

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): January 23, 2025

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	NASDAQ

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 January 24, 2025, South Plains Financial, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and year ended December 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 January 24, 2025, officers of the Company will have a conference call with respect to the Company’s financial results for the fourth quarter and year ended December 31, 2024. An earnings release slide presentation highlighting the Company’s financial results for the fourth quarter and year ended December 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](http://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 8.01 Other Events.**

On January 23, 2025, South Plains Financial, Inc. issued a press release announcing the declaration of a quarterly cash dividend of \$0.15 per share on its outstanding common stock. The dividend will be paid on February 18, 2025 to shareholders of record as of the close of business on February 3, 2025. A copy of the press release is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

[99.1](#) Press release, dated January 24, 2025, announcing fourth quarter and year-end 2024 financial results of South Plains Financial, Inc.

[99.2](#) Earnings release slide presentation, dated January 24, 2025.

[99.3](#) Press release, dated January 23, 2025, announcing South Plains Financial, Inc. quarterly cash dividend.

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

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**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: January 24, 2025

By: /s/ Steven B. Crockett  
Steven B. Crockett  
Chief Financial Officer and Treasurer

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## South Plains Financial, Inc. Reports Fourth Quarter and Year-End 2024 Financial Results

LUBBOCK, Texas, January 24, 2025 (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 and year ended December 31, 2024.

### Fourth Quarter 2024 Highlights

- Net income for the fourth quarter of 2024 was \$16.5 million, compared to \$11.2 million for the third quarter of 2024 and \$10.3 million for the fourth quarter of 2023.
- Diluted earnings per share for the fourth quarter of 2024 was \$0.96, compared to \$0.66 for the third quarter of 2024 and \$0.61 for the fourth quarter of 2023.
- Average cost of deposits for the fourth quarter of 2024 was 229 basis points, compared to 247 basis points for the third quarter of 2024 and 224 basis points for the fourth quarter of 2023.
- Net interest margin, calculated on a tax-equivalent basis, was 3.75% for the fourth quarter of 2024, compared to 3.65% for the third quarter of 2024 and 3.52% for the fourth quarter of 2023.
- Return on average assets for the fourth quarter of 2024 was 1.53% annualized, compared to 1.05% annualized for the third quarter of 2024 and 0.99% annualized for the fourth quarter of 2023.
- Tangible book value (non-GAAP) per share was \$25.40 as of December 31, 2024, compared to \$25.75 as of September 30, 2024 and \$23.47 as of December 31, 2023.
- The consolidated total risk-based capital ratio, common equity tier 1 risk-based capital ratio, and tier 1 leverage ratio at December 31, 2023 were 16.74%, 12.41%, and 11.33%, respectively. These ratios significantly exceeded the minimum regulatory levels necessary to be deemed “well-capitalized”.

### Full Year 2024 Highlights

- Full year net income of \$49.7 million in 2024, compared to \$62.7 million in 2023.
- Diluted earnings per share of \$2.92 in 2024, compared to \$3.62 in 2023.
- The Bank’s wholly-owned subsidiary, Windmark Insurance Agency, Inc. (“Windmark”), was sold in the second quarter of 2023 for \$36.1 million, resulting in a gain, net of related charges and taxes, of \$22.9 million or \$1.32 of diluted earnings per share.
- Loans held for investment grew \$40.9 million, or 1.4%, during 2024.
- Total assets were \$4.23 billion at December 31, 2024, compared to \$4.20 billion at December 31, 2023.
- Return on average assets of 1.17% for the full year 2024, compared to 1.54% for 2023.

Curtis Griffith, South Plains’ Chairman and Chief Executive Officer, commented, “I am very proud of our performance this past year as we successfully navigated a challenging environment with a focus on delivering strong financial results. We tightly managed our liquidity to optimize our profitability and return metrics while maintaining our conservative approach to underwriting and risk management. We have also managed the anticipated decline in our indirect auto portfolio as well as a heightened level of loan payoffs and paydowns that has obscured the strong, underlying loan production that has built through the year. Importantly, we are seeing a growing level of optimism across our customer base that is translating into the strongest new business production pipeline that we have seen in more than two years. This bodes positively for the year ahead where we expect to deliver low to mid-single digit loan growth for the full year 2025. Additionally, we are seeing deposit pricing fall across our markets which contributed to our strong margin expansion in the fourth quarter.”

### Results of Operations, Quarter Ended December 31, 2024

#### Net Interest Income

Net interest income was \$38.5 million for the fourth quarter of 2024, compared to \$37.3 million for the third quarter of 2024 and \$35.2 million for the fourth quarter of 2023. Net interest margin, calculated on a tax-equivalent basis, was 3.75% for the fourth quarter of 2024, compared to 3.65% for the third quarter of 2024 and 3.52% for the fourth quarter of 2023. The average yield on loans was 6.69% for the fourth quarter of 2024, compared to 6.68% for the third quarter of 2024 and 6.29% for the fourth quarter of 2023. The average cost of deposits was 229 basis points for the fourth quarter of 2024, which is 18 basis points lower than the third quarter of 2024 and 5 basis points higher than the fourth quarter of 2023.

Interest income was \$61.3 million for the fourth quarter of 2024, compared to \$61.6 million for the third quarter of 2024 and \$57.2 million for the fourth quarter of 2023. Interest income decreased \$316 thousand in the fourth quarter of 2024 from the third quarter of 2024, which was primarily comprised of a decrease of \$243 thousand in loan interest income. The decline in loan interest income was due primarily to a decrease in average loans of \$20.2 million. Interest income increased \$4.1 million in the fourth quarter of 2024 compared to the fourth quarter of 2023. This increase was primarily due to an increase of average loans of \$30.5 million and higher loan interest rates during the period, resulting in growth of \$3.4 million in loan interest income.

Interest expense was \$22.8 million for the fourth quarter of 2024, compared to \$24.3 million for the third quarter of 2024 and \$22.1 million for the fourth quarter of 2023. Interest expense decreased \$1.6 million compared to the third quarter of 2024 and increased \$702 thousand compared to the fourth quarter of 2023. The \$1.6 million decrease was primarily as a result of a 24 basis point decline in the cost of interest-bearing deposits. The \$702 thousand increase was primarily a result of growth in average interest-bearing deposits of \$136.0 million.

#### **Noninterest Income and Noninterest Expense**

Noninterest income was \$13.3 million for the fourth quarter of 2024, compared to \$10.6 million for the third quarter of 2024 and \$9.1 million for the fourth quarter of 2023. The increase from the third quarter of 2024 was primarily due to an increase of \$3.1 million in mortgage banking revenues, mainly from an increase of \$3.5 million in the fair value adjustment of the mortgage servicing rights assets as interest rates that affect the value increased in the fourth quarter of 2024. This growth was partially offset by approximately \$700 thousand in insurance proceeds received for property damage in the third quarter of 2024. The increase in noninterest income for the fourth quarter of 2024 as compared to the fourth quarter of 2023 was primarily due to an increase of \$3.3 million in mortgage banking activities revenue mainly from a rise of \$3.0 million in the fair value adjustment of the mortgage servicing rights assets as interest rates that affect the value increased in the fourth quarter of 2024.

Noninterest expense was \$29.9 million for the fourth quarter of 2024, compared to \$33.1 million for the third quarter of 2024 and \$30.6 million for the fourth quarter of 2023. The \$3.2 million decrease from the third quarter of 2024 was largely the result of a decline of \$1.4 million in personnel expenses, primarily from decreased health insurance costs of \$668 thousand, as annual rebates were received in the fourth quarter, and a reduction of \$400 thousand in mortgage commissions as mortgage activity slowed in the fourth quarter. There were also decreases in net occupancy expense, professional service expenses, and the ineffectiveness related to fair value hedges on municipal securities. The decrease in noninterest expense for the fourth quarter of 2024 as compared to the fourth quarter of 2023 was largely the result of a decrease of \$593 thousand in personnel expenses, related to the decline in health insurance costs previously noted.

#### **Loan Portfolio and Composition**

Loans held for investment were \$3.06 billion as of December 31, 2024, compared to \$3.04 billion as of September 30, 2024 and \$3.01 billion as of December 31, 2023. The \$17.7 million, or 2.3% annualized, increase during the fourth quarter of 2024 as compared to the third quarter of 2024 occurred primarily as a result of organic loan growth experienced in commercial owner-occupied real estate loans. As of December 31, 2024, loans held for investment increased \$40.9 million, or 1.4%, from December 31, 2023, primarily attributable to organic loan growth, occurring mainly in multi-family property loans, direct-energy loans, commercial owner-occupied real estate loans, and single-family property loans, partially offset by decreases in consumer auto loans and construction, land, and development loans.

#### **Deposits and Borrowings**

Deposits totaled \$3.62 billion as of December 31, 2024, compared to \$3.72 billion as of September 30, 2024 and \$3.63 billion as of December 31, 2023. Deposits decreased by \$94.8 million, or 2.6%, in the fourth quarter of 2024 from September 30, 2024. As of December 31, 2024, deposits were essentially unchanged, from December 31, 2023. Noninterest-bearing deposits were \$935.5 million as of December 31, 2024, compared to \$998.5 million as of September 30, 2024 and \$974.2 million as of December 31, 2023. Noninterest-bearing deposits represented 25.8% of total deposits as of December 31, 2024. The quarterly change in total deposits was mainly due to the seasonal decline in escrow accounts of approximately \$35 million and a planned reduction of approximately \$50 million in customer sweep deposits as part of balance sheet management. Deposits were essentially unchanged, year-over-year, with an increase in interest-bearing deposits offset by a decline in noninterest-bearing deposits.

#### **Asset Quality**

The Company recorded a provision for credit losses in the fourth quarter of 2024 of \$1.2 million, compared to \$495 thousand in the third quarter of 2024 and \$600 thousand in the fourth quarter of 2023. The provision during the fourth quarter of 2024 was largely attributable to net charge-off activity and increased loan balances.

The ratio of allowance for credit losses to loans held for investment was 1.42% as of December 31, 2024, compared to 1.41% as of September 30, 2024 and 1.41% as of December 31, 2023.

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The ratio of nonperforming assets to total assets was 0.58% as of December 31, 2024, compared to 0.59% as of September 30, 2024 and 0.14% as of December 31, 2023. Annualized net charge-offs were 0.11% for the fourth quarter of 2024, compared to 0.11% for the third quarter of 2024 and 0.08% for the fourth quarter of 2023.

## Capital

Book value per share decreased to \$26.67 at December 31, 2024, compared to \$27.04 at September 30, 2024. The change was primarily driven by a decrease in accumulated other comprehensive income ("AOCI") of \$18.2 million, partially offset by \$14.0 million of net income after dividends paid. 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. The tangible common equity to tangible assets ratio (non-GAAP) increased 15 basis points to 9.92% in the fourth quarter of 2024.

## Conference Call

South Plains will host a conference call to discuss its fourth quarter and year-end 2024 financial results today, January 24, 2025, at 10:00 a.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 13750452. The replay will be available until February 7, 2025.

## 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](http://www.spfi.bank) and, more specifically, under the News & Events tab at [www.spfi.bank/news-events/press-releases](http://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.

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## 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 uncertainty in the banking industry as a whole; increased competition for deposits in our market areas and related changes in deposit customer behavior; the impact of changes in market interest rates, whether due to a continuation of the elevated interest rate environment or further reductions in interest rates and a resulting decline in net interest income; the lingering inflationary pressures, and the risk of 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; 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, deficit 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; the impact of changes in U.S. presidential administrations or Congress, including potential changes in U.S. and international trade policies and the resulting impact on the Company and its customers; 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 costs related to the 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](http://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](mailto:investors@city.bank)

Source: South Plains Financial, Inc.

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

	As of and for the quarter ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
<b>Selected Income Statement Data:</b>					
Interest income	\$ 61,324	\$ 61,640	\$ 59,208	\$ 58,727	\$ 57,236
Interest expense	22,776	24,346	23,320	23,359	22,074
Net interest income	38,548	37,294	35,888	35,368	35,162
Provision for credit losses	1,200	495	1,775	830	600
Noninterest income	13,319	10,635	12,709	11,409	9,146
Noninterest expense	29,948	33,128	32,572	31,930	30,597
Income tax expense	4,222	3,094	3,116	3,143	2,787
Net income	16,497	11,212	11,134	10,874	10,324
<b>Per Share Data (Common Stock):</b>					
Net earnings, basic	\$ 1.01	\$ 0.68	\$ 0.68	\$ 0.66	\$ 0.63
Net earnings, diluted	0.96	0.66	0.66	0.64	0.61
Cash dividends declared and paid	0.15	0.14	0.14	0.13	0.13
Book value	26.67	27.04	25.45	24.87	24.80
Tangible book value (non-GAAP)	25.40	25.75	24.15	23.56	23.47
Weighted average shares outstanding, basic	16,400,361	16,386,079	16,425,360	16,429,919	16,443,908
Weighted average shares outstanding, dilutive	17,161,646	17,056,959	16,932,077	16,938,857	17,008,892
Shares outstanding at end of period	16,455,826	16,386,627	16,424,021	16,431,755	16,417,099
<b>Selected Period End Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 359,082	\$ 471,167	\$ 298,006	\$ 371,939	\$ 330,158
Investment securities	577,240	606,889	591,031	599,869	622,762
Total loans held for investment	3,055,054	3,037,375	3,094,273	3,011,799	3,014,153
Allowance for credit losses	43,237	42,886	43,173	42,174	42,356
Total assets	4,232,239	4,337,659	4,220,936	4,218,993	4,204,793
Interest-bearing deposits	2,685,366	2,720,880	2,672,948	2,664,397	2,651,952
Noninterest-bearing deposits	935,510	998,480	951,565	974,174	974,201
Total deposits	3,620,876	3,719,360	3,624,513	3,638,571	3,626,153
Borrowings	110,354	110,307	110,261	110,214	110,168
Total stockholders' equity	438,949	443,122	417,985	408,712	407,114
<b>Summary Performance Ratios:</b>					
Return on average assets (annualized)	1.53%	1.05%	1.07%	1.04%	0.99%
Return on average equity (annualized)	14.88%	10.36%	10.83%	10.72%	10.52%
Net interest margin <sup>(1)</sup>	3.75%	3.65%	3.63%	3.56%	3.52%
Yield on loans	6.69%	6.68%	6.60%	6.53%	6.29%
Cost of interest-bearing deposits	3.12%	3.36%	3.33%	3.27%	3.14%
Efficiency ratio	57.50%	68.80%	66.72%	67.94%	68.71%
<b>Summary Credit Quality Data:</b>					
Nonperforming loans	\$ 24,023	\$ 24,693	\$ 23,452	\$ 3,380	\$ 5,178
Nonperforming loans to total loans held for investment	0.79%	0.81%	0.76%	0.11%	0.17%
Other real estate owned	530	973	755	862	912
Nonperforming assets to total assets	0.58%	0.59%	0.57%	0.10%	0.14%
Allowance for credit losses to total loans held for investment	1.42%	1.41%	1.40%	1.40%	1.41%
Net charge-offs to average loans outstanding (annualized)	0.11%	0.11%	0.10%	0.13%	0.08%



	As of and for the quarter ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
<b>Capital Ratios:</b>					
Total stockholders' equity to total assets	10.37%	10.22%	9.90%	9.69%	9.68%
Tangible common equity to tangible assets (non-GAAP)	9.92%	9.77%	9.44%	9.22%	9.21%
Common equity tier 1 to risk-weighted assets	13.53%	13.25%	12.61%	12.67%	12.41%
Tier 1 capital to average assets	12.04%	11.76%	11.81%	11.51%	11.33%
Total capital to risk-weighted assets	17.86%	17.61%	16.86%	17.00%	16.74%

(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					
	December 31, 2024			December 31, 2023		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
<b>Assets</b>						
Loans	\$ 3,049,718	\$ 51,270	6.69%	\$ 3,019,228	\$ 47,903	6.29%
Debt securities - taxable	518,646	4,994	3.83%	560,143	5,563	3.94%
Debt securities - nontaxable	154,203	1,014	2.62%	157,341	1,032	2.60%
Other interest-bearing assets	390,090	4,267	4.35%	255,454	2,963	4.60%
<b>Total interest-earning assets</b>	<b>4,112,657</b>	<b>61,545</b>	<b>5.95%</b>	<b>3,992,166</b>	<b>57,461</b>	<b>5.71%</b>
Noninterest-earning assets	189,422			156,541		
<b>Total assets</b>	<b>\$ 4,302,079</b>			<b>\$ 4,148,707</b>		
<b>Liabilities &amp; stockholders' equity</b>						
NOW, Savings, MMDA's	\$ 2,249,062	16,570	2.93%	\$ 2,201,190	16,894	3.04%
Time deposits	445,173	4,566	4.08%	357,067	3,325	3.69%
Short-term borrowings	3	-	0.00%	3	-	0.00%
Notes payable & other long-term borrowings	-	-	0.00%	-	-	0.00%
Subordinated debt	63,938	834	5.19%	73,740	981	5.28%
Junior subordinated deferrable interest debentures	46,393	806	6.91%	46,393	874	7.47%
<b>Total interest-bearing liabilities</b>	<b>2,804,569</b>	<b>22,776</b>	<b>3.23%</b>	<b>2,678,393</b>	<b>22,074</b>	<b>3.27%</b>
Demand deposits	978,742			1,021,091		
Other liabilities	77,732			59,808		
Stockholders' equity	441,036			389,415		
<b>Total liabilities &amp; stockholders' equity</b>	<b>\$ 4,302,079</b>			<b>\$ 4,148,707</b>		
Net interest income		\$ 38,769			\$ 35,387	
Net interest margin (2)			3.75%			3.52%

(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.  
Average Balances and Yields - (Unaudited)  
(Dollars in thousands)

	For the Twelve Months Ended					
	December 31, 2024			December 31, 2023		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
<b>Assets</b>						
Loans	\$ 3,054,189	\$ 202,301	6.62%	\$ 2,924,473	\$ 176,627	6.04%
Debt securities - taxable	532,730	21,090	3.96%	570,655	21,590	3.78%
Debt securities - nontaxable	155,168	4,076	2.63%	185,205	4,901	2.65%
Other interest-bearing assets	312,917	14,319	4.58%	223,152	9,973	4.47%
<b>Total interest-earning assets</b>	<b>4,055,004</b>	<b>241,786</b>	<b>5.96%</b>	<b>3,903,485</b>	<b>213,091</b>	<b>5.46%</b>
Noninterest-earning assets	179,527			176,495		
<b>Total assets</b>	<b>\$ 4,234,531</b>			<b>\$ 4,079,980</b>		
<b>Liabilities &amp; stockholders' equity</b>						
NOW, Savings, MMDA's	\$ 2,250,942	70,362	3.13%	\$ 2,117,985	55,423	2.62%
Time deposits	411,028	16,719	4.07%	321,205	9,564	2.98%
Short-term borrowings	3	-	0.00%	84	5	5.95%
Notes payable & other long-term borrowings	-	-	0.00%	-	-	0.00%
Subordinated debt	63,868	3,339	5.23%	75,458	4,018	5.32%
Junior subordinated deferrable interest debentures	46,393	3,381	7.29%	46,393	3,276	7.06%
<b>Total interest-bearing liabilities</b>	<b>2,772,234</b>	<b>93,801</b>	<b>3.38%</b>	<b>2,561,125</b>	<b>72,286</b>	<b>2.82%</b>
Demand deposits	968,307			1,069,280		
Other liabilities	70,777			71,102		
Stockholders' equity	423,213			378,473		
<b>Total liabilities &amp; stockholders' equity</b>	<b>\$ 4,234,531</b>			<b>\$ 4,079,980</b>		
Net interest income		\$ 147,985			\$ 140,805	
Net interest margin (2)			3.65%			3.61%

(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	
	December 31, 2024	December 31, 2023
<b>Assets</b>		
Cash and due from banks	\$ 54,114	\$ 62,821
Interest-bearing deposits in banks	304,968	267,337
Securities available for sale	577,240	622,762
Loans held for sale	20,542	14,499
Loans held for investment	3,055,054	3,014,153
Less: Allowance for credit losses	(43,237)	(42,356)
Net loans held for investment	3,011,817	2,971,797
Premises and equipment, net	52,951	55,070
Goodwill	19,315	19,315
Intangible assets	1,720	2,429
Mortgage servicing rights	26,292	26,569
Other assets	163,280	162,194
<b>Total assets</b>	<b>\$ 4,232,239</b>	<b>\$ 4,204,793</b>
<b>Liabilities and Stockholders' Equity</b>		
Noninterest-bearing deposits	\$ 935,510	\$ 974,201
Interest-bearing deposits	2,685,366	2,651,952
Total deposits	3,620,876	3,626,153
Subordinated debt	63,961	63,775
Junior subordinated deferrable interest debentures	46,393	46,393
Other liabilities	62,060	61,358
Total liabilities	3,793,290	3,797,679
<b>Stockholders' Equity</b>		
Common stock	16,456	16,417
Additional paid-in capital	97,287	97,107
Retained earnings	385,827	345,264
Accumulated other comprehensive income (loss)	(60,621)	(51,674)
Total stockholders' equity	438,949	407,114
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,232,239</b>	<b>\$ 4,204,793</b>

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
<b>Interest income:</b>				
Loans, including fees	\$ 51,262	\$ 47,895	\$ 202,270	\$ 176,598
Other	10,062	9,341	38,629	35,435
Total interest income	61,324	57,236	240,899	212,033
<b>Interest expense:</b>				
Deposits	21,136	20,219	87,081	64,987
Subordinated debt	834	981	3,339	4,018
Junior subordinated deferrable interest debentures	806	874	3,381	3,276
Other	-	-	-	5
Total interest expense	22,776	22,074	93,801	72,286
Net interest income	38,548	35,162	147,098	139,747
<b>Provision for credit losses</b>	1,200	600	4,300	4,610
Net interest income after provision for credit losses	37,348	34,562	142,798	135,137
<b>Noninterest income:</b>				
Service charges on deposits	2,241	1,844	8,026	7,130
Income from insurance activities	31	37	123	1,515
Mortgage banking activities	4,955	1,671	14,187	13,817
Bank card services and interchange fees	3,225	3,167	13,640	13,323
Gain on sale of subsidiary	—	—	—	33,778
Other	2,867	2,427	12,096	9,663
Total noninterest income	13,319	9,146	48,072	79,226
<b>Noninterest expense:</b>				
Salaries and employee benefits	17,384	17,977	74,338	79,377
Net occupancy expense	3,901	3,856	16,105	16,102
Professional services	1,555	1,509	6,583	6,433
Marketing and development	1,153	880	3,782	3,453
Other	5,955	6,375	26,770	29,581
Total noninterest expense	29,948	30,597	127,578	134,946
<b>Income before income taxes</b>	20,719	13,111	63,292	79,417
Income tax expense	4,222	2,787	13,575	16,672
<b>Net income</b>	\$ 16,497	\$ 10,324	\$ 49,717	\$ 62,745

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

	As of	
	December 31, 2024	December 31, 2023
<b>Loans:</b>		
Commercial Real Estate	\$ 1,119,063	\$ 1,081,056
Commercial - Specialized	388,955	372,376
Commercial - General	557,371	517,361
Consumer:		
1-4 Family Residential	566,400	534,731
Auto Loans	254,474	305,271
Other Consumer	64,936	74,168
Construction	103,855	129,190
<b>Total loans held for investment</b>	<b>\$ 3,055,054</b>	<b>\$ 3,014,153</b>

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

	As of	
	December 31, 2024	December 31, 2023
<b>Deposits:</b>		
Noninterest-bearing deposits	\$ 935,510	\$ 974,201
NOW & other transaction accounts	498,718	562,066
MMDA & other savings	1,741,988	1,722,170
Time deposits	444,660	367,716
<b>Total deposits</b>	<b>\$ 3,620,876</b>	<b>\$ 3,626,153</b>

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

	For the quarter ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
<b>Pre-tax, pre-provision income</b>					
Net income	\$ 16,497	\$ 11,212	\$ 11,134	\$ 10,874	\$ 10,324
Income tax expense	4,222	3,094	3,116	3,143	2,787
Provision for credit losses	1,200	495	1,775	830	600
<b>Pre-tax, pre-provision income</b>	<b>\$ 21,919</b>	<b>\$ 14,801</b>	<b>\$ 16,025</b>	<b>\$ 14,847</b>	<b>\$ 13,711</b>
	<b>As of</b>				
	<b>December 31, 2024</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Tangible common equity</b>					
Total common stockholders' equity	\$ 438,949	\$ 443,122	\$ 417,985	\$ 408,712	\$ 407,114
Less: goodwill and other intangibles	(21,035)	(21,197)	(21,379)	(21,562)	(21,744)
<b>Tangible common equity</b>	<b>\$ 417,914</b>	<b>\$ 421,925</b>	<b>\$ 396,606</b>	<b>\$ 387,150</b>	<b>\$ 385,370</b>
<b>Tangible assets</b>					
Total assets	\$ 4,232,239	\$ 4,337,659	\$ 4,220,936	\$ 4,218,993	\$ 4,204,793
Less: goodwill and other intangibles	(21,035)	(21,197)	(21,379)	(21,562)	(21,744)
<b>Tangible assets</b>	<b>\$ 4,211,204</b>	<b>\$ 4,316,462</b>	<b>\$ 4,199,557</b>	<b>\$ 4,197,431</b>	<b>\$ 4,183,049</b>
Shares outstanding	16,455,826	16,386,627	16,424,021	16,431,755	16,417,099
Total stockholders' equity to total assets	10.37%	10.22%	9.90%	9.69%	9.68%
Tangible common equity to tangible assets	9.92%	9.77%	9.44%	9.22%	9.21%
Book value per share	\$ 26.67	\$ 27.04	\$ 25.45	\$ 24.87	\$ 24.80
Tangible book value per share	\$ 25.40	\$ 25.75	\$ 24.15	\$ 23.56	\$ 23.47

# South Plains Financial



## Fourth Quarter and Year-End 2024 Earnings Presentation

January 24, 2025



## 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 uncertainty in the banking industry as a whole; increased competition for deposits in our market areas and related changes in deposit customer behavior; the impact of changes in market interest rates, whether due to a continuation of the elevated interest rate environment or further reductions in interest rates and a resulting decline in net interest income; the lingering inflationary pressures, and the risk of 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; 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, deficit 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; the impact of changes in U.S. presidential administrations or Congress, including potential changes in U.S. and international trade policies and the resulting impact on the Company and its customers; 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 costs related to the 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 MEASURE S

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

# Fourth Quarter and Full Year 2024 Highlights



## Fourth Quarter 2024

<b>Net Income</b> \$16.5 M	<b>Net Interest Margin <sup>(1)</sup></b> ("NIM") 3.75%	<b>Loans Held for Investment</b> ("HLI") \$3.06 B	<b>Return on Average Assets</b> ("ROAA") 1.53%
<b>EPS - Diluted</b> \$0.96	<b>Total Deposits</b> \$3.62 B	<b>Average Yield on Loans</b> 6.69%	<b>Efficiency Ratio</b> 57.50%

## Full Year 2024

<b>Organic Loan Growth</b> 1.4%	<b>Net Income</b> \$49.7 M	<b>ROAA 1.17%</b>	<b>Tangible Book Value</b> Per Share <sup>(3)</sup>
<b>Total Assets</b> \$4.23 B	<b>EPS - Diluted</b> \$2.92	<b>Efficiency Ratio</b> 65.07%	\$25.40

- For the full year 2024, the Bank delivered diluted earnings per share of \$2.92 as compared to \$3.62 in 2023
- 2023 earnings benefited from the sale of Windmark Insurance Agency, Inc., the Bank's wholly owned insurance subsidiary, for \$22.9 million, net of charges and taxes, or a one-time benefit to diluted earnings per share of \$1.32
- Achieved full year 2024 loan growth of 1.4%, in line with the Company's low-mid single digit guidance.
- The Bank's loan portfolio in its major metropolitan markets<sup>(2)</sup> grew 1.8% to \$1.06 billion, representing 34.6% of the Bank's total loan portfolio
- Net interest margin expanded 10 bps to 3.75% in the fourth quarter from the linked quarter as cost of funds declined by 18 bps
- Ended 2024 with a full year ROAA of 1.17% and efficiency ratio of 65.07%

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

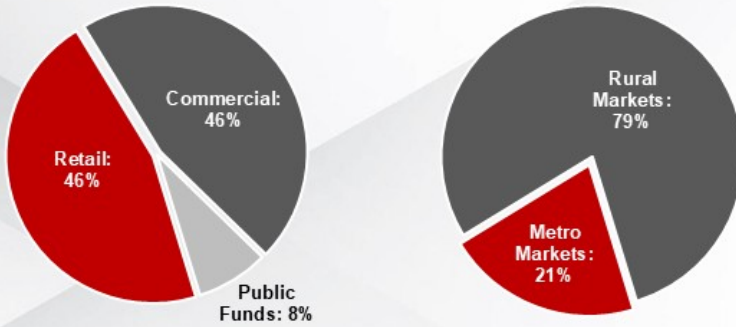
(2) The Bank defines its "major metropolitan markets" to include Dallas, Houston and El Paso, Texas

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



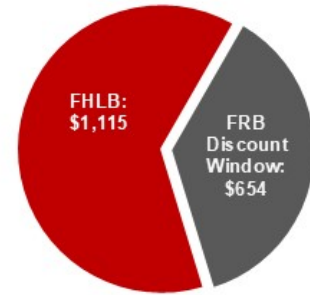
# Granular Deposit Base & Ample Liquidity

## Total Deposit Base Breakdown



## Total Borrowing Capacity

**\$1.77 Billion**



Dollars in millions

- ✓ Average deposit account size is approximately \$35 thousand
- ✓ City Bank's percentage of estimated uninsured or uncollateralized deposits is 25% of total deposits

- ✓ City Bank had \$1.77 billion of **available** borrowing capacity through the Federal Home Loan Bank of Dallas ("FHLB") and the Federal Reserve Bank of Dallas ("FRB")
- ✓ No borrowings utilized from these sources during 4Q'24

## Total Loans HFI

\$ in Millions



## 4Q'24 Highlights

- ✓ Loans HFI increased \$17.7 million from Q3'24, primarily as a result of organic loan growth experienced in commercial owner-occupied real estate loans
- ✓ As of December 31, 2024, loans held for investment increased \$40.9 million from December 31, 2023, primarily attributable to
  - Organic loan growth, occurring mainly in multi-family property loans, direct-energy commercial owner-occupied real estate loans and single-family property loans
  - Partially offset by decreases in consumer auto loans and construction, land, and development loans
- ✓ The average yield on loans was 6.69% for 4Q'24, compared to 6.68% for 3Q'24

# 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

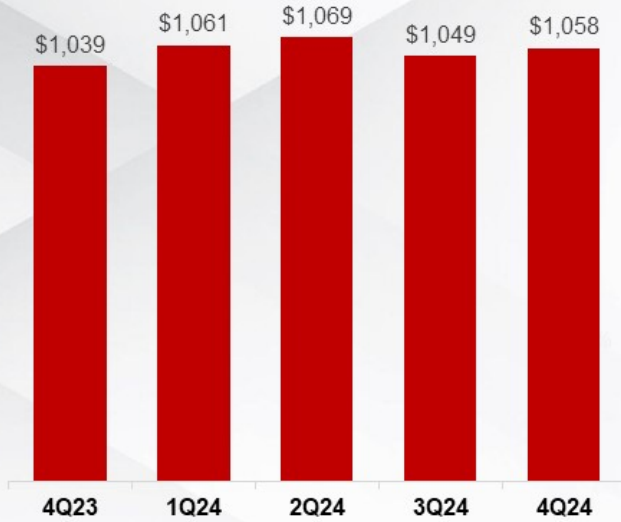
## Lubbock

- ✓ 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 Market<sup>(1)</sup> Loans

\$ in Millions

## 4Q'24 Highlights



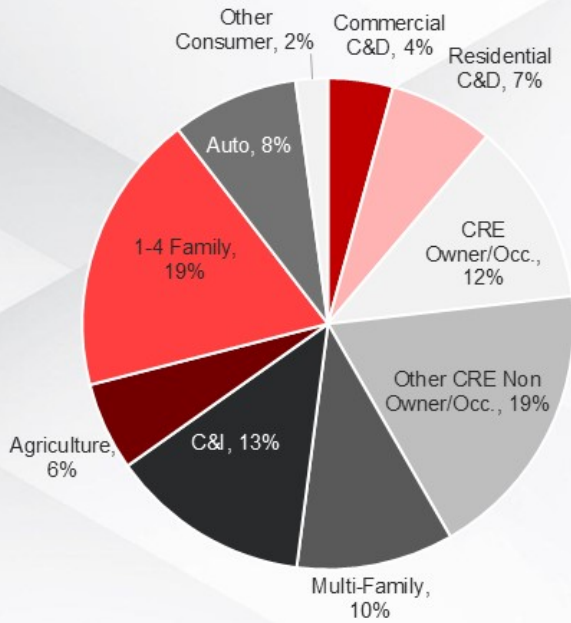
- ✓ Loans HFI in our major metropolitan markets<sup>(1)</sup> increased by \$9 million, to \$1.06 billion during 4Q'24, as strong organic loan growth outpaced early prepayments on several large credits
- ✓ Our major metropolitan market loan portfolio represents 34.6% of the Bank's total loans HFI at December 31, 2024

Source: Company documents

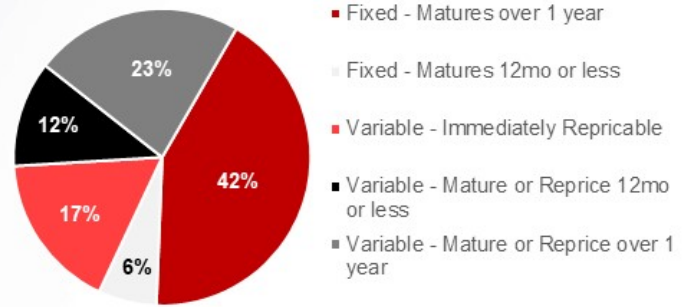
(1) The Bank defines its "major metropolitan markets" to include Dallas, Houston and El Paso, Texas

# Loan HFI Portfolio

## Loan Mix



## Fixed vs. Variable Rate

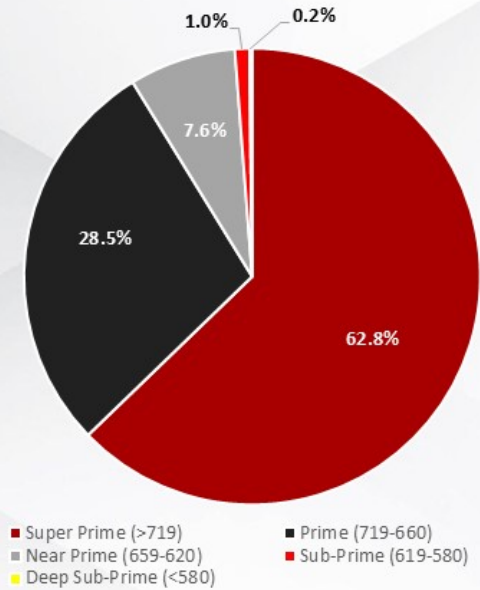


### Loan Portfolio (\$ in millions)

Commercial C&D	\$	130.6
Residential C&D		211.2
CRE Owner/Occ.		366.8
Other CRE Non Owner/Occ.		565.3
Multi-Family		315.9
C&I		401.8
Agriculture		177.7
1-4 Family		566.4
Auto		254.5
Other Consumer		64.9
<b>Total</b>	<b>\$</b>	<b>3,055.1</b>



## Indirect Auto Credit Breakdown



(1) Credit score level at origination

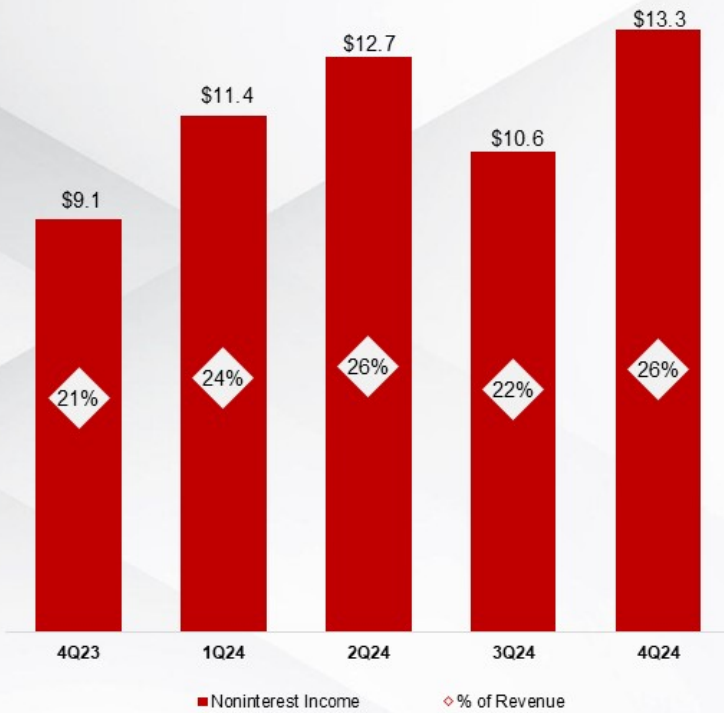
## Indirect Auto Highlights

- ✓ Indirect auto loans totaled \$236.0 million at December 31, 2024, compared to \$235.1 million at September 30, 2024
- ✓ Management is carefully managing the portfolio with balances beginning to stabilize
- ✓ Strong credit quality in the sector, positioned for resiliency across economic cycles<sup>(1)</sup>:
  - Super Prime Credit (>719): \$148.2 million
  - Prime Credit (719-660): \$67.1 million
  - Near Prime Credit (659-620): \$17.8 million
  - Sub-Prime Credit (619-580): \$2.4 million
  - Deep Sub-Prime Credit (<580): \$426 thousand
- ✓ Loans past due 30+ days: 47 bps of portfolio
- ✓ Non-car/truck (RV, boat, etc.) < 2% of portfolio

# Noninterest Income Overview

## Noninterest Income

\$ in Millions



## 4Q'24 Highlights

- ✓ Noninterest income was \$13.3 million for 4Q'24, compared to \$10.6 million for 3Q'24; primarily due to:
  - An increase of \$3.1 million in mortgage banking revenues, mainly from an increase of \$3.5 million in the MSR FV adjustment as interest rates that affect the value increased in the fourth quarter of 2024
  - 3Q'24 had approximately \$700 thousand of non-recurring insurance proceeds

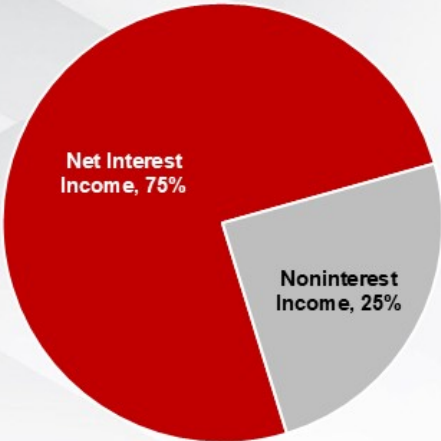
Source: Company documents

Note: Mortgage servicing rights fair value ("MSR FV")

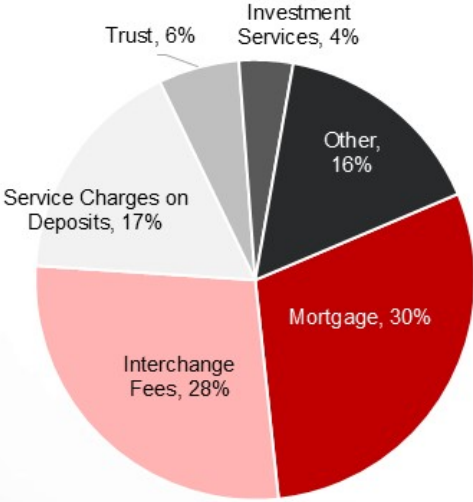
# Diversified Revenue Stream

Twelve Months Ended December 31, 2024

**Total Revenues**  
*\$195.2 million*



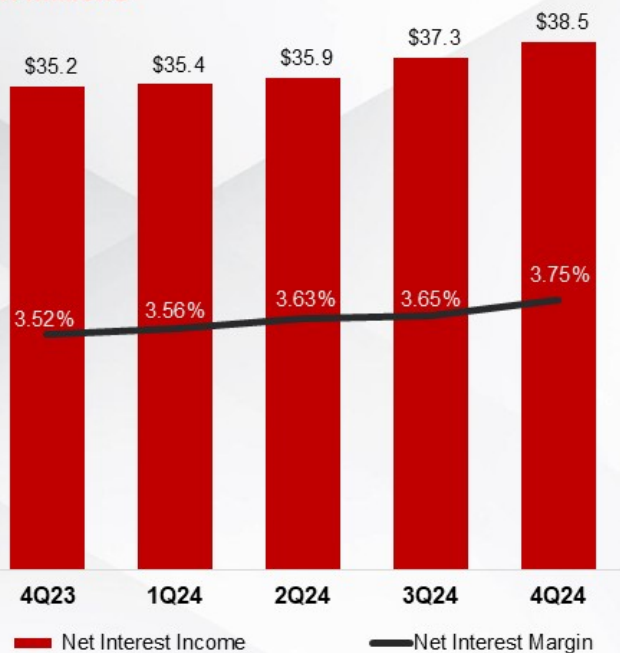
**Noninterest Income**  
*\$48.1 million*



# Net Interest Income and Margin

## Net Interest Income & Margin<sup>(1)</sup>

\$ in Millions



## 4Q'24 Highlights

- ✓ Net interest income ("NII") of \$38.5 million, compared to \$37.3 million in 3Q'24
- ✓ 4Q'24 NIM increased 10 bps to 3.75% as compared to 3.65% in 3Q'24, primarily due to:
  - 1 bps point increase in the yield on loans
  - An 18 bps decrease in the cost of deposits
  - A 20 bps decrease in yield on securities and other interest-earning assets

Source: Company documents

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

# Deposit Portfolio

## Total Deposits

\$ in Millions

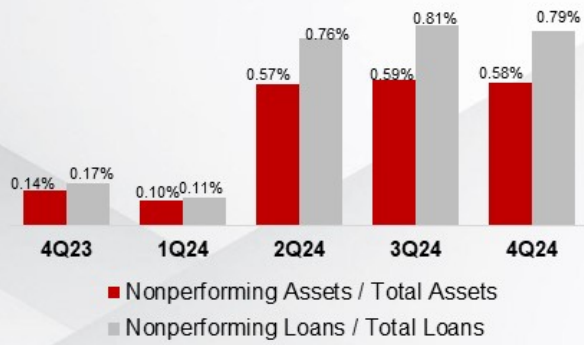


## 4Q'24 Highlights

- ✓ Total deposits of \$3.62 billion at 4Q'24, a decrease of \$94.8 million from 3Q'24 given liquidity management to maximize margins and profitability and other seasonal declines
- ✓ Cost of interest-bearing deposits decreased to 3.12% in 4Q'24 from 3.36% in 3Q'24
- ✓ Cost of deposits decreased 18 bps to 2.29% in 4Q'24 as compared to 2.47% in 3Q'24
- ✓ Noninterest-bearing deposits to total deposits was 25.8% at December 31, 2024, compared to 26.8% at September 30, 2024 largely due to seasonal declines in escrow accounts



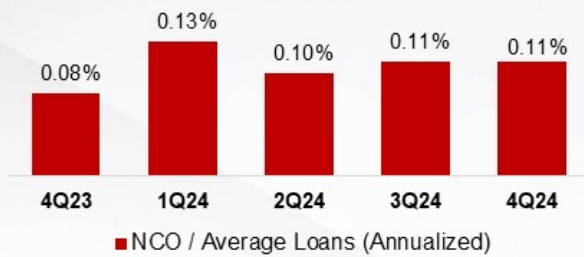
## Credit Quality Ratios



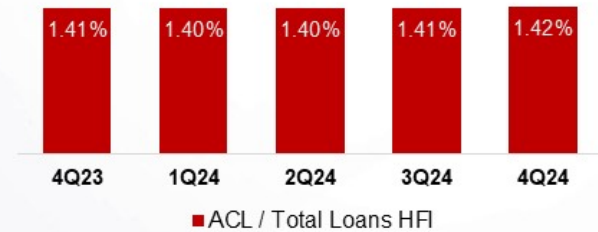
## 4Q'24 Highlights

- ✓ Provision for credit losses of \$1.2 million in 4Q'24, compared to \$495 thousand in 3Q'24; 4Q'24 provision was largely attributable to net charge-off activity and by increased loan balances
- ✓ Nonperforming loans totaled \$24.0 million at December 31, 2024

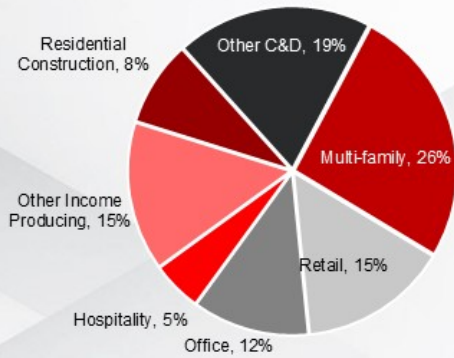
## Net Charge-Offs to Average Loans



## ACL<sup>(1)</sup> to Total Loans HFI



## NOO CRE<sup>(1)</sup> Sector Breakdown



NOO CRE Portfolio (\$ in millions)

Property Type	Total
Income-producing:	
Multi-family	\$315.9
Retail	181.0
Office	141.9
Hospitality	61.0
Other	181.3
Construction, acquisition, and development:	
Residential construction	103.9
Other	237.9
<b>Total</b>	<b>\$1,222.9</b>

## Details

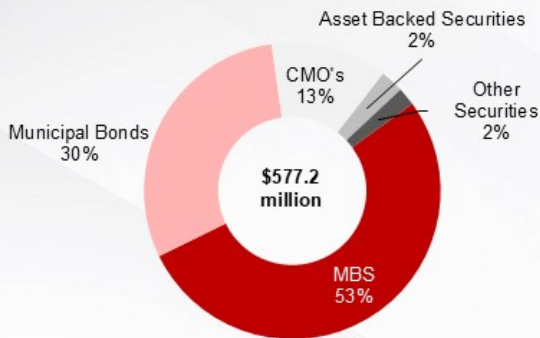
- ✓ NOO CRE was 40.0% of total LHI, materially unchanged from September 30, 2024 at 40.3%
- ✓ NOO CRE portfolio is made up of \$881.2 million of income producing loans and \$341.7 million of construction, acquisition, and development loans
- ✓ Estimated weighted average LTV of income-producing NOO CRE was 53%
- ✓ Office NOO CRE loans were 4.6% of total LHI and had a weighted average LTV of 56%
- ✓ NOO CRE loans past due 90+ days or nonaccrual: 69 basis points of total LHI

## Securities & Cash

\$ in Millions



## 4Q'24 Securities Composition



## 4Q'24 Highlights

- ✓ Investment securities totaled \$577.2 million, a \$29.6 million decrease from 3Q'24.
- ✓ 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 6.48 years at December 31, 2024

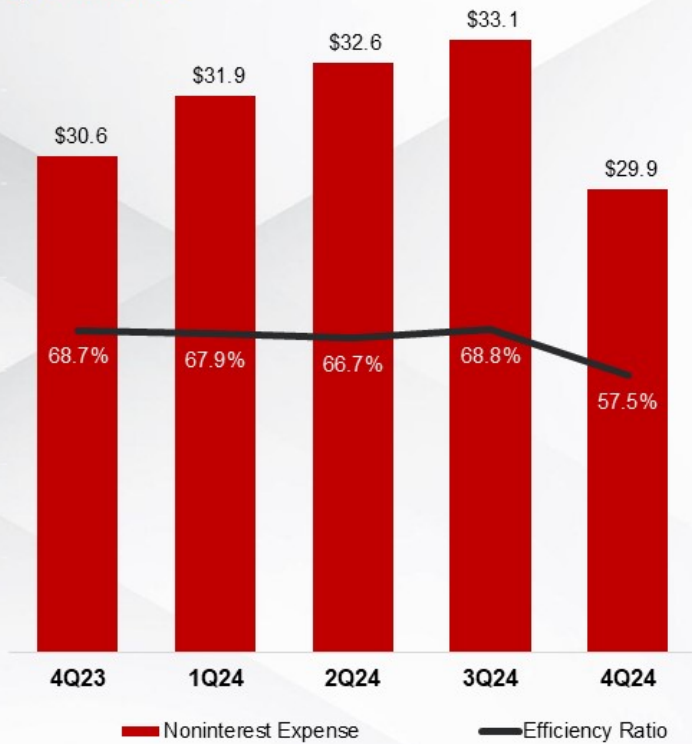


# Noninterest Expense and Efficiency

## Noninterest Expense

\$ in Millions

## 4Q'24 Highlights



- ✓ Noninterest expense for 4Q'24 decreased \$3.2 million, largely the result of a decline of \$1.4 million in personnel expenses:
  - Decreased health insurance costs of \$668 thousand, as annual rebates were received in the current quarter
  - A reduction of \$400 thousand in mortgage commissions as mortgage activity slowed in the current quarter
- ✓ Efficiency ratio of 57.5% in 4Q'24 as compared to 68.8% in 3Q'24
- ✓ Will continue to manage expenses to drive profitability

# Balance Sheet Growth and Development

## Balance Sheet Highlights

\$ in Millions



## Tangible Book Value Per Share<sup>(1)</sup>



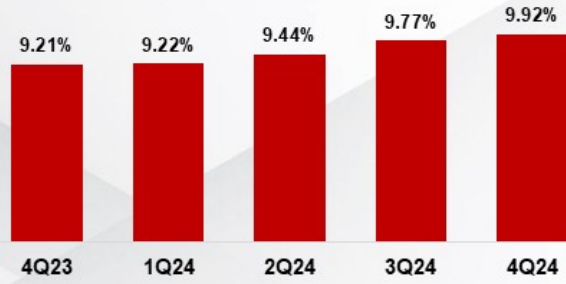
Source: Company documents

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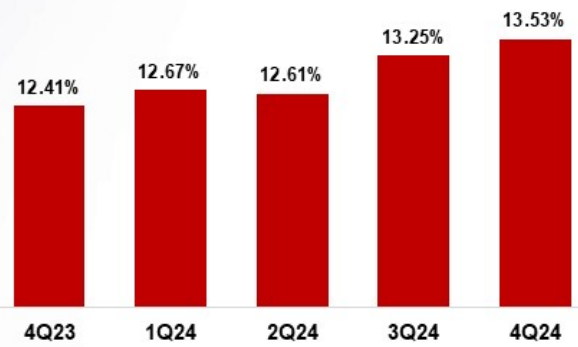
(1) Tangible book value per share is a non-GAAP measure. See appendix for the reconciliation of non-GAAP measures to GAAP

# Strong Capital Base

Tangible Common Equity to Tangible Assets Ratio<sup>(1)</sup>



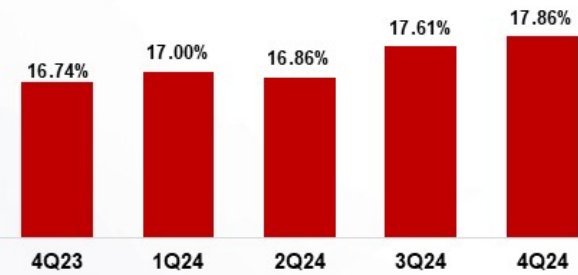
Common Equity Tier 1 Ratio



Tier 1 Capital to Average Assets Ratio



Total Capital to Risk-Weighted Assets Ratio



Source: Company documents

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(1) 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

	For the quarter ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
<b>Pre-tax, pre-provision income</b>					
Net income	\$ 16,497	\$ 11,212	\$ 11,134	\$ 10,874	\$ 10,324
Income tax expense	4,222	3,094	3,116	3,143	2,787
Provision for credit losses	1,200	495	1,775	830	600
<b>Pre-tax, pre-provision income</b>	<b>\$ 21,919</b>	<b>\$ 14,801</b>	<b>\$ 16,025</b>	<b>\$ 14,847</b>	<b>\$ 13,711</b>
	As of				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
<b>Tangible common equity</b>					
Total common stockholders' equity	\$ 438,949	\$ 443,122	\$ 417,985	\$ 408,712	\$ 407,114
Less: goodwill and other intangibles	(21,035)	(21,197)	(21,379)	(21,562)	(21,744)
<b>Tangible common equity</b>	<b>\$ 417,914</b>	<b>\$ 421,925</b>	<b>\$ 396,606</b>	<b>\$ 387,150</b>	<b>\$ 385,370</b>
<b>Tangible assets</b>					
Total assets	\$ 4,232,239	\$ 4,337,659	\$ 4,220,936	\$ 4,218,993	\$ 4,204,793
Less: goodwill and other intangibles	(21,035)	(21,197)	(21,379)	(21,562)	(21,744)
<b>Tangible assets</b>	<b>\$ 4,211,204</b>	<b>\$ 4,316,462</b>	<b>\$ 4,199,557</b>	<b>\$ 4,197,431</b>	<b>\$ 4,183,049</b>
<b>Shares outstanding</b>	<b>16,455,826</b>	<b>16,386,627</b>	<b>16,424,021</b>	<b>16,431,755</b>	<b>16,417,099</b>
Total stockholders' equity to total assets	10.37%	10.22%	9.90%	9.69%	9.68%
Tangible common equity to tangible assets	9.92%	9.77%	9.44%	9.22%	9.21%
Book value per share	\$ 26.67	\$ 27.04	\$ 25.45	\$ 24.87	\$ 24.80
Tangible book value per share	\$ 25.40	\$ 25.75	\$ 24.15	\$ 23.56	\$ 23.47

Source: Company documents

\$ in thousands



### South Plains Financial, Inc. Declares Quarterly Cash Dividend

LUBBOCK, Texas, January 23, 2025 (GLOBE NEWSWIRE) – South Plains Financial, Inc. (NASDAQ:SPFI) (“South Plains”), the parent company of City Bank, today announced that its Board of Directors has declared a quarterly cash dividend of \$0.15 per share of common stock. The dividend is payable on February 18, 2025 to shareholders of record as of the close of business on February 3, 2025.

#### 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.

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

Source: South Plains Financial, Inc.

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