

Mackenzie Brown

From: Steve Smith
Sent: Friday, February 9, 2018 3:55 PM
To: Jeanne Noto
Subject: SouthPoint Bank Year End 2017 Update
Attachments: AL_Banking_Almanac_-_4Q_2017.pdf

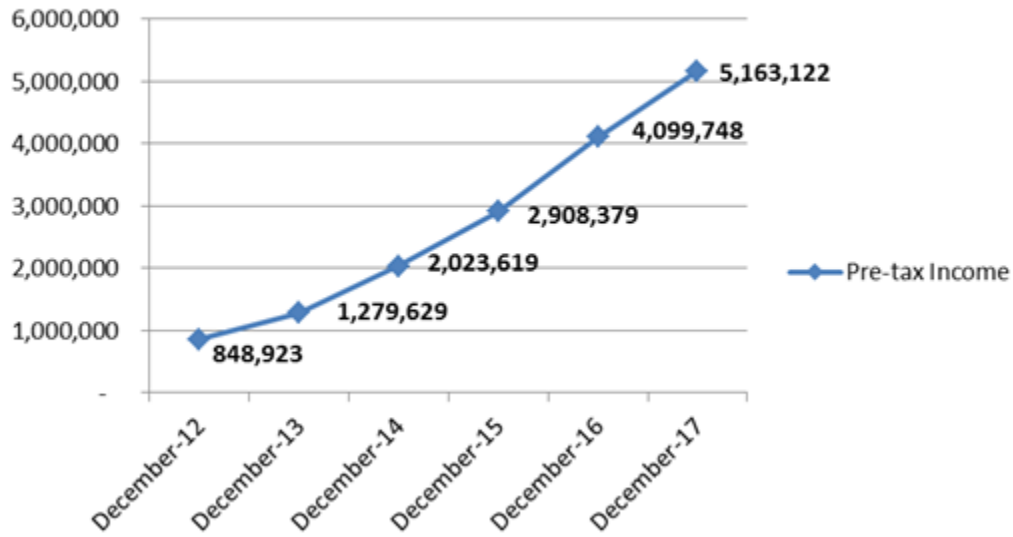
- I am very pleased to report that our bank had another year of record performance in 2017 as you can see below in the charts below.
- Our operating income hit a new high of over \$5mm mark for the first time.
- Our balance sheet continues to strengthen with extremely low non-performing assets and excellent loan portfolio quality which has received the highest rating available.
- Our Mortgage division continues to grow in spite of the headwinds of rising interest rates. This team earned \$1,084,000 for the year, breaking the \$1mm mark for the first time.
- Our Loan Portfolio grew by net 16% in 2017 by replacing significant payoffs with new customers. This is more than double our Alabama bank peer group net loan growth.
- We finished the year at \$309mm in Total Assets.
- Our pretax Return on Equity was 20.17% which is #3 out of 119 banks operating in the state of Alabama. I have attached the Alabama Bank Stats to this email.
- Our largest problem in 2017 was Taxes as you can see in the chart below. We took a one time large tax hit due the passage of the tax cut bill becoming law prior to year-end 2017. The great news is we will benefit going forward from the reduction in the C corporation tax cut in tax rates. This will reduce our tax rate from the low 30% + range to the low 20%+ range!! Thanks to President Trump and the Republicans in congress for providing this new boost to our business model!

Moving forward, we have moved into our new SouthPoint World Headquarters building. We designed this building specially to enhance our ability to entertain customers, prospective customers, and centers of influence to continue our strong growth. Our brand is now seen every day by over 100,000 cars a day. This is much improved from being on the bottom floor of a Cadence bank building in the previous facility!

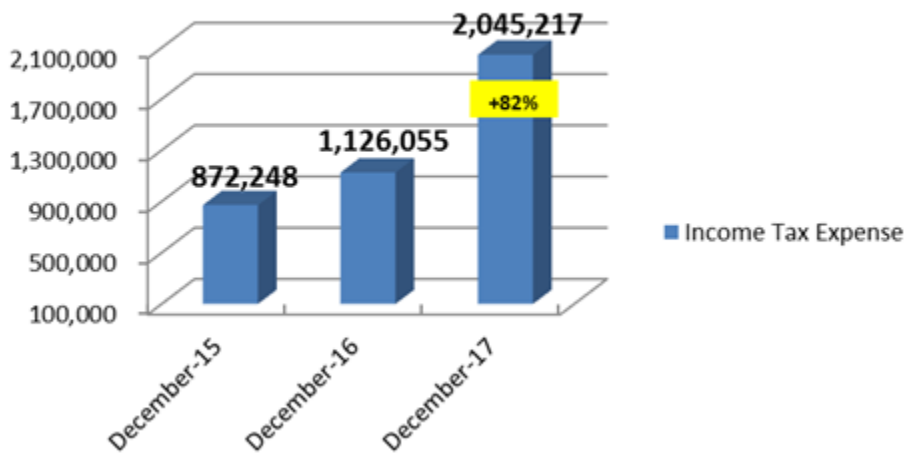
Thanks for your continued support of our bank. We will continue to focus on building shareholder value.

These are unaudited numbers. WAKM audit report will be finished sometime in the spring.

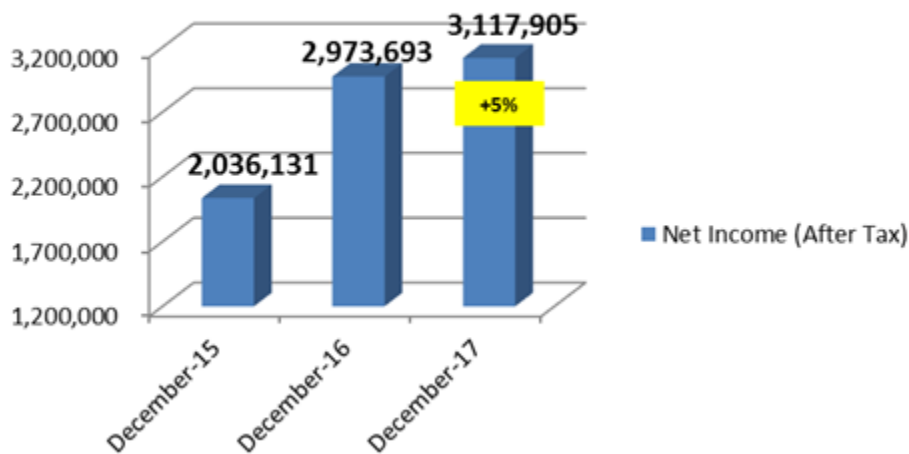
Pre-tax Income



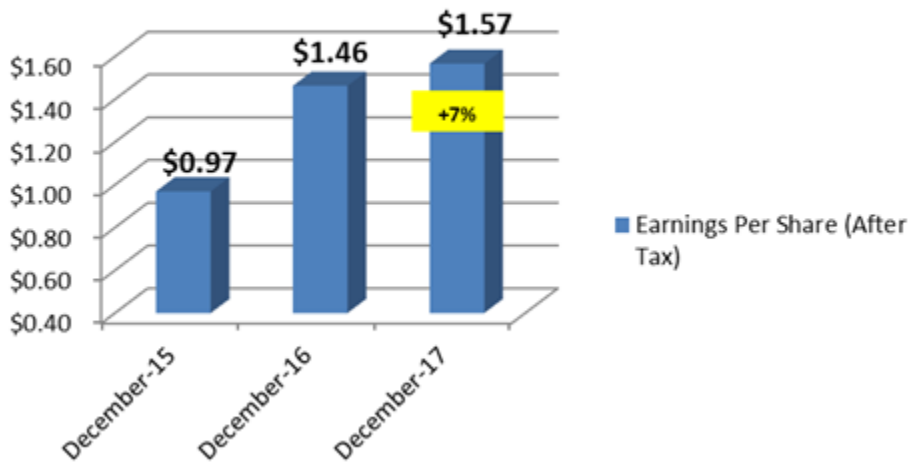
Income Tax Expense



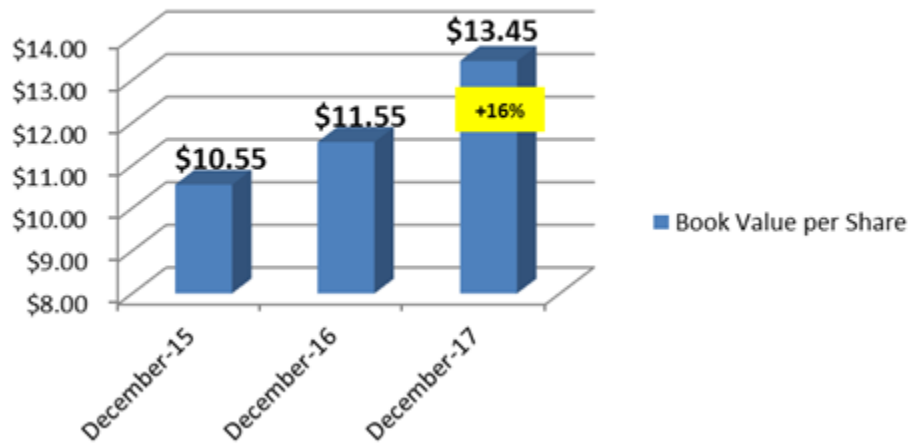
Net Income (After Tax)



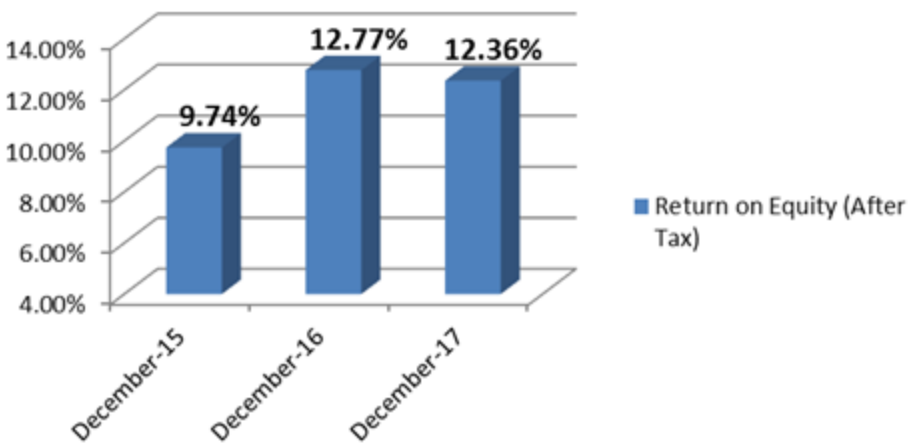
Earnings Per Share (After Tax)



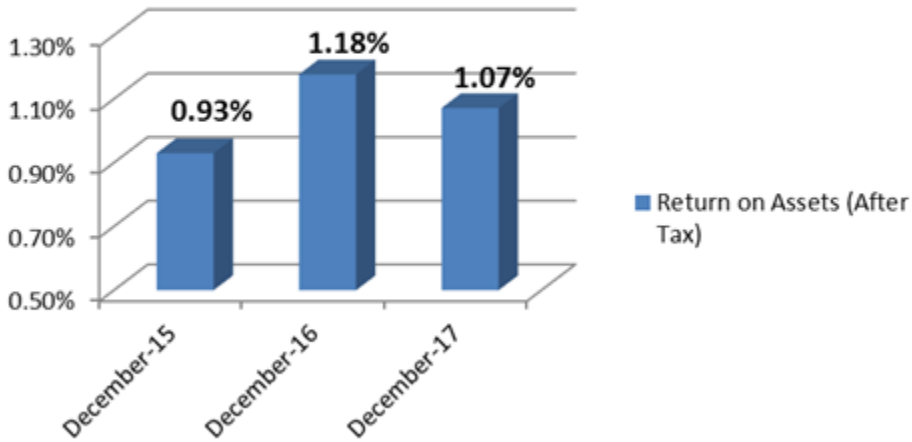
Book Value per Share



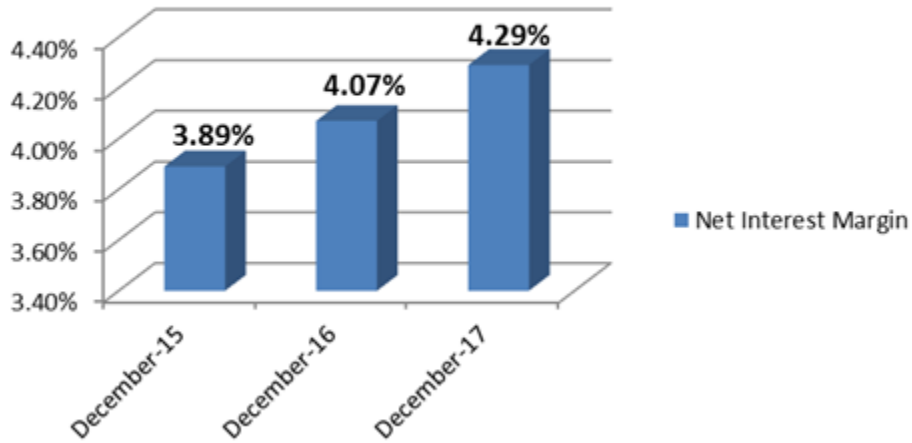
Return on Equity (After Tax)



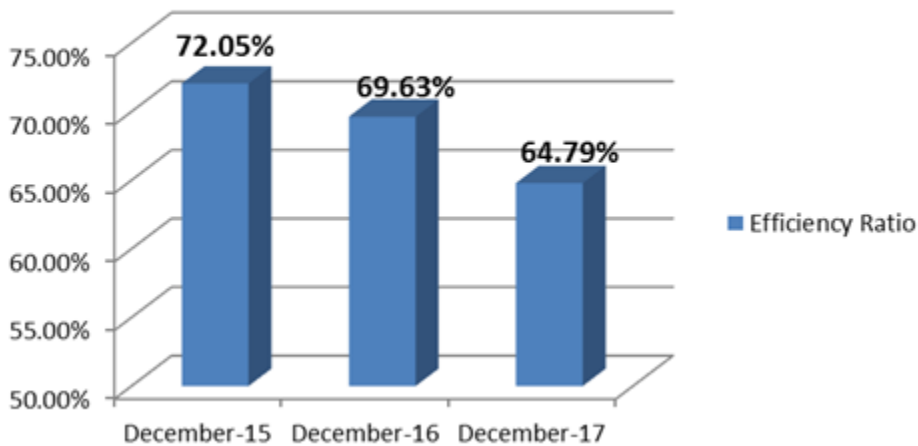
Return on Assets (After Tax)

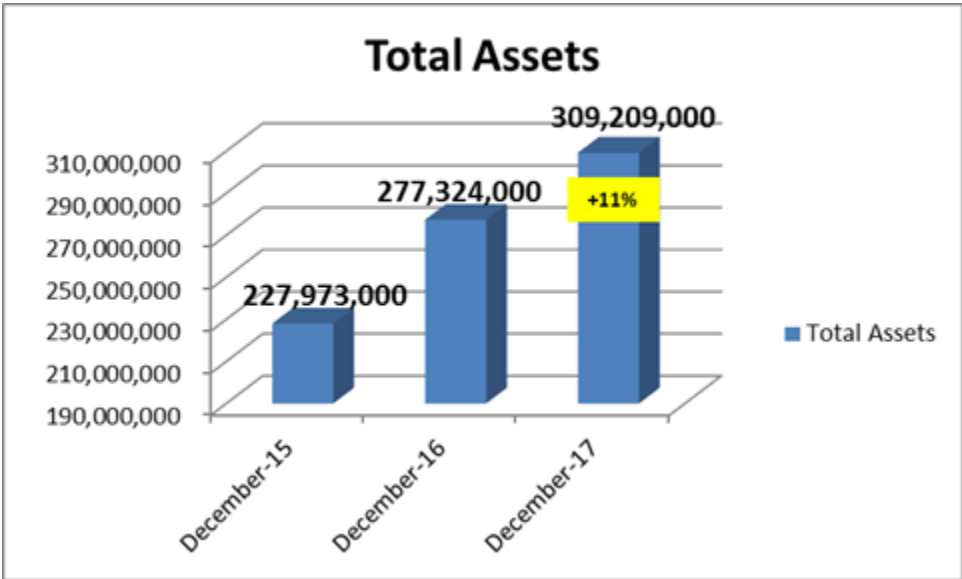


Net Interest Margin



Efficiency Ratio





J. Stephen Smith
Chief Executive Officer
3501 Grandview Parkway
Birmingham , Al 35243