPFI	History and Experience
Richard "Danny" Campbell	Lead Director	8	<ul style="list-style-type: none"> • Director of the Company and Bank since 2011 • Executive officer and investment team leader for the Henry Family Office, which he joined in May of 2007 bringing 26 years of oil / gas and banking experience • Served as Executive Vice President and as a member of the board of directors of Community National Bank in Midland, Texas, from 2002 until 2007
Cynthia B. Keith	Director	3	<ul style="list-style-type: none"> • Director of the Company since 2019 and Bank since 2016 • Former partner of PricewaterhouseCoopers, LLC • Specialized in audits of and consulting with technology and communications clients over a 25-year career with PricewaterhouseCoopers, LLC
Allison S. Navitskas	Director	1	<ul style="list-style-type: none"> • Director of the Company and Bank since 2019 • Served as Managing Director, Global Business Development and Strategy, for Lone Star Funds, a global private equity fund investing in debt and equity • Practiced law with Hunton & Williams LLP specializing in financial institutions, mergers and acquisitions, corporate finance, and securities law • Has served on the board of two public companies
Noe G. Valles	Director	4	<ul style="list-style-type: none"> • Director of the Company since 2019 and Bank since 2015 • An attorney who has acted as a managing partner of Glasheen, Valles and Inderman, LLP since 2004 – licensed to practice in Texas and New Mexico • Board of Managers of University Medical Center in Lubbock for 11 years
Kyle R. Wargo	Director	17	<ul style="list-style-type: none"> • Director of the Company since 2016 and Bank since 2013, and served as an advisory director to the Bank from 2002 through 2012 • Has served as Executive Director of Region 17 Education Service Center since 1996 and has previously been a member of the Texas Tech University graduate faculty • Has 30 years of educational administration experience

Investment Highlights

Emphasize Community Banking

- Significant market share and brand recognition in the smaller markets we serve
- Leverage our relationship-based platform in higher growth metropolitan markets such as Dallas and Houston

Organic Growth

- Focus primarily on existing business lines in current market areas
- Gather low-cost deposits in non-metropolitan markets and deploy them in larger, more dynamic lending markets
- Continue to actively recruit lenders from other institutions

Acquisitive Growth

- The second publicly traded Texas bank headquartered west of Interstate 35 (DFW to Laredo)
- Being a public company should enhance visibility to potential targets and allow us to become a favored acquirer
- Primarily target banks in non-metropolitan areas with low-cost core deposit bases

Improving Efficiency and Profitability

- Invested in systems and processes that we believe are comparable to those of a much larger organization
- New BSA software to increase efficiencies, streamline processes, and create operating leverage

Enterprise Risk Management

- Implemented a rigorous enterprise risk management, or ERM, system in the aftermath of the financial crisis
- System delivers an effective and comprehensive approach to risk management across a number of functional areas
- Expect the ERM system will enhance our ability to consummate acquisitions with less risk and increased cost savings

Strong Inside Ownership

- Officers, directors, and employees (through our ESOP) together represent shareholders who own more than 70% of our common stock
- Executive compensation is closely tied to company performance metrics



Our Markets

	Branches	Deposits ⁽¹⁾ (\$mm)	Market Highlights
Lubbock / South Plains	11	\$1,699	<ul style="list-style-type: none"> Population in excess of 315,000 with major industries in agribusiness, education, and trade among others Home of Texas Tech University – enrollment of 35,000 students
Dallas	3	\$259	<ul style="list-style-type: none"> DFW is the largest MSA in Texas and fourth largest in the nation Responsible for producing 33% of Texas GDP in 2018
Ruidoso / Eastern New Mexico	2	\$116	<ul style="list-style-type: none"> Serves as a regional economic hub Large investments from developers over the past ten years – housing subdivisions, condominiums, retail establishments, etc. Growing retirement community
El Paso	2	\$111	<ul style="list-style-type: none"> Population of 850,000+ with major military presence through Fort Bliss Adjacent to Juarez, Mexico, which has a growing industrial center, and an estimated population of 1.5 million people Home to four universities including The University of Texas at El Paso
Bryan / College Station	1	\$68	<ul style="list-style-type: none"> Home to Texas A&M University – enrollment of 68,000 students Ranked first in Texas and third nationwide for Best Small Places for Business and Careers in 2017 by Forbes
Houston / The Woodlands / Sugarland	1	\$25	<ul style="list-style-type: none"> Second largest MSA in Texas and fifth largest in the nation Home to 21 Fortune 500 Companies Called the “Energy Capital of the World,” the area also boasts the world’s largest medical center and second busiest port in the U.S.



Lubbock, Texas – Our Home Market

Economy

- Major industries include agriculture – primarily cotton, corn, and grain sorghum – as well as education, trade and transportation, health services and government
- Home to Texas Tech University – enrollment ranks within the top 10 for universities in Texas as of Spring 2018 at 35,000+ students
- The Lubbock MSA reports unemployment of 3.1% for 2018
- Forbes listed Lubbock as one of its “Best Places for Business and Careers” during 2018



Lubbock MSA Deposit Market Share

Rank	Institution Name	Headquarters		Branches	Deposits (\$mm)	Market Share (%)
		City	State			
1	Hilltop Holdings Inc.	Dallas	TX	11	\$1,601	18.4%
2	South Plains Financial Inc.	Lubbock	TX	9	1,440	16.6
3	Wells Fargo & Co.	San Francisco	CA	11	785	9.0
4	Prosperity Bancshares Inc.	Houston	TX	16	731	8.4
5	Amarillo National Bancorp Inc.	Amarillo	TX	10	707	8.1
6	Heartland Financial USA Inc.	Dubuque	IA	7	707	8.1
7	Peoples Bancorp Inc.	Lubbock	TX	6	374	4.3
8	Bank of America Corporation	Charlotte	NC	2	325	3.7
9	Vista Bancshares Inc.	Rolls	TX	6	297	3.4
10	Americo Bancshares Inc.	Wolfforth	TX	6	255	2.9
Total For Top 10 Institutions				84	\$7,223	83.2%



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Source: Forbes, bls.gov, and lubbockchamber.com
Note: Deposit data as of 6/30/2018 per FDIC.

Priority Expansion Markets – West Texas

Midland / Odessa

- Located along Permian Basin, which is a petroleum rich area that extends into the South Plains region of Lubbock and west into the southeastern portion of New Mexico
- The Permian Basin has been called the “Heart of American Oil Country” and is responsible for the production of nearly four million barrels of crude oil per day, or roughly one third of total U.S. oil production
 - Led the nation in job growth, with employment surging by nearly 12% during 2018
 - More than 450 drilling rigs, or about half of the operating rigs in the United states
 - Analysts predict the region’s output will expand over time due to cost-reducing advances in hydraulic fracturing



El Paso

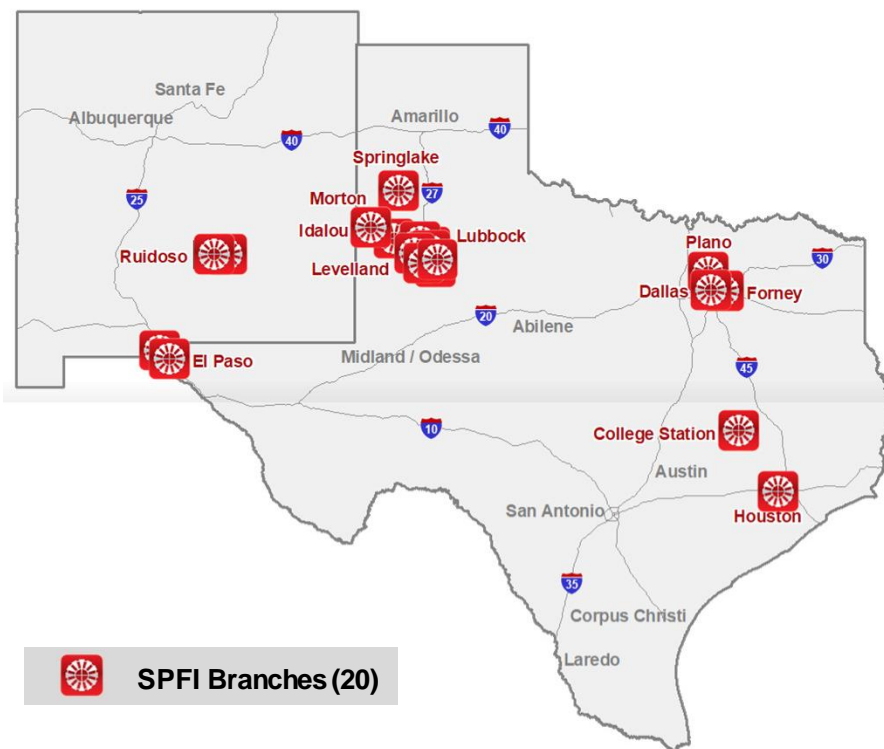
- Adjacent to Juarez, Mexico, which has a growing industrial center, an estimated population of 1.5 million people, and has contributed to significant growth in the El Paso MSA
- Civil employers include a number of universities, including The University of Texas at El Paso, The Texas Tech School of Medicine, El Paso Community College, and Vista College
- Home to Fort Bliss, which houses the 1st Armored Division, the 32nd Army Air and Missile Defense Command and the 402nd Field Artillery Brigade, among other major units



Acquisition Strategy

Commentary

- We plan to take advantage of acquisition opportunities, and use a combination of public stock and cash to become the acquirer of choice in West Texas
- Catalysts for acquisition activity include management succession, shareholder liquidity needs, scale, and excessive regulation
- There are 32 banks located in the West Texas market area with between \$250 million and \$2.0 billion in total assets, which provides us with ample opportunities to make acquisitions that increase shareholder value
- Economic Guidelines for Acquisitions:
 - Substantial EPS accretion
 - Reasonable tangible book value dilution
 - Acceptable earnback period
 - Strong Internal Rate of Return

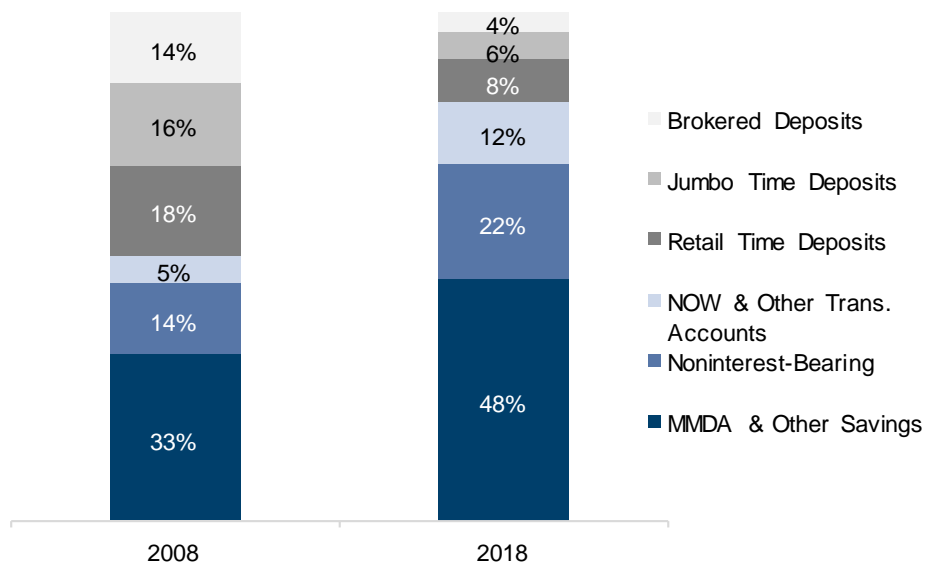


Low Cost Deposit Franchise

Strong Core Deposit Base

- Core deposits⁽¹⁾ totaled \$2.1 billion, or 90.4% of total deposits
- Noninterest-bearing deposits totaled \$510.1 million, or 22.4% of total deposits as of December 31, 2018
- Our cost of total deposits was 80 basis points for the year ended December 31, 2018
- Strong public fund relationships

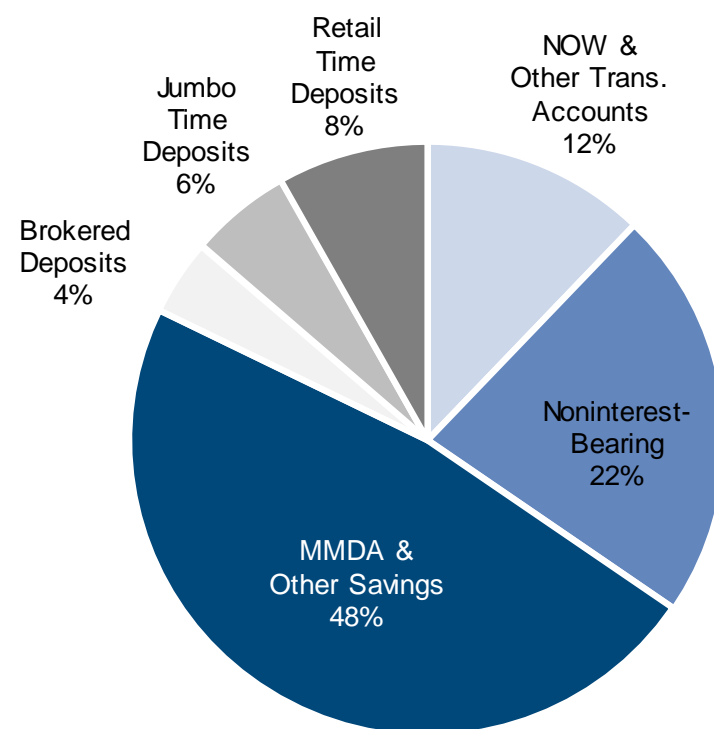
Deposit Mix Over Time



Deposit Composition as of December 31, 2018

Total Deposits: \$2,277

2018 Cost of Deposits: 0.80%



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Dollars are in millions.

Financial data is as of the twelve months ended December 31 of each respective year.

(1) Defined as total deposits less (i) jumbo time deposits greater than or equal to \$250,000, (ii) deposits obtained from listing services and, (iii) brokered deposits.

WTSB Transaction Highlights

Strategic Rationale

Adjacent Market Expansion	<ul style="list-style-type: none">▪ Expands South Plains' franchise into the Permian Basin (Midland and Odessa MSAs) with the acquisition of a high quality, 82 year-old, privately held community bank▪ Allows for further acquisition opportunities in these markets
Strengthens Balance Sheet Liquidity ⁽¹⁾	<ul style="list-style-type: none">▪ Enhances core funding with \$374 million in stable, low cost deposits<ul style="list-style-type: none">▪ 0.19% cost of total deposits▪ Loan to deposit ratio of 56%
Revenue Enhancements	<ul style="list-style-type: none">▪ Provides revenue opportunities by offering additional products, and higher lending limits to current customers and the marketplace (not modeled)
Low Execution Risk	<ul style="list-style-type: none">▪ Manageable acquisition size should minimize integration risk
Capital Deployment	<ul style="list-style-type: none">▪ Effective utilization of capital raised from SPFI's initial public offering in May 2019

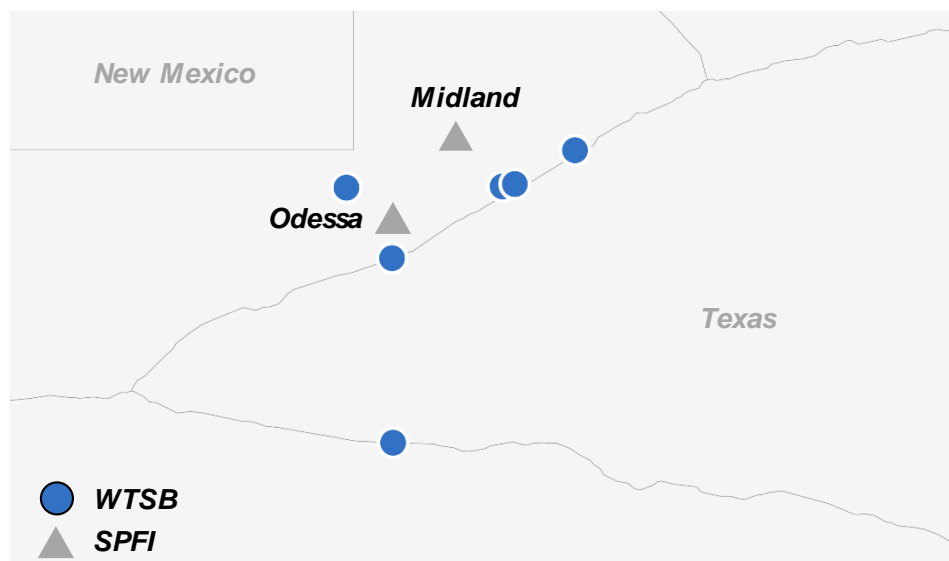
Summary of Financial Impact

Exceptional Financial Benefits Consistent with Management's Stated Objectives	<ul style="list-style-type: none">▪ Earnings per share accretion greater than 20%⁽²⁾▪ Tangible book value earnback of approximately 3.5 years⁽³⁾▪ Internal rate of return greater than 18%▪ South Plains remains well capitalized and positioned for further growth
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West Texas State Bank Overview

Branch Overview



Company Overview

- Founded in 1937, WTSB is based in Odessa, Texas
- Six branches located predominantly along I-20 corridor in West Texas
- Superior core deposit franchise with excess liquidity
- Clean loan portfolio reflected by minimal nonperforming assets
- Strong earnings potential

Financial Highlights

(\$000s)	as of or for the quarter ended, 3/31/2019
Balance Sheet	
Total Assets	\$424,488
Gross Loans	210,103
Total Deposits	373,714
Total Equity	49,714
Tangible Common Equity	49,260
Profitability	
Net Income	\$1,331
Core ROAA ⁽¹⁾	1.26%
Core ROATCE ⁽¹⁾	10.8%
Net Interest Margin	4.22%
Efficiency Ratio	65.2%
Capitalization	
TCE / TA	11.62%
CET1 Ratio	18.89%
Leverage Ratio	12.01%
Tier 1 Capital Ratio	18.89%
Total Risk-Based Capital Ratio	20.14%
Asset Quality	
NPA's / Assets ⁽²⁾	0.16%
NPA's / Loans + OREO ⁽²⁾	0.32%
ALLL / Loans	1.92%

Source: S&P Global.

Note: West Texas State Bank is an S-Corporation. Its net income is adjusted to reflect an estimated 21% tax rate for illustrative purposes.

(1) Core earnings exclude realized gain on sale of securities, nonrecurring revenue & expenses, goodwill impairment & amortization of intangibles and extraordinary items. Assumes 21% tax rate on adjustments.

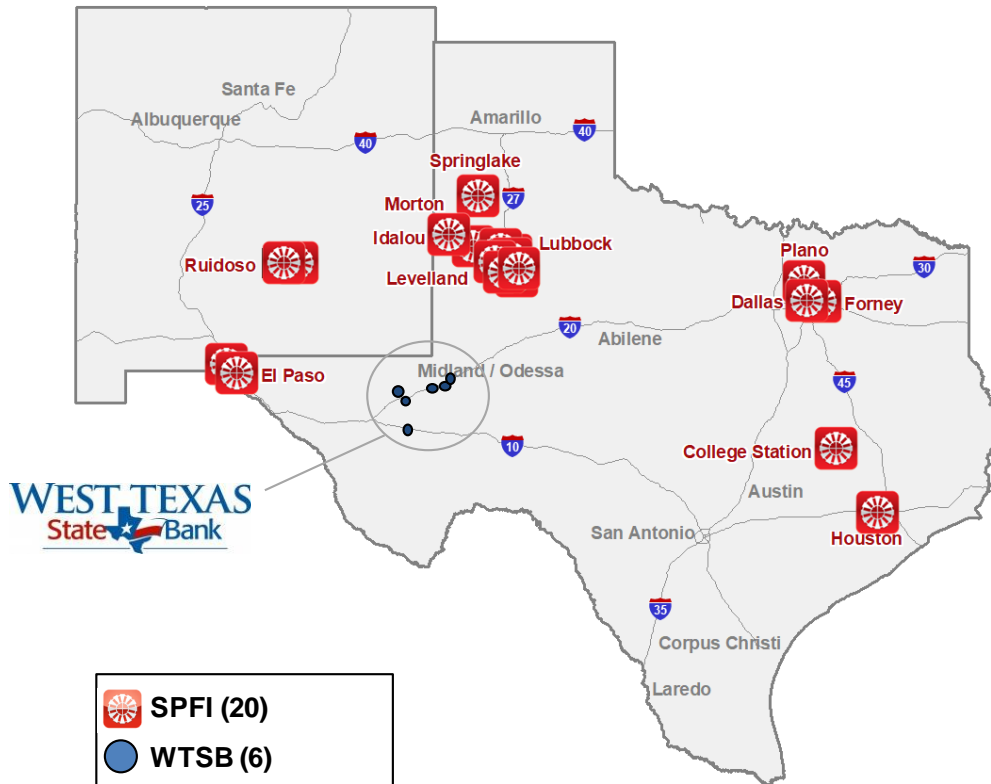
(2) Nonperforming assets ("NPAs") include troubled debt restructurings.



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Adjacent Expansion into Attractive Midland/Odessa Markets

Pro Forma Branch Overview



Midland / Odessa Highlights

- Located along Permian Basin, the Midland and Odessa MSAs have a combined population of approximately 340,000
- The Permian Basin has been called the “Heart of American Oil Country” and is responsible for the production of nearly four million barrels of crude oil per day, or roughly one third of total U.S. oil production
 - Led the nation in job growth, with employment surging by nearly 12% during 2018
 - More than 450 drilling rigs, or about half of the operating rigs in the United States
- According to the Texas Workforce Commission, the Midland-Odessa Regional Economic Index was 20.4% higher in December 2018 than December 2017
- The University of Texas of the Permian Basin is headquartered in Odessa and also has a campus in Midland, with enrollment exceeding 7,000 students

Transaction Overview

Transaction Value and Structure

- Aggregate transaction value of \$76.1 million
 - Subject to delivery of minimum tangible common equity of \$50 million
- 100% cash consideration

Fair Market Value Adjustments

- Credit mark of 2.04% (\$4.2 million – approximately equal to loan loss reserves) ⁽¹⁾

Core Deposit Intangibles

- Estimated at 2.50% of WTSB's non-time deposits

Cost Savings

- Cost savings of approximately 30% of WTSB's expected non-interest expense
- 75% phase-in during 2020, 100% in 2021 and thereafter

Required Approvals

- Shareholder approval from WTSB shareholders
- Customary regulatory approvals

Expected Closing

- 4th Quarter of 2019



Pricing Multiples and Pro Forma Financial Impact

Pricing Multiples

- Price / Tangible Book Value⁽¹⁾: 1.47x
- Price / LTM Earnings⁽¹⁾: 15.9x
- Price / 2020e Earnings: 16.4x
- Price / 2020e Earnings (Including Cost Savings)⁽²⁾: 9.8x
- Core Deposit Premium⁽¹⁾⁽³⁾: 6.5%

Pro Forma Financial Impact

- 2020e EPS Accretion (75% cost savings phase-in): ~18%
- 2021e EPS Accretion (100% cost savings phase-in): ~21%
- TBV Dilution: (9.7%)
- TBV Earnback⁽⁴⁾: 3.5 Years
- Internal Rate of Return: Greater than 18%

Estimated Pro Forma Capital Ratios At Closing

- TCE / TA: 8.6%
- Leverage Ratio: 9.9%
- Total Capital Ratio: 14.8%

Note: West Texas State Bank S-Corporation earnings shown adjusted to C-Corporation earnings using 21% tax rate.

(1) Financials are as of or for the period ended June 30, 2019.

(2) Assumes 100% phase-in for illustrative purposes.

(3) Based on total deposits less time deposits > \$250,000.

(4) TBV earnback period is calculated using the cross over method.



Acquisition Strategy

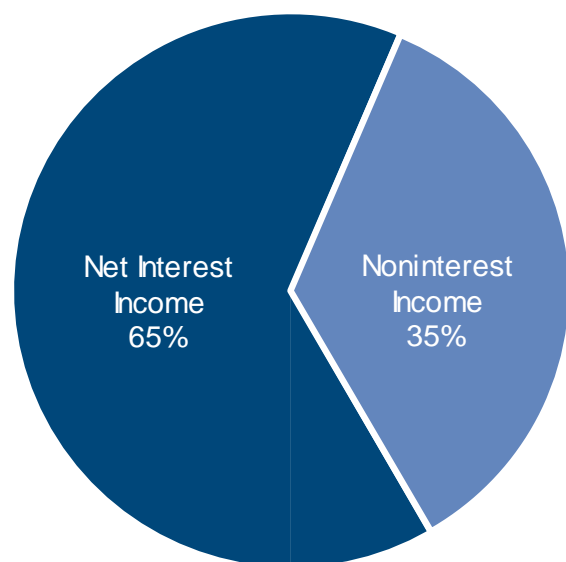
Commentary	Promised	Delivered
Contiguous West Texas Market	✓	✓
Manageable Size	✓	✓
Attractively Priced	✓	✓
Substantial EPS Accretion	✓	✓
Tangible Book Value Earnback < 4 Years	✓	✓
Tangible Book Value Dilution Under 10%	✓	✓
Strong IRR	✓	✓



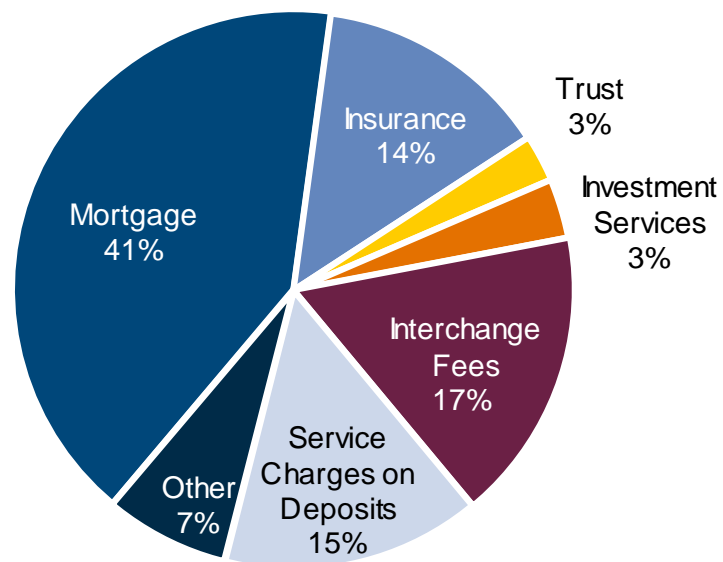
Diversified Revenue Stream

For the Year Ended December 31, 2018

Total Revenues
2018: \$147.7 million

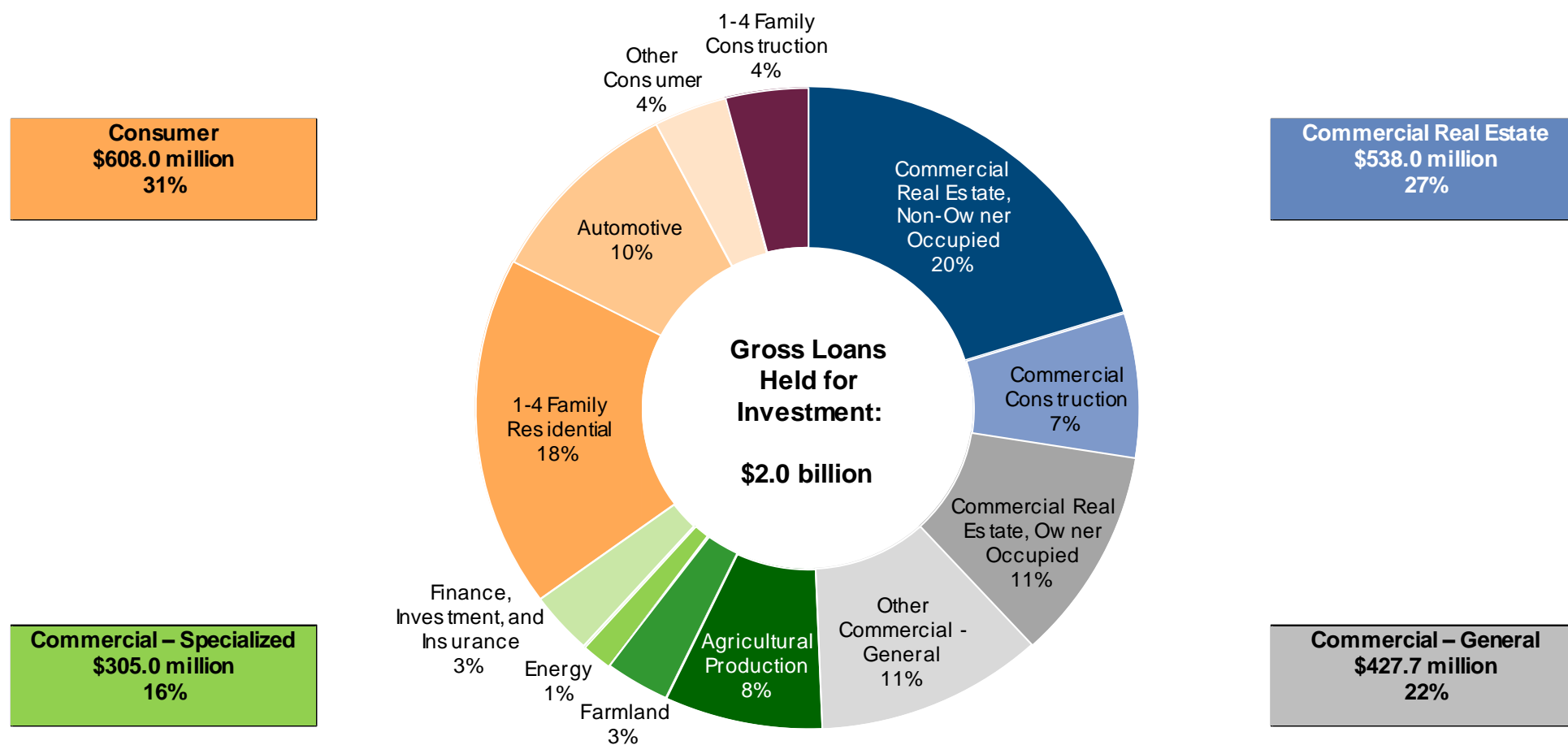


Noninterest Income
2018: \$52.1 million



Well-Balanced Loan Portfolio

Gross Loan Portfolio by Major Category



100% and 300% regulatory thresholds on commercial real estate have significant cushion as of December 31, 2018

100% bucket = 75% | 300% bucket = 208%

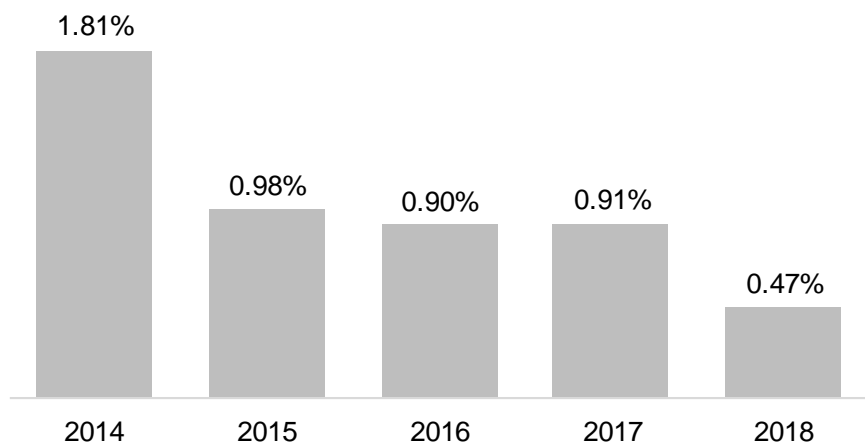


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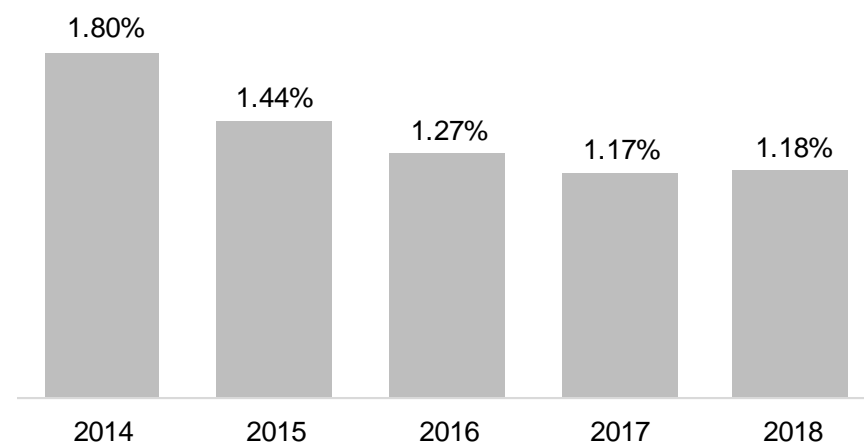
Data as of December 31, 2018.

Conservative Credit Culture

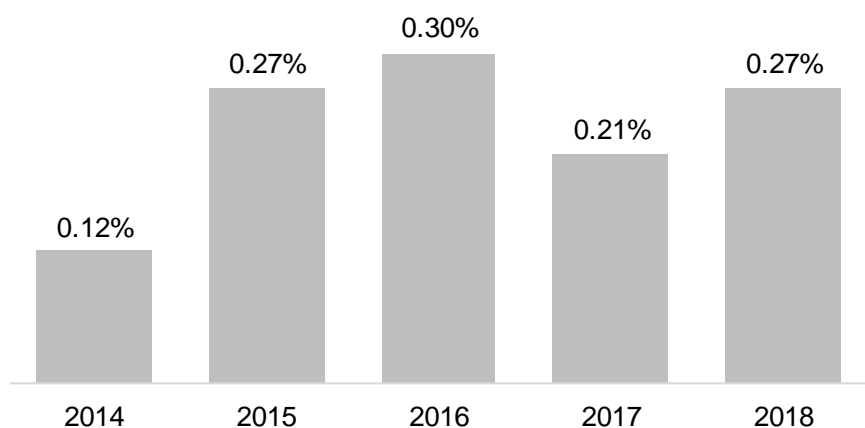
Nonperforming Assets to Loans and OREO



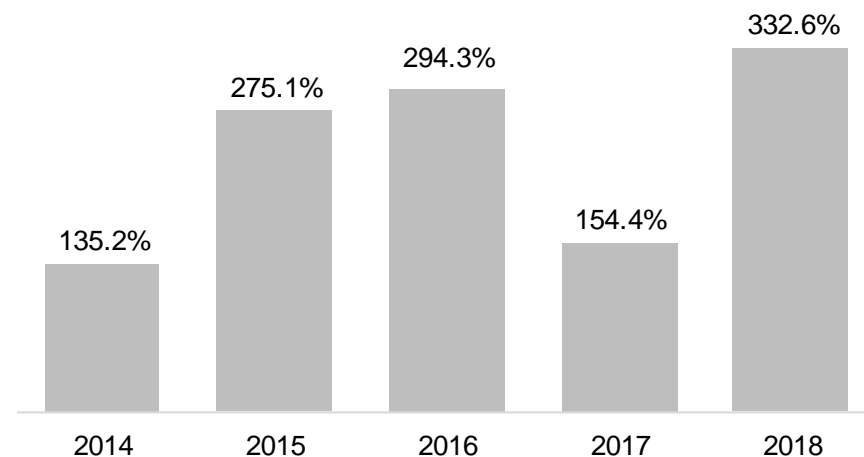
Allowance for Loan Losses to Gross Loans



Net Charge-Offs to Average Loans

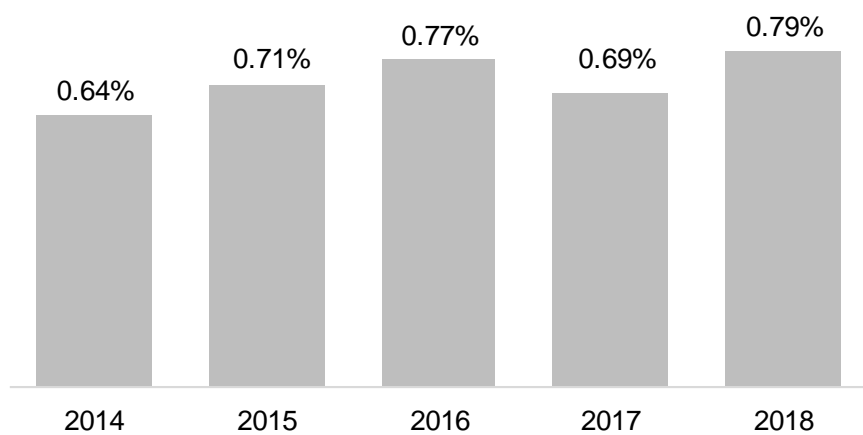


Allowance for Loan Losses to Nonperforming Loans

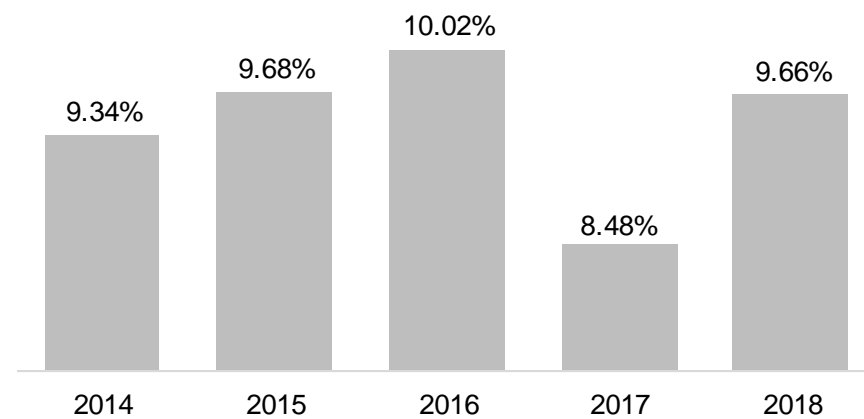


Historical Performance

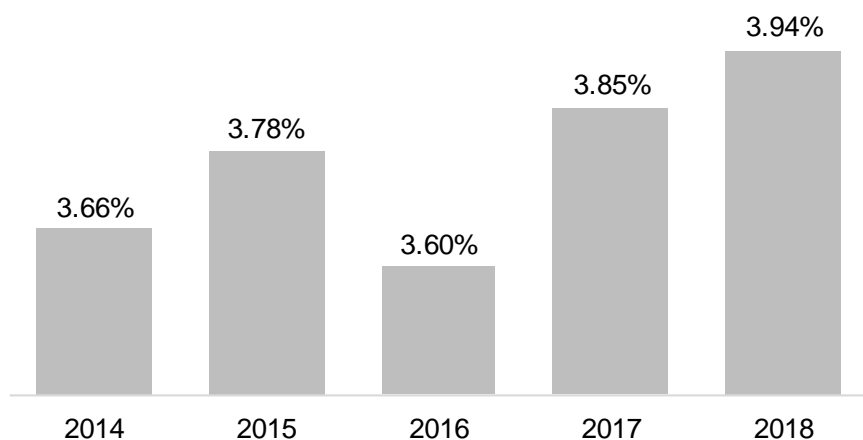
Return on Average Assets⁽¹⁾



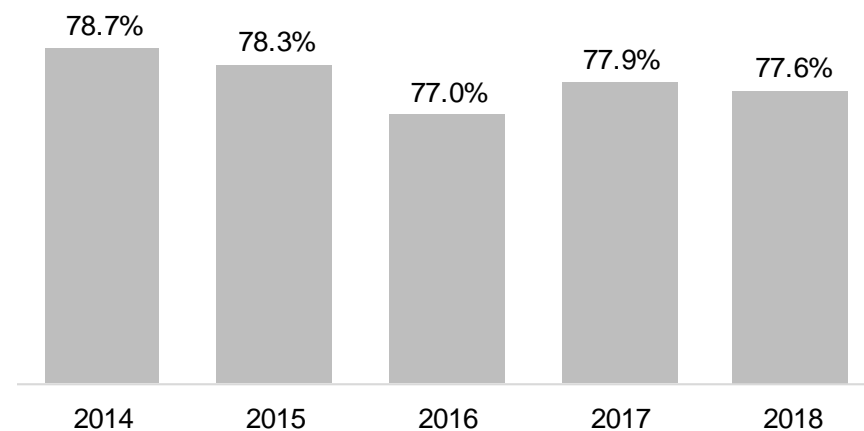
Return on Average Equity⁽¹⁾⁽²⁾



Net Interest Margin

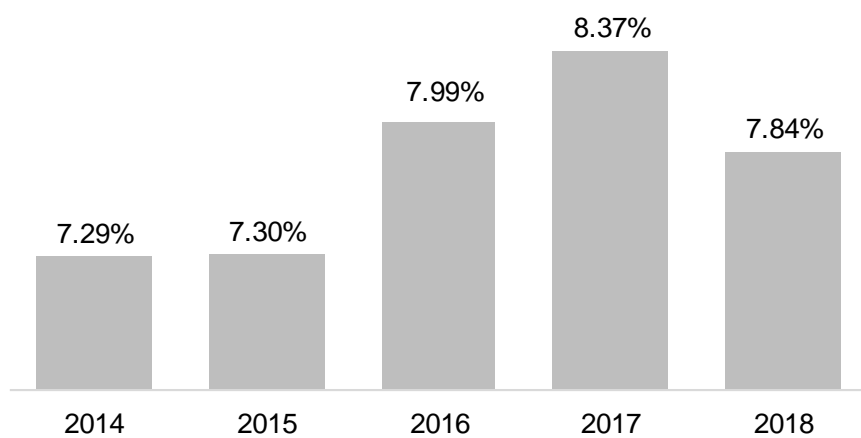


Efficiency Ratio

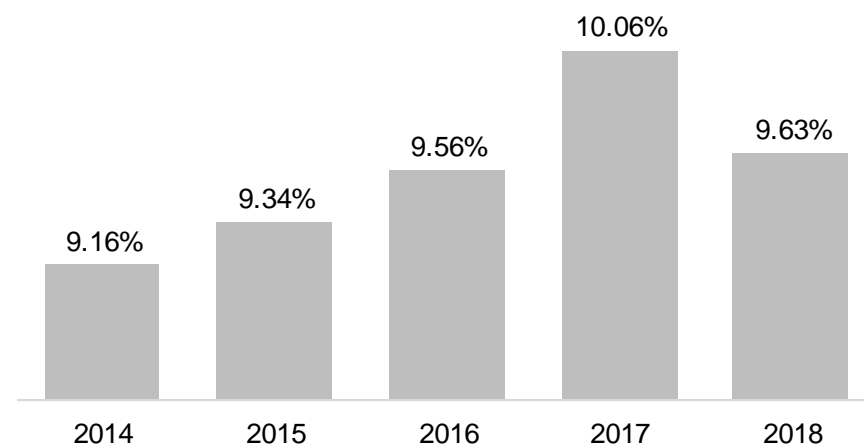


Strong Capital Base

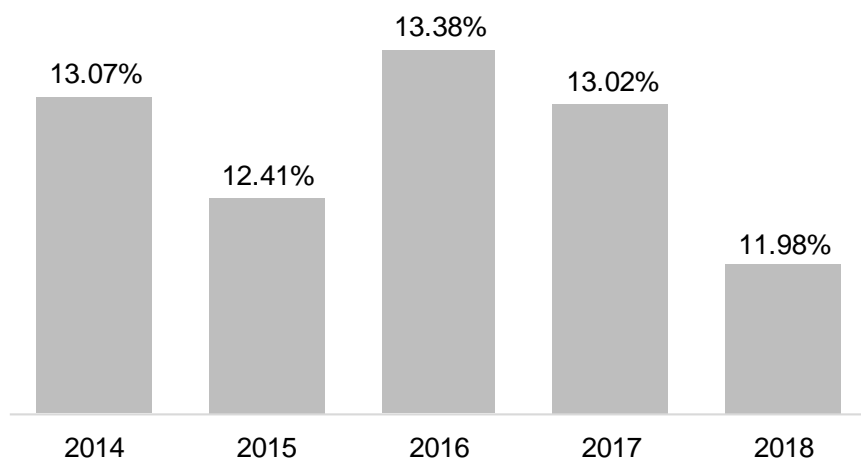
Tangible Common Equity to Tangible Assets⁽¹⁾⁽²⁾



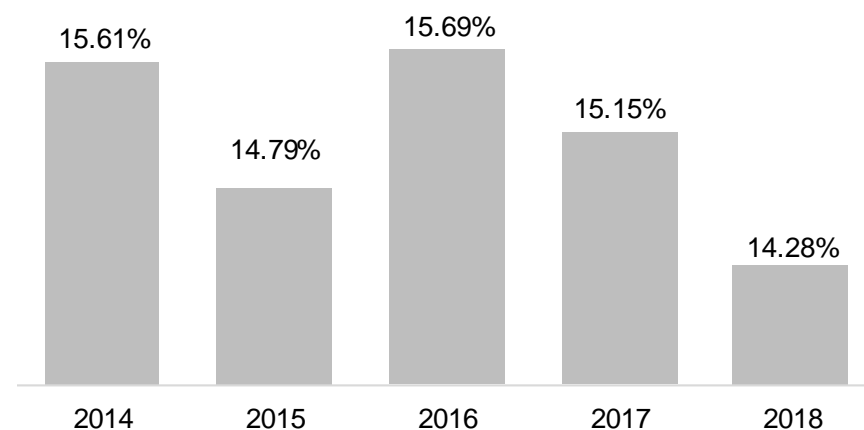
Tier 1 Leverage Ratio



Tier 1 Risk-Based Capital Ratio



Total Risk-Based Capital Ratio



Note: Financial data is for the twelve months ended December 31 of each respective year.

(1) Non-GAAP financial measure. We did not have any goodwill or other intangible assets as of the years ended December 31, 2014 to 2018. Please see the Appendix for the most directly comparable GAAP financial measure.

(2) Reflects the company's pro forma shareholders' equity after giving effect to the ESOP Repurchase Right Termination.

2Q19 Financial Overview

Earnings	For the three months ended	
	June 30, 2019	June 30, 2018
Net income, pro forma	\$6.1 million	\$5.3 million
Earnings per share (diluted)	\$0.37	\$0.36
Return on average assets	0.89%	0.84%
Return on average equity ⁽¹⁾	9.57%	9.98%

Balance Sheet	For the three months ended	
	June 30, 2019	June 30, 2018
Total assets	\$2.8 billion	\$2.6 billion
Total loans held for investment	\$1.9 billion	\$1.9 billion
Total deposits	\$2.3 billion	\$2.2 billion
Noninterest-bearing deposits	\$513.4 million	\$495.3 million
Total shareholders equity ⁽¹⁾	\$291.1 million	\$213.1 million
Book value per share	\$16.19	\$14.43



Recap of Franchise Highlights

Continued emphasis on community banking

Consistent focus on organic growth

Become the acquirer of choice in West Texas

Built-in operating leverage will improve efficiency over time

Enterprise risk management system has improved internal processes

Management, employee, and shareholder alignment through strong insider ownership

Appendix

Selected Financial Highlights

South Plains Financial, Inc.

Consolidated Financial Highlights - (Unaudited)

(Dollars in thousands, except share data)

	As of and for the quarter ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Selected Income Statement Data:					
Interest income	\$ 32,509	\$ 32,004	\$ 31,672	\$ 30,731	\$ 28,408
Interest expense	7,672	7,458	7,005	5,943	4,969
Net interest income	24,837	24,546	24,667	24,788	23,439
Provision for loan losses	875	608	1,168	3,415	1,540
Noninterest income	13,703	12,075	14,390	13,295	12,968
Noninterest expense	29,930	30,036	30,498	28,646	28,422
Income tax expense	1,655	1,204	1,528	1,109	(6,568)
Net income	6,080	4,773	5,863	4,913	13,013
Net income - pro forma ⁽²⁾	6,080	4,773	5,863	4,913	5,333
Per Share Data (Common Stock):					
Net earnings, basic ^{(1) (2)}	0.37	0.32	0.40	0.33	0.36
Net earnings, diluted ^{(1) (2)}	0.37	0.32	0.40	0.33	0.36
Cash dividends declared and paid	-	-	0.85	-	1.04
Book value ⁽¹⁾	16.19	14.80	14.40	14.63	14.43
Weighted average shares outstanding, basic	16,459,366	14,771,520	14,771,520	14,771,520	14,771,520
Weighted average shares outstanding, dilutive	16,563,543	14,771,558	14,771,520	14,771,520	14,771,520
Shares outstanding at end of period	17,978,520	14,771,520	14,771,520	14,771,520	14,771,520

⁽¹⁾ - Reflects the ESOP Repurchase Right Termination.

⁽²⁾ - Assumes the Company's S Corporation revocation was effective at the beginning of each period prior to May 31, 2018. The Federal tax rate used was 35.0% for periods prior to January 1, 2018 and 21.0% for periods after January 1, 2018.

Selected Financial Highlights (Continued)

	As of and for the quarter ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Selected Period End Balance Sheet Data:					
Total assets	2,777,170	2,745,997	2,712,745	2,687,610	2,616,647
Total loans held for investment	1,935,653	1,915,183	1,957,197	1,968,085	1,913,884
Allowance for loan losses	24,171	23,381	23,126	21,073	21,715
Investment securities	263,564	339,051	338,196	398,475	254,517
Noninterest-bearing deposits	513,383	497,566	510,067	517,000	495,293
Total deposits	2,281,858	2,304,929	2,277,454	2,261,356	2,183,631
Total stockholders' equity	291,113	218,565	212,775	216,169	213,096
Summary Performance Ratios:					
Return on average assets ^{(1) (2)}	0.89%	0.71%	0.86%	0.74%	0.84%
Return on average equity ^{(1) (2)}	9.57%	8.98%	10.85%	9.08%	9.98%
Net interest margin	3.88%	3.93%	3.89%	4.02%	3.98%
Yield on loans	5.90%	5.84%	5.67%	5.57%	5.42%
Cost of interest-bearing deposits	1.39%	1.34%	1.26%	1.09%	0.92%
Efficiency ratio	77.46%	81.79%	77.88%	74.85%	77.39%
Summary Credit Quality Data:					
Nonperforming loans	7,946	7,937	6,954	7,225	11,774
Nonperforming loans to total loans held for investment	0.41%	0.41%	0.36%	0.37%	0.62%
Other real estate owned	2,305	2,340	2,285	2,704	6,590
Nonperforming assets to total assets	0.37%	0.37%	0.34%	0.37%	0.70%
Allowance for loan losses to total loans held for investment	1.25%	1.22%	1.18%	1.07%	1.13%
Net charge-offs to average loans outstanding (annualized)	0.02%	0.07%	-0.18%	0.82%	0.38%
Capital Ratios:					
Total stockholders' equity to total assets	10.48%	7.96%	7.84%	8.04%	8.14%
Tangible common equity to tangible assets	10.48%	7.96%	7.84%	8.04%	8.14%
Tier 1 capital to average assets	12.10%	9.70%	9.63%	10.09%	10.23%
Common equity tier 1 to risk-weighted assets	13.31%	10.27%	9.91%	10.03%	10.35%
Total capital to risk-weighted assets	17.75%	14.74%	14.28%	14.29%	14.54%

⁽¹⁾ - Reflects the ESOP Repurchase Right Termination.

⁽²⁾ - Assumes the Company's S Corporation revocation was effective at the beginning of each period prior to May 31, 2018. The Federal tax rate used was 35.0% for periods prior to January 1, 2018 and 21.0% for periods after January 1, 2018.



South Plains
Financial, Inc.