

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2024

South Plains Financial, Inc.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of incorporation)

001-38895
(Commission File Number)

75-2453320
(IRS Employer Identification No.)

5219 City Bank Parkway
Lubbock, Texas
(Address of principal executive offices)

79407
(Zip Code)

(806) 792-7101
(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1.00 per share	SPFI	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On April 25, 2024, South Plains Financial, Inc. (the “Company”) issued a press release announcing its financial results for the first quarter ended March 31, 2024. A copy of the Company’s press release covering such announcement and certain other matters is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

On April 25, 2024, officers of the Company will have a conference call with respect to the Company’s financial results for the first quarter ended March 31, 2024. An earnings release slide presentation highlighting the Company’s financial results for the first quarter ended March 31, 2024 is furnished as Exhibit 99.2 to this Current Report on Form 8-K. This earnings release slide presentation will also be available on the Company’s website, www.spfi.bank, under the “News & Events” section.

In accordance with General Instruction B.2 of Form 8-K, the information in Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2 furnished herewith, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. The information in Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2 furnished herewith, shall not be incorporated by reference into any filing or other document pursuant to the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[99.1](#) Press release, dated April 25, 2024, announcing first quarter 2024 financial results of South Plains Financial, Inc.

[99.2](#) Earnings release slide presentation, dated April 25, 2024.

104 Cover Page Interactive Data File (formatted as Inline XBRL).

SIGNATURES

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

SOUTH PLAINS FINANCIAL, INC.

Date: April 25, 2024

By: /s/ Steven B. Crockett

Steven B. Crockett
Chief Financial Officer and Treasurer



South Plains Financial, Inc. Reports First Quarter 2024 Financial Results

LUBBOCK, Texas, April 25, 2024 (GLOBE NEWSWIRE) – South Plains Financial, Inc. (NASDAQ:SPFI) (“South Plains” or the “Company”), the parent company of City Bank (“City Bank” or the “Bank”), today reported its financial results for the quarter ended March 31, 2024.

First Quarter 2024 Highlights

- Net income for the first quarter of 2024 was \$10.9 million, compared to \$10.3 million for the fourth quarter of 2023 and \$9.2 million for the first quarter of 2023.
- Diluted earnings per share for the first quarter of 2024 was \$0.64, compared to \$0.61 for the fourth quarter of 2023 and \$0.53 for the first quarter of 2023.
- Average cost of deposits for the first quarter of 2024 was 241 basis points, compared to 224 basis points for the fourth quarter of 2023 and 136 basis points for the first quarter of 2023.
- Net interest margin, calculated on a tax-equivalent basis, was 3.56% for the first quarter of 2024, compared to 3.52% for the fourth quarter of 2023.
- Nonperforming assets to total assets were 0.10% at March 31, 2024, compared to 0.14% at December 31, 2023 and 0.19% at March 31, 2023.
- Return on average assets for the first quarter of 2024 was 1.04% annualized, compared to 0.99% annualized for the fourth quarter of 2023 and 0.95% annualized for the first quarter of 2023.
- Tangible book value (non-GAAP) per share was \$23.56 as of March 31, 2024, compared to \$23.47 as of December 31, 2023 and \$20.19 as of March 31, 2023.
- The consolidated total risk-based capital ratio, Common Equity Tier 1 risk-based capital ratio, and Tier 1 leverage ratio at March 31, 2024 were 17.00%, 12.67%, and 11.51%, respectively. These ratios significantly exceeded the minimum regulatory levels necessary to be deemed “well-capitalized”.

Curtis Griffith, South Plains’ Chairman and Chief Executive Officer, commented, “I am pleased with our first quarter results as we have started to see our net interest margin stabilize driven by improved loan yields and the very early signs of deposit cost pressures starting to ease. Additionally, our loan production was strong through the first quarter though it was largely offset by our typical seasonal agricultural paydowns as well as the early payoffs of several loans that we have been working to move out of the Bank. We continue to aggressively manage the credit quality of our loan portfolio which can be seen by our ratio of nonperforming assets to total assets which was 10 basis points at the end of the first quarter. Lastly, while competition for deposits remains a challenge in the current banking environment, we delivered modest deposit growth as our community-based deposit franchise remains a competitive advantage and we believe provides adequate liquidity to fund loan growth as we move through the year.”

Results of Operations, Quarter Ended March 31, 2024

Net Interest Income

Net interest income was \$35.4 million for the first quarter of 2024, compared to \$35.2 million for the fourth quarter of 2023 and \$34.3 million for the first quarter of 2023. Net interest margin, calculated on a tax-equivalent basis, was 3.56% for the first quarter of 2024, compared to 3.52% for the fourth quarter of 2023 and 3.75% for the first quarter of 2023. The average yield on loans was 6.53% for the first quarter of 2024, compared to 6.29% for the fourth quarter of 2023 and 5.78% for the first quarter of 2023. The average cost of deposits was 241 basis points for the first quarter of 2024, which is 17 basis points higher than the fourth quarter of 2023 and 105 basis points higher than the first quarter of 2023.

Interest income was \$58.7 million for the first quarter of 2024, compared to \$57.2 million for the fourth quarter of 2023 and \$47.4 million for the first quarter of 2023. Interest income increased \$1.5 million in the first quarter of 2024 from the fourth quarter of 2023, which was comprised of increases of \$1.0 million in loan interest income and \$454 thousand in interest income on other interest-earning assets. The growth in loan interest income was primarily due to a rise of 24 basis points in the yield on loans, which includes approximately \$667 thousand in recoveries of interest on loans that had previously been maintained on nonaccrual. The increase in interest income on other interest-earning assets was predominately a result of increased liquidity maintained at the Federal Reserve Bank of Dallas. Interest income increased \$11.3 million in the first quarter of 2024 compared to the first quarter of 2023. This increase was primarily due to an increase of average loans of \$235.7 million and higher market interest rates during the period, resulting in growth of \$9.3 million in loan interest income, and a higher liquidity level year over year.

Interest expense was \$23.4 million for the first quarter of 2024, compared to \$22.1 million for the fourth quarter of 2023 and \$13.1 million for the first quarter of 2023. Interest expense increased \$1.3 million compared to the fourth quarter of 2023 and \$10.2 million compared to the first quarter of 2023, primarily as a result of significantly higher short-term interest rates on interest-bearing liabilities, with the increase being mainly comprised of interest expense on deposits. Additionally, interest-bearing deposits grew during the first quarter of 2024 versus the compared periods, which also contributed to the higher interest expense.

Noninterest Income and Noninterest Expense

Noninterest income was \$11.4 million for the first quarter of 2024, compared to \$9.1 million for the fourth quarter of 2023 and \$10.7 million for the first quarter of 2023. The increase from the fourth quarter of 2023 was primarily due to an increase of \$2.3 million in mortgage banking revenues, mainly from an increase of \$1.5 million in the fair value adjustment of the mortgage servicing rights assets as interest rates that affect the value rose modestly in the first quarter after falling late in the fourth quarter of 2023. Additionally, originations of mortgage loans held for sale increased \$8.6 million due to typical seasonality. The increase in noninterest income for the first quarter of 2024 as compared to the first quarter of 2023 was primarily due to an increase of \$1.7 million in mortgage banking revenues, mainly from an increase of \$2.0 million in the fair value adjustment of the mortgage servicing rights assets as interest rates that affect the value rose modestly in the first quarter of 2024 compared to falling in the first quarter of 2023, partially offset by a reduction of \$1.4 million in income from insurance activities due to the sale of the Bank's insurance subsidiary in April 2023.

Noninterest expense was \$31.9 million for the first quarter of 2024, compared to \$30.6 million for the fourth quarter of 2023 and \$32.4 million for the first quarter of 2023. The \$1.3 million increase from the fourth quarter of 2023 was largely the result of a rise of \$1.0 million in personnel costs, which predominately came from higher health care insurance costs and an increase in incentive-based compensation. The decrease in noninterest expense for the first quarter of 2024 as compared to the first quarter of 2023 was primarily driven by a reduction of \$1.9 million in expenses from the Bank's former insurance subsidiary, partially offset by an increase in incentive-based compensation.

Loan Portfolio and Composition

Loans held for investment were \$3.01 billion as of March 31, 2024, compared to \$3.01 billion as of December 31, 2023 and \$2.79 billion as of March 31, 2023. Loans were flat during the first quarter of 2024 as compared to the fourth quarter of 2023 with growth primarily in multi-family and single-family property loans, offset by decreases in seasonal agricultural-related loans, residential construction loans, and consumer auto loans. As of March 31, 2024, loans held for investment increased \$223.2 million, or 8.0%, from March 31, 2023, primarily attributable to strong organic loan growth, occurring mainly in commercial real estate loans.

Deposits and Borrowings

Deposits totaled \$3.64 billion as of March 31, 2024, compared to \$3.63 billion as of December 31, 2023 and \$3.51 billion as of March 31, 2023. Deposits increased by \$12.4 million, or 1.4% annualized, in the first quarter of 2024 from December 31, 2023. As of March 31, 2024, deposits increased \$130.5 million, or 3.7%, from March 31, 2023. Noninterest-bearing deposits were \$974.2 million as of March 31, 2024, compared to \$974.2 million as of December 31, 2023 and \$1.11 billion as of March 31, 2023. Noninterest-bearing deposits represented 26.8% of total deposits as of March 31, 2024. The quarterly change in total deposits was due to a modest increase in interest-bearing deposits. The year-over-year increase in total deposits was primarily the result of growth of \$152 million in brokered deposits in the second and third quarters of 2023 given the overall focus in the banking industry on improving liquidity, as well as organic deposit growth.

Asset Quality

The Company recorded a provision for credit losses in the first quarter of 2024 of \$830 thousand, compared to \$600 thousand in the fourth quarter of 2023 and \$1.0 million in the first quarter of 2023. The provision during the first quarter of 2024 was largely attributable to net charge-off activity during the quarter.

The ratio of allowance for credit losses to loans held for investment was 1.40% as of March 31, 2024, compared to 1.41% as of December 31, 2023 and 1.42% as of March 31, 2023.

The ratio of nonperforming assets to total assets was 0.10% as of March 31, 2024, compared to 0.14% as of December 31, 2023 and 0.19% as of March 31, 2023. Annualized net charge-offs were 0.13% for the first quarter of 2024, compared to 0.08% for the fourth quarter of 2023 and 0.09% for the first quarter of 2023.

Capital

Book value per share increased to \$24.87 at March 31, 2024, compared to \$24.80 at December 31, 2023. The change was primarily driven by \$8.7 million of net income after dividends paid, partially offset by a decrease in accumulated other comprehensive income (“AOCI”) of \$7.5 million. The decrease in AOCI was attributed to the after-tax decrease in fair value of our available for sale securities, net of fair value hedges, as a result of increases in long-term market interest rates during the period.

Conference Call

South Plains will host a conference call to discuss its first quarter 2024 financial results today, April 25, 2024, at 5:00 p.m., Eastern Time. Investors and analysts interested in participating in the call are invited to dial 1-877-407-9716 (international callers please dial 1-201-493-6779) approximately 10 minutes prior to the start of the call. A live audio webcast of the conference call and conference materials will be available on the Company’s website at <https://www.spfi.bank/news-events/events>.

A replay of the conference call will be available within two hours of the conclusion of the call and can be accessed on the investor section of the Company’s website as well as by dialing 1-844-512-2921 (international callers please dial 1-412-317-6671). The pin to access the telephone replay is 13745782. The replay will be available until May 9, 2024.

About South Plains Financial, Inc.

South Plains is the bank holding company for City Bank, a Texas state-chartered bank headquartered in Lubbock, Texas. City Bank is one of the largest independent banks in West Texas and has additional banking operations in the Dallas, El Paso, Greater Houston, the Permian Basin, and College Station, Texas markets, and the Ruidoso, New Mexico market. South Plains provides a wide range of commercial and consumer financial services to small and medium-sized businesses and individuals in its market areas. Its principal business activities include commercial and retail banking, along with investment, trust and mortgage services. Please visit <https://www.spfi.bank> for more information.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP financial measures include Tangible Book Value Per Share, Tangible Common Equity to Tangible Assets, and Pre-Tax, Pre-Provision Income. The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company’s financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures.

We classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the United States in our statements of income, balance sheets or statements of cash flows. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

A reconciliation of non-GAAP financial measures to GAAP financial measures is provided at the end of this press release.

Available Information

The Company routinely posts important information for investors on its web site (under www.spfi.bank and, more specifically, under the News & Events tab at www.spfi.bank/news-events/press-releases). The Company intends to use its web site as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD (Fair Disclosure) promulgated by the U.S. Securities and Exchange Commission (the “SEC”). Accordingly, investors should monitor the Company’s web site, in addition to following the Company’s press releases, SEC filings, public conference calls, presentations and webcasts.

The information contained on, or that may be accessed through, the Company’s web site is not incorporated by reference into, and is not a part of, this document.

Forward Looking Statements

This press release contains 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 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. South Plains cautions that the forward-looking statements in this press release are based largely on South Plains' expectations and are subject to a number of known and unknown risks and uncertainties that are subject to change based on factors which are, in many instances, beyond South Plains' control. Factors that could cause such changes include, but are not limited to, the impact on us and our customers of a decline in general economic conditions and any regulatory responses thereto; potential recession in the United States and our market areas; the impacts related to or resulting from bank failures and any continuation of uncertainty in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response thereto; increased competition for deposits and related changes in deposit customer behavior; the impact of changes in market interest rates, whether due to continued elevated interest rates or potential reduction in interest rates and a resulting decline in net interest income; the persistence of the current inflationary pressures, or the resurgence of elevated levels of inflation, in the United States and our market areas; the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System; the effects of declines in housing prices in the United States and our market areas; increases in unemployment rates in the United States and our market areas; declines in commercial real estate values and prices; uncertainty regarding United States fiscal debt and budget matters; cyber incidents or other failures, disruptions or breaches of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber attacks; severe weather, natural disasters, acts of war or terrorism, geopolitical instability or other external events; competition and market expansion opportunities; changes in non-interest expenditures or in the anticipated benefits of such expenditures; the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learnings; potential increased regulatory requirements and costs related to the transition and physical impacts of climate change; current or future litigation, regulatory examinations or other legal and/or regulatory actions; and changes in applicable laws and regulations. Additional information regarding these risks and uncertainties to which South Plains' business and future financial performance are subject is contained in 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" of such documents, and other documents South Plains files or furnishes with the SEC from time to time, which are available on the SEC's website, www.sec.gov. Actual results, performance or achievements could differ materially from those contemplated, expressed, or implied by the forward-looking statements due to additional risks and uncertainties of which South Plains is not currently aware or which it does not currently view as, but in the future may become, material to its business or operating results. Due to these and other possible uncertainties and risks, the Company 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 press release. Any forward-looking statements presented herein are made only as of the date of this press release, and South Plains does not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, new information, the occurrence of unanticipated events, or otherwise, except as required by applicable law. All forward-looking statements, express or implied, included in the press release are qualified in their entirety by this cautionary statement.

Contact: Mikella Newsom, Chief Risk Officer and Secretary
(866) 771-3347
investors@city.bank

Source: South Plains Financial, Inc.

South Plains Financial, Inc.
Consolidated Financial Highlights - (Unaudited)
(Dollars in thousands, except share data)

	As of and for the quarter ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Selected Income Statement Data:					
Interest income	\$ 58,727	\$ 57,236	\$ 56,528	\$ 50,821	\$ 47,448
Interest expense	23,359	22,074	20,839	16,240	13,133
Net interest income	35,368	35,162	35,689	34,581	34,315
Provision for credit losses	830	600	(700)	3,700	1,010
Noninterest income	11,409	9,146	12,277	47,112	10,691
Noninterest expense	31,930	30,597	31,489	40,499	32,361
Income tax expense	3,143	2,787	3,683	7,811	2,391
Net income	10,874	10,324	13,494	29,683	9,244
Per Share Data (Common Stock):					
Net earnings, basic	0.66	0.63	0.80	1.74	0.54
Net earnings, diluted	0.64	0.61	0.78	1.71	0.53
Cash dividends declared and paid	0.13	0.13	0.13	0.13	0.13
Book value	24.87	24.80	22.39	23.13	21.57
Tangible book value (non-GAAP)	23.56	23.47	21.07	21.82	20.19
Weighted average shares outstanding, basic	16,429,919	16,443,908	16,842,594	17,048,432	17,046,713
Weighted average shares outstanding, dilutive	16,938,857	17,008,892	17,354,182	17,386,515	17,560,756
Shares outstanding at end of period	16,431,755	16,417,099	16,600,442	16,952,072	17,062,572
Selected Period End Balance Sheet Data:					
Cash and cash equivalents	371,939	330,158	352,424	295,581	328,002
Investment securities	599,869	622,762	584,969	628,093	698,579
Total loans held for investment	3,011,799	3,014,153	2,993,563	2,979,063	2,788,640
Allowance for credit losses	42,174	42,356	42,075	43,137	39,560
Total assets	4,218,993	4,204,793	4,186,440	4,150,129	4,058,049
Interest-bearing deposits	2,664,397	2,651,952	2,574,361	2,473,755	2,397,115
Noninterest-bearing deposits	974,174	974,201	1,046,253	1,100,767	1,110,939
Total deposits	3,638,571	3,626,153	3,620,614	3,574,522	3,508,054
Borrowings	110,214	110,168	122,493	122,447	122,400
Total stockholders' equity	408,712	407,114	371,716	392,029	367,964
Summary Performance Ratios:					
Return on average assets (annualized)	1.04%	0.99%	1.27%	2.97%	0.95%
Return on average equity (annualized)	10.72%	10.52%	14.01%	31.33%	10.34%
Net interest margin ⁽¹⁾	3.56%	3.52%	3.52%	3.65%	3.75%
Yield on loans	6.53%	6.29%	6.10%	5.94%	5.78%
Cost of interest-bearing deposits	3.27%	3.14%	2.93%	2.45%	2.03%
Efficiency ratio	67.94%	68.71%	65.34%	49.39%	71.42%
Summary Credit Quality Data:					
Nonperforming loans	3,380	5,178	4,783	21,039	7,579
Nonperforming loans to total loans held for investment	0.11%	0.17%	0.16%	0.71%	0.27%
Other real estate owned	862	912	242	249	202
Nonperforming assets to total assets	0.10%	0.14%	0.12%	0.51%	0.19%
Allowance for credit losses to total loans held for investment	1.40%	1.41%	1.41%	1.45%	1.42%
Net charge-offs to average loans outstanding (annualized)	0.13%	0.08%	0.05%	0.05%	0.09%

	As of and for the quarter ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Capital Ratios:					
Total stockholders' equity to total assets	9.69%	9.68%	8.88%	9.45%	9.07%
Tangible common equity to tangible assets (non-GAAP)	9.22%	9.21%	8.40%	8.96%	8.54%
Common equity tier 1 to risk-weighted assets	12.67%	12.41%	12.19%	12.11%	11.92%
Tier 1 capital to average assets	11.51%	11.33%	11.13%	11.67%	11.22%
Total capital to risk-weighted assets	17.00%	16.74%	16.82%	16.75%	16.70%

(1) Net interest margin is calculated as the annual net interest income, on a fully tax-equivalent basis, divided by average interest-earning assets.

South Plains Financial, Inc.
Average Balances and Yields - (Unaudited)
(Dollars in thousands)

	For the Three Months Ended					
	March 31, 2024			March 31, 2023		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets						
Loans	\$ 3,014,537	\$ 48,940	6.53%	\$ 2,778,876	\$ 39,602	5.78%
Debt securities - taxable	554,081	5,511	4.00%	585,427	5,240	3.63%
Debt securities - nontaxable	156,254	1,024	2.64%	213,191	1,413	2.69%
Other interest-bearing assets	298,969	3,475	4.67%	161,955	1,495	3.74%
Total interest-earning assets	4,023,841	58,950	5.89%	3,739,449	47,750	5.18%
Noninterest-earning assets	184,293			189,477		
Total assets	\$ 4,208,134			\$ 3,928,926		
Liabilities & stockholders' equity						
NOW, Savings, MMDA's	\$ 2,285,981	17,997	3.17%	\$ 1,988,555	9,984	2.04%
Time deposits	374,852	3,666	3.93%	283,997	1,386	1.98%
Short-term borrowings	3	-	0.00%	4	-	0.00%
Notes payable & other long-term borrowings	-	-	0.00%	-	-	0.00%
Subordinated debt	63,798	835	5.26%	75,984	1,012	5.40%
Junior subordinated deferrable interest debentures	46,393	861	7.46%	46,393	751	6.57%
Total interest-bearing liabilities	2,771,027	23,359	3.39%	2,394,933	13,133	2.22%
Demand deposits	958,334			1,109,344		
Other liabilities	70,860			62,160		
Stockholders' equity	407,913			362,489		
Total liabilities & stockholders' equity	\$ 4,208,134			\$ 3,928,926		
Net interest income		\$ 35,591			\$ 34,617	
Net interest margin ⁽²⁾			3.56%			3.75%

(1) Average loan balances include nonaccrual loans and loans held for sale.

(2) Net interest margin is calculated as the annualized net interest income, on a fully tax-equivalent basis, divided by average interest-earning assets.

South Plains Financial, Inc.
Consolidated Balance Sheets
(Unaudited)
(Dollars in thousands)

	As of	
	March 31, 2024	December 31, 2023
Assets		
Cash and due from banks	\$ 41,273	\$ 62,821
Interest-bearing deposits in banks	330,666	267,337
Securities available for sale	599,869	622,762
Loans held for sale	15,751	14,499
Loans held for investment	3,011,799	3,014,153
Less: Allowance for credit losses	(42,174)	(42,356)
Net loans held for investment	2,969,625	2,971,797
Premises and equipment, net	54,221	55,070
Goodwill	19,315	19,315
Intangible assets	2,247	2,429
Mortgage servicing rights	26,843	26,569
Other assets	159,183	162,194
Total assets	\$ 4,218,993	\$ 4,204,793
Liabilities and Stockholders' Equity		
Noninterest-bearing deposits	\$ 974,174	\$ 974,201
Interest-bearing deposits	2,664,397	2,651,952
Total deposits	3,638,571	3,626,153
Subordinated debt	63,821	63,775
Junior subordinated deferrable interest debentures	46,393	46,393
Other liabilities	61,496	61,358
Total liabilities	3,810,281	3,797,679
Stockholders' Equity		
Common stock	16,432	16,417
Additional paid-in capital	97,406	97,107
Retained earnings	354,011	345,264
Accumulated other comprehensive income (loss)	(59,137)	(51,674)
Total stockholders' equity	408,712	407,114
Total liabilities and stockholders' equity	\$ 4,218,993	\$ 4,204,793

South Plains Financial, Inc.
Consolidated Statements of Income
(Unaudited)
(Dollars in thousands)

	Three Months Ended	
	March 31, 2024	March 31, 2023
Interest income:		
Loans, including fees	\$ 48,932	\$ 39,597
Other	9,795	7,851
Total interest income	58,727	47,448
Interest expense:		
Deposits	21,663	11,370
Subordinated debt	835	1,012
Junior subordinated deferrable interest debentures	861	751
Other	-	-
Total interest expense	23,359	13,133
Net interest income	35,368	34,315
Provision for credit losses	830	1,010
Net interest income after provision for credit losses	34,538	33,305
Noninterest income:		
Service charges on deposits	1,813	1,701
Income from insurance activities	34	1,411
Mortgage banking activities	3,945	2,286
Bank card services and interchange fees	3,061	2,956
Gain on sale of subsidiary	-	-
Other	2,556	2,337
Total noninterest income	11,409	10,691
Noninterest expense:		
Salaries and employee benefits	18,988	19,254
Net occupancy expense	3,920	3,832
Professional services	1,483	1,648
Marketing and development	754	936
Other	6,785	6,691
Total noninterest expense	31,930	32,361
Income before income taxes	14,017	11,635
Income tax expense	3,143	2,391
Net income	\$ 10,874	\$ 9,244

South Plains Financial, Inc.
Loan Composition
(Unaudited)
(Dollars in thousands)

	As of	
	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Loans:		
Commercial Real Estate	\$ 1,110,283	\$ 1,081,056
Commercial - Specialized	351,546	372,376
Commercial - General	527,576	517,361
Consumer:		
1-4 Family Residential	545,116	534,731
Auto Loans	292,389	305,271
Other Consumer	71,698	74,168
Construction	113,191	129,190
Total loans held for investment	<u>\$ 3,011,799</u>	<u>\$ 3,014,153</u>

South Plains Financial, Inc.
Deposit Composition
(Unaudited)
(Dollars in thousands)

	As of	
	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Deposits:		
Noninterest-bearing deposits	\$ 974,174	\$ 974,201
NOW & other transaction accounts	518,804	562,066
MMDA & other savings	1,764,627	1,722,170
Time deposits	380,966	367,716
Total deposits	<u>\$ 3,638,571</u>	<u>\$ 3,626,153</u>

South Plains Financial, Inc.
Reconciliation of Non-GAAP Financial Measures (Unaudited)
(Dollars in thousands)

	For the quarter ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Pre-tax, pre-provision income					
Net income	\$ 10,874	\$ 10,324	\$ 13,494	\$ 29,683	\$ 9,244
Income tax expense	3,143	2,787	3,683	7,811	2,391
Provision for credit losses	830	600	(700)	3,700	1,010
Pre-tax, pre-provision income	\$ 14,847	\$ 13,711	\$ 16,477	\$ 41,194	\$ 12,645
Efficiency Ratio					
Noninterest expense	\$ 31,930	\$ 30,597	\$ 31,489	\$ 40,499	\$ 32,361
Net interest income	35,368	35,162	35,689	34,581	34,315
Tax equivalent yield adjustment	223	225	229	303	302
Noninterest income	11,409	9,146	12,277	47,112	10,691
Total income	47,000	44,533	48,195	81,996	45,308
Efficiency ratio	67.94%	68.71%	65.34%	49.39%	71.42%
Noninterest expense	\$ 31,930	\$ 30,597	\$ 31,489	\$ 40,499	\$ 32,361
Less: Subsidiary transaction and related expenses	—	—	—	(4,532)	—
Less: net loss on sale of securities	—	—	—	(3,409)	—
Adjusted noninterest expense	31,930	30,597	31,489	32,558	32,361
Total income	47,000	44,533	48,195	81,996	45,308
Less: gain on sale of subsidiary	—	—	(290)	(33,488)	—
Adjusted total income	47,000	44,533	47,905	48,508	45,308
Adjusted efficiency ratio	67.94%	68.71%	65.73%	67.12%	71.42%
As of					
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Tangible common equity					
Total common stockholders' equity	\$ 408,712	\$ 407,114	\$ 371,716	\$ 392,029	\$ 367,964
Less: goodwill and other intangibles	(21,562)	(21,744)	(21,936)	(22,149)	(23,496)
Tangible common equity	\$ 387,150	\$ 385,370	\$ 349,780	\$ 369,880	\$ 344,468
Tangible assets					
Total assets	\$ 4,218,993	\$ 4,204,793	\$ 4,186,440	\$ 4,150,129	\$ 4,058,049
Less: goodwill and other intangibles	(21,562)	(21,744)	(21,936)	(22,149)	(23,496)
Tangible assets	\$ 4,197,431	\$ 4,183,049	\$ 4,164,504	\$ 4,127,980	\$ 4,034,553
Shares outstanding	16,431,755	16,417,099	16,600,442	16,952,072	17,062,572
Total stockholders' equity to total assets	9.69%	9.68%	8.88%	9.45%	9.07%
Tangible common equity to tangible assets	9.22%	9.21%	8.40%	8.96%	8.54%
Book value per share	\$ 24.87	\$ 24.80	\$ 22.39	\$ 23.13	\$ 21.57
Tangible book value per share	\$ 23.56	\$ 23.47	\$ 21.07	\$ 21.82	\$ 20.19

South Plains Financial



First Quarter 2024 Earnings Presentation

April 25, 2024



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", "SPFI", 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 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, the impact on us and our customers of a decline in general economic conditions and any regulatory responses thereto; potential recession in the United States and our market areas; the impacts related to or resulting from bank failures and any continuation of uncertainty in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response thereto; increased competition for deposits and related changes in deposit customer behavior; the impact of changes in market interest rates, whether due to continued elevated interest rates or potential reductions in interest rates and a resulting decline in net interest income; the persistence of the current inflationary pressures, or the resurgence of elevated levels of inflation in the United States and our market areas; the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System; the effects of declines in housing prices in the United States and our market areas; increases in unemployment rates in the United States and our market areas; declines in commercial real estate values and prices; uncertainty regarding United States fiscal debt and budget matters; cyber incidents or other failures, disruptions or breaches of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber attacks; severe weather, natural disasters, acts of war or terrorism, geopolitical instability or other external events; competition and market expansion opportunities; changes in non-interest expenditures or in the anticipated benefits of such expenditures; the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learnings; potential increased regulatory requirements and costs related to the transition and physical impacts of climate change; current or future litigation, regulatory examinations or other legal and/or regulatory actions; and changes in applicable laws and regulations. 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. Additional information regarding these factors and uncertainties to which South Plains' business and future financial performance are subject is contained in South Plains' most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q on file with the U.S. Securities and Exchange Commission (the "SEC"), including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of such documents, and other documents South Plains files or furnishes with the SEC from time to time. 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 applicable 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. Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the results or financial condition of the Company as reported under 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 2024 Highlights

Net Income
\$10.9 M

EPS - Diluted
\$0.64

Net Interest Margin ⁽¹⁾
("NIM") 3.56%

Deposit Growth
1.4% annualized

Loans Held for Investment
("HFI") \$3.01 B

Average Yield on Loans
6.53%

Return on Average Assets
("ROAA") 1.04%

Efficiency Ratio
67.94%

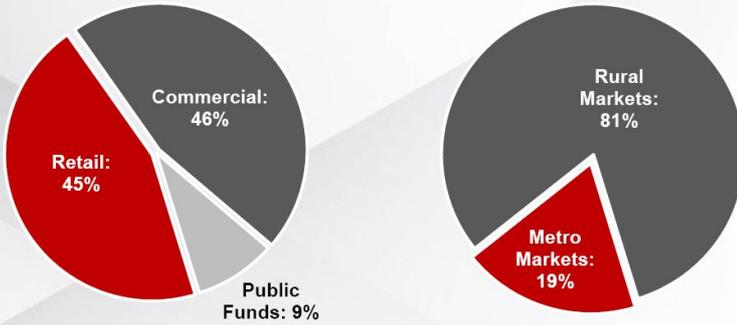
- **Net income** for the first quarter of 2024 was **\$10.9 million**, compared to **\$10.3 million** for the fourth quarter of 2023
- **Diluted earnings per share** for the first quarter of 2024 was **\$0.64**, compared to **\$0.61** for the fourth quarter of 2023
- **Net interest margin** was **3.56%** for the first quarter of 2024, compared to **3.52%** for the fourth quarter of 2023
- **Loans held for investment** were **\$3.01 billion** as of March 31, 2024, compared to **\$3.01 billion** as of December 31, 2023
- **Deposits totaled \$3.64 billion** as of March 31, 2024, compared to **\$3.63 billion** as of December 31, 2023
- Estimated **uninsured and uncollateralized deposits** at City Bank comprise **18% of total deposits**, with an **average deposit account size** of approximately **\$36 thousand** at March 31, 2024
- **Credit metrics improved** through 1Q'24 as the **ratio of nonperforming assets to total assets** was **10 bps** as compared to 14 bps in 4Q'23 and 19 bps in Q1'23
- **Tangible book value (non-GAAP) per share** was **\$23.56** as of March 31, 2024, compared to **\$23.47** as of December 31, 2023

Source: Company documents

Note: See appendix for the reconciliation of non-GAAP measures to GAAP

(1) Net interest margin is calculated on a tax-equivalent basis

Total Deposit Base Breakdown



Total Borrowing Capacity

\$1.75 Billion



Dollars in millions

- ✓ Average deposit account size is approximately \$36 thousand
- ✓ City Bank's percentage of **estimated uninsured or uncollateralized deposits** is **18%** of total deposits
- ✓ City Bank had \$1.75 billion of **available** borrowing capacity, as follows:
 - Federal Home Loan Bank of Dallas - \$1.1 billion
 - Federal Reserve Bank of Dallas Discount Window - \$620 million
 - No borrowings utilized from these sources during 1Q'24

Source: Company documents

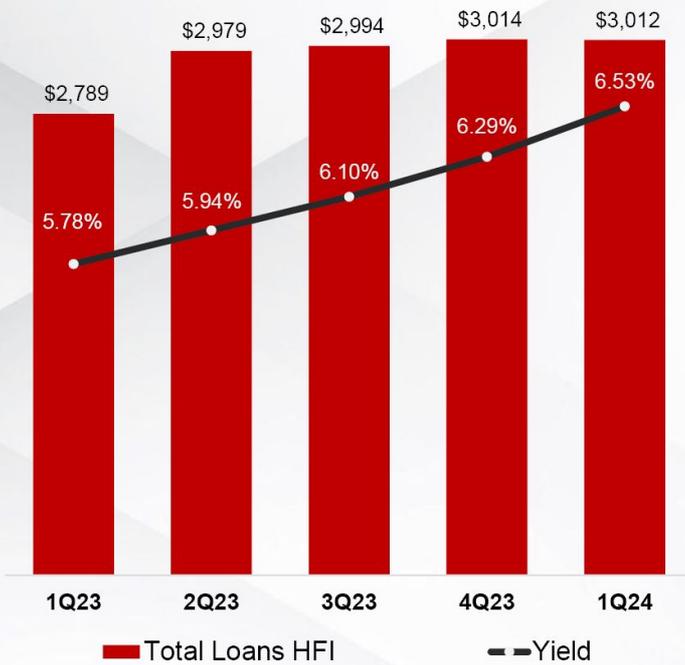
(1) No securities are currently pledged to this program; amount represents securities available to be pledged
Data as of March 31, 2024

Total Loans HFI

\$ in Millions

1Q'24 Highlights

- ✓ Loans HFI were flat at March 31, 2024 as compared to the end of 2023:
 - Growth was primarily in multi-family and single-family property loans and general commercial loans
 - Decreases in seasonal agricultural-related loans, residential construction loans, and consumer auto loans.
- ✓ As of March 31, 2024, loans HFI increased \$223.2 million, or 8.0%, from March 31, 2023
- ✓ The average yield on loans was 6.53% for the 1Q'24, compared to 6.29% for the 4Q'23, includes approximately 9bps of interest recoveries



Attractive Markets Poised for Organic Growth

Dallas / Ft. Worth

- ✓ Largest MSA in Texas and fourth largest in the nation
- ✓ Steadily expanding population that accounts for over 26% of the state's population
- ✓ MSA with the largest job growth in 2022 (+5.9%)
- ✓ Attractive location for companies interested in relocating to more efficient economic environments
- ✓ Focus on commercial real estate lending

El Paso

- ✓ Population of 865,000+
- ✓ 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
- ✓ Total Non-Farm Employment was up 5.6% in 2022 compared to 2021
- ✓ 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
- ✓ Focus on commercial real estate lending

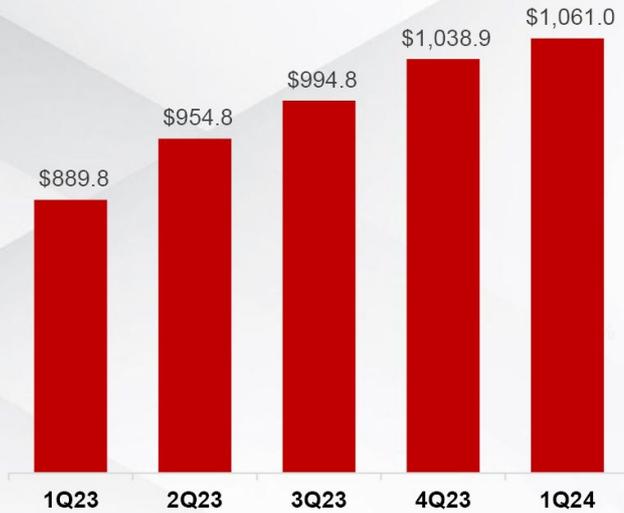
Lubbock

- ✓ Population in excess of 320,000 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

Total Metropolitan Loans

\$ in Millions

1Q'24 Highlights

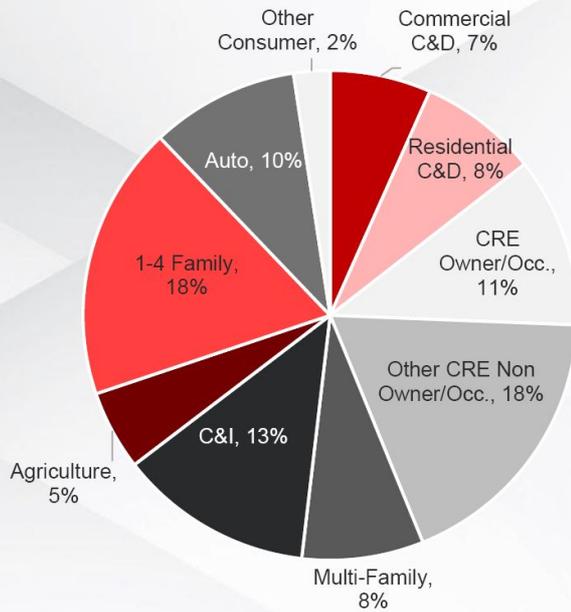


- ✓ Loans HFI in our major metropolitan markets⁽¹⁾ increased by \$22.1 million, or 8.5% annualized, to \$1.06 billion during 1Q'24, as compared to \$1.04 billion at the end of 4Q'23
- ✓ Our major metropolitan market loan portfolio represents 35.2% of the Bank's total loans at March 31, 2024

Source: Company documents

(1) The Bank defines its "major metropolitan markets" to include Dallas, Houston and El Paso, Texas

Loan Mix



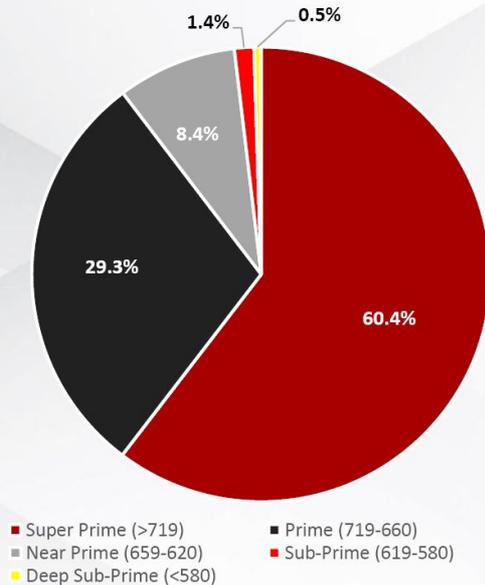
Fixed vs. Variable Rate



Loan Portfolio (\$ in millions)

Commercial C&D	\$	199.3
Residential C&D		234.7
CRE Owner/Occ.		337.8
Other CRE Non Owner/Occ.		549.5
Multi-Family		240.0
C&I		382.9
Agriculture		158.4
1-4 Family		545.1
Auto		292.4
Other Consumer		71.7
Total	\$	3,011.8

Indirect Auto Credit Breakdown



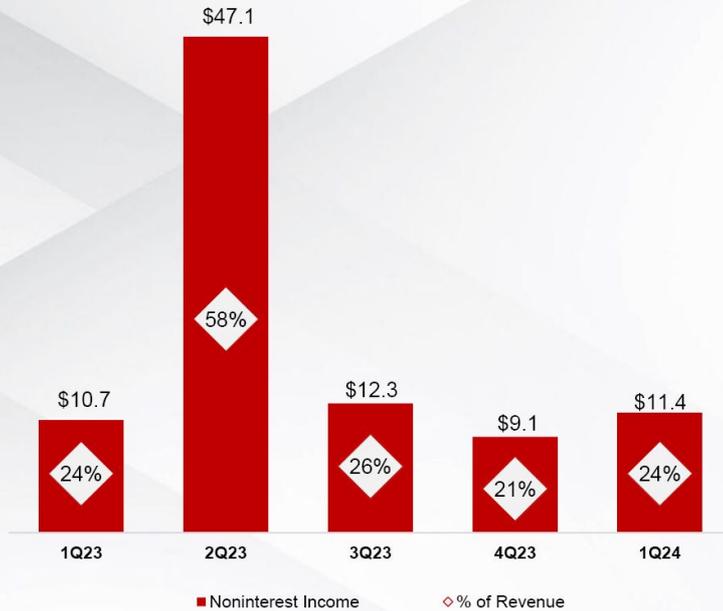
Indirect Auto Highlights

- ✓ Indirect auto loans totaled \$273.4 million
- ✓ Management is carefully managing the portfolio; yields are improving as a portion of monthly principal amortization is redeployed into higher rate loans
- ✓ During 1Q'24 there were approximately \$13 million in net principal reduction
- ✓ Strong credit quality in the sector, positioned for resiliency across economic cycles:
 - Super Prime Credit (>719): \$165.0 million
 - Prime Credit (719-660): \$80.2 million
 - Near Prime Credit (659-620): \$23.0 million
 - Sub-Prime Credit (619-580): \$3.8 million
 - Deep Sub-Prime Credit (<580): \$1.4 million
- ✓ Loans past due 30+ days: 28 bps
- ✓ Non-car/truck (RV, boat, etc.) is 2% of portfolio

Noninterest Income Overview

Noninterest Income

\$ in Millions



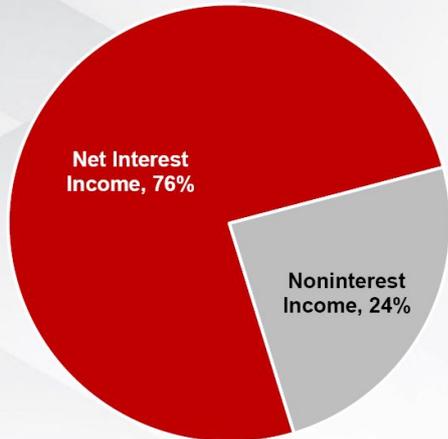
1Q'24 Highlights

- ✓ Noninterest income was \$11.4 million for 1Q'24, compared to \$9.1 million for 4Q'23, primarily due to an increase of \$2.3 million in mortgage banking revenues:
 - 1Q'24 MSR FV adjustment - \$55 thousand
 - 4Q'23 MSR FV adjustment – \$(1.5) million
- ✓ Noninterest income increased \$718 thousand, compared to 1Q'23, primarily due to:
 - An increase of \$1.7 million in mortgage banking revenues:
 - 1Q'24 MSR FV adjustment - \$55 thousand
 - 1Q'23 MSR FV adjustment – \$(2.0) million
 - A reduction of \$1.4 million in income from insurance activities due to the sale of the Bank's insurance subsidiary in April 2023

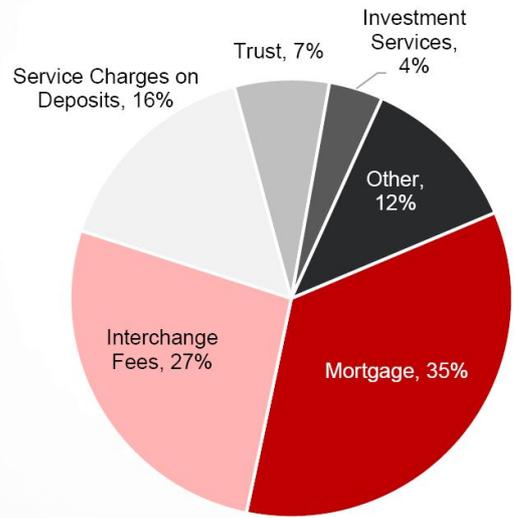
Diversified Revenue Stream

Three Months Ended March 31, 2024

Total Revenues
\$46.8 million



Noninterest Income
\$11.4 million

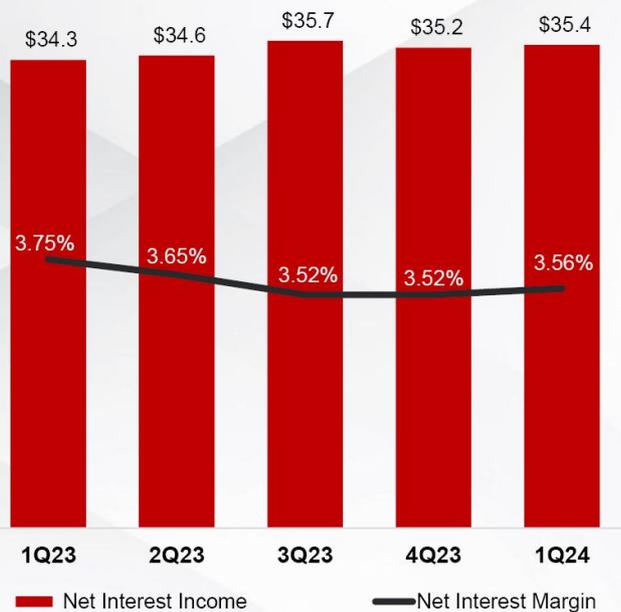


Net Interest Income and Margin

Net Interest Income & Margin

\$ in Millions

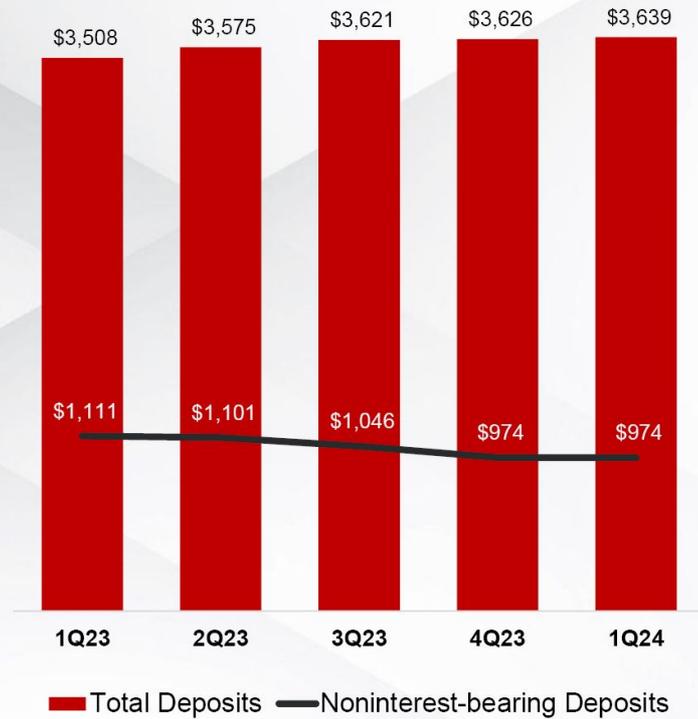
1Q'24 Highlights



- ✓ Net interest income (“NII”) of \$35.4 million, compared to \$35.2 million in 4Q’23
 - The increase in NII was primarily the result of \$667 thousand in interest recoveries on loans that had previously been on nonaccrual
 - Partially offset by one fewer day in the quarter
- ✓ 1Q’24 NIM increased 4 bps to 3.56% as compared to 3.52% in 4Q’23, includes approximately 7 bps of effect from interest recoveries

Total Deposits

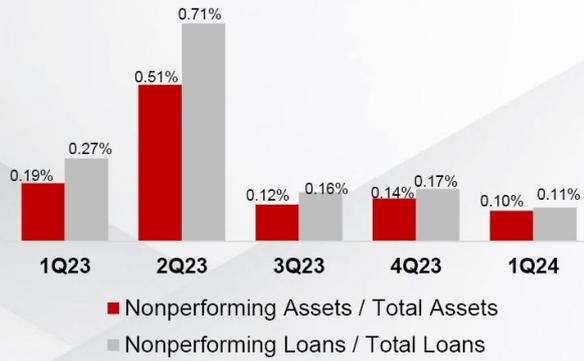
\$ in Millions



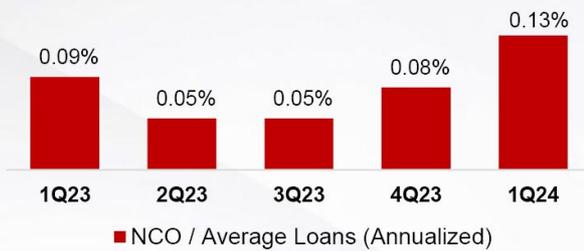
1Q'24 Highlights

- ✓ Total deposits of \$3.64 billion at 1Q'24, an increase of \$12.4 million from 4Q'23
- ✓ Cost of interest-bearing deposits increased to 3.27% in 1Q'24 from 3.14% in 4Q'23
 - Average cost of deposits increased to 2.41% in 1Q'24 as compared to 2.24% in 4Q'23
- ✓ Noninterest-bearing deposits to total deposits was 26.8% at March 31, 2024, compared to 26.9% at the end of 2023
- ✓ Strategic initiatives implemented to stabilize noninterest-bearing deposits while also growing core deposits

Credit Quality Ratios



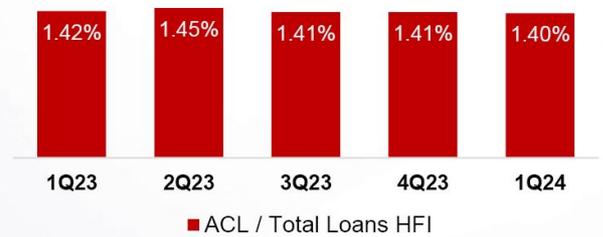
Net Charge-Offs to Average Loans



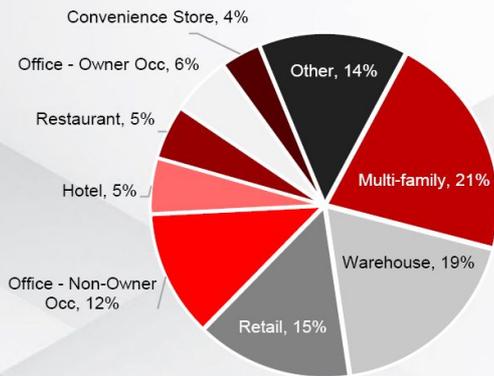
1Q'24 Highlights

- ✓ Provision for credit losses of \$830 thousand, compared to \$600 thousand in 4Q'23
 - The provision during 1Q'24 was largely attributable to net charge-off activity during the quarter.
- ✓ Allowance for Credit Losses ("ACL") to loans HFI was 1.40% at 3/31/2024
- ✓ Nonperforming loans totaled \$3.4 million at March 31, 2024

ACL to Total Loans HFI



CRE⁽¹⁾ Sector Breakdown



CRE Portfolio (\$ in millions)

Property Type	Total
Multifamily	240.0
Warehouse	209.8
Retail	164.1
Office – Non-Owner Occ	134.5
Hotel	59.1
Restaurant	57.3
Office – Owner Occ	62.8
Convenience Store	42.2
Other	157.1
Total	\$1,126.9

Office Loan Details

- ✓ 6.6% of total loans HFI
- ✓ 32% is owner-occupied
- ✓ Average loan size is \$897 thousand
- ✓ Medical offices comprise 11% of office loans

Multi-Family Loan Details

- ✓ 8.0% of total loans HFI
- ✓ Average loan size \$3.4 million
- ✓ Loans past due 30+ days or nonaccrual: 7 basis points

Source: Company documents
 Note: Balances do not include loans that are still in the construction and development phase
 Data as of March 31, 2024

(1) Commercial real estate ("CRE")

CRE Analysis

(000's) as of 12/31/2023	Hospitality	Office	Retail	Multi-Family	Industrial	C Store	Restaurant	Mini-Storage
Segment Total Balance	\$60,922	\$201,354	\$176,817	\$301,870	\$228,758	\$42,196	\$71,121	\$30,363
Segment to Total Loans	2.03%	6.71%	5.89%	10.06%	7.62%	1.41%	2.37%	1.01%
Average Balance	\$3,046	\$903	\$1,524	\$4,025	\$941	\$2,009	\$1,016	\$1,125
Owner-Occupied		\$59,077	\$16,433		\$73,176	\$39,486	\$43,650	
% Owner-Occupied		29.34%	9.29%		31.99%	93.58%	61.38%	
% Urban Center	5.89%	11.74%	23.54%	10.28%	19.99%	18.21%	21.59%	0.00%
% Urban Non-Center	45.62%	81.02%	70.66%	83.27%	60.88%	72.89%	67.55%	90.40%
% Suburban	47.57%	6.70%	2.32%	2.53%	14.43%	8.39%	7.63%	9.50%
% Rural	0.14%	0.53%	0.46%	1.66%	0.43%	0.00%	0.00%	0.09%

*** Population by Zip Code

% Urban CBD	>50,000
% Urban Non-CBD	10,000-50,000
% Suburban	2,500-10,000
% Rural	>2,500

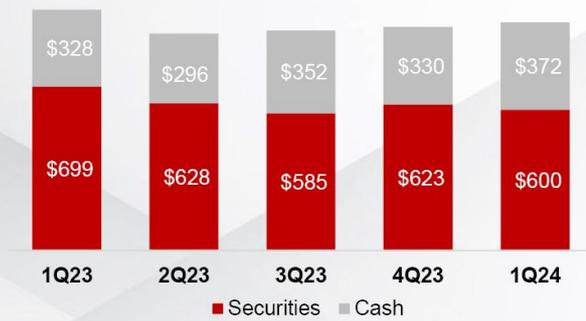
Data source - American Community Survey - US Census Bureau

Source: Company documents

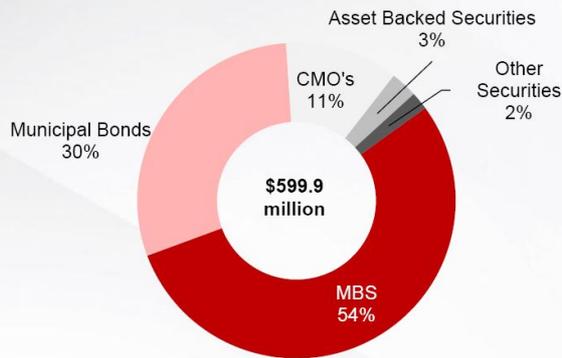
Note: Balances include loans that are still in the construction and development phase

Securities & Cash

\$ in Millions



1Q'24 Securities Composition



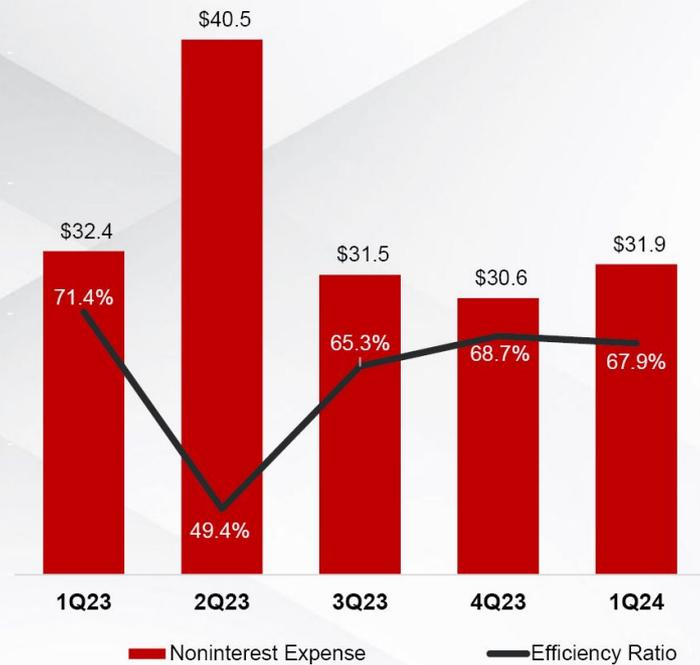
1Q'24 Highlights

- ✓ Investment securities totaled \$599.9 million, flat from 4Q'23.
- ✓ All municipal bonds are in Texas; fair value hedges of \$124 million
- ✓ All MBS, CMO, and Asset Backed securities are U.S. Government or GSE
- ✓ Duration of the securities portfolio was 6.57 years at March 31, 2024

Noninterest Expense

\$ in Millions

1Q'24 Highlights



- ✓ Noninterest expense for 1Q'24 increased \$1.3 million to \$31.9 million from 4Q'23 primarily due to:
 - A rise of \$1.0 million in personnel costs, which predominately came from higher health care insurance costs and an increase in incentive-based compensation
- ✓ Will continue to manage expenses to drive profitability

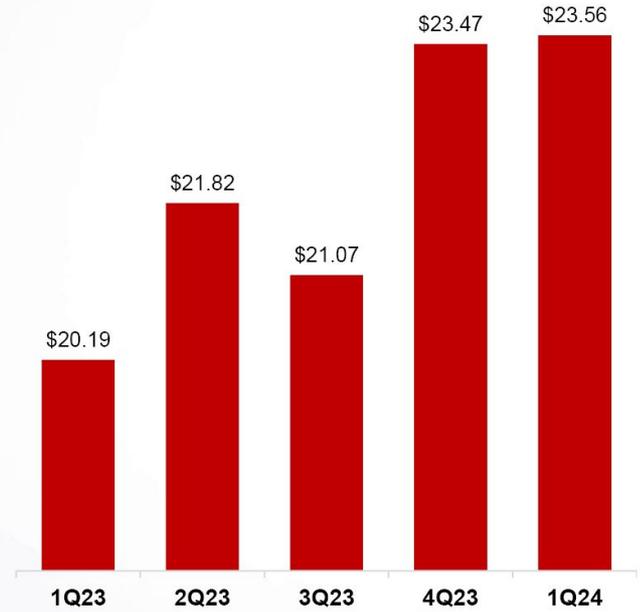
Balance Sheet Growth and Development

Balance Sheet Highlights

\$ in Millions



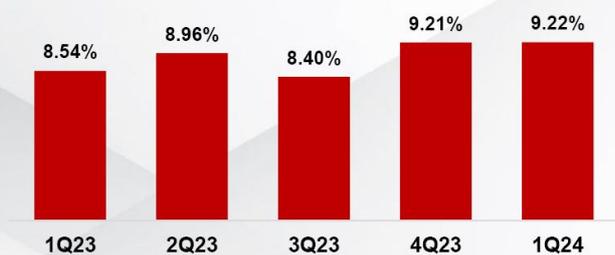
Tangible Book Value Per Share



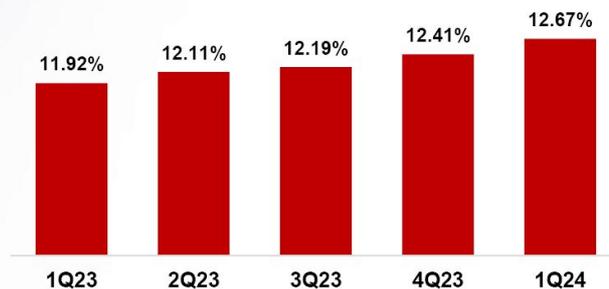
Note: Tangible book value per share is a non-GAAP measure. See appendix for the reconciliation of non-GAAP measures to GAAP

Strong Capital Base

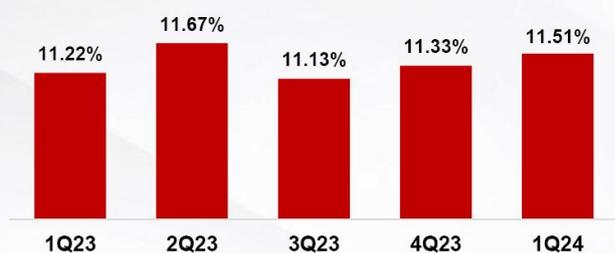
Tangible Common Equity to Tangible Assets Ratio



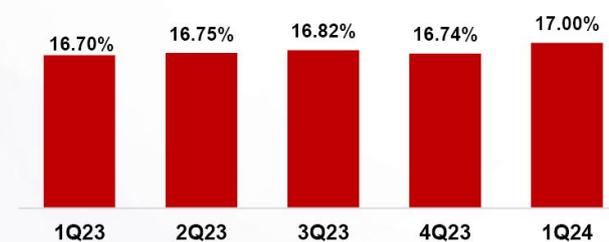
Common Equity Tier 1 Ratio



Tier 1 Capital to Average Assets Ratio



Total Capital to Risk-Weighted Assets Ratio



Source: Company documents

Note: Tangible common equity to tangible assets 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

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 than *helping people succeed and live better.*

Appendix

Non-GAAP Financial Measures

	March 31, 2024	December 31, 2023	For the quarter ended September 30, 2023	June 30, 2023	March 31, 2023
Pre-tax, pre-provision income					
Net income	\$ 10,874	\$ 10,324	\$ 13,494	\$ 29,683	\$ 9,244
Income tax expense	3,143	2,787	3,683	7,811	2,391
Provision for credit losses	830	600	(700)	3,700	1,010
Pre-tax, pre-provision income	<u>\$ 14,847</u>	<u>\$ 13,711</u>	<u>\$ 16,477</u>	<u>\$ 41,194</u>	<u>\$ 12,645</u>
As of					
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Tangible common equity					
Total common stockholders' equity	\$ 408,712	\$ 407,114	\$ 371,716	\$ 392,029	\$ 367,964
Less: goodwill and other intangibles	(21,562)	(21,744)	(21,936)	(22,149)	(23,496)
Tangible common equity	<u>\$ 387,150</u>	<u>\$ 385,370</u>	<u>\$ 349,780</u>	<u>\$ 369,880</u>	<u>\$ 344,468</u>
Tangible assets					
Total assets	\$ 4,218,993	\$ 4,204,793	\$ 4,186,440	\$ 4,150,129	\$ 4,058,049
Less: goodwill and other intangibles	(21,562)	(21,744)	(21,936)	(22,149)	(23,496)
Tangible assets	<u>\$ 4,197,431</u>	<u>\$ 4,183,049</u>	<u>\$ 4,164,504</u>	<u>\$ 4,127,980</u>	<u>\$ 4,034,553</u>
Shares outstanding	<u>16,431,755</u>	<u>16,417,099</u>	<u>16,600,442</u>	<u>16,952,072</u>	<u>17,062,572</u>
Total stockholders' equity to total assets	9.69%	9.68%	8.88%	9.45%	9.07%
Tangible common equity to tangible assets	9.22%	9.21%	8.40%	8.96%	8.54%
Book value per share	\$ 24.87	\$ 24.80	\$ 22.39	\$ 23.13	\$ 21.57
Tangible book value per share	\$ 23.56	\$ 23.47	\$ 21.07	\$ 21.82	\$ 20.19

Non-GAAP Financial Measures



	March 31, 2024	December 31, 2023	For the quarter ended September 30, 2023	June 30, 2023	March 31, 2023
Efficiency Ratio					
Noninterest expense	\$ 31,930	\$ 30,597	\$ 31,489	\$ 40,499	\$ 32,361
Net interest income	35,368	35,162	35,689	34,581	34,315
Tax equivalent yield adjustment	223	225	229	303	302
Noninterest income	11,409	9,146	12,277	47,112	10,691
Total income	47,000	44,533	48,195	81,996	45,308
Efficiency ratio	67.94%	68.71%	65.34%	49.39%	71.42%
Noninterest expense	\$ 31,930	\$ 30,597	\$ 31,489	\$ 40,499	\$ 32,361
Less: Subsidiary transaction and related expenses	—	—	—	(4,532)	—
Less: net loss on sale of securities	—	—	—	(3,409)	—
Adjusted noninterest expense	31,930	30,597	31,489	32,558	32,361
Total income	47,000	44,533	48,195	81,996	45,308
Less: gain on sale of subsidiary	—	—	(290)	(33,488)	—
Adjusted total income	47,000	44,533	47,905	48,508	45,308
Adjusted efficiency ratio	67.94%	68.71%	65.73%	67.12%	71.42%