

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 27, 2021

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 27, 2021, South Plains Financial, Inc. (the “Company”) issued a press release announcing its financial results for the first quarter ended March 31, 2021. 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 27, 2021, officers of the Company will have a conference call with respect to the Company’s financial results for the first quarter ended March 31, 2021. An earnings release slide presentation highlighting the Company’s financial results for the first quarter ended March 31, 2021 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 Item 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2 hereto, 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 Item 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2 hereto, 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 27, 2021, announcing first quarter 2021 financial results of South Plains Financial, Inc.

[99.2](#) Earnings release slide presentation, dated April 27, 2021

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.

Dated: April 27, 2021

By: /s/ Curtis C. Griffith

Curtis C. Griffith
Chairman and Chief Executive Officer



South Plains Financial, Inc. Reports First Quarter 2021 Financial Results

LUBBOCK, Texas, April 27, 2021 (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, 2021.

First Quarter 2021 Highlights

- Net income for the first quarter of 2021 was \$15.2 million, compared to \$15.9 million for the fourth quarter of 2020 and \$7.1 million for the first quarter of 2020.
- Diluted earnings per share for the first quarter of 2021 was \$0.82, compared to \$0.87 for the fourth quarter of 2020 and \$0.38 for the first quarter of 2020.
- Pre-tax, pre-provision income (non-GAAP) for the first quarter of 2021 was \$19.0 million, compared to \$20.0 million for the fourth quarter of 2020 and \$15.1 million for the first quarter of 2020.
- Average cost of deposits for the first quarter of 2021 decreased to 29 basis points, compared to 31 basis points for the fourth quarter of 2020 and 65 basis points for the first quarter of 2020.
- The provision for loan losses for the first quarter of 2021 was \$89,000, compared to \$141,000 for the fourth quarter of 2020 and \$6.2 million for the first quarter of 2020.
- Nonperforming assets to total assets were 0.42% at March 31, 2021, compared to 0.45% at December 31, 2020 and 0.28% at March 31, 2020.
- The adjusted (non-GAAP) efficiency ratio for the first quarter of 2021 was 65.76%, compared to 64.19% for the fourth quarter of 2020 and 69.10% for the first quarter of 2020.
- Return on average assets for the first quarter of 2021 was 1.66% annualized, compared to 1.76% annualized for the fourth quarter of 2020 and 0.89% annualized for the first quarter of 2020.
- Tangible book value (non-GAAP) per share was \$19.28 as of March 31, 2021, compared to \$18.97 per share as of December 31, 2020 and \$16.54 per share as of March 31, 2020.

Curtis Griffith, South Plains’ Chairman and Chief Executive Officer, commented, “Through the first quarter of 2021 our local Texas markets continued to recover as the pace of business has started to accelerate, real estate volumes remained strong, and the price of oil continued to rise. We are seeing these improved trends in our customers’ demand for credit and expect loan growth to reaccelerate to a low single digit rate through 2021, excluding Paycheck Protection Program (“PPP”) loans, before returning to mid-single digit growth in 2022 as we continue to expand in our metropolitan markets of Dallas-Fort Worth, Houston and El Paso. Importantly, we will remain disciplined and will not sacrifice our credit standards as we grow the Bank. This discipline has served us well during the COVID-19 pandemic, as can be seen in the credit metrics of our loan portfolio, as our active loan modifications declined to 2.1% of our loan portfolio in the first quarter of 2021 from 2.9% in the fourth quarter of 2020. We remain confident in the credit quality of our loan portfolio and the reserves for loan losses that we have.”

Mr. Griffith continued, “We believe the Bank’s financial position is strong as we have remained disciplined on core expenses as our mortgage volumes have grown, maintained strong liquidity, and are implementing a thoughtful capital allocation strategy to ensure a steady return of capital to our shareholders. During the first quarter of 2021, we continued to repurchase shares under our \$10 million share repurchase program and last week our board of directors authorized a 40% increase in our quarterly dividend to \$0.07 per share. We also remain committed to our employees, customers and the communities that we serve. Along these lines, we launched our first corporate sustainability report in February 2021 which outlines our commitment to a diverse workforce and board of directors, our goal to reduce our carbon footprint, and our ongoing support to our local communities through increasing employee and Bank engagement. We understand that this is a journey and are excited with the many ways ahead where we can make a positive impact.”

Results of Operations, Quarter Ended March 31, 2021

Net Interest Income

Net interest income was \$29.5 million for the first quarter of 2021, compared to \$30.4 million for the fourth quarter of 2020 and \$30.2 million for the first quarter of 2020. The net interest margin was 3.52% for the first quarter of 2021, compared to 3.64% for the fourth quarter of 2020 and 4.13% for the first quarter of 2020. The average yield on loans was 5.07% for the first quarter of 2021, compared to 5.10% for the fourth quarter of 2020 and 5.76% for the first quarter of 2020. The average cost of deposits was 29 basis points for the first quarter of 2021, representing a two basis point decrease from the fourth quarter of 2020 and a 36 basis point decrease from the first quarter of 2020.

Interest income was \$33.0 million for the first quarter of 2021, compared to \$34.0 million for the fourth quarter of 2020 and \$35.7 million for the first quarter of 2020. Interest income decreased \$1.0 million in the first quarter of 2021 from the fourth quarter of 2020 due to lower loan rates and less purchase discount accretion, partially offset by additional fees on Small Business Administration (“SBA”) PPP loans. Interest income decreased by \$2.8 million from the first quarter of 2020 primarily due to lower interest rates on loans, securities, and other interest-earning assets, partially offset by growth in average loans, principally from our origination of PPP loans. During the first quarter of 2021, the Company recognized \$2.5 million in PPP related SBA fees. At March 31, 2021, there was \$5.1 million of deferred fees that have not been accreted to income, the majority of which are expected to be recognized as PPP loans continue to be forgiven by the SBA over the next several quarters.

Interest expense was \$3.4 million for the first quarter of 2021, compared to \$3.6 million for the fourth quarter of 2020 and \$5.5 million for the first quarter of 2020. The decrease in interest expense from the fourth quarter of 2020 was primarily due to lower interest rates paid on interest-bearing deposits, partially offset by growth in average interest-bearing liabilities. The decrease from the first quarter of 2020 was primarily due to lower interest rates paid on interest-bearing liabilities, partially offset by growth in average interest-bearing liabilities. The increase in average interest-bearing liabilities was largely due to growth in deposits and the issuance of \$50 million in subordinated notes in September 2020.

Noninterest Income and Noninterest Expense

Noninterest income was \$26.5 million for the first quarter of 2021, compared to \$26.2 million for the fourth quarter of 2020 and \$18.9 million for the first quarter of 2020. The increase from the fourth quarter of 2020 was primarily due to a \$1.3 million positive fair value adjustment to the Company’s mortgage servicing rights and a decrease of \$1.0 million in income from insurance activities, due to typical seasonality for insurance. The increase in noninterest income for the first quarter of 2021 as compared to the first quarter of 2020 was primarily due to growth of \$10.1 million in mortgage banking activities revenue as a result of an additional \$219.5 million in mortgage loan originations and a \$1.3 million increase in the fair value of the Company’s mortgage servicing rights. This increase was partially offset by a gain on sale of securities of \$2.3 million in the first quarter of 2020.

Noninterest expense was \$37.1 million for the first quarter of 2021, compared to \$36.5 million for the fourth quarter of 2020 and \$34.0 million for the first quarter of 2020. The increase from the fourth quarter of 2020 was primarily the result of an increase of \$1.2 million in personnel expense related to higher health insurance costs and a change to the lender incentive compensation plan. This increase was partially offset by the decrease of \$331 thousand in marketing and business development expense after it had been elevated for the Company’s Permian Basin branches in the fourth quarter of 2020. The increase in noninterest expense for the first quarter of 2021 as compared to the first quarter of 2020 was primarily driven by a \$3.5 million increase in personnel expense. This increase was predominantly related to an additional \$3.0 million in commissions paid on the higher volume of mortgage loan originations and a rise of \$1.0 million in salary and other personnel expenses to support mortgage activities. There was a reduction in other noninterest expenses of \$658 thousand during the first quarter of 2021, primarily due to \$331 thousand in data conversion expenses and \$300 thousand in computer equipment purchased in connection with upgrading the equipment at branches acquired by the Company in November 2019 through the Company’s acquisition of West Texas State Bank as well as at existing branches incurred during the first quarter of 2020.

Loan Portfolio and Composition

Loans held for investment were \$2.24 billion as of March 31, 2021, compared to \$2.22 billion as of December 31, 2020 and \$2.11 billion as of March 31, 2020. The \$21.1 million increase during the first quarter of 2021 as compared to the fourth quarter of 2020 was primarily the result of organic net growth of \$46.5 million, partially offset by seasonal repayments of \$25.4 million in agricultural operating loans. Additionally, there was a net increase of \$3.5 million in PPP loans as the Company funded \$77.6 million in new PPP loans, partially offset by payments of \$74.1 million on PPP loans, during the first quarter of 2021. As of March 31, 2021, loans held for investment increased \$133.9 million from March 31, 2020, largely attributable to outstanding PPP loans of \$173.5 million as of March 31, 2021, partially offset by the slower loan demand and accelerated repayments experienced during 2020.

Agricultural production loans were \$80.5 million as of March 31, 2021, compared to \$105.9 million as of December 31, 2020 and \$96.8 million as of March 31, 2020. The decrease from the fourth quarter of 2020 is due to typical seasonal repayments on these agricultural production loans.

Deposits and Borrowings

Deposits totaled \$3.16 billion as of March 31, 2021, compared to \$2.97 billion as of December 31, 2020 and \$2.67 billion as of March 31, 2020. Deposits increased \$30.5 million, or 1.0%, in the first quarter of 2021 from December 31, 2020. As of March 31, 2021, deposits increased \$277.5 million, or 10.3%, from March 31, 2020. The increase in deposits since March 31, 2020 is primarily a result of organic growth as well as existing customers depositing funds received from PPP loan advances, stimulus checks, and generally maintaining higher liquidity in response to the ongoing COVID-19 pandemic.

Noninterest-bearing deposits were \$962.2 million as of March 31, 2021, compared to \$917.3 million as of December 31, 2020 and \$740.9 million as of March 31, 2020. Noninterest-bearing deposits represented 30.5% of total deposits as of March 31, 2021. The change in noninterest-bearing deposit balances at March 31, 2021 compared to December 31, 2020 was an increase of \$181.3 million, or 6.1%. The change in noninterest-bearing deposit balances at March 31, 2021 compared to March 31, 2020 was an increase of \$489.8 million, or 18.4%. The changes from both compared periods is primarily a result of organic growth as well as existing customers increasing their balances.

The Bank prepaid \$50.0 million of advances from the Federal Home Loan Bank of Dallas in March 2021 and there was no related prepayment fee.

Asset Quality

As part of the Bank's efforts to support its customers and protect the Bank as a result of the COVID-19 pandemic, the Bank has provided borrowers relief by offering varying forms of loan modifications including 90-day payment deferrals, 6-month interest only terms, or in certain select cases periods of longer than 6 months of interest only. As of March 31, 2021, total active loan modifications attributed to COVID-19 were \$46.9 million, or 2.1% of the Company's loan portfolio, down from \$64.1 million, or 2.9% of the Company's loan portfolio, at December 31, 2020. Approximately 95% of these active modified loans at March 31, 2021 are in the hotel portfolio.

The provision for loan losses recorded for the first quarter of 2021 was \$89 thousand compared to \$141 thousand for the fourth quarter of 2020 and \$6.2 million for the first quarter of 2020. The decrease from the first quarter of 2020 is primarily due to the general improvement in the economy, a decline in the amount of loans that are actively under a modification, and a decrease in outstanding loan balances. There is continued uncertainty from the ongoing COVID-19 pandemic and the full extent of the impact on the economy and the Bank's customers remains unknown at this time. Accordingly, additional provisions for loan losses may be necessary in future periods.

The allowance for loan losses to loans held for investment was 2.01% as of March 31, 2021, compared to 2.05% as of December 31, 2020 and 1.38% as of March 31, 2020. The allowance for loan losses to non-PPP loans held for investment was 2.18% as of March 31, 2021.

The nonperforming assets to total assets ratio as of March 31, 2021 was 0.42%, compared to 0.45% as of December 31, 2020 and 0.28% at March 31, 2020. Annualized net charge-offs were 0.11% for the first quarter of 2021, compared to 0.11% for the fourth quarter of 2020 and 0.25% for the first quarter of 2020.

Conference Call

South Plains will host a conference call to discuss its first quarter 2021 financial results today, April 27, 2021 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 13718209. The replay will be available until May 11, 2021.

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 insurance, 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 Common Share, Tangible Common Equity to Tangible Assets, Adjusted Efficiency Ratio, 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, among other things, the ongoing COVID-19 pandemic and other future events. 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, general economic conditions, the extent of the impact of the COVID-19 pandemic on our customers, changes in interest rates, regulatory considerations, competition and market expansion opportunities, changes in non-interest expenditures or in the anticipated benefits of such expenditures, 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 on file with the SEC, and other documents South Plains files with the SEC from time to time. South Plains urges readers of this press release to review the "Risk Factors" section of our most recent Annual Report on Form 10-K, as well as the "Risk Factors" section of 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, 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 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, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Selected Income Statement Data:					
Interest income	\$ 32,982	\$ 33,984	\$ 34,503	\$ 34,007	\$ 35,737
Interest expense	3,438	3,619	3,230	3,559	5,538
Net interest income	29,544	30,365	31,273	30,448	30,199
Provision for loan losses	89	141	6,062	13,133	6,234
Noninterest income	26,500	26,172	31,660	24,896	18,875
Noninterest expense	37,057	36,504	35,993	35,207	34,011
Income tax expense	3,738	3,968	4,147	1,389	1,746
Net income	15,160	15,924	16,731	5,615	7,083
Per Share Data (Common Stock):					
Net earnings, basic	0.84	0.88	0.93	0.31	0.39
Net earnings, diluted	0.82	0.87	0.92	0.31	0.38
Cash dividends declared and paid	0.05	0.05	0.03	0.03	0.03
Book value	20.75	20.47	19.52	18.64	18.10
Tangible book value	19.28	18.97	18.00	17.06	16.54
Weighted average shares outstanding, basic	18,069,186	18,053,467	18,059,174	18,061,705	18,043,105
Weighted average shares outstanding, dilutive	18,511,120	18,366,129	18,256,161	18,224,630	18,461,922
Shares outstanding at end of period	18,053,229	18,076,364	18,059,174	18,059,174	18,056,014
Selected Period End Balance Sheet Data:					
Cash and cash equivalents	413,406	300,307	290,885	256,101	136,062
Investment securities	777,208	803,087	726,329	730,674	734,791
Total loans held for investment	2,242,676	2,221,583	2,288,234	2,331,716	2,108,805
Allowance for loan losses	45,019	45,553	46,076	40,635	29,074
Total assets	3,732,894	3,599,160	3,542,666	3,584,532	3,216,563
Interest-bearing deposits	2,193,427	2,057,029	2,037,743	2,006,984	1,924,902
Noninterest-bearing deposits	962,205	917,322	906,059	940,853	740,946
Total deposits	3,155,632	2,974,351	2,943,802	2,947,837	2,665,848
Borrowings	164,553	223,532	204,704	252,430	185,265
Total stockholders' equity	374,671	370,048	352,568	336,534	326,890
Summary Performance Ratios:					
Return on average assets	1.66%	1.76%	1.88%	0.64%	0.89%
Return on average equity	16.51%	17.53%	19.32%	6.81%	9.00%
Net interest margin ⁽¹⁾	3.52%	3.64%	3.82%	3.79%	4.13%
Yield on loans	5.07%	5.10%	5.08%	5.06%	5.76%
Cost of interest-bearing deposits	0.41%	0.45%	0.50%	0.56%	0.91%
Efficiency ratio	65.76%	64.19%	56.90%	63.28%	69.10%
Summary Credit Quality Data:					
Nonperforming loans	14,316	14,965	15,006	10,472	7,112
Nonperforming loans to total loans held for investment	0.64%	0.67%	0.66%	0.45%	0.34%
Other real estate owned	1,377	1,353	1,336	1,335	1,944
Nonperforming assets to total assets	0.42%	0.45%	0.46%	0.33%	0.28%
Allowance for loan losses to total loans held for investment	2.01%	2.05%	2.01%	1.74%	1.38%
Net charge-offs to average loans outstanding (annualized)	0.11%	0.11%	0.10%	0.27%	0.25%

	As of and for the quarter ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Capital Ratios:					
Total stockholders' equity to total assets	10.04%	10.28%	9.95%	9.39%	10.16%
Tangible common equity to tangible assets	9.39%	9.60%	9.25%	8.66%	9.37%
Common equity tier 1 to risk-weighted assets	13.23%	12.96%	12.49%	10.47%	11.24%
Tier 1 capital to average assets	10.35%	10.24%	10.01%	9.60%	10.34%
Total capital to risk-weighted assets	19.24%	19.08%	18.67%	14.32%	15.23%

(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, 2021			March 31, 2020		
	Average Balance	Interest Income Expense	Yield	Average Balance	Interest Income Expense	Yield
Assets						
Loans, excluding PPP ⁽¹⁾	\$ 2,163,114	\$ 26,283	4.93%	\$ 2,167,015	\$ 31,055	5.76%
Loans - PPP	179,498	2,998	6.77%	-	-	0.00%
Debt securities - taxable	545,994	2,432	1.81%	560,677	3,592	2.58%
Debt securities - nontaxable	216,695	1,481	2.77%	78,933	501	2.55%
Other interest-bearing assets	330,233	100	0.12%	151,133	734	1.95%
Total interest-earning assets	3,435,534	33,294	3.93%	2,957,758	35,882	4.88%
Noninterest-earning assets	269,612			250,659		
Total assets	\$ 3,705,146			\$ 3,208,417		
Liabilities & stockholders' equity						
NOW, Savings, MMA's	\$ 1,807,963	1,104	0.25%	\$ 1,545,937	2,656	0.69%
Time deposits	324,381	1,053	1.32%	353,471	1,627	1.85%
Short-term borrowings	25,022	4	0.06%	30,744	93	1.22%
Notes payable & other long-term borrowings	74,444	35	0.19%	96,209	357	1.49%
Subordinated debt securities	75,635	1,019	5.46%	26,472	404	6.14%
Junior subordinated deferrable interest debentures	46,393	223	1.95%	46,393	401	3.48%
Total interest-bearing liabilities	2,353,838	3,438	0.59%	2,099,226	5,538	1.06%
Demand deposits	935,345			765,637		
Other liabilities	43,604			27,152		
Stockholders' equity	372,359			316,402		
Total liabilities & stockholders' equity	\$ 3,705,146			\$ 3,208,417		
Net interest income		\$ 29,856			\$ 30,344	
Net interest margin ⁽²⁾			3.52%			4.13%

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

(2) Net interest margin is calculated as the annualized net 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, 2021	December 31, 2020
Assets		
Cash and due from banks	\$ 65,204	\$ 76,146
Interest-bearing deposits in banks	348,202	224,161
Federal funds sold	-	-
Investment securities	777,208	803,087
Loans held for sale	125,792	111,477
Loans held for investment	2,242,676	2,221,583
Less: Allowance for loan losses	(45,019)	(45,553)
Net loans held for investment	2,197,657	2,176,030
Premises and equipment, net	59,211	60,331
Goodwill	19,508	19,508
Intangible assets	7,140	7,562
Other assets	132,972	120,858
Total assets	\$ 3,732,894	\$ 3,599,160
Liabilities and Stockholders' Equity Liabilities		
Noninterest bearing deposits	\$ 962,205	\$ 917,322
Interest-bearing deposits	2,193,427	2,057,029
Total deposits	3,155,632	2,974,351
Other borrowings	42,525	101,550
Subordinated debt securities	75,635	75,589
Trust preferred subordinated debentures	46,393	46,393
Other liabilities	38,038	31,229
Total liabilities	3,358,223	3,229,112
Stockholders' Equity		
Common stock	18,053	18,076
Additional paid-in capital	140,633	141,112
Retained earnings	203,777	189,521
Accumulated other comprehensive income (loss)	12,208	21,339
Total stockholders' equity	374,671	370,048
Total liabilities and stockholders' equity	\$ 3,732,894	\$ 3,599,160

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

	Three Months Ended	
	March 31, 2021	March 31, 2020
Interest income:		
Loans, including fees	\$ 29,280	\$ 31,015
Other	3,702	4,722
Total Interest income	32,982	35,737
Interest expense:		
Deposits	2,157	4,283
Subordinated debt securities	1,019	404
Trust preferred subordinated debentures	223	401
Other	39	450
Total Interest expense	3,438	5,538
Net interest income	29,544	30,199
Provision for loan losses	89	6,234
Net interest income after provision for loan losses	29,455	23,965
Noninterest income:		
Service charges on deposits	1,573	1,983
Income from insurance activities	1,112	1,159
Mortgage banking activities	18,816	8,753
Bank card services and interchange fees	2,642	2,238
Net gain on sale of securities	-	2,318
Other	2,357	2,424
Total Noninterest income	26,500	18,875
Noninterest expense:		
Salaries and employee benefits	24,318	20,810
Net occupancy expense	3,565	3,600
Professional services	1,573	1,572
Marketing and development	568	768
Other	7,033	7,261
Total noninterest expense	37,057	34,011
Income before income taxes	18,898	8,829
Income tax expense	3,738	1,746
Net income	\$ 15,160	\$ 7,083

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

	As of	
	March 31, 2021	December 31, 2020
Loans:		
Commercial Real Estate	\$ 673,985	\$ 663,344
Commercial - Specialized	279,389	311,686
Commercial - General	531,303	518,309
Consumer:		
1-4 Family Residential	362,571	360,315
Auto Loans	219,977	205,840
Other Consumer	67,644	67,595
Construction	107,807	94,494
Total loans held for investment	\$ 2,242,676	\$ 2,221,583

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

	As of	
	March 31, 2021	December 31, 2020
Deposits:		
Noninterest-bearing demand deposits	\$ 962,205	\$ 917,322
NOW & other transaction accounts	348,156	332,829
MMDA & other savings	1,520,943	1,398,699
Time deposits	324,328	325,501
Total deposits	\$ 3,155,632	\$ 2,974,351

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

	As of and for the quarter ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Efficiency ratio					
Noninterest expense	\$ 37,057	\$ 36,504	\$ 35,993	\$ 35,207	\$ 34,011
Net interest income	\$ 29,544	\$ 30,365	\$ 31,273	\$ 30,448	\$ 30,199
Tax equivalent yield adjustment	312	336	322	290	145
Noninterest income	26,500	26,172	31,660	24,896	18,875
Total income	\$ 56,356	\$ 56,873	\$ 63,255	\$ 55,634	\$ 49,219
Efficiency ratio	65.76%	64.19%	56.90%	63.28%	69.10%
Noninterest expense	\$ 37,057	\$ 36,504	\$ 35,993	\$ 35,207	\$ 34,011
Less: net loss on sale of securities	-	-	-	-	-
Adjusted noninterest expense	\$ 37,057	\$ 36,504	\$ 35,993	\$ 35,207	\$ 34,011
Total income	\$ 56,356	\$ 56,873	\$ 63,255	\$ 55,634	\$ 49,219
Less: net gain on sale of securities	-	-	-	-	(2,318)
Adjusted total income	\$ 56,356	\$ 56,873	\$ 63,255	\$ 55,634	\$ 46,901
Adjusted efficiency ratio	65.76%	64.19%	56.90%	63.28%	72.52%
Pre-tax, pre-provision income					
Net income	\$ 15,160	\$ 15,924	\$ 16,731	\$ 5,615	\$ 7,083
Income tax expense	3,738	3,968	4,147	1,389	1,746
Provision for loan losses	89	141	6,062	13,133	6,234
Pre-tax, pre-provision income	\$ 18,987	\$ 20,033	\$ 26,940	\$ 20,137	\$ 15,063

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

	As of				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Tangible common equity					
Total common stockholders' equity	\$ 374,671	\$ 370,048	\$ 352,568	\$ 336,534	\$ 326,890
Less: goodwill and other intangibles	(26,648)	(27,070)	(27,502)	(28,414)	(28,181)
Tangible common equity	\$ 348,023	\$ 342,978	\$ 325,066	\$ 308,120	\$ 298,709
Tangible assets					
Total assets	\$ 3,732,894	\$ 3,599,160	\$ 3,542,666	\$ 3,584,532	\$ 3,216,563
Less: goodwill and other intangibles	(26,648)	(27,070)	(27,502)	(28,414)	(28,181)
Tangible assets	\$ 3,706,246	\$ 3,572,090	\$ 3,515,164	\$ 3,556,118	\$ 3,188,382
Shares outstanding	18,053,229	18,076,364	18,059,174	18,059,174	18,056,014
Total stockholders' equity to total assets	10.04%	10.28%	9.95%	9.39%	10.16%
Tangible common equity to tangible assets	9.39%	9.60%	9.25%	8.66%	9.37%
Book value per share	\$ 20.75	\$ 20.47	\$ 19.52	\$ 18.64	\$ 18.10
Tangible book value per share	\$ 19.28	\$ 18.97	\$ 18.00	\$ 17.06	\$ 16.54



South Plains Financial

Earnings Presentation

First Quarter, 2021



South Plains
Financial, Inc.



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" 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, among other things, 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, 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 interest rates, 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. Therefore, 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 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. 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

- Began his career in public accounting in 1994 by serving for seven years with a local firm in Lubbock, Texas
- Appointed Chief Financial Officer in 2015
- Controller of the Bank and the Company for 14 and 5 years respectively



Brent A. Bates
City Bank's Chief Credit Officer

- Joined City Bank in February 2020
- Division Credit Officer for Simmons First National Corp
- EVP and Chief Credit Officer of Southwest Bancorp, Inc.





First Quarter 2021 Highlights

Parent Company of City Bank, a leading Texas-based community bank headquartered in Lubbock, TX

One of the largest independent banks headquartered in West Texas

\$3.7 Billion in Total Assets as of March 31, 2021



NASDAQ: SPFI 1Q'21 Highlights

- ✓ Net Income of \$15.2 million, compared to \$15.9 million in 4Q'20 and \$7.1 million in 1Q'20
- ✓ Diluted earnings per share of \$0.82, compared to \$0.87 in 4Q'20 and \$0.38 in 1Q'20
- ✓ Pre-Tax, Pre-Provision income of \$19.0 million, compared to \$20.0 million in 4Q'20 and \$15.1 million in 1Q'20
- ✓ Average cost of deposits declined to 29 bps, compared to 31 bps in 4Q'20 and 65 bps in 1Q'20
- ✓ Provision for loan loss of \$89 thousand, compared to \$141 thousand in 4Q'20 and \$6.2 million in 1Q'20
- ✓ Net Interest Margin of 3.52%, compared to 3.64% in 4Q'20 and 4.13% in 1Q'20
- ✓ Efficiency ratio was 65.76%, compared to 64.19% in 4Q'20 and 69.10% in 1Q'20
- ✓ Tangible book value per share of \$19.28, compared to \$18.97 at 12/31/20 and \$16.54 at 3/31/20
- ✓ Return on Average Assets (annualized) of 1.66%, compared to 1.76% in 4Q'20 and 0.89% in 1Q'20

Note: Pre-tax, pre-provision income is a non-GAAP measure. See appendix for the reconciliation to GAAP

Source: Company documents



South Plains
Financial, Inc.

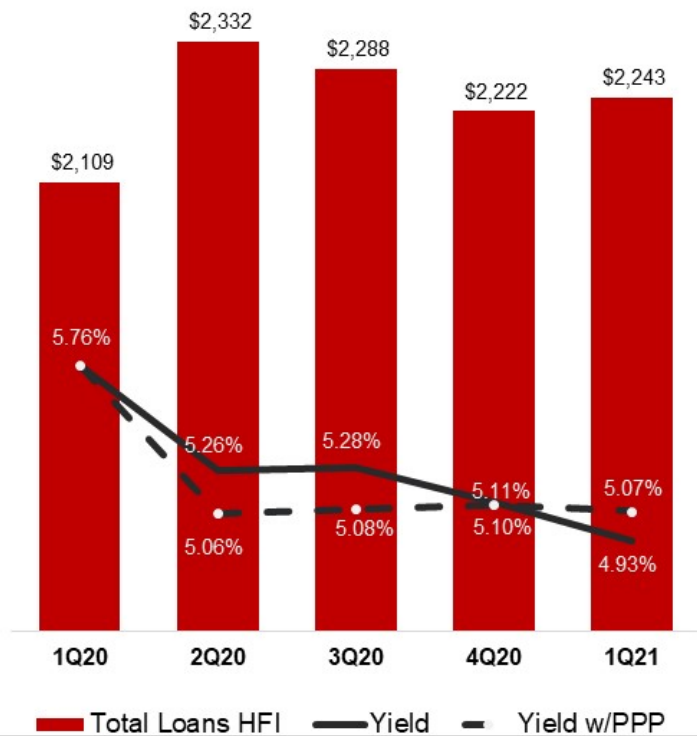


Loan Portfolio

Total Loans Held for Investment

\$ in Millions

1Q'21 Highlights



- ✓ Total loans increased \$21.1 million compared to 4Q'20
- ✓ Increase in total loans during the quarter was due primarily to:
 - ✓ \$46.5 million in organic net growth; including \$3.5 million in Paycheck Protection Program ("PPP") loan net growth
 - ✓ Partially offset by \$25.4 million in pay downs on seasonal agricultural production loans
- ✓ 1Q'21 loan yield of 4.93%; a decrease of 18 bps compared to 4Q'20 excluding PPP loans

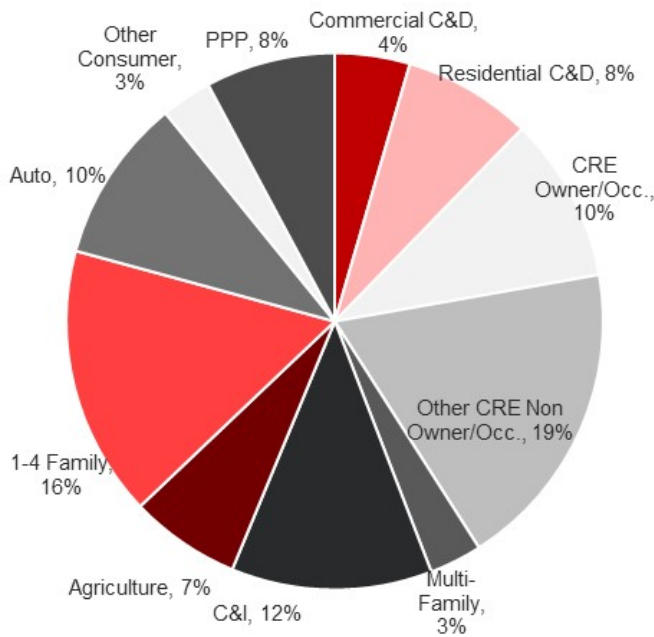
Source: Company documents





Loan Portfolio

Portfolio Composition



1Q'21 Highlights

- ✓ PPP loans totaled \$173.5 million at 3/31/21; includes \$77.6 million in 1Q'21 advances
- ✓ Active loan modifications were 2.1%, or \$46.9 million, of total loans at 3/31/21:
 - ✓ Decrease from 2.9%, or \$64.1 million, at 12/31/20
 - ✓ Approximately 95% of these modifications are in the hotel industry

Loan Portfolio (\$ in millions)	3/31/21
Commercial C&D	\$ 100.4
Residential C&D	172.2
CRE Owner/Occ.	220.7
Other CRE Non Owner/Occ.	438.7
Multi-Family	70.5
C&I	268.6
Agriculture	147.9
1-4 Family	362.6
Auto	220.0
Other Consumer	67.6
PPP	173.5
Total	\$ 2,242.7

Source: Company documents



Select Loan Industry Concentration Detail

As of March 31, 2021

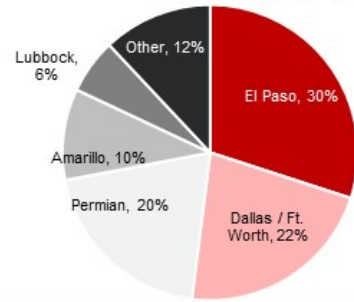


Hospitality

- Total operating hospitality loans of \$123 million*
- \$17 million in hotels under construction, with unfunded commitments of \$7 million
- 84% of balances are to limited service hotels
- 43% of operating hospitality classified; 2% is nonaccrual; < 2.5% are 30 days or more past due
- Allowance for Loan and Lease Losses ("ALLL") on operating hospitality is 8.8%*

* Does not include loans reported in construction and development

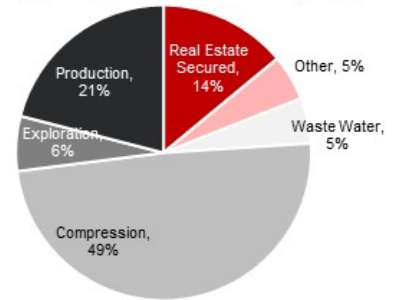
Hotels by Geography



Direct Energy

- Total direct energy loans of \$63 million
- 92% support services, 8% upstream
- Nearly 100% are located in Permian and Palo Duro Basins
- 12% of energy sector classified
- ALLL on energy sector is 5.2%

Energy Support Services by Type



Source: Company documents





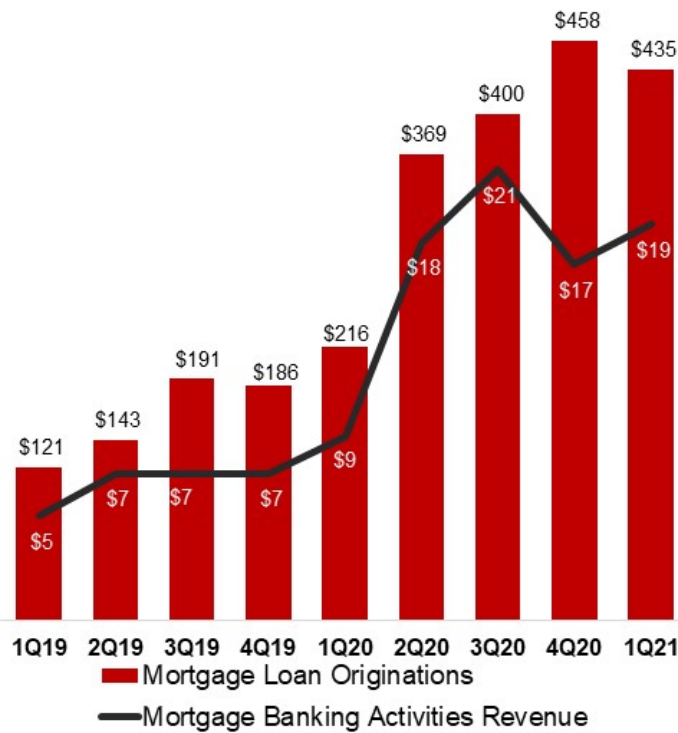
Mortgage Banking Overview

Mortgage Banking Activity

\$ in Millions

1Q'21 Highlights

- ✓ 101% increase in mortgage loan originations for 1Q'21 to \$435 million compared to \$216 million for 1Q'20
- ✓ Mortgage servicing rights asset valuation adjustment – positive \$1.3 million in 1Q'21, compared to negative \$753 thousand in 4Q'20



Source: Company documents



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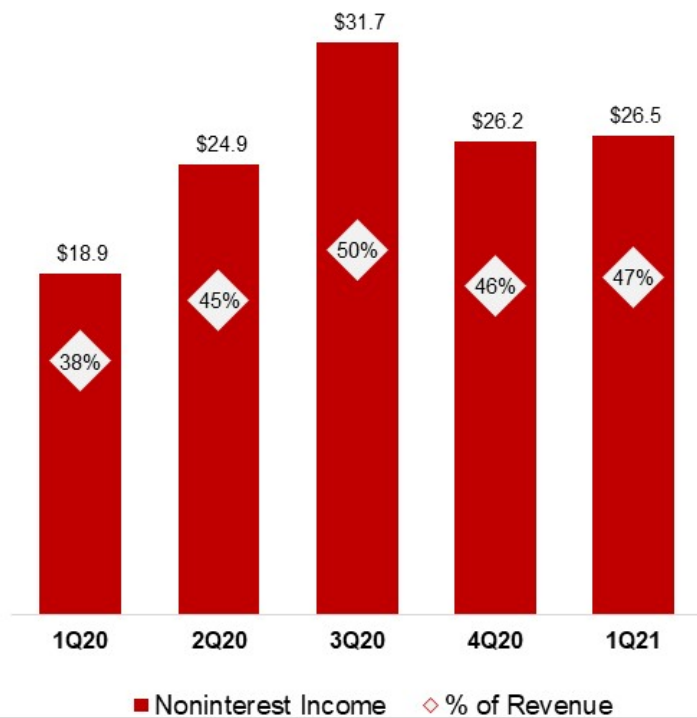


Noninterest Income

Noninterest Income

\$ in Millions

1Q'21 Highlights



- ✓ Noninterest income of \$26.5 million, compared to \$18.9 million in 1Q'20
- ✓ Revenue from mortgage banking activities of \$18.8 million, compared to \$8.8 million in 1Q'20
- ✓ Fee income primarily driven by mortgage operations, debit card and other bank service charge income, and income from insurance, trust and investment services business

Source: Company documents

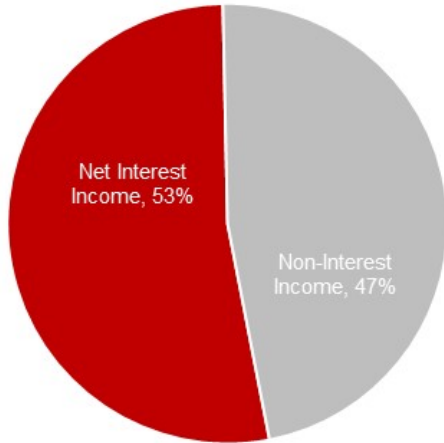




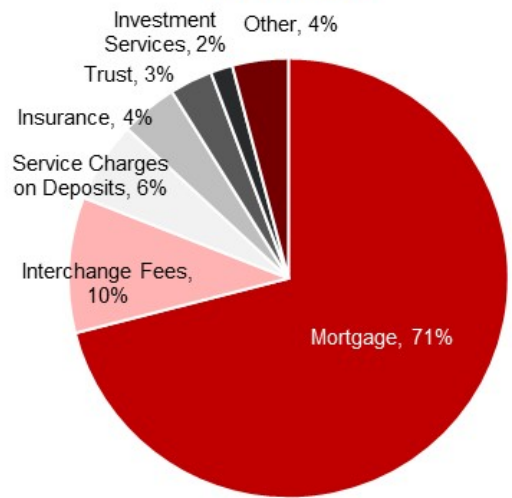
Diversified Revenue Stream

Three Months Ended March 31, 2021

Total Revenues
\$56.0 million



Noninterest Income
\$26.5 million



Source: Company documents

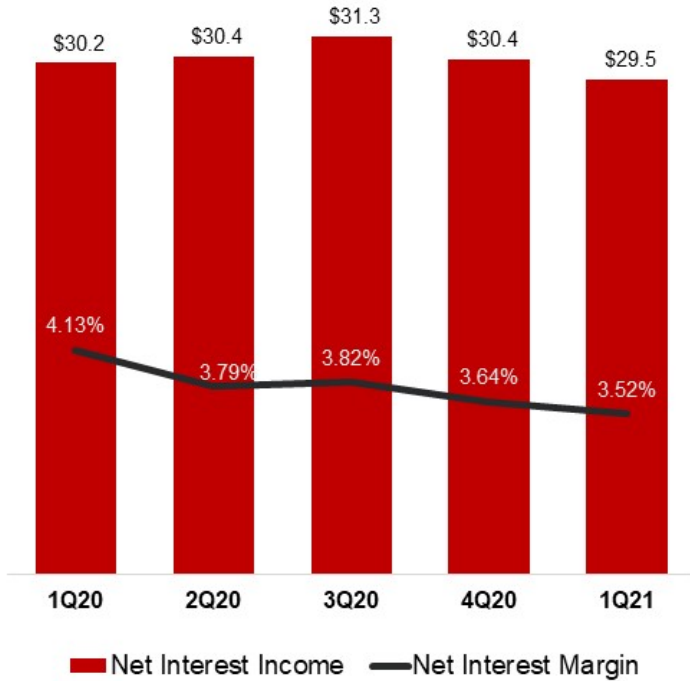


Net Interest Income and Margin

Net Interest Income & Margin

\$ in Millions

1Q'21 Highlights



- ✓ Net interest income of \$29.5 million, compared to \$30.2 million in 1Q'20
- ✓ The decline as compared to 1Q'20 was a result of:
 - ✓ Decrease of 69 bps in loan rates
 - ✓ Interest expense for \$50 million of subordinated notes issued in 3Q'20
 - ✓ Partially offset by a decrease of 50 bps in the cost of interest-bearing deposits
- ✓ 1Q'21 net interest margin ("NIM") of 3.52% - decrease of 12 bps compared to 4Q'20:
 - ✓ 18 bps decline in non-PPP loan yield
 - ✓ Excess liquidity - \$90 million growth in average deposits negatively affected NIM 9 bps

Source: Company documents

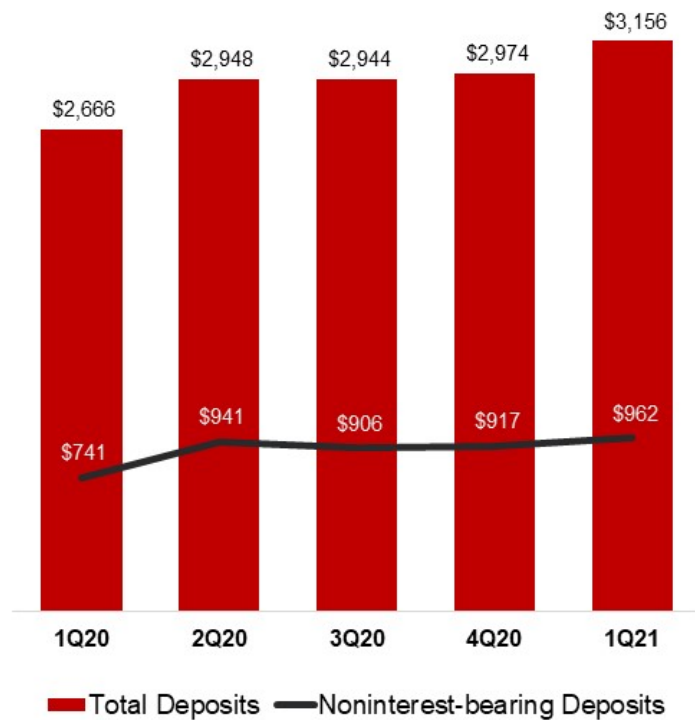




Deposit Portfolio

Total Deposits

\$ in Millions



1Q'21 Highlights

- ✓ Total Deposits of \$3.16 billion at 1Q'21, an increase of \$181.3 million from 4Q'20
- ✓ Increase in total deposits primarily a result of organic growth as well as existing customers depositing funds received from PPP loan advances, stimulus checks, and generally maintaining higher liquidity in response to the ongoing COVID-19 pandemic
- ✓ Cost of interest-bearing deposits declined in 1Q'21 to 41bps from 91bps in 1Q'20
- ✓ Noninterest-bearing deposits represented 30.5% of deposits in 1Q'21, compared to 30.8% in 4Q'20 and 27.8% in 1Q'20

Source: Company documents

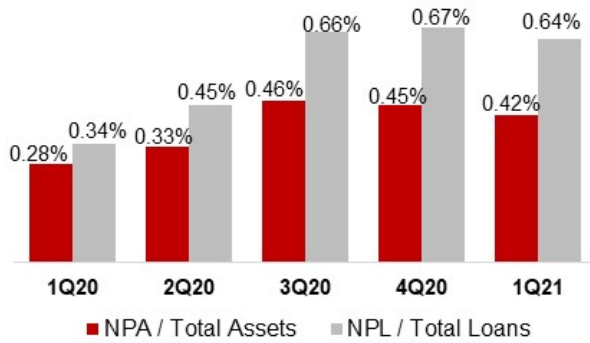


South Plains
Financial, Inc.



Credit Quality

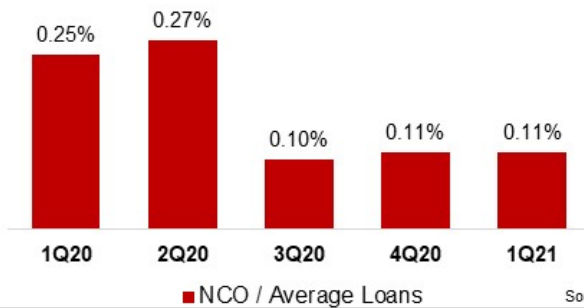
Credit Quality Ratios



1Q'21 Highlights

- ✓ Minimal provision for loan loss of \$89 thousand as the result of modest improvements in the economy and a decline in loans actively under a modification
- ✓ Total classified loans decreased \$3 million in 1Q'21 as compared to 4Q'20
- ✓ Nonperforming assets and net loans charged-off during the quarter were decreased in 1Q'21 compared to 4Q'20

Net Charge-Offs to Average Loans



ALLL to Total Loans HFI

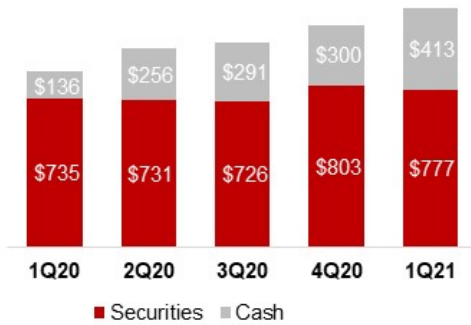




Investment Securities

Securities & Cash

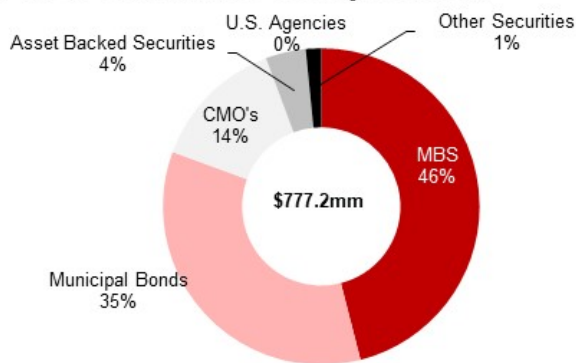
\$ in Millions



1Q'21 Highlights

- ✓ Investment Securities totaled \$777.2 million at 1Q'21, a decrease of \$25.9 million from 4Q'20; primarily from a decrease in the fair value of securities of \$18.5 million due to market conditions
- ✓ All municipal bonds are in Texas
- ✓ All MBS, CMO, and Asset Backed securities are U.S. Government or GSE

1Q'21 Securities Composition



Source: Company documents

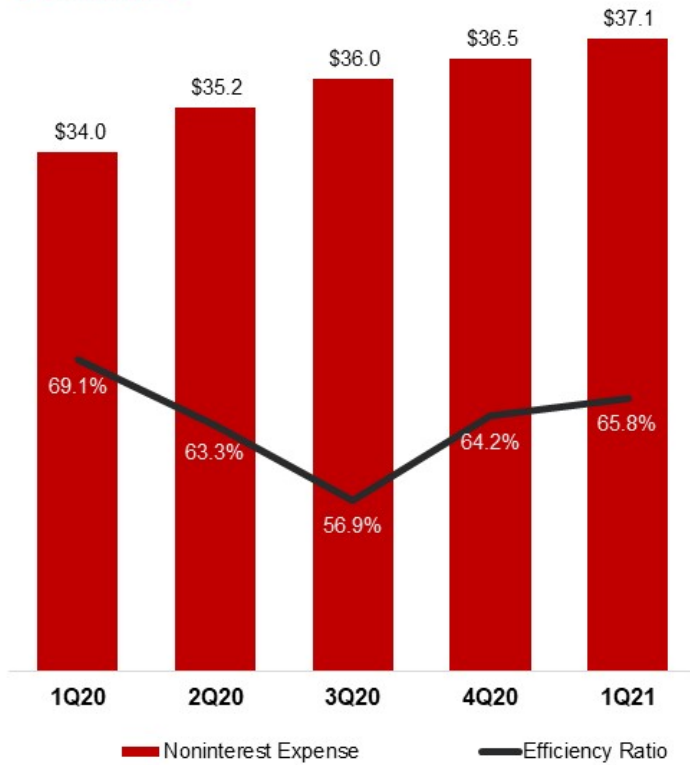


Noninterest Expense and Efficiency

Noninterest Expense

\$ in Millions

1Q'21 Highlights



- ✓ Noninterest expense for 1Q'21 increased from 1Q'20 primarily due to:
 - ✓ additional \$3.0 million in commissions paid on the higher volume of mortgage loan originations
 - ✓ a rise of \$1.0 million in salary and other personnel expenses to support mortgage activities
 - ✓ partially offset by 1Q'20 expenses for conversion expenses and technology upgrades at branches acquired through the acquisition of West Texas State Bank
- ✓ Management continues to focus on reducing fixed expenses to drive improved profitability

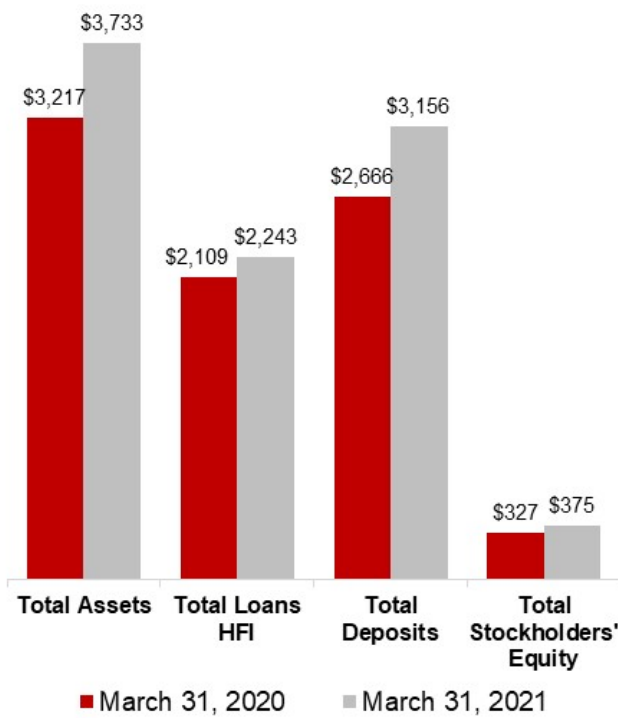
Source: Company documents



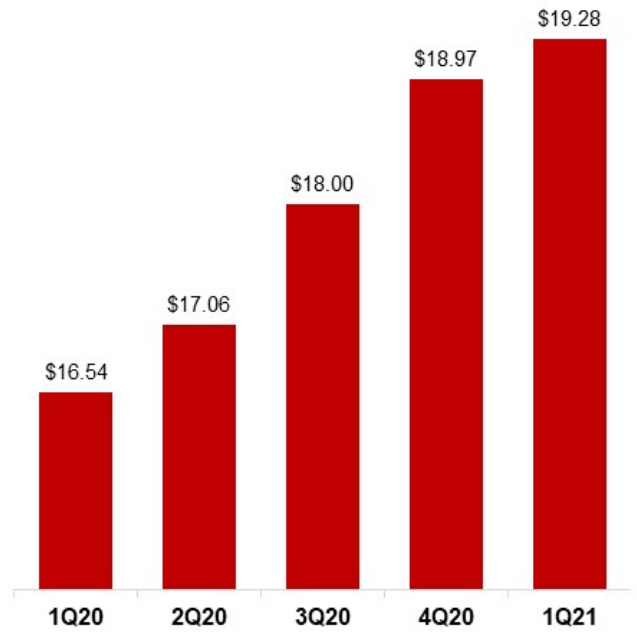
Balance Sheet Growth and Development

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 to GAAP

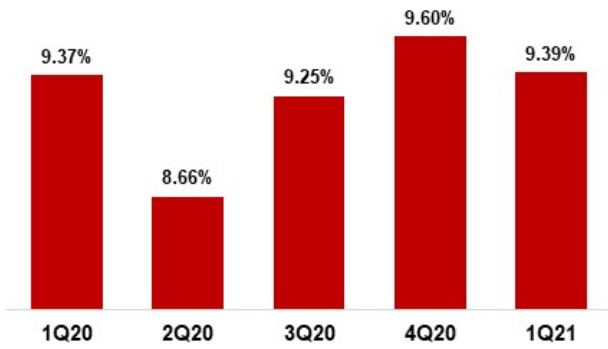
Source: Company documents



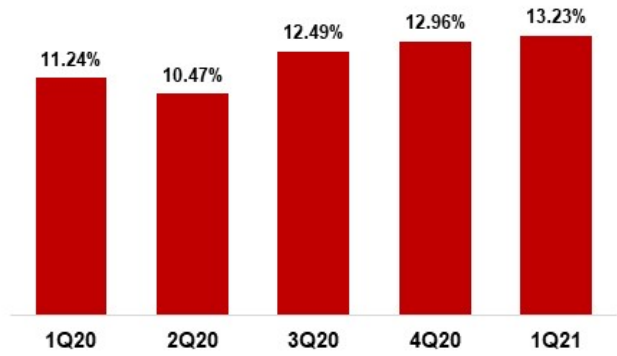


Strong Capital Base

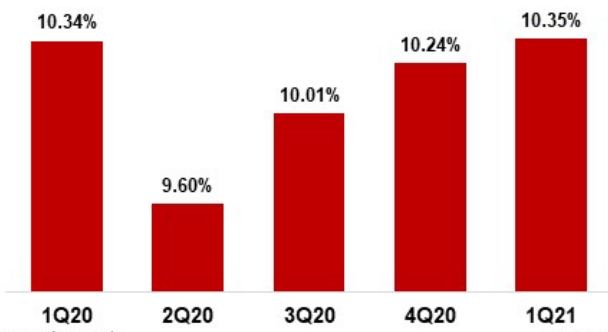
Tangible Common Equity to Tangible Assets Ratio



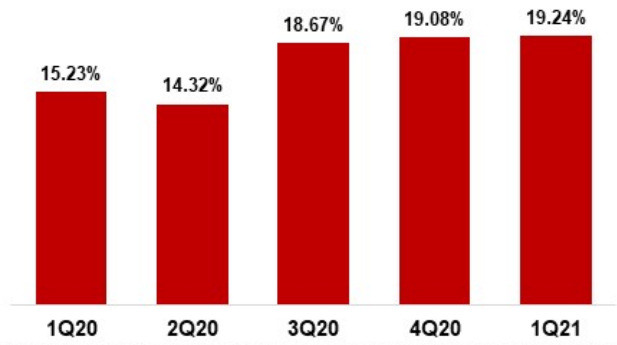
Common Equity Tier 1 Ratio



Tier 1 Capital to Average Assets Ratio



Total Capital to Risk-Weighted Assets Ratio



Source: Company documents

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





Appendix





Non-GAAP Financial Measures

Unaudited

\$ in Thousands

	As of and for the quarter ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Efficiency Ratio					
Noninterest expense	\$ 37,057	\$ 36,504	\$ 35,993	\$ 35,207	\$ 34,011
Net interest income	\$ 29,544	\$ 30,365	\$ 31,273	\$ 30,448	\$ 30,199
Tax equivalent yield adjustment	312	336	322	290	145
Noninterest income	26,500	26,172	31,660	24,896	18,875
Total income	\$ 56,356	\$ 56,873	\$ 63,255	\$ 55,634	\$ 49,219
Efficiency ratio	65.76%	64.19%	56.90%	63.28%	69.10%
Noninterest expense	\$ 37,057	\$ 36,504	\$ 35,993	\$ 35,207	\$ 34,011
Less: net loss on sale of securities	-	-	-	-	-
Adjusted noninterest expense	37,057	36,504	35,993	35,207	34,011
Total income	\$ 56,356	\$ 56,873	\$ 63,255	\$ 55,634	\$ 49,219
Less: net gain on sale of securities	-	-	-	-	(2,318)
Adjusted total income	\$ 56,356	\$ 56,873	\$ 63,255	\$ 53,634	\$ 46,901
Adjusted efficiency ratio	65.76%	64.19%	56.90%	63.28%	72.52%
Pre-Tax, Pre-Provision Income					
Net income	\$ 15,160	\$ 15,924	\$ 16,731	\$ 5,615	\$ 7,083
Income tax expense	3,738	3,968	4,147	1,389	1,746
Provision for loan losses	89	141	6,062	13,133	6,234
Pre-tax, pre-provision income	\$ 18,987	\$ 20,033	\$ 26,940	\$ 20,137	\$ 15,063

Source: Company documents



Non-GAAP Financial Measures

Unaudited

\$ in Thousands

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Tangible common equity					
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Tangible assets	\$ 3,706,246	\$ 3,572,090	\$ 3,515,164	\$ 3,556,118	\$ 3,188,382
Shares outstanding	18,053,229	18,076,364	18,059,174	18,059,174	18,056,014
Total stockholders' equity to total assets	10.04%	10.28%	9.95%	9.39%	10.16%
Tangible common equity to tangible assets	9.39%	9.60%	9.25%	8.66%	9.37%
Book value per share	\$ 20.75	\$ 20.47	\$ 19.52	\$ 18.64	\$ 18.10
Tangible book value per share	\$ 19.28	\$ 18.97	\$ 18.00	\$ 17.06	\$ 16.54

Source: Company documents



South Plains
Financial, Inc.