Way
Better
Together

2022 Shareholder Meeting

SOUTH POINT BANK

Merchants Bank of Alabama
a division of SouthPoint Bank

Business Agenda

1. Election of Directors
2. Ratification of Independent Public Accountants for the Company
3. Any other business that may become before the meeting

Shares Outstanding & Quorum

- The Record Date was **MARCH 23, 2022**
- There were **2,866,409** shares of common stock outstanding on the Record Date
- Preliminary voting reflects that immediately prior to this meeting, **1,842,171** shares or **64.27%** were counted as being represented in person or by proxy
- Because a ***majority*** of shares are represented a **QUORUM** is present

Voting

- Polls are open for voting on items of business
- Our proxy holders today are Howie Myers and David Dresher

- ***If you have not sent in your proxy and would like to vote, please indicate so now***
- ***The final total of shares voted and percentages will be reflected in the official record of the meeting***

Voting Results

Results will be announced by the Inspector of Elections once the in-person ballots are tabulated.

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Disclaimer

We make forward-looking statements in this message that are based on our management's beliefs, assumptions, expectations and estimates, and on information currently available to our management.

Forward-looking statements include all statements that are not historical facts, and they involve risks and uncertainties. You should not put undue reliance on any forward-looking statements, and no forward-looking statements can be guaranteed.

You should understand that many important factors could cause our results to differ materially from those expressed in forward-looking statements.

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Stock Ownership of Majority Owners

Number of Shares		Name
1.	221,454	J. Stephen Smith
2.	172,302	Wirt Adams Yerger III & Yerger Properties LP
3.	142,147	David Grady Moss
4.	104,826	Banc Fund IX LP
5.	81,285	S. Wayne Fuller
6.	75,116	E Investments LLC
7.	72,198	Reba D. Miller & H Lawayne Allred JT TEN
8.	50,000	J T Stephens
9.	50,000	Jennifer Heath Giannini
10.	50,000	Steven W. Heath

Board of Directors

Number of Shares	Name
221,454	J. Stephen Smith
39,198	Robert L. Henderson
36,966	Andrew J. Ratliff
32,200	Christopher B. Harmon
24,006	Steven R. Glasscock
13,650	Tommie G. Cummings
13,200	Thomas H. McGough
9,475	Robert R. Jolly, Jr.

Executive Management

J. Stephen Smith
Board Chairman, CEO and President

W. Clark Rainwater
EVP – Chief Financial Officer

Howard L. Myers, Jr
EVP – Chief Lending Officer

Randolph S. Brown
EVP – Home Mortgage Lending

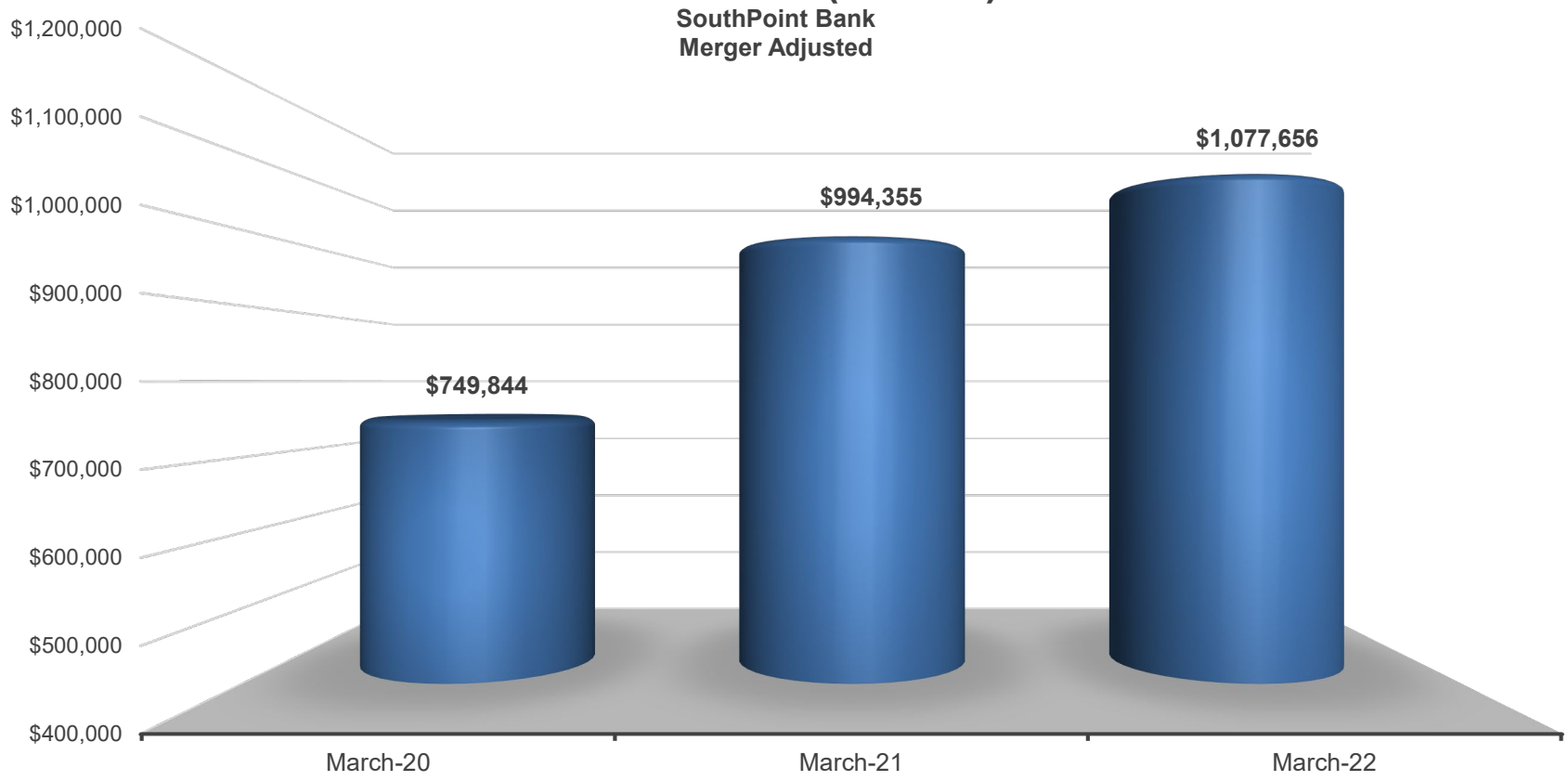
Robert L. Richardson, Jr
EVP – Central Alabama Market President

Charles R. NeSmith
EVP – North Alabama Market President

William B. Jones III
EVP – Chief Credit Officer

C. Lynn Woodall
EVP – Chief Risk Officer, Attorney

Total Assets ($ 000's)



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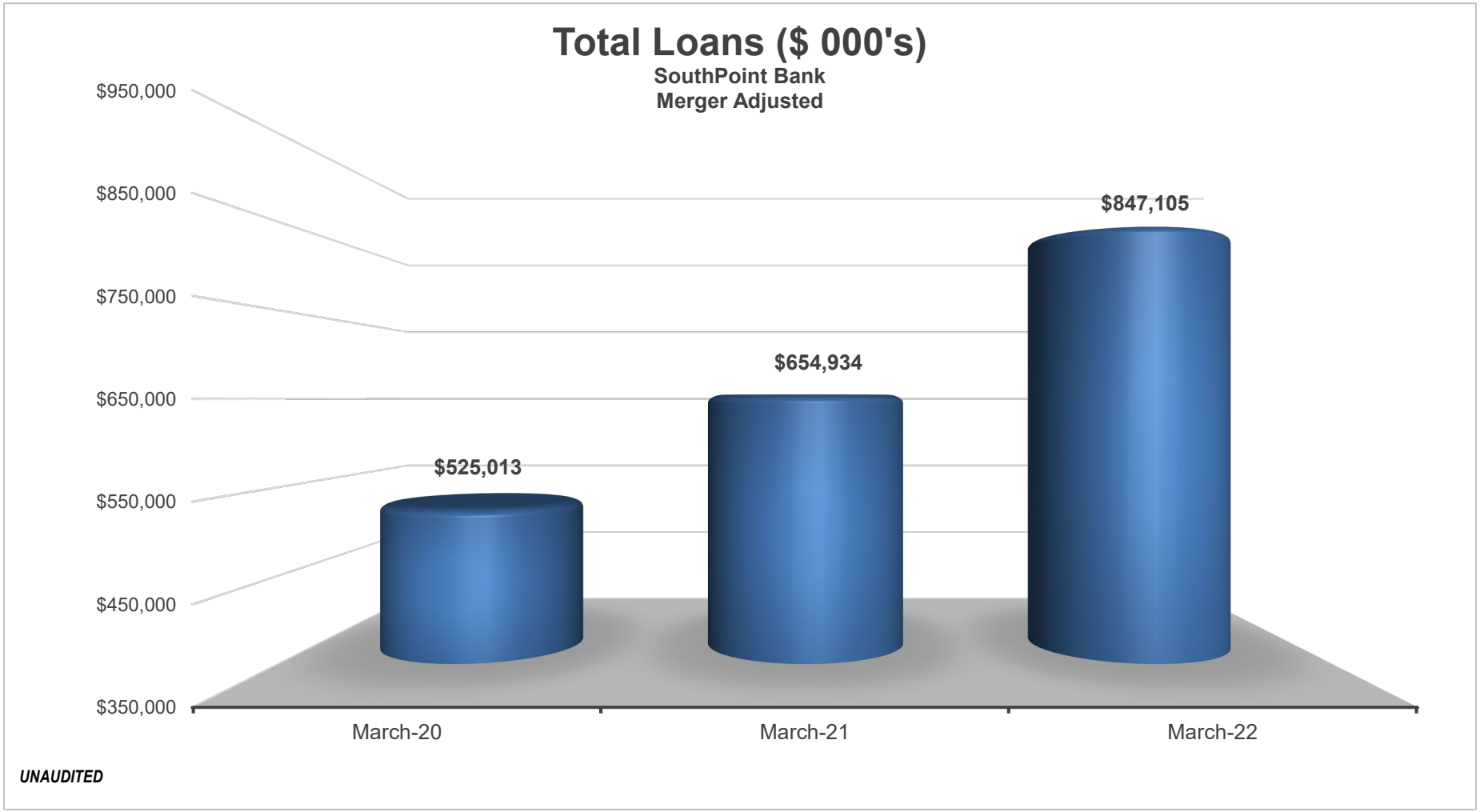
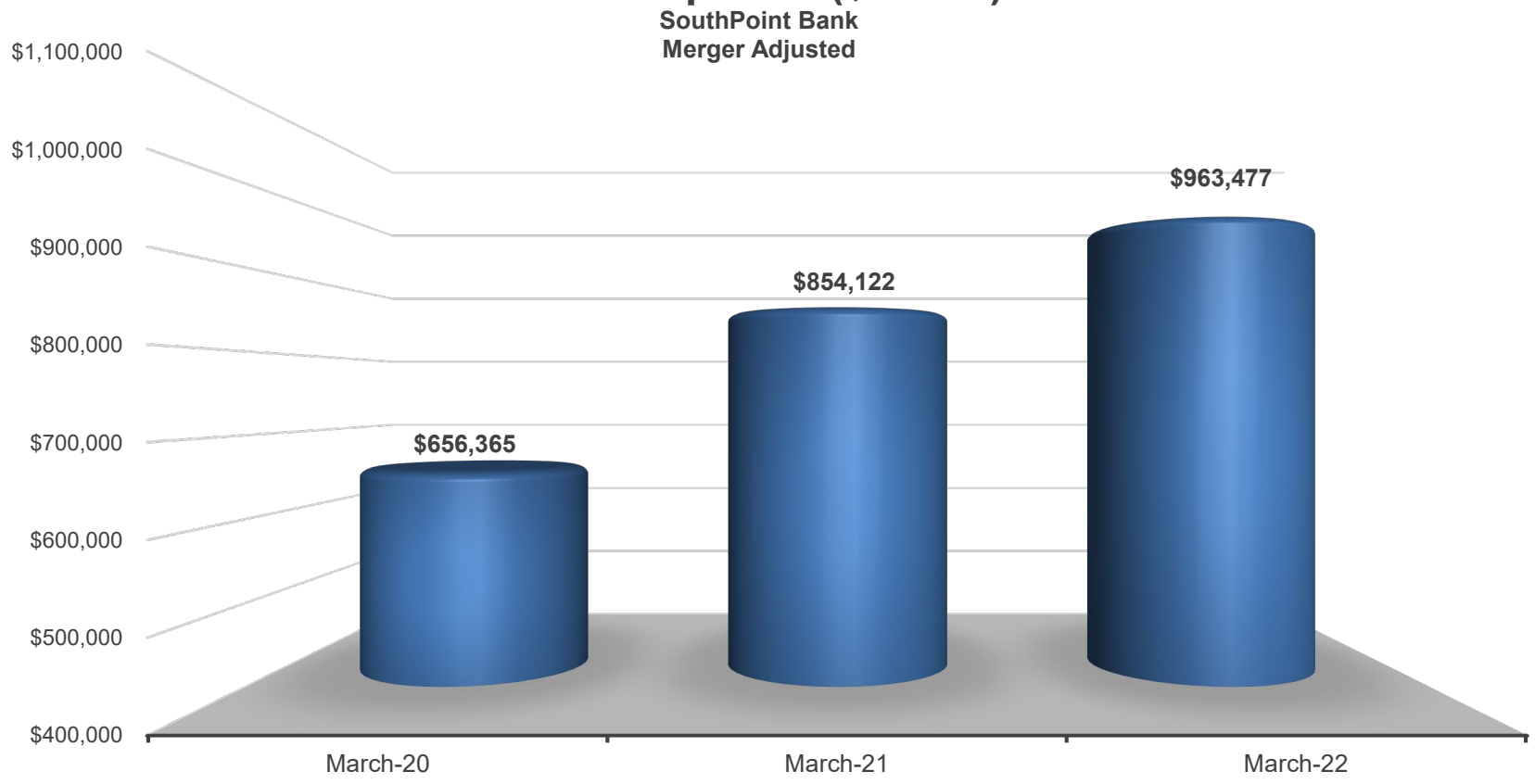

Total Loans ($ 000's)
SouthPoint Bank
Merger Adjusted
$950,000
$850,000
$750,000
$650,000
$550,000
$450,000
$350,000
$525,013
$654,934
$847,105
March-20
March-21
March-22

UNAUDITED

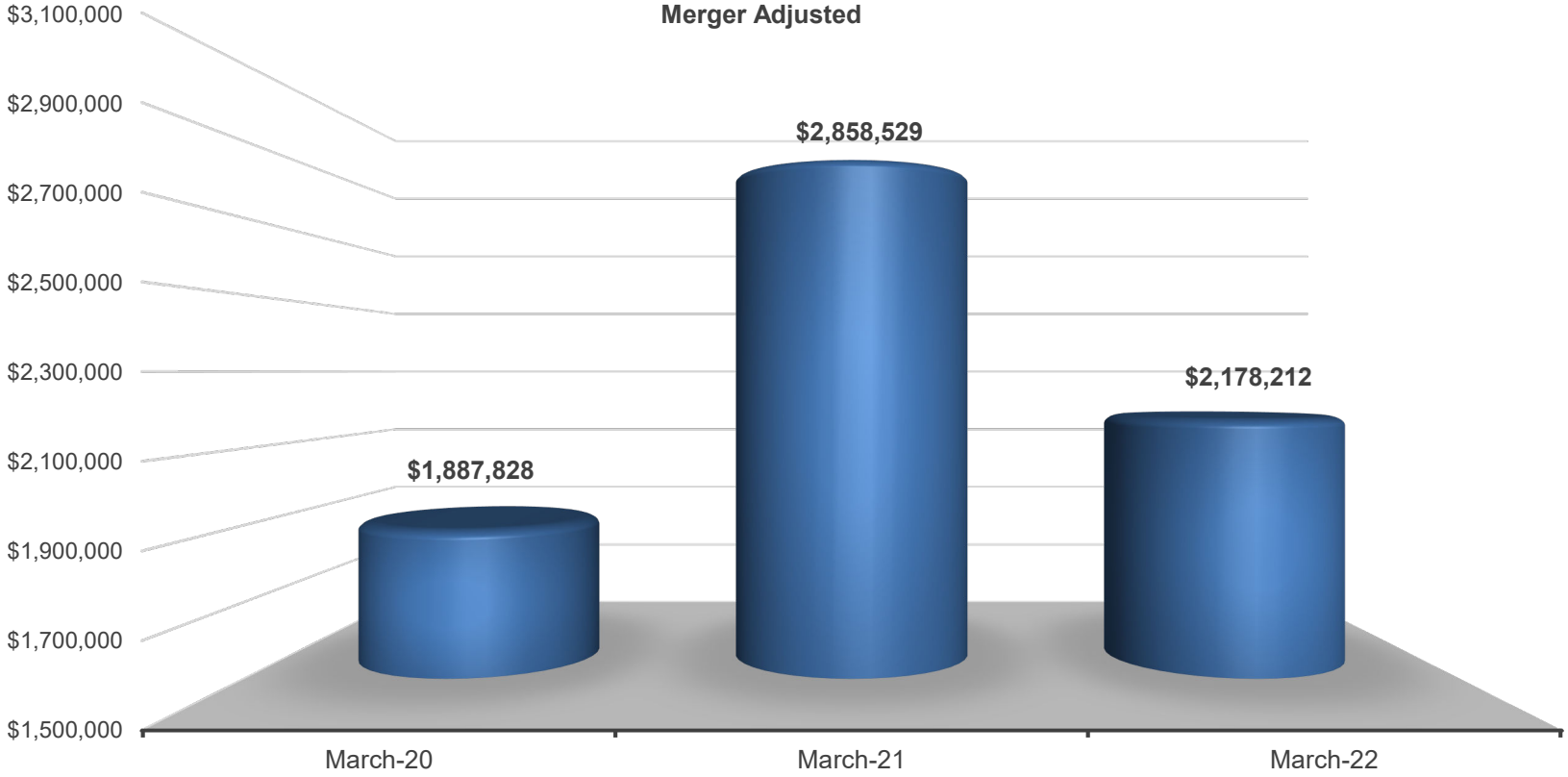
Total Deposits ($ 000's)



UNAUDITED

Net Income YTD

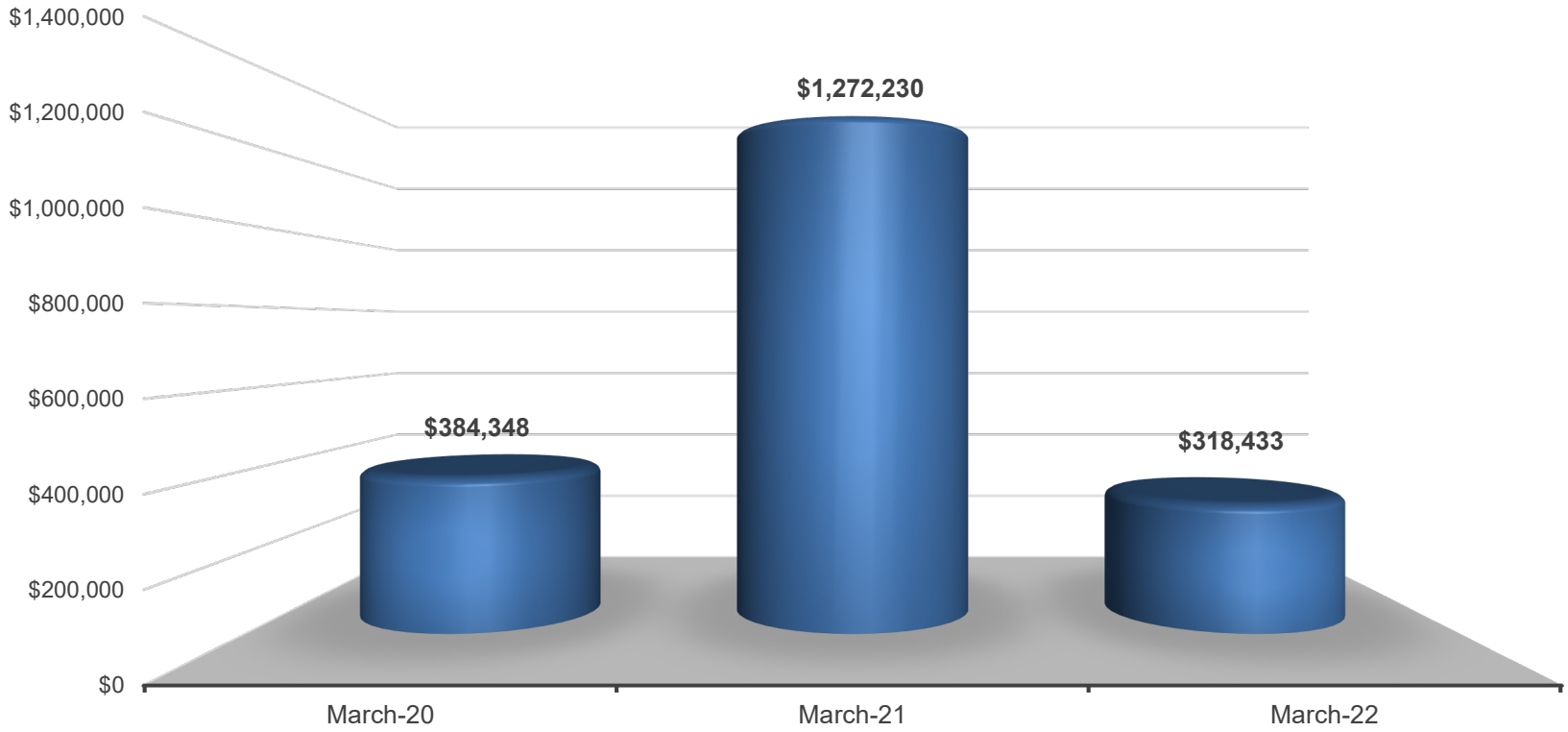
SouthPoint Bank
Merger Adjusted



UNAUDITED

HML Net Income YTD

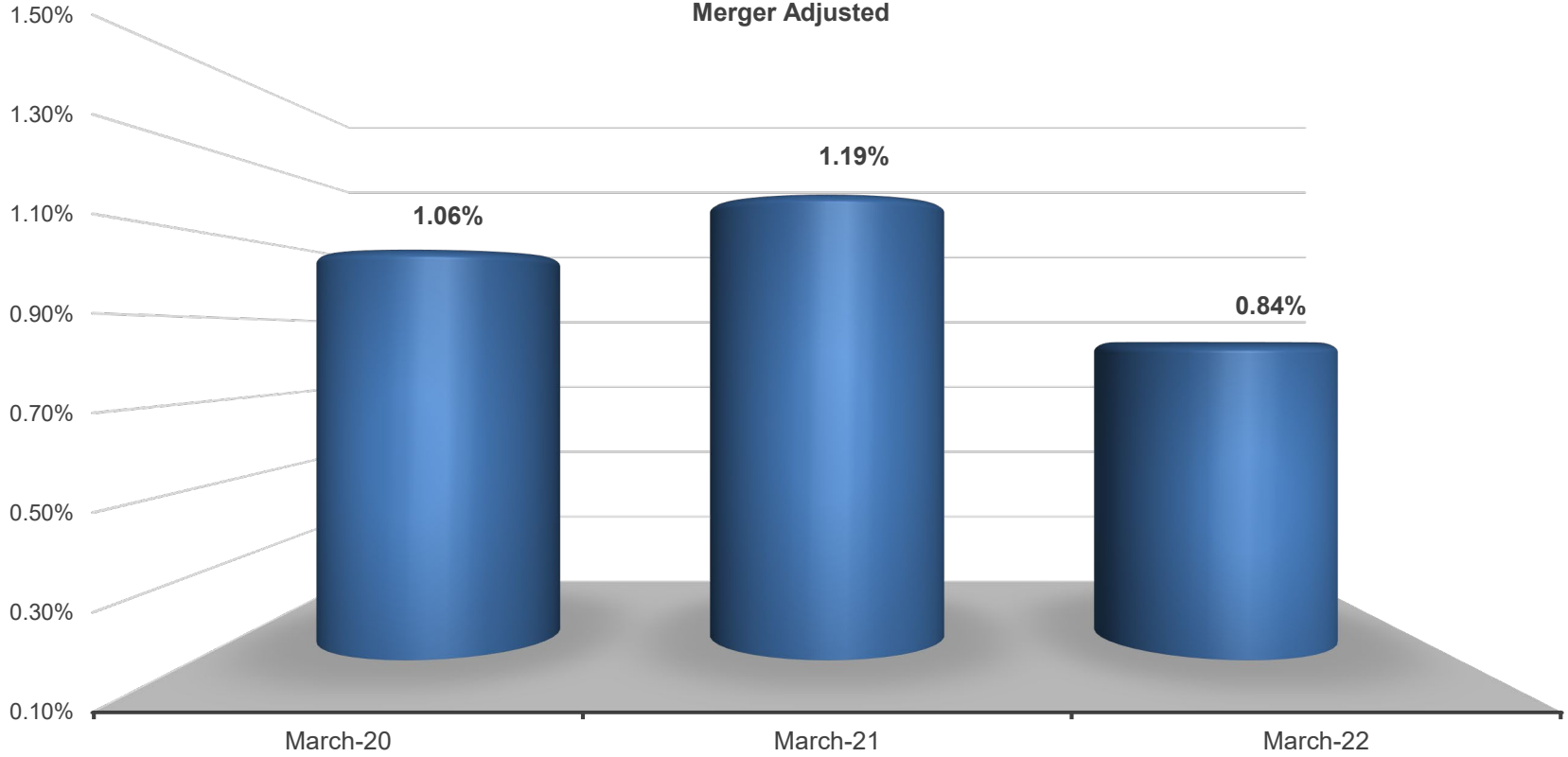
SouthPoint Bank



UNAUDITED

Return on Assets

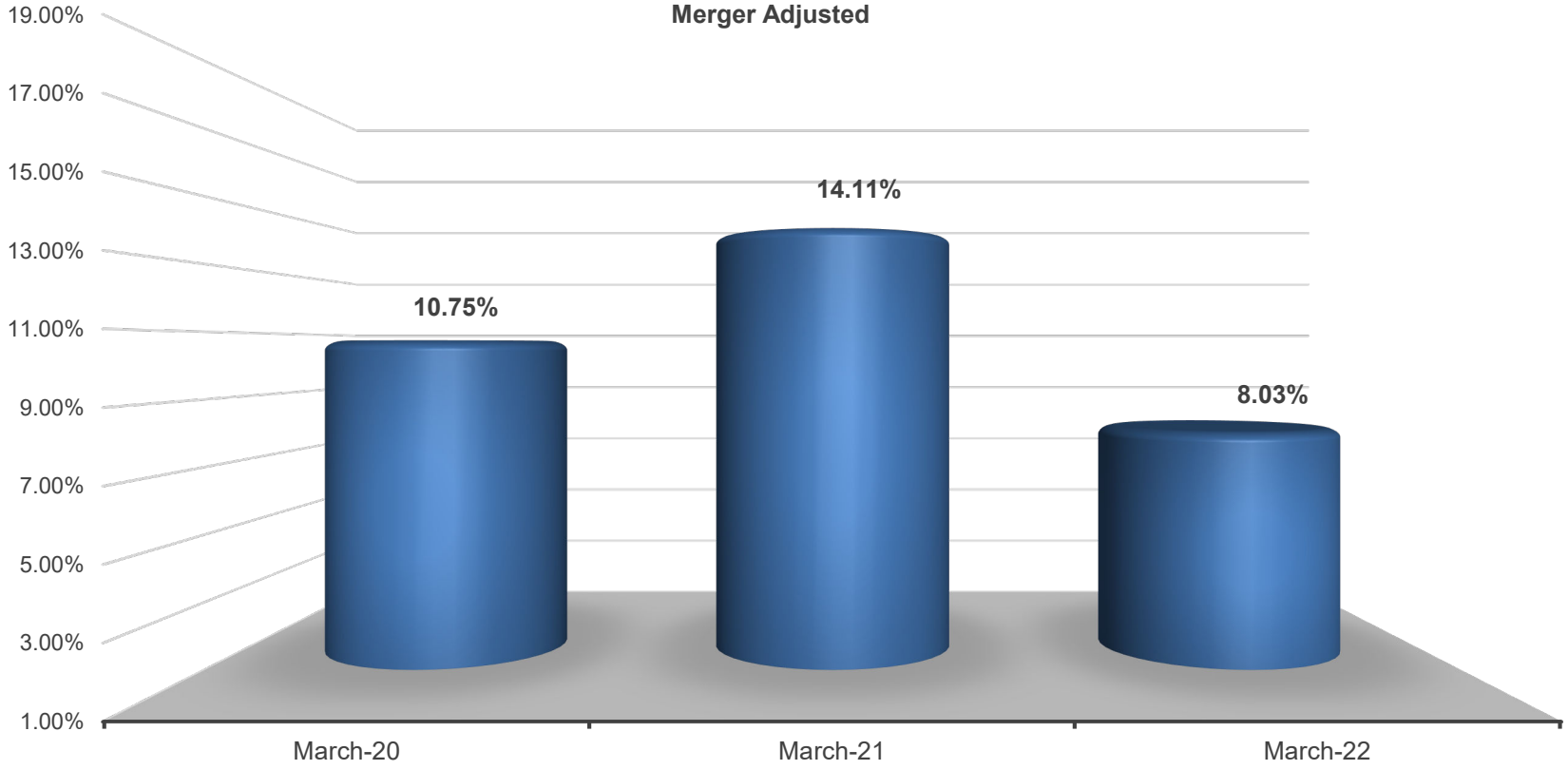
SouthPoint Bank
Merger Adjusted



UNAUDITED

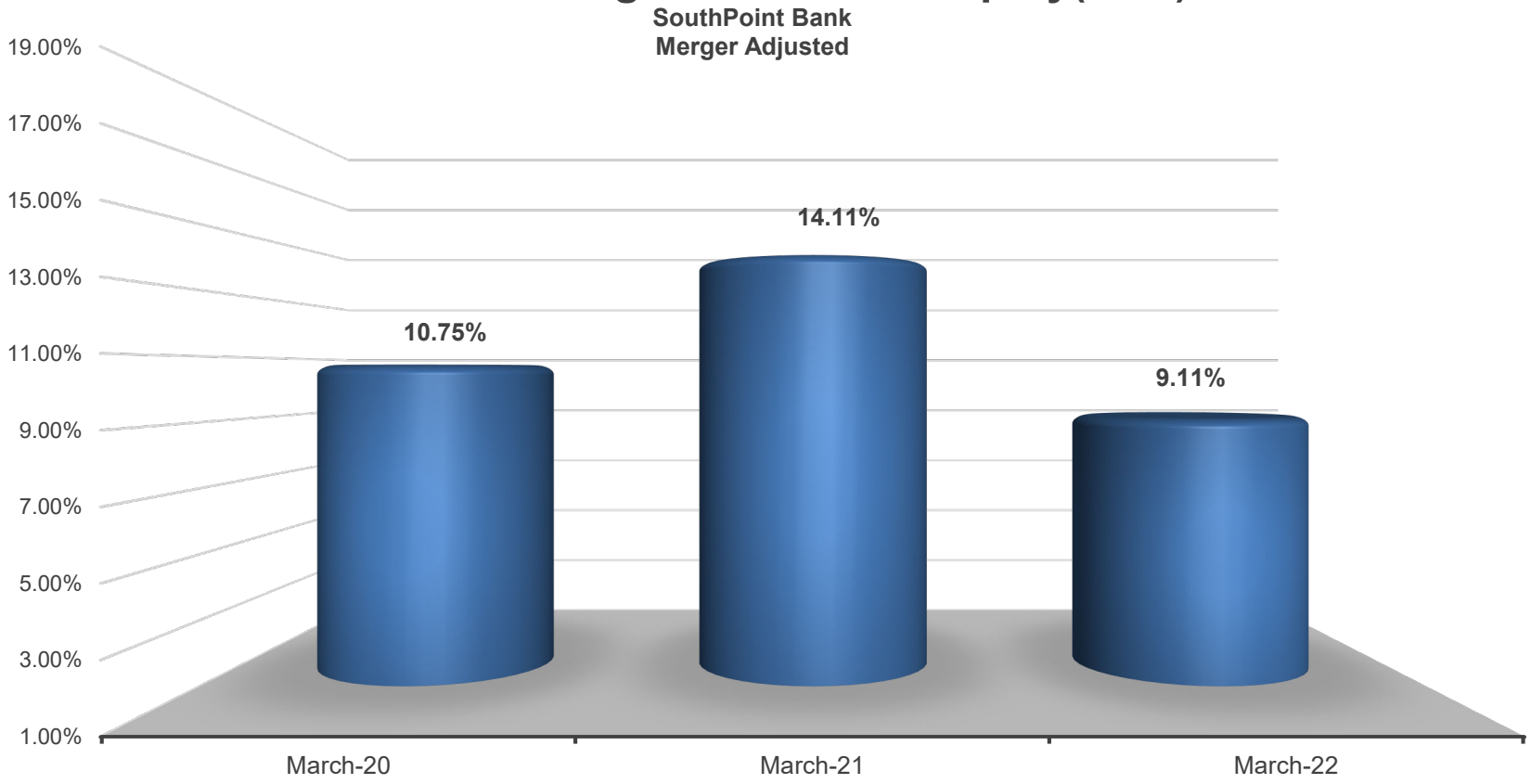
Return on Equity

SouthPoint Bank
Merger Adjusted



UNAUDITED

Return on Tangible Common Equity(TCE)



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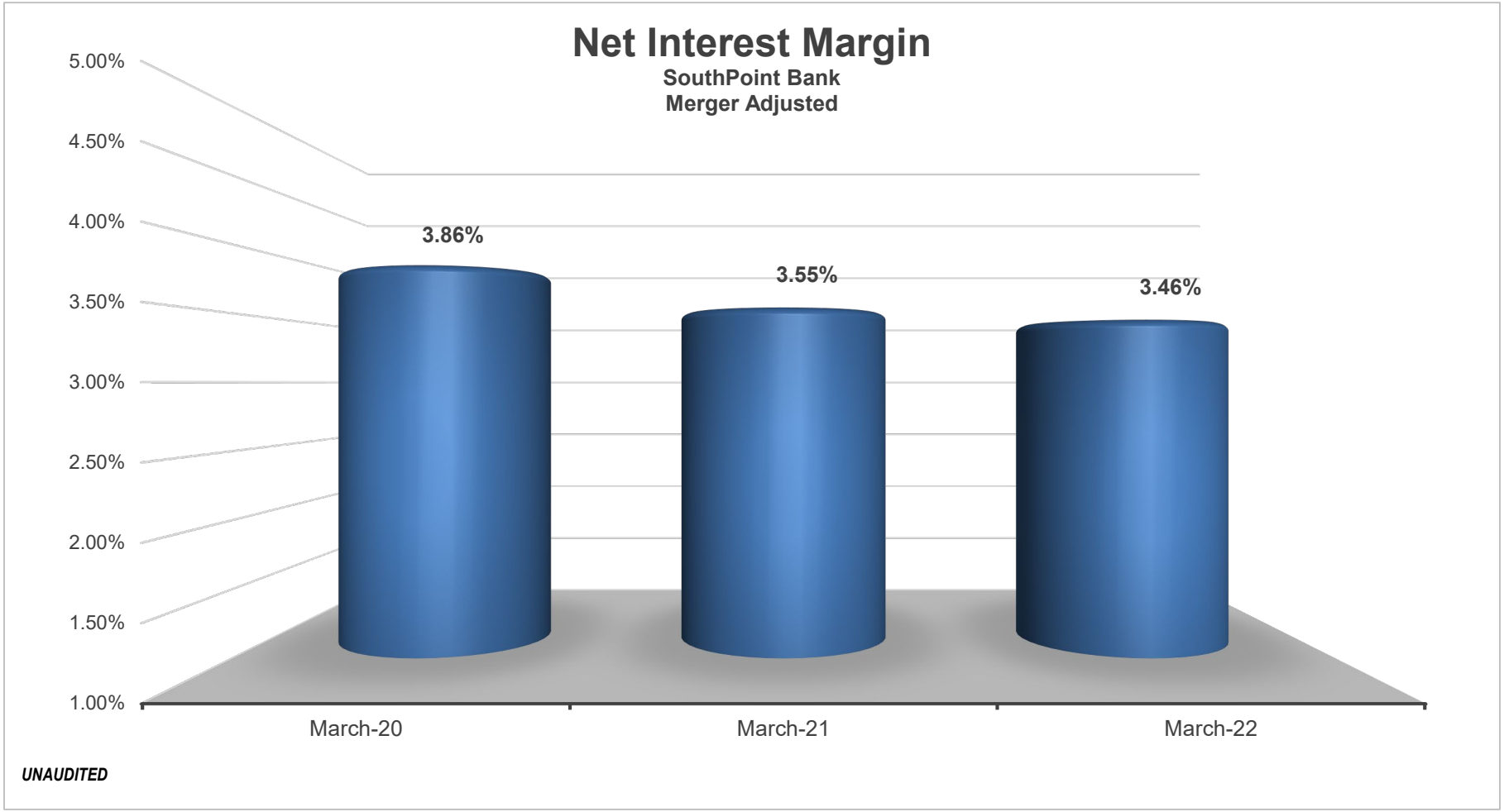
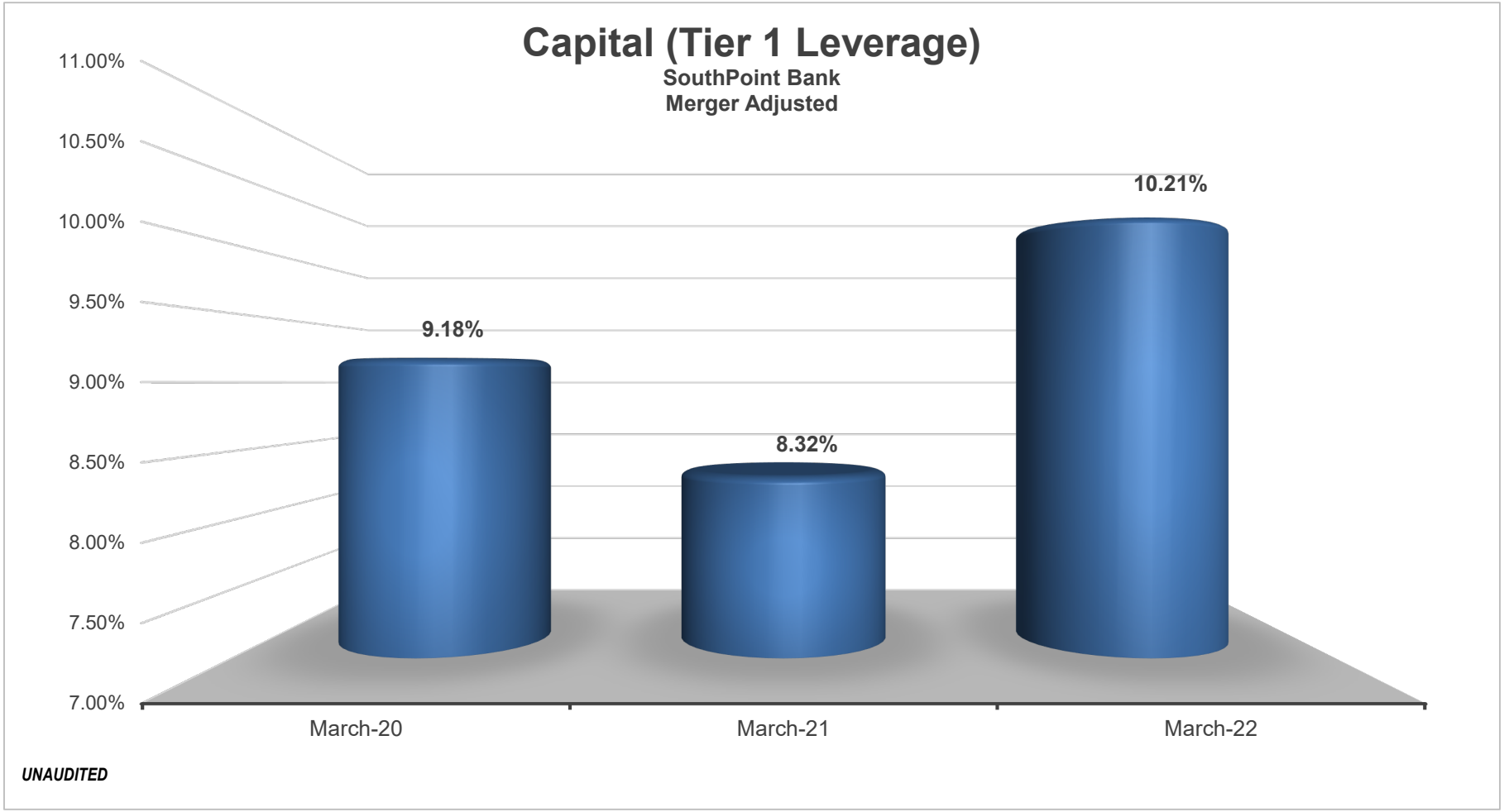

Net Interest Margin
SouthPoint Bank
Merger Adjusted
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
3.86%
3.55%
3.46%
March-20
March-21
March-22

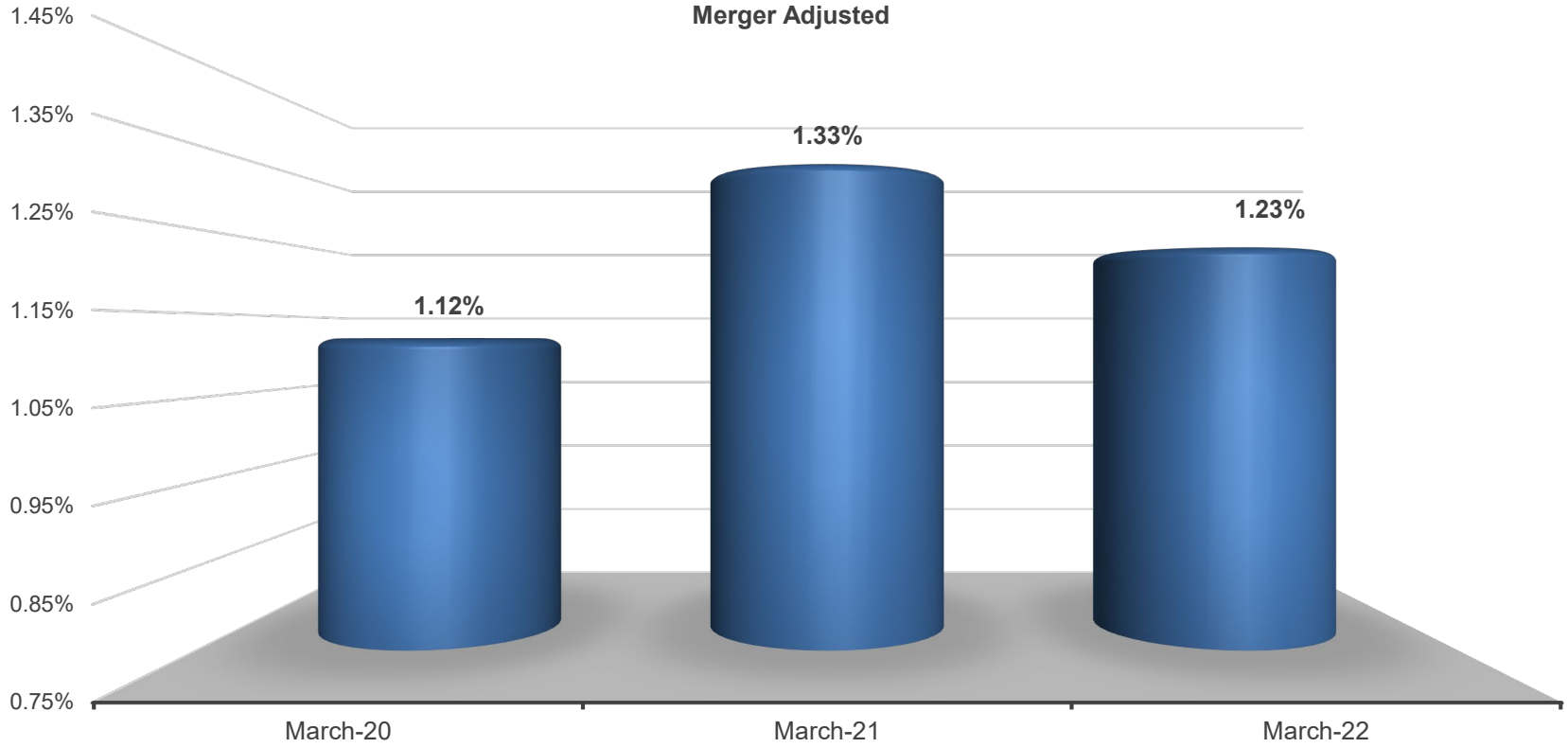
UNAUDITED


Capital (Tier 1 Leverage)
SouthPoint Bank
Merger Adjusted
11.00%
10.50%
10.00%
9.50%
9.00%
8.50%
8.00%
7.50%
7.00%
9.18%
8.32%
10.21%
March-20
March-21
March-22

UNAUDITED

Allowance for Loan Loss

SouthPoint Bank
Merger Adjusted



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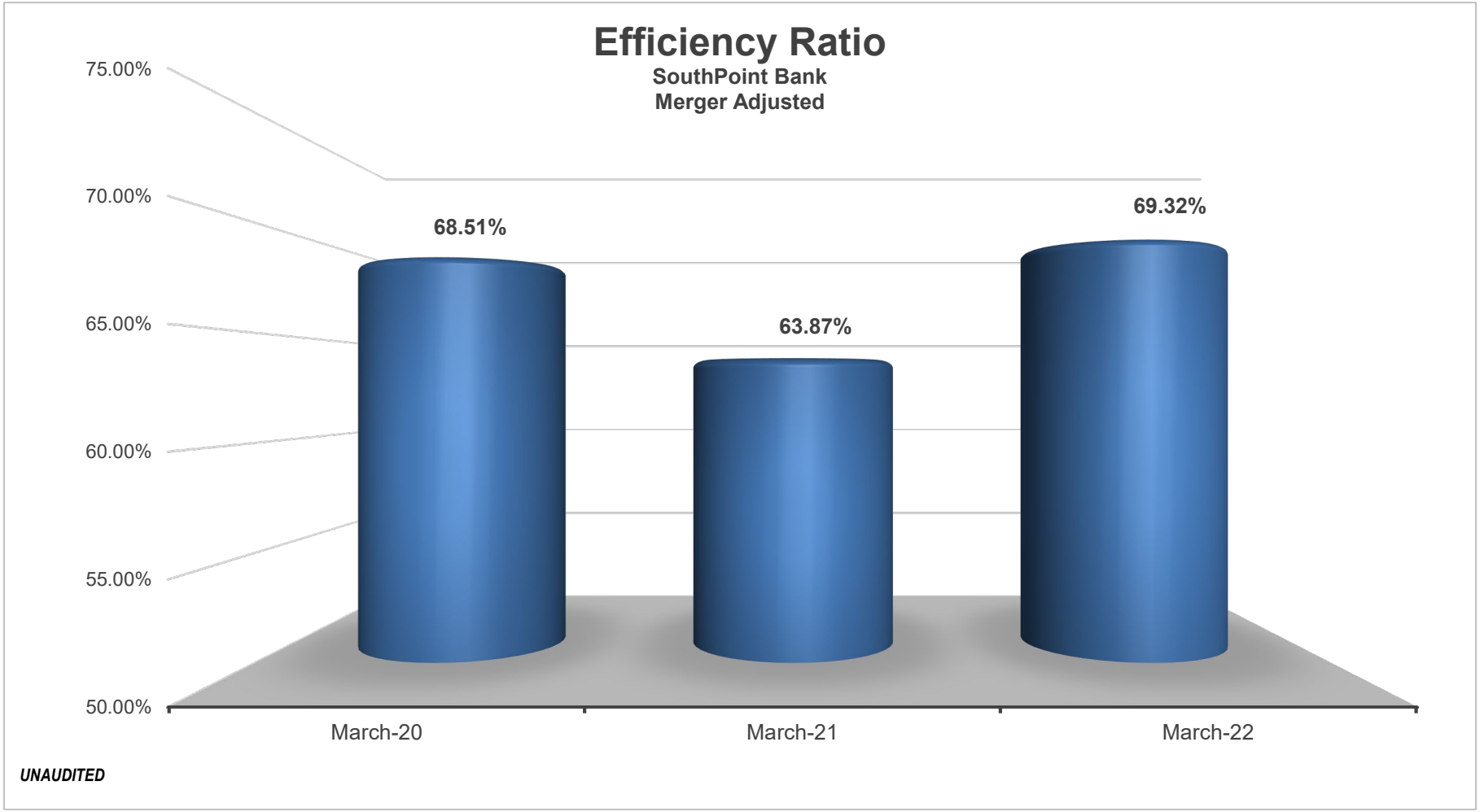
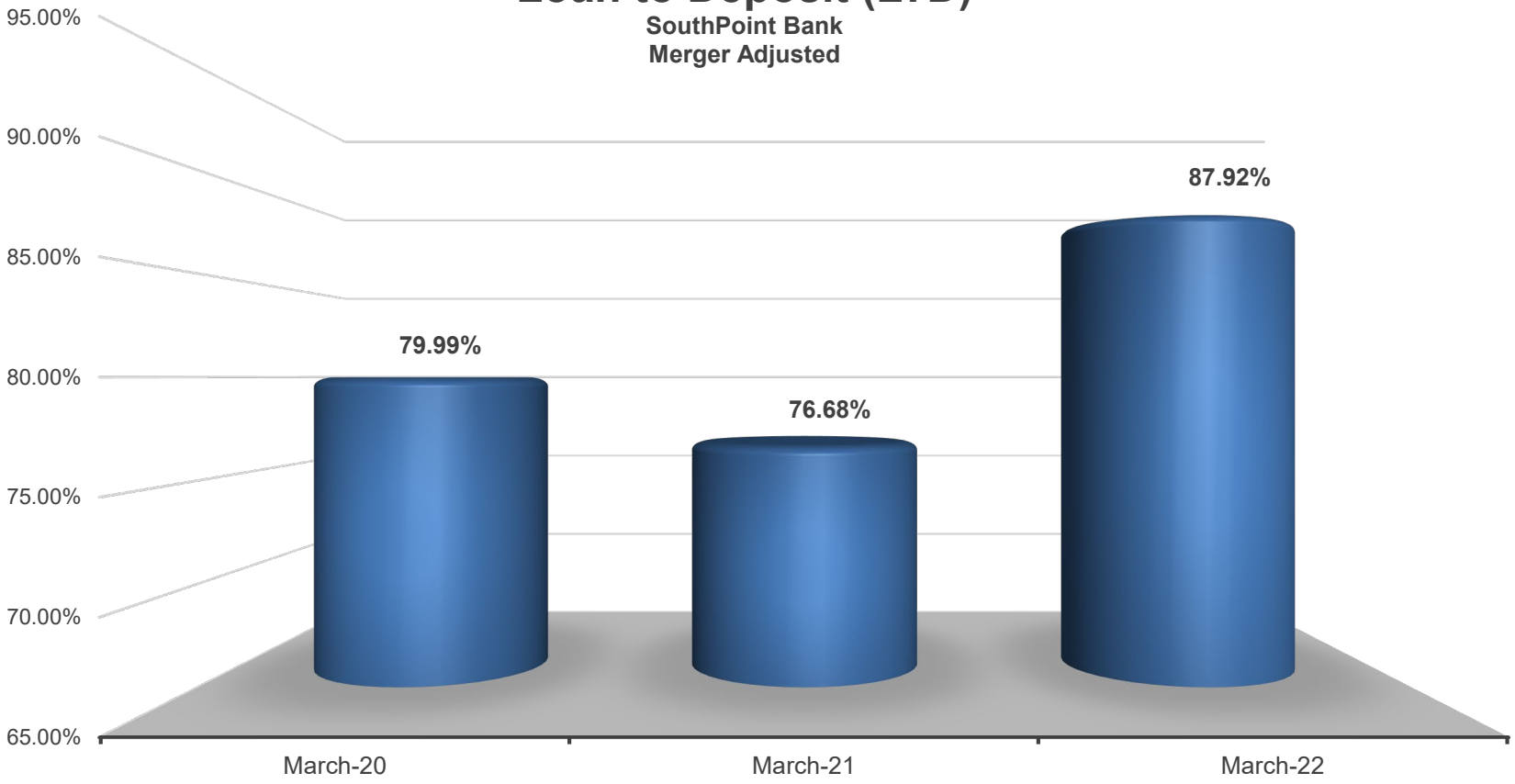

Efficiency Ratio
SouthPoint Bank
Merger Adjusted
75.00%
70.00%
65.00%
60.00%
55.00%
50.00%
68.51%
63.87%
69.32%
March-20
March-21
March-22

UNAUDITED

Loan to Deposit (LTD)

SouthPoint Bank
Merger Adjusted



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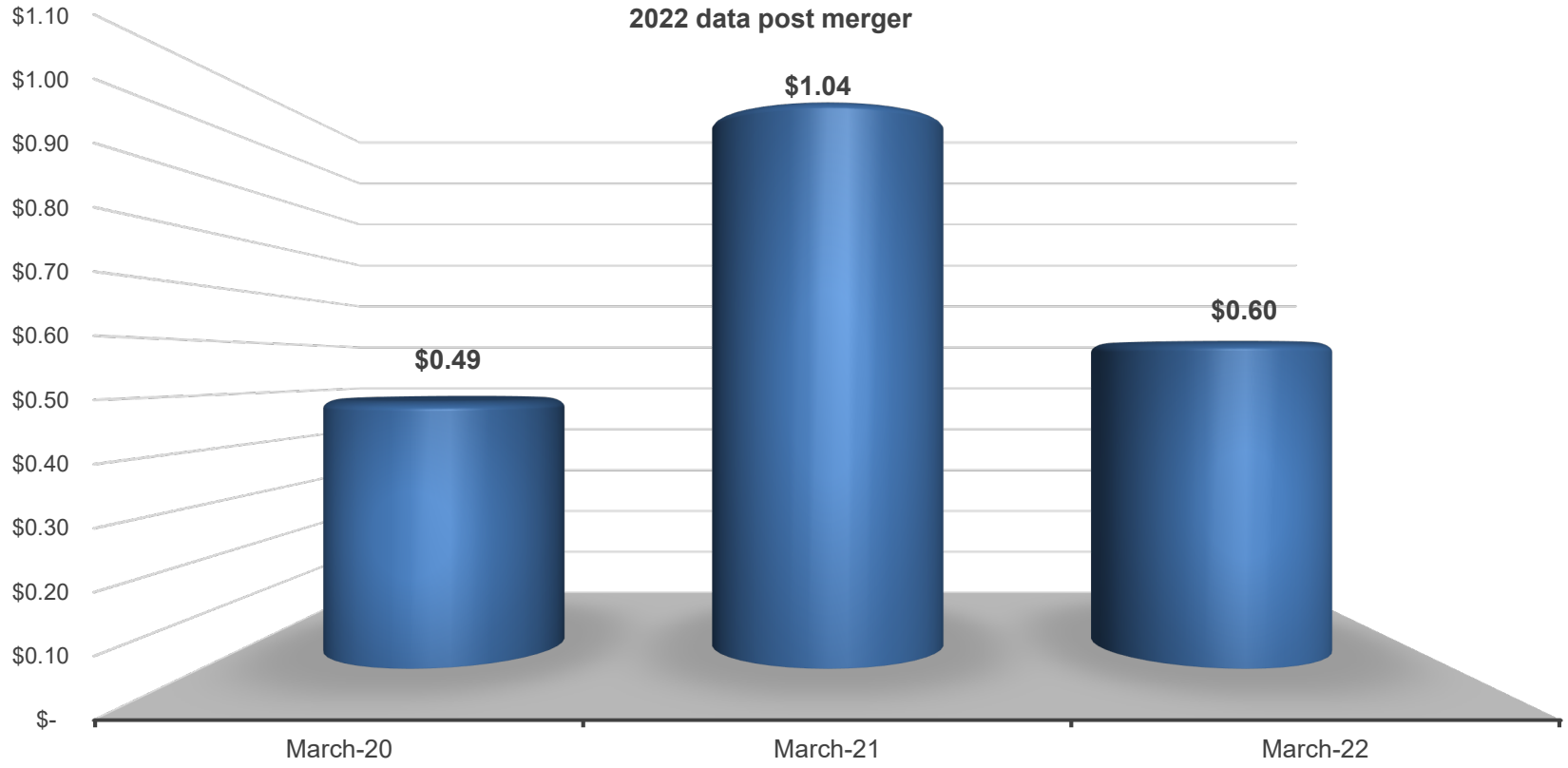
Earnings Per Share (3 Months)

SouthPoint Bancshares
2022 data post merger



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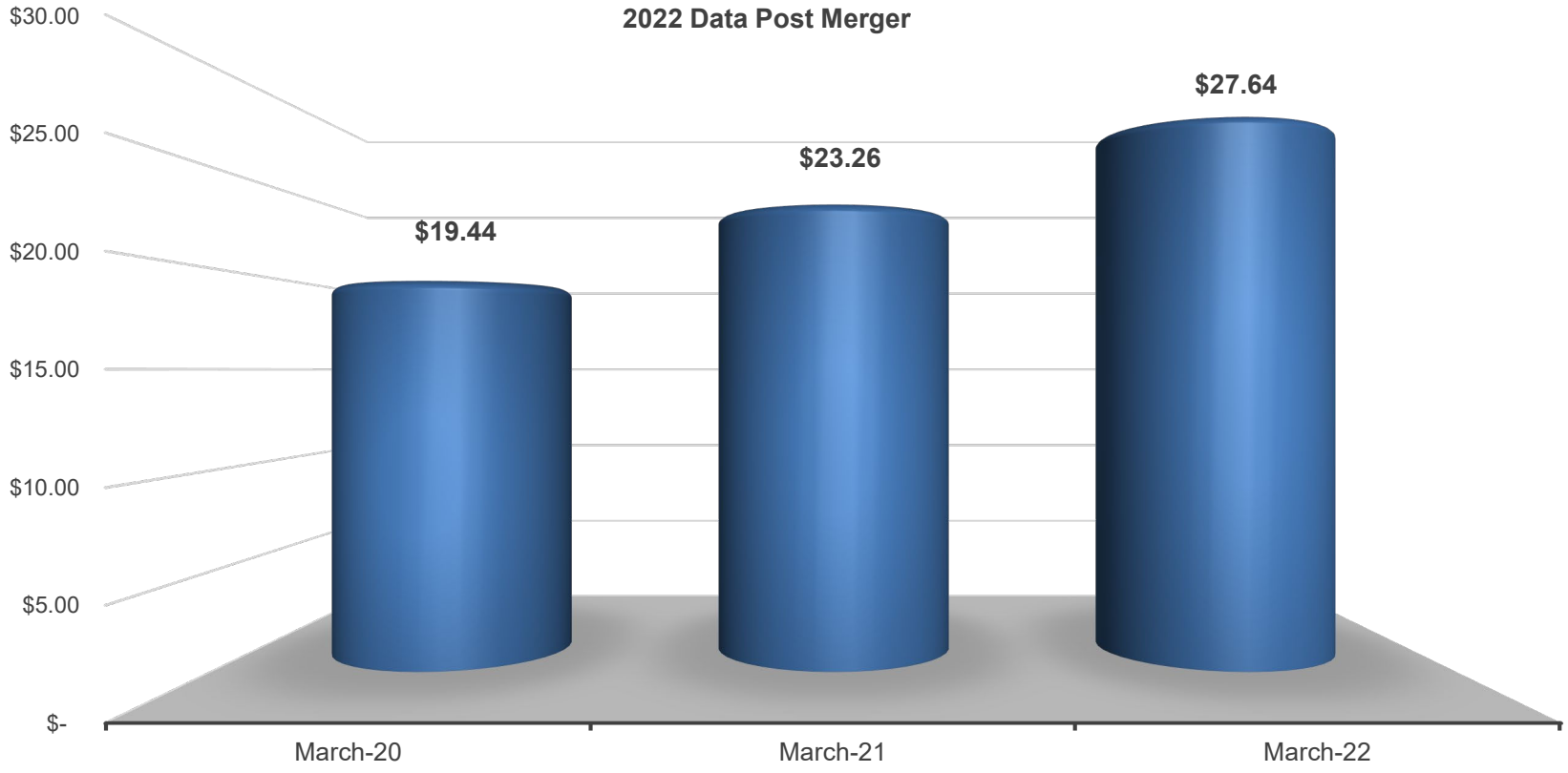
Book Value Per Share

SouthPoint Bancshares

2022 Data Post Merger



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Home Mortgage Lending

Randy Brown

EVP - Home Mortgage Lending

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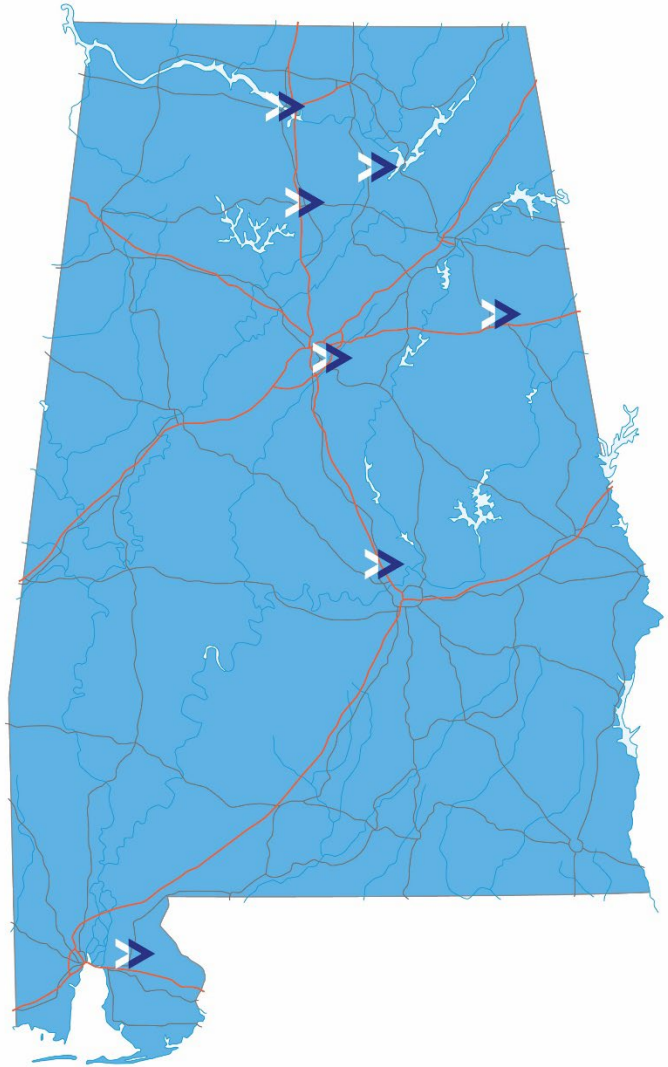
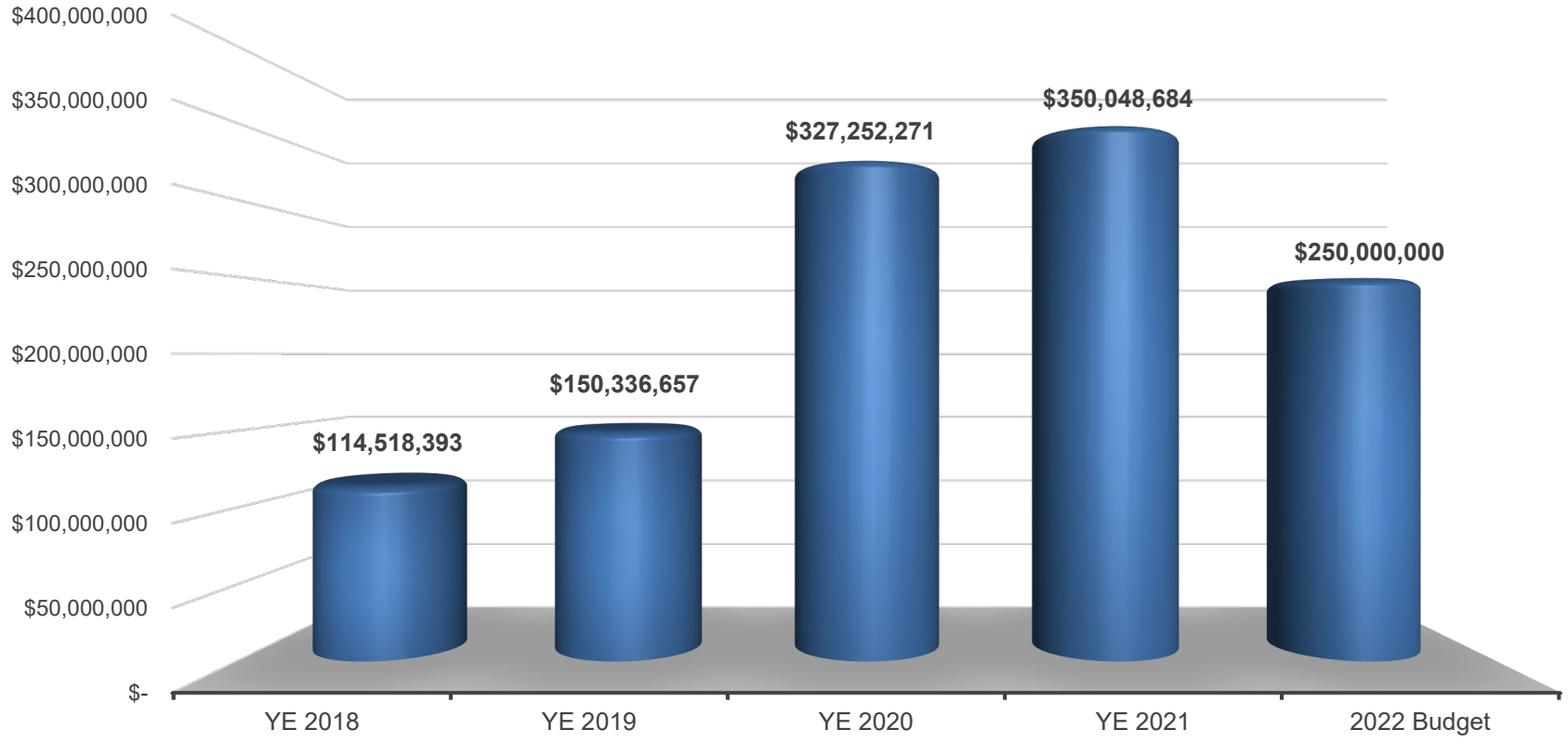
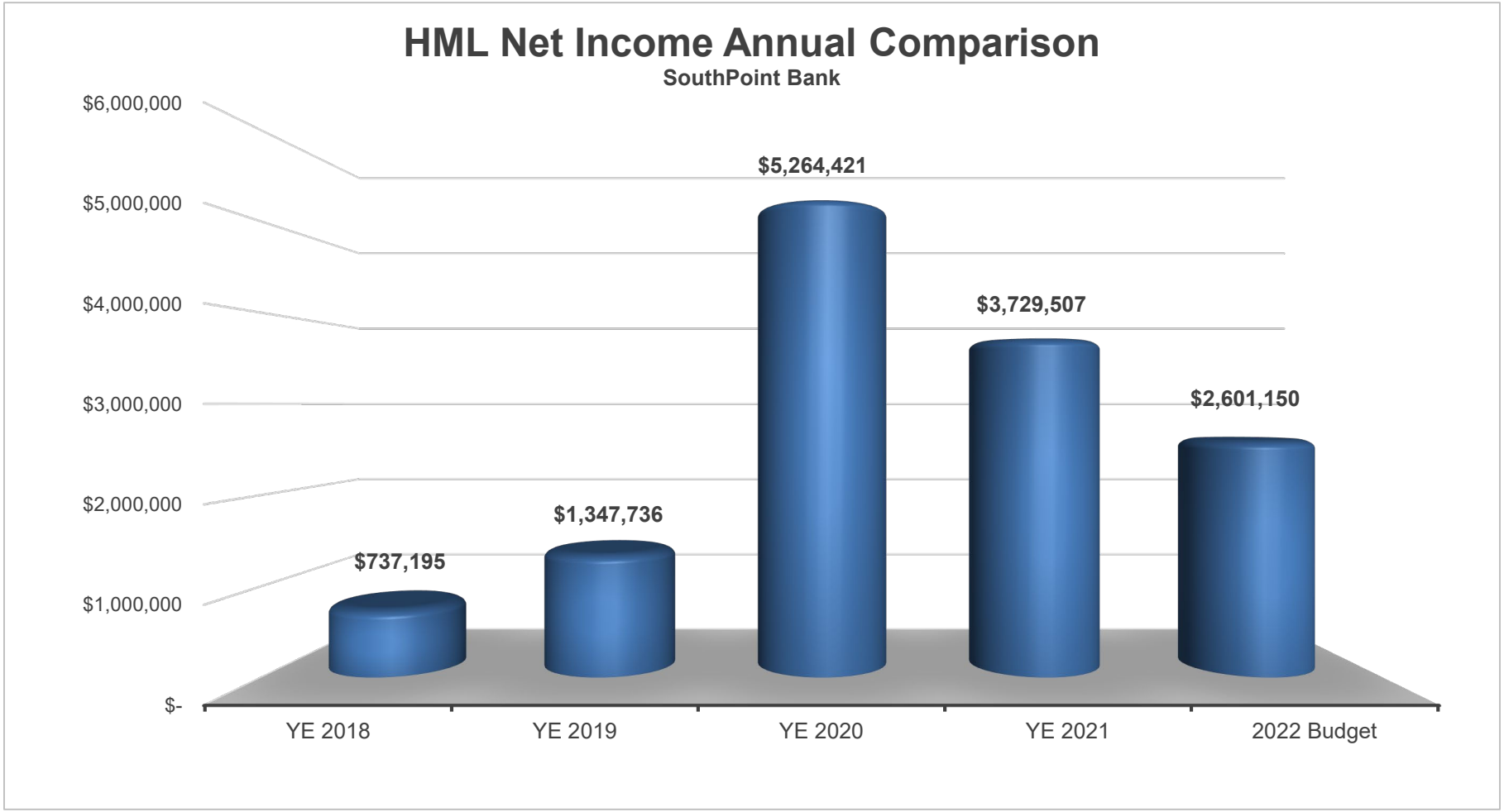


SOUTH POINT
HOME MORTGAGE

HML Production Annual Comparison

SouthPoint Bank




HML Net Income Annual Comparison
SouthPoint Bank
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
$737,195
$1,347,736
$5,264,421
$3,729,507
$2,601,150
YE 2018
YE 2019
YE 2020
YE 2021
2022 Budget

Government Guaranteed Lending

Mark Woods

SVP - Executive Director Government Guaranteed Lending

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SouthPoint Government Guaranteed Lending Program

- Program started in March 2019
- Provided PPP lending to over 1400 clients with over $120 Million in funds disbursed
- Produced over $4 Million in fee income to the bank
- Provide all types of Government lending from USDA to both 7a and 504
- CURRENTLY THE #1 LENDER IN ALABAMA FOR 7a loans
- CURRENTLY THE #2 LENDER IN ALABAMA FOR 504 loans

Current Team

- Mark Woods
  SVP - Executive Director Government Guaranteed Lending
- Steve Brogdon
  VP - Business Development Officer
- Greg McCormick
  AVP - Underwriting and Packaging
- Jayne Franklin
  AVP - Closing and Servicing

Future Challenges

- Deposit growth
- Merged bank efficiency improvements
- Potential recession effect on loan portfolio quality
- Rising mortgage rates effect on non-interest income
- Branch efficiency improvements
- Government regulation on overdraft program and fees
- Government interference with profitability and competition

Final Voting Results

- 1,892,149 shares were voted or 66.01%
- For the election of the eight directors:
  - ✓ 98.60% was the highest percentage of affirmative votes
  - ✓ 96.02% was the lowest percentage of affirmative votes
- All eight nominees have been duly elected to the Board of Directors.
- For the ratification of the independent accountants, the number of affirmative votes received was 96.45%.
- The appointment of Saltmarsh, Cleaveland & Grund as independent public accountants of the Company has been ratified and approved.

Questions

SOUTH POINT BANK

Merchants Bank of Alabama
a division of SouthPoint Bank

SOUTH POINT
BANK

Merchants Bank *of* Alabama
a division of SouthPoint Bank