South Plains Financial

South Plains Financial, Inc.

Fourth Quarter and Year-End 2022 Earnings Presentation

January 26, 2023

Safe Harbor Statement and Other Disclosures

South Plains Financial, Inc.

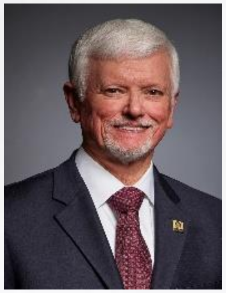
FORWARD-LOOKING STATEMENTS

This presentation contains, and future oral and written statements of South Plains Financial, Inc. ("South Plains" or the "Company" or "SPFI") 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, changes in market interest rates, the persistence of the current inflationary environment in the United States and our market areas, the uncertain impacts of quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System, 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 and provide both management and investors a more complete understanding of the Company's financial position and performance. 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

South Plains Financial, Inc.

Fourth Quarter and Full Year 2022 Highlights

South Plains Financial, Inc.

Fourth Quarter 2022

Organic Loan Growth ***8.6% Annualized***	**Net Income** ***$12.6 M***	**Return on Average Assets ("ROAA")** ***1.27%***	**Net Interest Margin [1] ("NIM") 3.88%**
Loans Held for Investment ("HFI") $2.75 B	***EPS - Diluted*** ***$0.71***	**Efficiency Ratio** ***66.4%***	**Average Yield on Loans** ***5.59%***

Full Year 2022

Organic Loan Growth ***12.7%***	**Net Income** ***$58.2 M***	**ROAA** ***1.47%***	**NIM [1]** ***3.73%***
Total Assets ***$3.94 B***	***EPS - Diluted*** ***$3.23***	**Efficiency Ratio** ***66.8%***	

- For the full year 2022, **the Bank delivered 12.7% loan growth,** above the Company's mid to high single digit guidance
- The Bank's loan portfolio in its **major metropolitan markets[2] grew 19.2%** to $878.8 million, **representing 32% of the Bank's total loan portfolio**
- **Credit quality remained stable** as the ratio of nonperforming assets to total assets was 20 bps in 4Q'22 and in 3Q'22 as compared to 30 bps in 4Q'21
- **Diligently managed expenses to drive profitability** as mortgage banking revenues declined
- Remained focused on returning capital to shareholders having **repurchased 4.8% of shares outstanding** as of December 31, 2021 while distributing **$0.46 per share in quarterly dividends** in 2022, **a 53% increase YoY**
- **2023 strategic priority shift** due to a conservative economic outlook prompting prudent management of the balance sheet while taking action on multiple levers to sustain liquidity and profitability

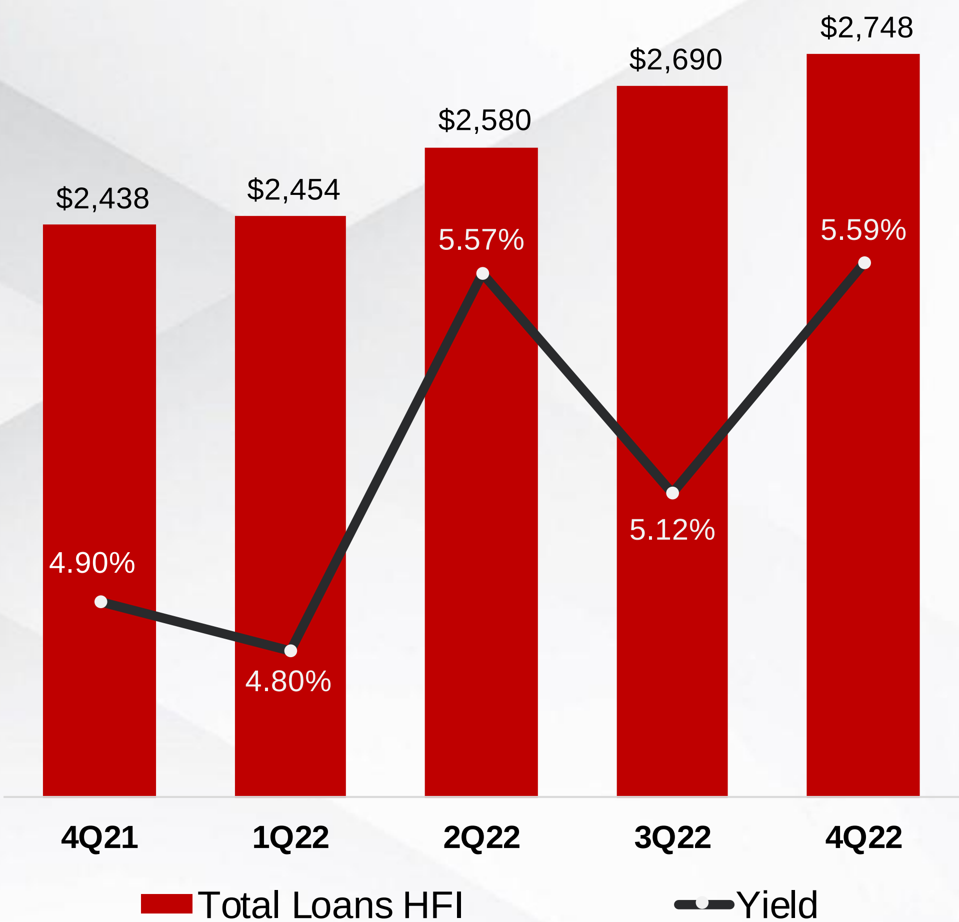
(1) Net interest margin is calculated on a tax-equivalent basis
(2) The Bank defines its "major metropolitan markets" to include Dallas, Houston and El Paso, Texas

Source: Company documents

Loan Portfolio

Total Loans HFI

$ in Millions



4Q'22 Highlights

- ✓ Loans HFI increased $57.7 million from 3Q’22, primarily due to organic net loan growth
  - Organic net loan growth remained relationship-focused, occurring primarily in commercial real estate loans, residential mortgage loans and consumer auto loans, partially offset by a decrease in hotel and agriculture loans
- ✓ Loans HFI increased $310.5 million from 4Q’21
- ✓ 4Q'22 yield on loans of 5.59%; an increase of 47 bps compared to 3Q’22
  - Included 12bps for a purchased loan recovery on one credit in the 4Q’22 yield

Source: Company documents

Attractive Markets Poised for Organic Growth

South Plains Financial, Inc.

Dallas / Ft. Worth

- ✓ Largest metropolitan statistical area ("MSA") in Texas. Steadily expanding population that accounts for over 26% of the state's population
- ✓ Attractive location for companies interested in relocating to more efficient economic environments
- ✓ Major U.S. airport hub and large corporations in diversified sectors, including financial services, transportation, energy and technology
- ✓ Focus on commercial real estate lending

El Paso

- ✓ Population of 865,000+ people
- ✓ Adjacent in proximity to Juarez, Mexico's growing industrial center and an estimated population of 1.5 million people
- ✓ Home to four universities including The University of Texas at El Paso
- ✓ Focus on commercial real estate lending

Houston

- ✓ Second largest MSA in Texas and fifth largest in the nation
- ✓ 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
- ✓ Leading corporations across a variety of industries propelling growth through new entrants and diversification
- ✓ Focus on commercial real estate lending

Lubbock

- ✓ Population in excess of 320,000 people with major industries in agribusiness, education, and trade among others
- ✓ Home of Texas Tech University – enrollment of 40,000 students
- ✓ Focus on community bank approach and expanding local relationships

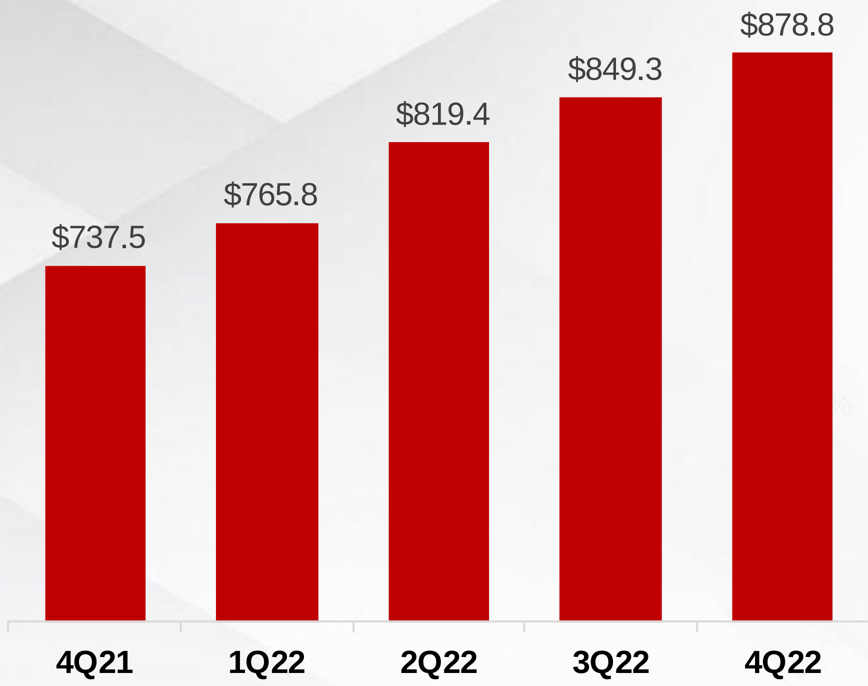
Note: Tangible book value per share is a non-GAAP measures. See appendix for the reconciliation to GAAP

Metropolitan Loan Growth

South Plains Financial, Inc.

Total Metropolitan Loans

$ in Millions



4Q'22 Highlights

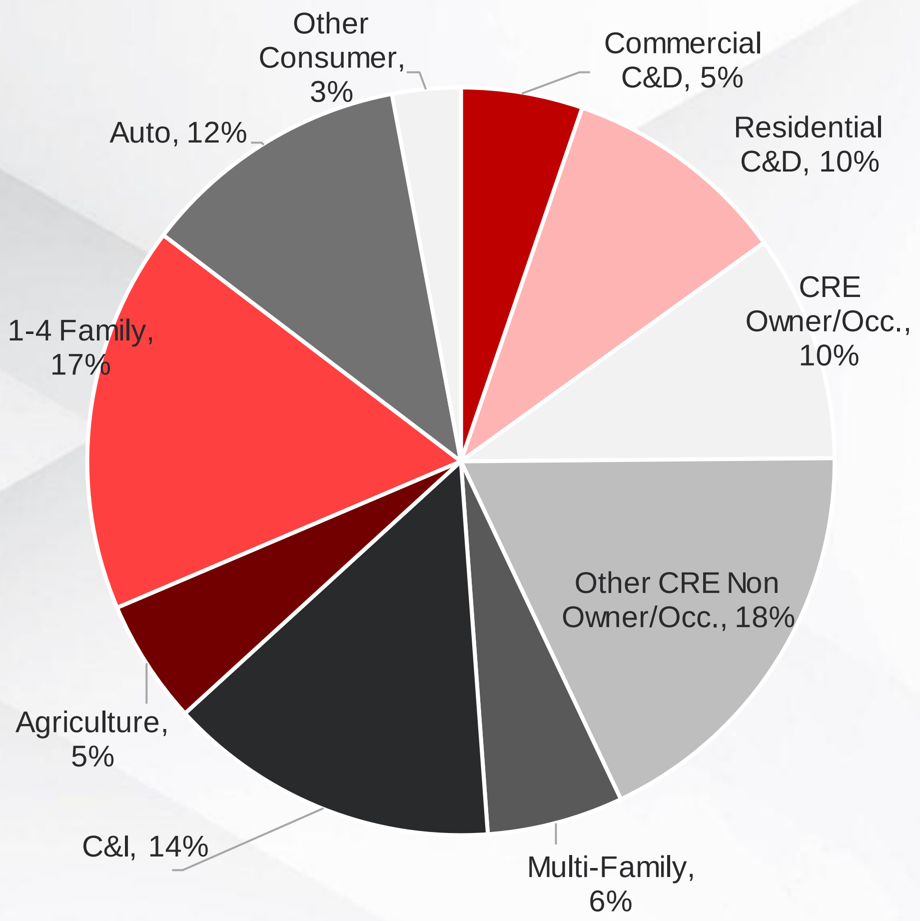
- ✓ Loans HFI in our Dallas, Houston and El Paso metro markets increased 13.9% annualized in 4Q'22 as compared to 3Q'22
- ✓ Loans HFI increased 19.2% in 2022 as compared to 2021 in our MSA's and represent 32% of total Bank loans at year-end 2022
    - Expansion of lending team across the Company's metro markets is driving accelerated loan growth
    - Existing infrastructure in Dallas, Houston and El Paso can support further growth
    - New lenders continue to ramp more quickly than anticipated reaching breakeven ahead of plan, on average

Source: Company documents

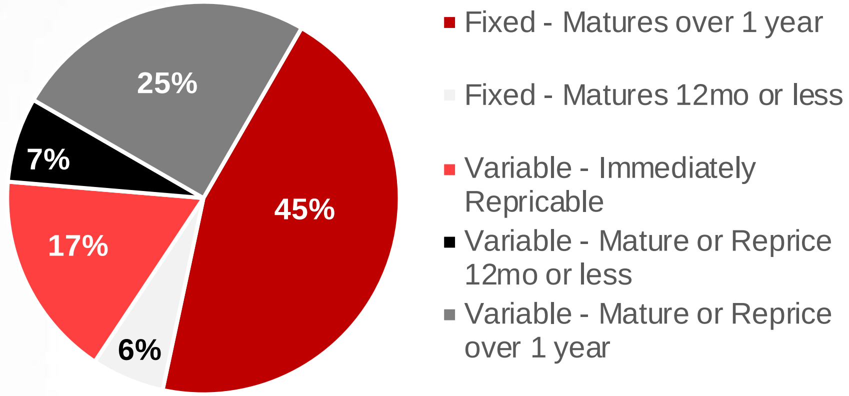
Loan HFI Portfolio

South Plains Financial, Inc.

Loan Mix



Fixed vs. Variable Rate at 12/31/22



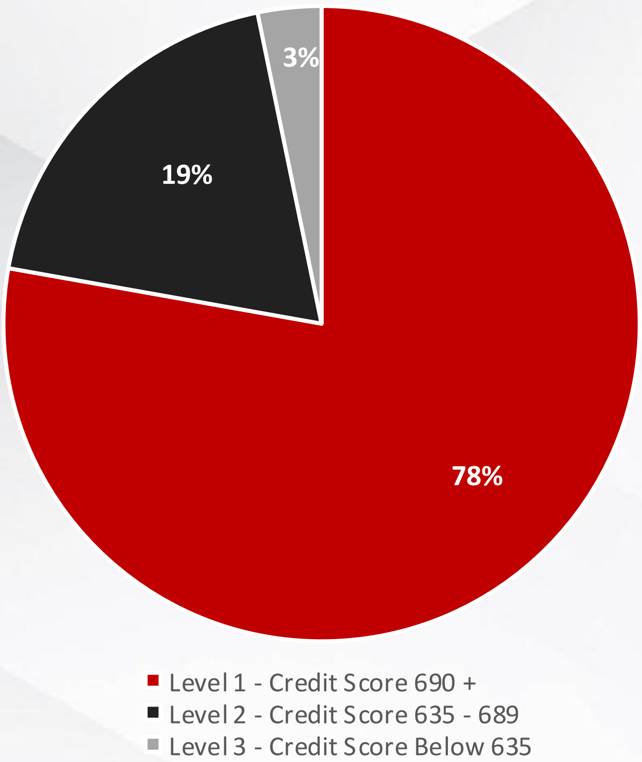
Loan Portfolio *($ in millions)*		12/31/22
Commercial C&D	$	144.7
Residential C&D		269.1
CRE Owner/Occ.		269.5
Other CRE Non Owner/Occ.		497.3
Multi-Family		161.9
C&I		394.9
Agriculture		147.8
1-4 Family		460.1
Auto		321.5
Other Consumer		81.3
Total	$	2,748.1

Source: Company documents

Indirect Auto Overview

South Plains Financial, Inc.

Indirect Auto Credit Breakdown



Credit score at origination

Indirect Auto Highlights

- ✓ Indirect auto loans totaled $296.9 million at the end of 4Q'22
- ✓ Disciplined underwriting approach to selectively grow indirect auto lending portfolio
- ✓ Strong credit quality in sector positioned for resiliency across economic cycles:
  - Credit score 690+: $230.9 million
  - Credit score 635-689: $56.3 million
  - Credit score below 635: $9.6 million
  - Loans past due 30+ days: 26bps as of year-end 2022

Source: Company documents

Mortgage Banking Overview

Mortgage Banking Activity

$ in Millions

4Q'22 Highlights

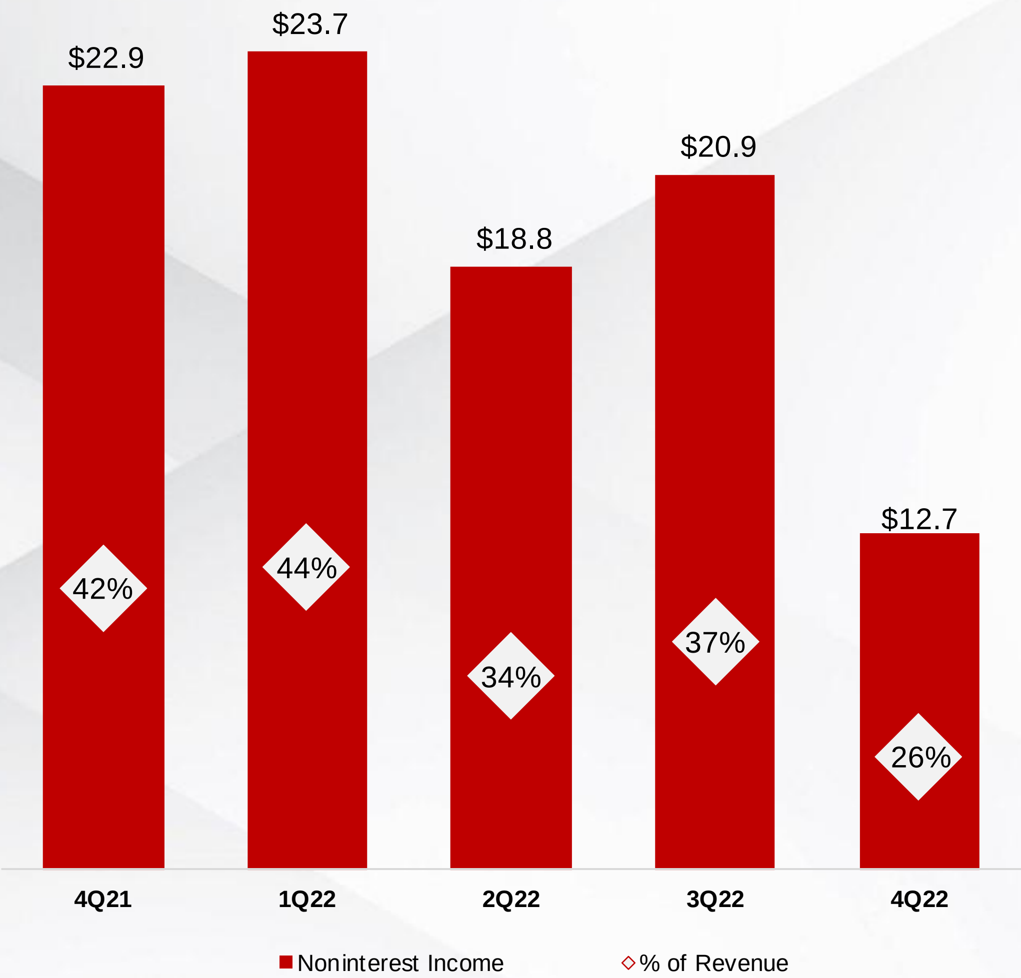
- ✓ Mortgage loan originations decreased 17.7% in 4Q'22 compared to 3Q'22 as the residential mortgage market continued to slow during the fourth quarter primarily due to higher market interest rates and seasonality
- ✓ Continued to pivot loan strategy to maintain profitability as mortgage volumes continue to decline
- ✓ Management believes the Bank's mortgage banking business is no longer a headwind to financial results at current levels
- ✓ Mortgage servicing rights – a negative fair value adjustment of $1.3 million in 4Q'22

Source: Company documents

Noninterest Income Overview

Noninterest Income

$ in Millions



4Q'22 Highlights

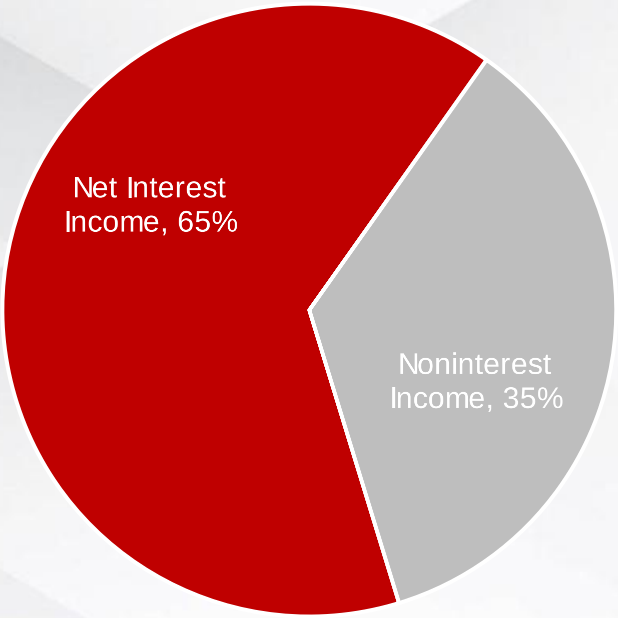
- ✓ Noninterest income of $12.7 million, compared to $20.9 million in 3Q’22, was primarily a result of the seasonal decline of $2.0 million in insurance activity and a decrease of $3.5 million in mortgage banking activities revenue
- ✓ Additionally, 3Q’22 noninterest income benefited from $2.1 million of income from one-time legal settlements
- ✓ Noninterest income expected to stabilize in the coming quarters as mortgage banking revenues trough

Source: Company documents

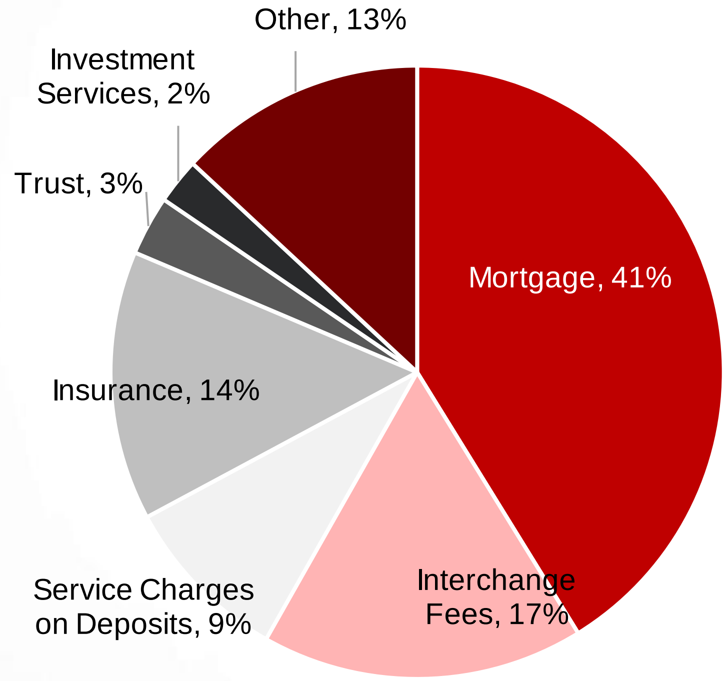
Diversified Revenue Stream

Twelve Months Ended December 31, 2022

Total Revenues
$214.6 million



Noninterest Income
$76.1 million



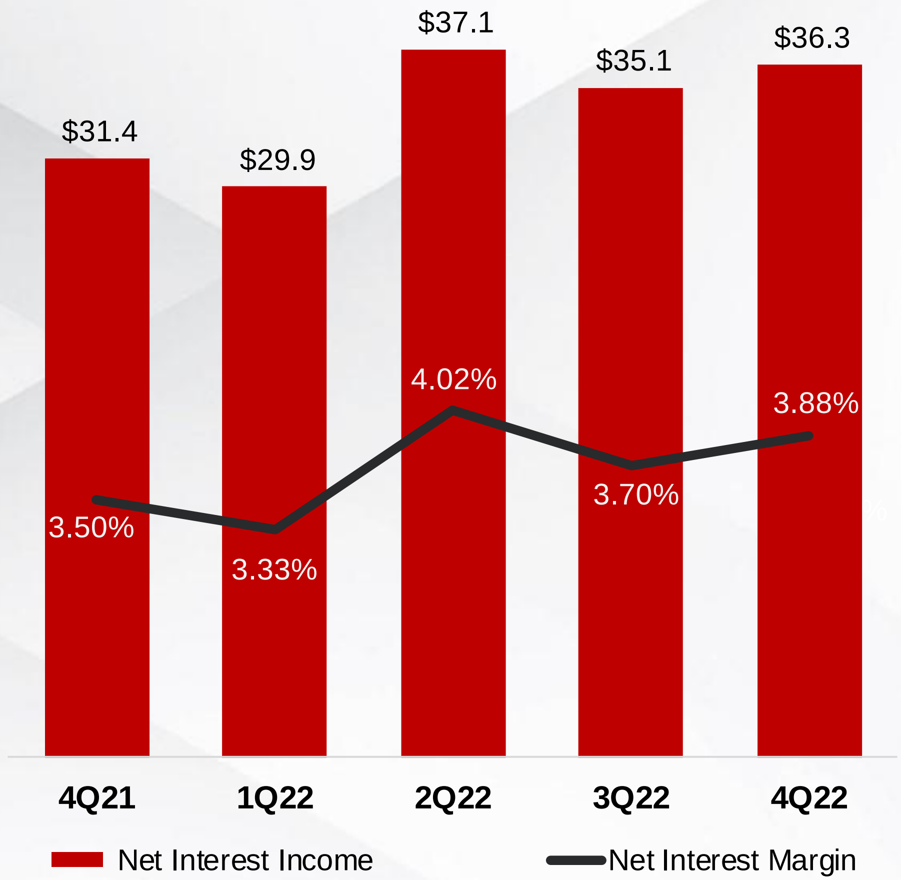
Source: Company documents

Net Interest Income and Margin

South Plains Financial, Inc.

Net Interest Income & Margin

$ in Millions



4Q'22 Highlights

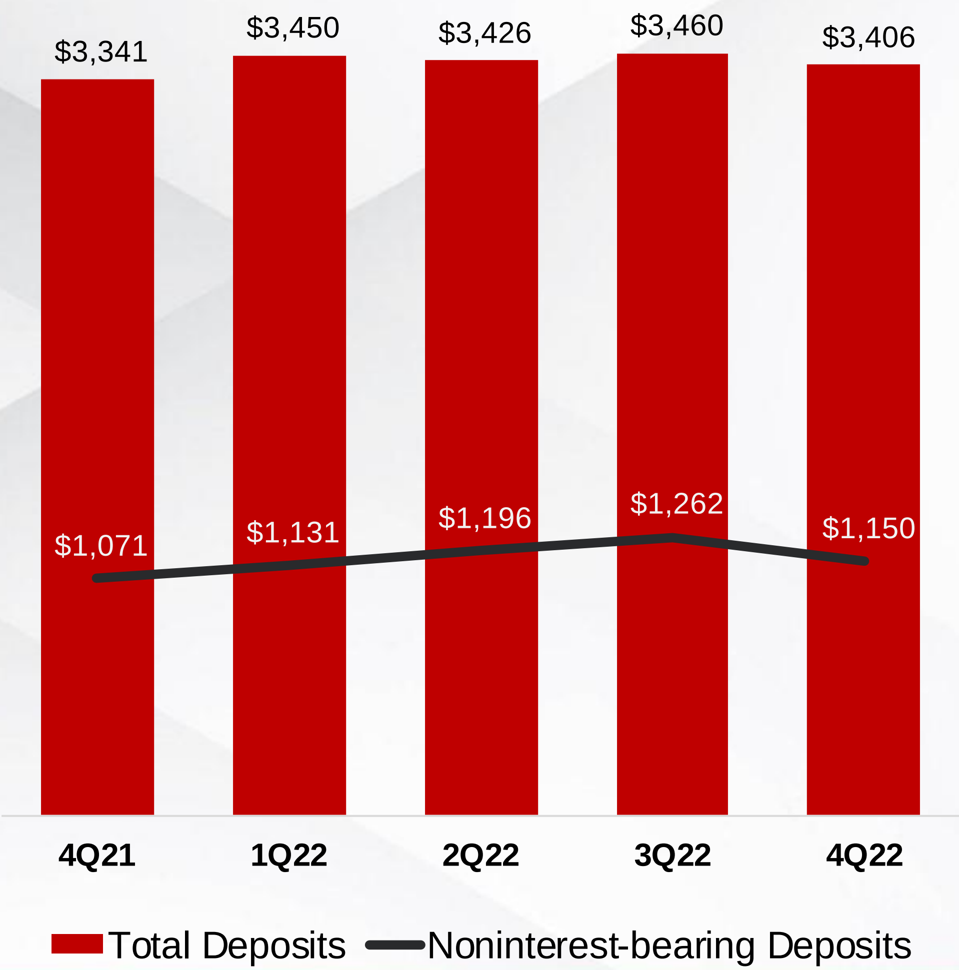
- ✓ Net interest income ("NII") of $36.3 million, compared to $35.1 million in 3Q'22
- ✓ 4Q'22 NIM of 3.88%, an increase of 18 bps compared to 3Q'22:
  - $74.4 million growth in average loans outstanding during the fourth quarter
  - Continued increase in market interest rates during the fourth quarter
  - Included 9bps for a purchased loan recovery on one credit in the 4Q'22 yield

Source: Company documents

Deposit Portfolio

Total Deposits

$ in Millions



4Q'22 Highlights

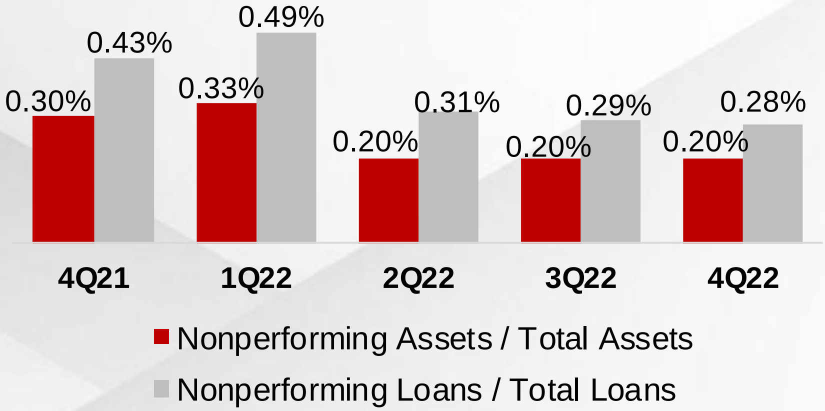
- ✓ Total deposits of $3.41 billion at 4Q'22, a decrease of $54.1 million from 3Q’22
  - Decrease was attributable to increased competition for deposits amid overall deposit outflows in the United States banking system
- ✓ Cost of interest-bearing deposits increased to 1.52% in 4Q’22 from 0.82% in 3Q’22
  - Average cost of deposits was 97 bps as compared to 52 bps in 3Q’22
- ✓ Noninterest-bearing deposits to total deposits was 33.8% was in 4Q'22, compared to 36.5% in 3Q'22

Source: Company documents

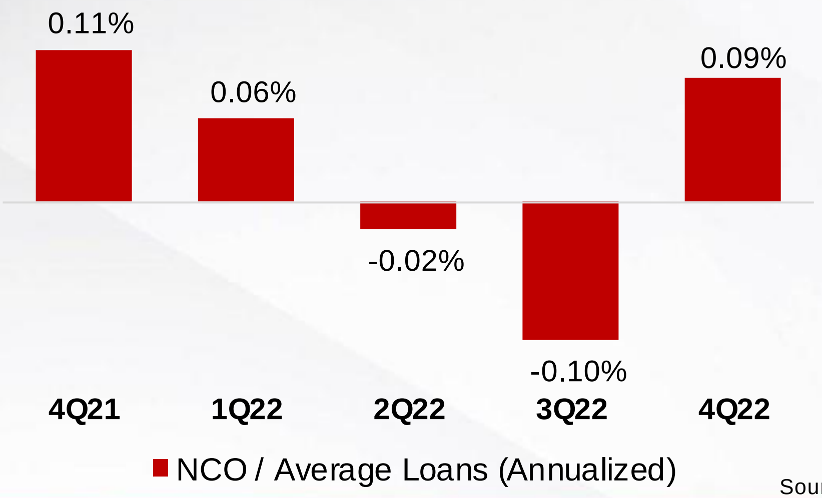
Credit Quality

South Plains Financial, Inc.

Credit Quality Ratios



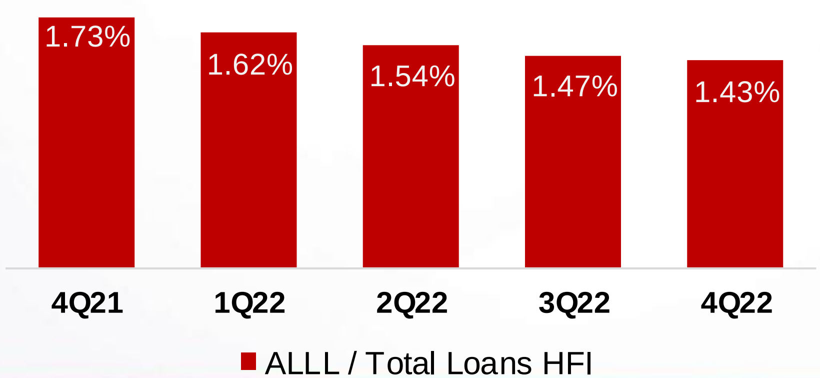
Net Charge-Offs to Average Loans



4Q'22 Highlights

- ✓ The Company recorded a provision for loan losses in 4Q'22 of $248 thousand, compared to a negative provision of $782 thousand in 3Q'22, due to increases in loan balances during the period
- ✓ Credit metrics in the loan portfolio were stable during the fourth quarter and benefited from further improvements in the hotel segment
- ✓ Ratio of Allowance for Loan Losses ("ALLL") to loans HFI was 1.43% at 12/31/22

ALLL to Total Loans HFI

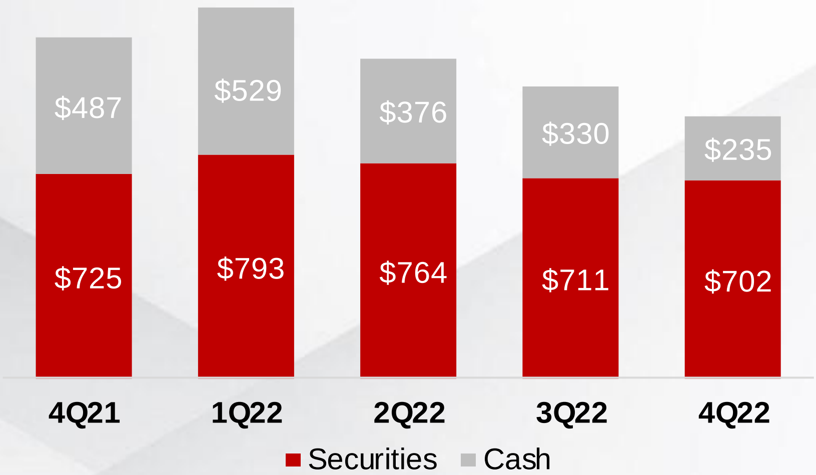


Source: Company documents

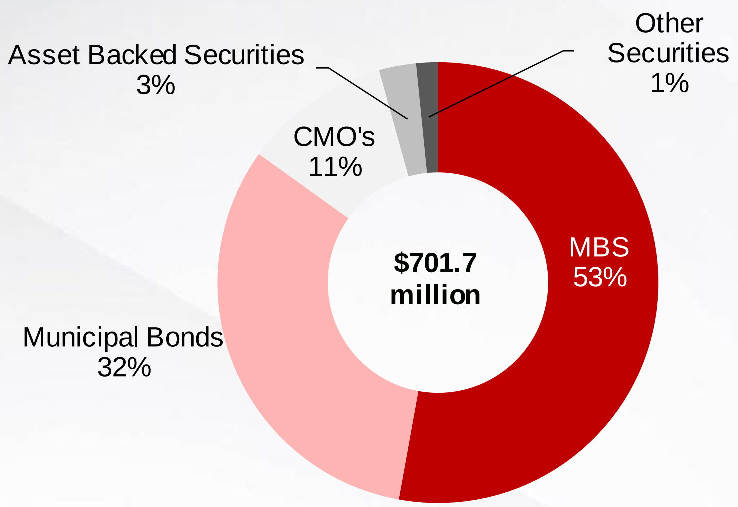
Investment Securities

Securities & Cash

$ in Millions



4Q'22 Securities Composition



4Q'22 Highlights

- ✓ Investment Securities totaled $701.7 million at 12/31/2022, a decrease of $10 million from 9/30/2022
  - Includes a decrease of $11.7 million in the unrealized loss on available for sale securities during 4Q’22, primarily due to longer-term rate decreases in market interest rates during the period
- ✓ 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

South Plains Financial, Inc.

Noninterest Expense

$ in Millions

4Q'22 Highlights

- ✓ Noninterest expense for 4Q’22 decreased $4.7 million from 3Q’22 primarily due to:
  - Decline of $4.2 million in personnel expense - $1.8 million decrease in insurance commissions and $1.2 million decrease in mortgage commission and related personnel costs; resulting from the decline in insurance and mortgage revenues in the fourth quarter
  - Reduction of $587 thousand in legal expense during the period
- ✓ Anticipate noninterest expense to be flat to modestly higher in Q1’23 as compared to Q4’22 given cost inflation across the Bank
- ✓ Will continue to aggressively manage expenses to drive profitability

Source: Company documents

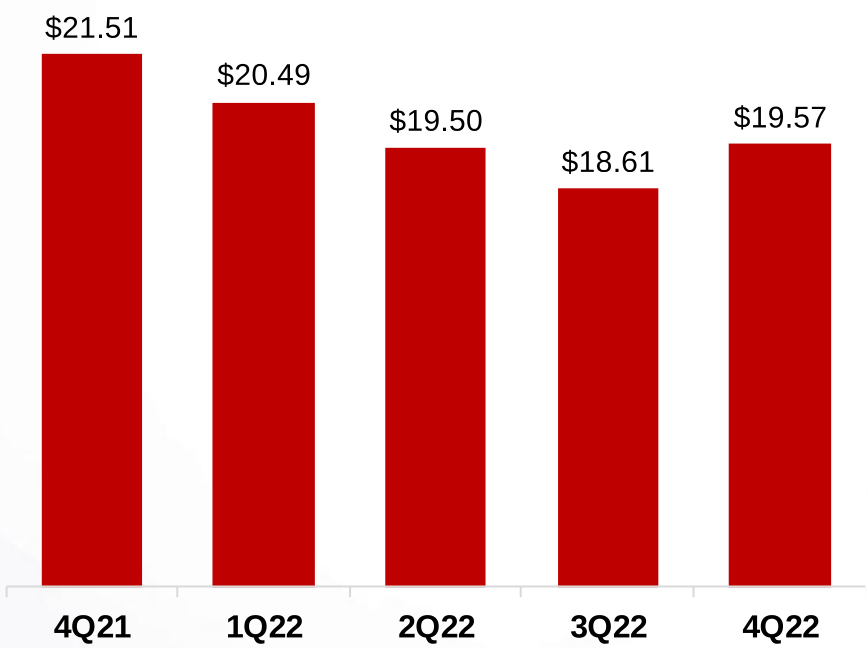
Balance Sheet Growth and Development

South Plains Financial, Inc.

Balance Sheet Highlights

$ in Millions

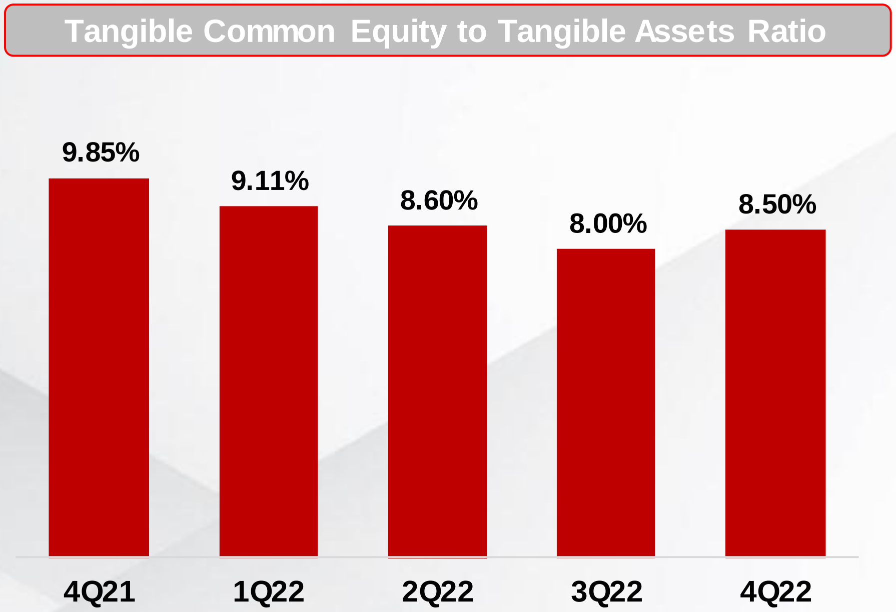
Tangible Book Value Per Share

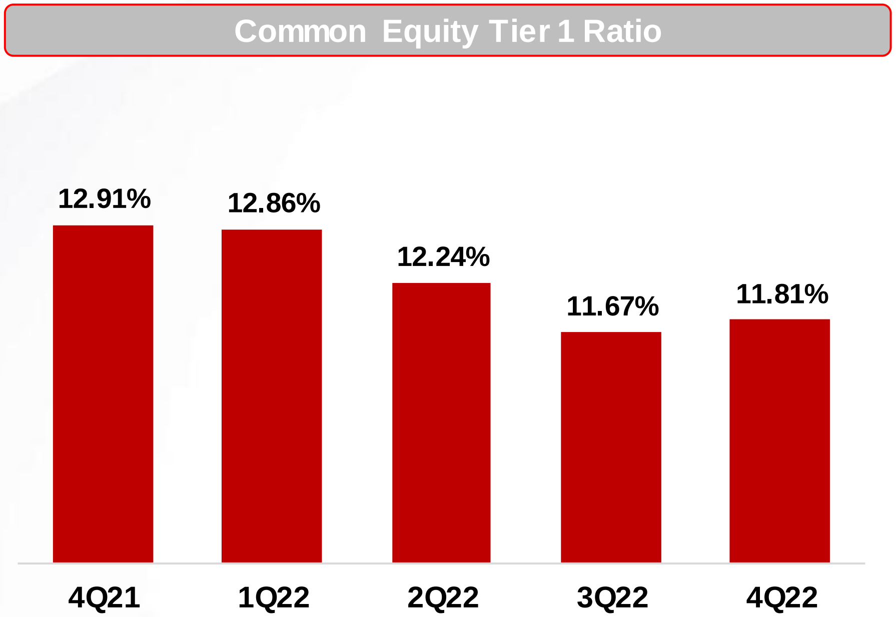


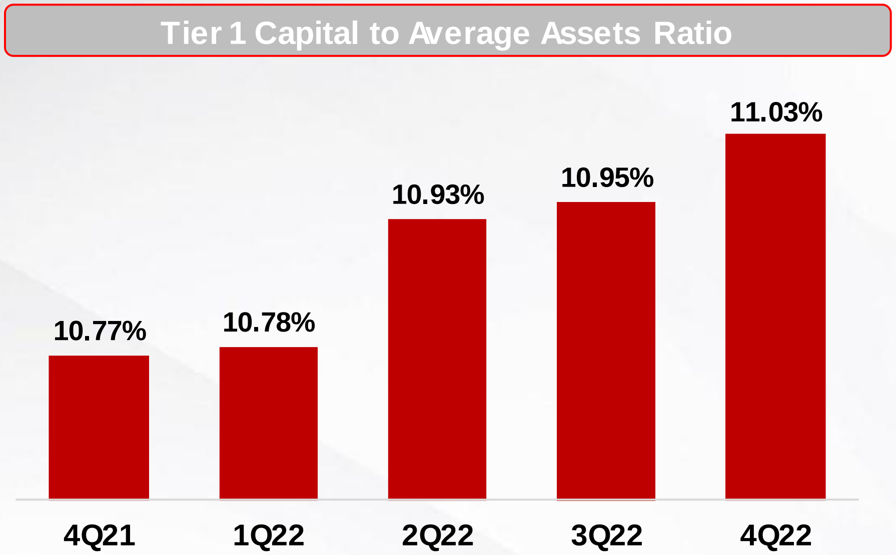
Note: Tangible book value per share is a non-GAAP measure. See appendix for the reconciliation of non-GAAP measures to GAAP

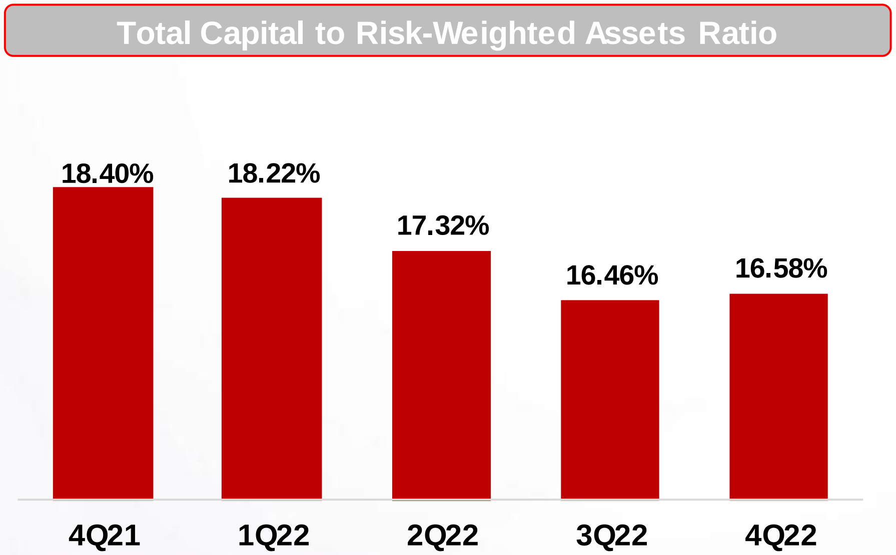
Source: Company documents

Strong Capital Base









Source: Company documents

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

SPFI's Core Purpose and Values Align: Centered on Relationship-Based Business

South Plains Financial, Inc.

THE POWER OF RELATIONSHIPS
At SPFI, we build lifelong, trusted relationships so you know you always have someone in your corner that understands you, cares about you, and stands ready to help.

South Plains Financial, Inc.

Our Core Purpose is:

To use the power of relationships to help people succeed and live better

HELP [ALL STAKEHOLDERS] SUCCEED

- **Employees** → great benefits and opportunities to grow and make a difference.
- **Customers** → personalized advice and solutions to achieve their goals.
- **Partners** → responsive, trusted win-win partnerships enabling both parties to succeed together.
- **Shareholders** → share in the prosperity and performance of the Bank.

LIVE BETTER
We want to help everyone live better.
At the end of the day, we do what we do to help enhance lives. We create a great place to work, help people achieve their goals, and invest generously in our communities because there's nothing more rewarding then ***helping people succeed and live better.***

South Plains Financial, Inc.

Appendix

Non-GAAP Financial Measures

South Plains Financial, Inc.

	For the quarter ended				
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Pre-tax, pre-provision income					
Net income	$ 12,621	$ 15,458	$ 15,883	$ 14,278	$ 14,614
Income tax expense	3,421	3,962	4,001	3,527	3,631
Provision for loan losses	248	(782)	-	(2,085)	-
Pre-tax, pre-provision income	$ 16,290	$ 18,638	$ 19,884	$ 15,720	$ 18,245

	As of				
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Tangible common equity					
Total common stockholders' equity	$ 357,014	$ 341,799	$ 364,222	$ 387,068	$ 407,427
Less: goodwill and other intangibles	(23,857)	(24,228)	(24,620)	(25,011)	(25,403)
Tangible common equity	$ 333,157	$ 317,571	$ 339,602	$ 362,057	$ 382,024
Tangible assets					
Total assets	$ 3,944,063	$ 3,992,690	$ 3,974,724	$ 3,999,744	$ 3,901,855
Less: goodwill and other intangibles	(23,857)	(24,228)	(24,620)	(25,011)	(25,403)
Tangible assets	$ 3,920,206	$ 3,968,462	$ 3,950,104	$ 3,974,733	$ 3,876,452
Shares outstanding	17,027,197	17,064,640	17,417,094	17,673,407	17,760,243
Total stockholders' equity to total assets	9.05%	8.56%	9.16%	9.68%	10.44%
Tangible common equity to tangible assets	8.50%	8.00%	8.60%	9.11%	9.85%
Book value per share	$ 20.97	$ 20.03	$ 20.91	$ 21.90	$ 22.94
Tangible book value per share	$ 19.57	$ 18.61	$ 19.50	$ 20.49	$ 21.51

Source: Company documents