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): July 25, 2023

South Plains Financial, Inc.

(Exact name of registrant as specified in its charter)

Texas	**001-38895**	**75-2453320**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5219 City Bank Parkway **Lubbock, Texas**	**79407**
(Address of principal executive offices)	(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 July 25, 2023, South Plains Financial, Inc. (the "Company") issued a press release announcing its financial results for the second quarter ended June 30, 2023. 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 July 25, 2023, officers of the Company will have a conference call with respect to the Company's financial results for the second quarter ended June 30, 2023. An earnings release slide presentation highlighting the Company's financial results for the second quarter ended June 30, 2023 is furnished as Exhibit 99.2 to this Current Report on Form 8-K. This earnings release slide presentation will also be available on the Company's website, www.spfi.bank, under the "News & Events" section.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1	Press release, dated July 25, 2023, announcing second quarter 2023 financial results of South Plains Financial, Inc.
99.2	Earnings release slide presentation, dated July 25, 2023.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

SIGNATURES

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

SOUTH PLAINS FINANCIAL, INC.

Dated: July 25, 2023

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

Exhibit 99.1

South Plains Financial, Inc.

South Plains Financial, Inc. Reports Second Quarter 2023 Financial Results

LUBBOCK, Texas, July 25, 2023 (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 June 30, 2023.

Second Quarter 2023 Highlights

- Net income for the second quarter of 2023 was $29.7 million, compared to $9.2 million for the first quarter of 2023 and $15.9 million for the second quarter of 2022.
- Diluted earnings per share for the second quarter of 2023 was $1.71, compared to $0.53 for the first quarter of 2023 and $0.88 for the second quarter of 2022.
- Excluding one-time gains net of charges related to the sale of Windmark ($22.9 million net of tax) and the loss from repositioning of the securities portfolio ($2.7 million net of tax), second quarter 2023 diluted earnings per share was $0.55
- Deposits grew $66.5 million, or 1.9%, to $3.57 billion during the second quarter of 2023, as compared to March 31, 2023; an estimated 16% of deposits at June 30, 2023 were uninsured or uncollateralized.
- Average cost of deposits for the second quarter of 2023 was 169 basis points, compared to 136 basis points for the first quarter of 2023 and 27 basis points for the second quarter of 2022.
- Net interest margin, calculated on a tax-equivalent basis, was 3.65% for the second quarter of 2023, compared to 3.75% for the first quarter of 2023.
- Loans held for investment grew $190.4 million, or 6.8%, during the second quarter of 2023, compared to March 31, 2023.
- Provision for credit losses was $3.7 million in the second quarter of 2023, compared to $1.0 million in the first quarter of 2023 and no provision for the second quarter of 2022.
- Nonperforming assets to total assets were 0.51% at June 30, 2023, compared to 0.19% at March 31, 2023 and 0.20% at June 30, 2022.
- Return on average assets for the second quarter of 2023 was 2.97% annualized, compared to 0.95% annualized for the first quarter of 2023 and 1.60% annualized for the second quarter of 2022.
- Tangible book value (non-GAAP) per share was $21.82 as of June 30, 2023, compared to $20.19 as of March 31, 2023 and $19.50 as of June 30, 2022.
- Liquidity - available borrowing capacity of $1.82 billion through the Federal Home Loan Bank of Dallas, the Federal Reserve's Discount Window, and access to the Federal Reserve's Bank Term Funding Program at June 30, 2023.
- Capital - total risk-based capital ratio – 16.75%, Tier 1 risk-based capital ratio – 13.37%, Common Equity Tier 1 risk-based capital ratio – 12.11%, and Tier 1 leverage ratio - 11.68%, all at June 30, 2023 and significantly exceeding the minimum regulatory levels necessary to be deemed "well-capitalized."
- As previously announced, on April 1, 2023, the sale of City Bank's formerly wholly owned subsidiary, Windmark Insurance Agency, Inc. ("Windmark") to Alliant Insurance Services in an all cash transaction was completed.

Curtis Griffith, South Plains' Chairman and Chief Executive Officer, commented, "Our second quarter results demonstrate the strength of the Bank and the resiliency of our markets as we maintained core deposits while our non-interest bearing deposits remained relatively steady, which is quite an accomplishment in this challenging environment. Additionally, we were able to maintain our net interest margin at March's level of 3.65% through the second quarter as higher loan yields are offsetting the rise in our cost of funds. We have also maintained a strong liquidity and capital position which was further bolstered by the sale of Windmark in April. Given the large one-time gain that was recognized, we made the strategic decision to sell $56 million of securities having recorded a realized loss of $3.4 million. We believe this was a tax efficient transaction which will boost our earnings in future quarters as we have reinvested the proceeds into higher yielding loans through the quarter. While we continue to deliver strong results, we believe our shares are trading below intrinsic value. As a result, our board of directors authorized a $15 million stock repurchase program in May and we subsequently bought back approximately 113,000 shares during the remainder of the quarter."

Results of Operations, Quarter Ended June 30, 2023

Net Interest Income

Net interest income was $34.6 million for the second quarter of 2023, compared to $34.3 million for the first quarter of 2023 and $37.1 million for the second quarter of 2022. Net interest margin, calculated on a tax-equivalent basis, was 3.65% for the second quarter of 2023, compared to 3.75% for the first quarter of 2023 and 4.02% for the second quarter of 2022. The average yield on loans was 5.94% for the second quarter of 2023, compared to 5.78% for the first quarter of 2023 and 5.57% for the second quarter of 2022. The average cost of deposits was 169 basis points for the second quarter of 2023, which is 33 basis points higher than the first quarter of 2023 and 142 basis points higher than the second quarter of 2022.

Interest income was $50.8 million for the second quarter of 2023, compared to $47.4 million for the first quarter of 2023 and $40.8 million for the second quarter of 2022. Interest income increased $3.4 million in the second quarter of 2023 from the first quarter of 2023, which was mainly comprised of an increase of $3.3 million in loan interest income. The growth in loan interest income was primarily due to an increase of $115.2 million in average loans outstanding and the rising short-term interest rate environment, as the yield on loans rose 16 basis points. Interest income increased $10.1 million in the second quarter of 2023 compared to the second quarter of 2022. This increase was primarily due to an increase of average loans of $344.8 million and higher market interest rates during the period, partially offset by $4.4 million of interest income received related to four credits for the recovery of interest on previously charged-off credits, purchase discount principal recovery, and prepayment penalties during the second quarter of 2022.

Interest expense was $16.2 million for the second quarter of 2023, compared to $13.1 million for the first quarter of 2023 and $3.6 million for the second quarter of 2022. Interest expense increased $3.1 million compared to the first quarter of 2023 and $12.6 million compared to the second quarter of 2022, primarily as a result of significantly rising short-term interest rates on interest-bearing liabilities, with the increase being mainly comprised of interest expense on deposits. Additionally, interest-bearing deposits have grown during both of the period comparisons.

Noninterest Income and Noninterest Expense

Noninterest income was $47.1 million for the second quarter of 2023, compared to $10.7 million for the first quarter of 2023 and $18.8 million for the second quarter of 2022. The increase from the first quarter of 2023 was primarily due to the $33.5 million gain on sale of Windmark and an increase of $3.0 million in mortgage banking activities revenue, partially offset by a reduction of $1.4 million in income from insurance activities due to the sale of Windmark. The increase in mortgage banking activities revenues was mainly the result of a $400 thousand fair value write-up of the mortgage servicing rights portfolio compared to the write-down of $2.0 million in the first quarter of 2023 and an increase of $45.9 million in mortgage loans originated for sale. Additionally, bank card services and interchange revenue increased $1.1 million for the second quarter of 2023 compared to the first quarter of 2022 mainly as a result of continued growth in customer card usage and incentives received during the period. The increase in noninterest income for the second quarter of 2023 as compared to the second quarter of 2022 was primarily due to the $33.5 million gain on sale of Windmark noted above, partially offset by a reduction of $1.5 million in income from insurance activities due to the sale of Windmark and a decrease of $3.4 million in mortgage banking revenues as originations of mortgage loans held for sale declined $74.5 million.

Noninterest expense was $40.5 million for the second quarter of 2023, compared to $32.4 million for the first quarter of 2023 and $36.1 million for the second quarter of 2022. The $8.1 million increase from the first quarter of 2023 was largely the result of $4.5 million in personnel and transaction expenses as part of the Windmark sale plus related incentive compensation and a $3.4 million loss on the sale of securities. The increase in noninterest expense for the second quarter of 2023 as compared to the second quarter of 2022 was primarily driven by the $4.5 million in Windmark transaction and related personnel expenses, the $3.4 million loss on sale of securities, partially offset by a reduction of $1.1 million in mortgage personnel costs due to the decline in mortgage loan originations and a decrease of $759 thousand in legal expenses incurred largely as a result of a vendor dispute, which was resolved and accounted for by the end of 2022.

Loan Portfolio and Composition

Loans held for investment were $2.98 billion as of June 30, 2023, compared to $2.79 billion as of March 31, 2023 and $2.58 billion as of June 30, 2022. The $190.4 million, or 6.8%, increase during the second quarter of 2023 as compared to the first quarter of 2023 remained relationship-focused and occurred primarily in commercial real estate loans, residential mortgage loans, seasonal agricultural loans, and energy loans. As of June 30, 2023, loans held for investment increased $398.6 million, or 15.4% year over year, from June 30, 2022, primarily attributable to strong organic loan growth.

Deposits and Borrowings

Deposits totaled $3.57 billion as of June 30, 2023, compared to $3.51 billion as of March 31, 2023 and $3.43 billion as of June 30, 2022. Deposits increased by $66.5 million, or 1.9%, in the second quarter of 2023 from March 31, 2023. As of June 30, 2023, deposits increased $148.7 million, or 4.3% year over year, from June 30, 2022. Noninterest-bearing deposits were $1.10 billion as of June 30, 2023, compared to $1.11 billion as of March 31, 2023 and $1.20 billion as of June 30, 2022. Noninterest-bearing deposits represented 30.8% of total deposits as of June 30, 2023. The quarterly growth in deposits was mainly the result of an increase of $81 million in brokered deposits, partially offset by a reduction of $67 million in our public fund deposits. The year-over-year increase in deposits is primarily a result of the noted growth in the second quarter of 2023 and the overall focus on liquidity.

Asset Quality

The Company recorded a provision for credit losses in the second quarter of 2023 of $3.7 million, compared to $1.0 million in the first quarter of 2023 and no provision in the second quarter of 2022. The provision during the second quarter of 2023 was largely attributable to growth in loans held for investment and an increase of $1.3 million in specific reserves. The change in specific reserves was primarily related to a $13.3 million previously-classified relationship that was placed on nonaccrual in May 2023. Classified loans declined $3.5 million during the second quarter of 2023 to $67.4 from $70.9 million at March 31, 2023.

The ratio of allowance for credit losses to loans held for investment was 1.45% as of June 30, 2023, compared to 1.42% as of March 31, 2023 and 1.54% as of June 30, 2022.

The ratio of nonperforming assets to total assets as of June 30, 2023 was 0.51%, compared to 0.19% as of March 31, 2023 and 0.20% at June 30, 2022. Annualized net charge-offs (recoveries) were 0.05% for the second quarter of 2023, compared to 0.09% for the first quarter of 2023 and (0.02)% for the second quarter of 2022. The increase in nonperforming assets was a result of the $13.3 million relationship noted above.

Capital

Book value per share increased to $23.13 at June 30, 2023, compared to $21.57 at March 31, 2023. The growth was driven by an increase of $27.5 million of net income after dividends paid, partially offset by $2.5 million in share repurchases.

Conference Call

South Plains will host a conference call to discuss its second quarter 2023 financial results today, July 25, 2023, 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 13739671. The replay will be available until August 8, 2023.

About South Plains Financial, Inc.

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

Non-GAAP Financial Measures

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

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

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

Available Information

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

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

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect South Plains’ current views with respect to future events and South Plains’ financial performance. Any statements about South Plains’ expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. South Plains cautions that the forward-looking statements in this press release are based largely on South Plains’ expectations and are subject to a number of known and unknown risks and uncertainties that are subject to change based on factors which are, in many instances, beyond South Plains’ control. Factors that could cause such changes include, but are not limited to, general economic conditions, potential recession in the United States and our market areas, the impacts related to or resulting from recent bank failures and any continuation of the recent uncertainty in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response thereto, increased competition for deposits and related changes in deposit customer behavior, changes in market interest rates, the persistence of the current inflationary environment in the United States and our market areas, the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System, the effects of declines in housing prices in the United States and our market areas, increases in unemployment rates in the United States and our market areas, declines in commercial real estate prices, uncertainty regarding United States fiscal debt and budget matters, severe weather, natural disasters, acts of war or terrorism or other external events, 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 and Quarterly Reports on Form 10-Q 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, 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 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				
	June 30, 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
Selected Income Statement Data:					
Interest income	$ 50,821	$ 47,448	$ 46,228	$ 41,108	$ 40,752
Interest expense	16,240	13,133	9,906	6,006	3,647
Net interest income	34,581	34,315	36,322	35,102	37,105
Provision for credit losses	3,700	1,010	248	(782)	-
Noninterest income	47,112	10,691	12,676	20,937	18,835
Noninterest expense	40,499	32,361	32,708	37,401	36,056
Income tax expense	7,811	2,391	3,421	3,962	4,001
Net income	29,683	9,244	12,621	15,458	15,883
Per Share Data (Common Stock):					
Net earnings, basic	1.74	0.54	0.74	0.89	0.91
Net earnings, diluted	1.71	0.53	0.71	0.86	0.88
Cash dividends declared and paid	0.13	0.13	0.12	0.12	0.11
Book value	23.13	21.57	20.97	20.03	20.91
Tangible book value (non-GAAP)	21.82	20.19	19.57	18.61	19.50
Weighted average shares outstanding, basic	17,048,432	17,046,713	17,007,914	17,286,531	17,490,706
Weighted average shares outstanding, dilutive	17,386,515	17,560,756	17,751,674	17,901,899	18,020,548
Shares outstanding at end of period	16,952,072	17,062,572	17,027,197	17,064,640	17,417,094
Selected Period End Balance Sheet Data:					
Cash and cash equivalents	295,581	328,002	234,883	329,962	375,690
Investment securities	628,093	698,579	701,711	711,412	763,943
Total loans held for investment	2,979,063	2,788,640	2,748,081	2,690,366	2,580,493
Allowance for credit losses	43,137	39,560	39,288	39,657	39,785
Total assets	4,150,129	4,058,049	3,944,063	3,992,690	3,974,724
Interest-bearing deposits	2,473,755	2,397,115	2,255,942	2,198,464	2,230,105
Noninterest-bearing deposits	1,100,767	1,110,939	1,150,488	1,262,072	1,195,732
Total deposits	3,574,522	3,508,054	3,406,430	3,460,536	3,425,837
Borrowings	122,447	122,400	122,354	122,307	122,261
Total stockholders' equity	392,029	367,964	357,014	341,799	364,222
Summary Performance Ratios:					
Return on average assets (annualized)	2.97%	0.95%	1.27%	1.53%	1.60%
Return on average equity (annualized)	31.33%	10.34%	14.33%	17.37%	16.96%
Net interest margin [(1)]	3.65%	3.75%	3.88%	3.70%	4.02%
Yield on loans	5.94%	5.78%	5.59%	5.12%	5.57%
Cost of interest-bearing deposits	2.45%	2.03%	1.52%	0.82%	0.42%
Efficiency ratio	49.39%	71.42%	66.35%	66.38%	64.11%
Summary Credit Quality Data:					
Nonperforming loans	21,039	7,579	7,790	7,834	7,889
Nonperforming loans to total loans held for investment	0.71%	0.27%	0.28%	0.29%	0.31%
Other real estate owned	249	202	169	37	59
Nonperforming assets to total assets	0.51%	0.19%	0.20%	0.20%	0.20%
Allowance for credit losses to total loans held for investment	1.45%	1.42%	1.43%	1.47%	1.54%
Net charge-offs (recoveries) to average loans outstanding (annualized)	0.05%	0.09%	0.09%	(0.10)%	(0.02)%

	As of and for the quarter ended				
	June 30 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
Capital Ratios:					
Total stockholders' equity to total assets	9.45%	9.07%	9.05%	8.56%	9.16%
Tangible common equity to tangible assets (non-GAAP)	8.96%	8.54%	8.50%	8.00%	8.60%
Common equity tier 1 to risk-weighted assets	12.11%	11.92%	11.81%	11.67%	12.24%
Tier 1 capital to average assets	11.68%	11.22%	11.03%	10.95%	10.93%
Total capital to risk-weighted assets	16.75%	16.70%	16.58%	16.46%	17.32%

(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					
	June 30, 2023			June 30, 2022		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets						
Loans	$ 2,894,087	$ 42,872	5.94%	$ 2,549,264	$ 35,420	5.57%
Debt securities - taxable	575,983	5,365	3.74%	637,814	3,538	2.22%
Debt securities - nontaxable	210,709	1,403	2.67%	217,023	1,439	2.66%
Other interest-bearing assets	149,996	1,484	3.97%	329,869	658	0.80%
Total interest-earning assets	3,830,775	51,124	5.35%	3,733,970	41,055	4.41%
Noninterest-earning assets	182,752			238,575		
Total assets	$ 4,013,527			$ 3,972,545		
Liabilities & stockholders' equity						
NOW, Savings, MMDA's	$ 2,059,182	12,484	2.43%	$ 1,903,452	1,357	0.29%
Time deposits	299,358	1,949	2.61%	334,819	960	1.15%
Short-term borrowings	325	5	6.17%	4	-	0.00%
Notes payable & other long-term borrowings	-	-	0.00%	-	-	0.00%
Subordinated debt	76,031	1,013	5.34%	75,845	1,013	5.36%
Junior subordinated deferrable interest debentures	46,393	789	6.82%	46,393	317	2.74%
Total interest-bearing liabilities	2,481,289	16,240	2.63%	2,360,513	3,647	0.62%
Demand deposits	1,075,514			1,171,454		
Other liabilities	76,727			64,933		
Stockholders' equity	379,997			375,645		
Total liabilities & stockholders' equity	$ 4,013,527			$ 3,972,545		
Net interest income		$ 34,884			$ 37,408	
Net interest margin [2]			3.65%			4.02%

(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 Six Months Ended					
	June 30, 2023			June 30, 2022		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets						
Loans	$ 2,836,482	$ 82,474	5.86%	$ 2,515,934	$ 64,799	5.19%
Debt securities - taxable	580,705	10,605	3.68%	579,243	5,892	2.05%
Debt securities - nontaxable	211,950	2,815	2.68%	217,672	2,887	2.67%
Other interest-bearing assets	155,976	2,979	3.85%	398,670	862	0.44%
Total interest-earning assets	3,785,113	98,873	5.27%	3,711,519	74,440	4.04%
Noninterest-earning assets	186,114			250,376		
Total assets	$ 3,971,227			$ 3,961,895		
Liabilities & stockholders' equity						
NOW, Savings, MMDA's	$ 2,023,869	22,468	2.24%	$ 1,920,609	2,268	0.24%
Time deposits	291,677	3,335	2.31%	336,962	1,939	1.16%
Short-term borrowings	165	5	6.11%	4	-	0.00%
Notes payable & other long-term borrowings	-	-	0.00%	-	-	0.00%
Subordinated debt	76,008	2,025	5.37%	75,822	2,025	5.39%
Junior subordinated deferrable interest debentures	46,393	1,540	6.69%	46,393	548	2.38%
Total interest-bearing liabilities	2,438,112	29,373	2.43%	2,379,790	6,780	0.57%
Demand deposits	1,092,429			1,137,771		
Other liabilities	69,443			57,887		
Stockholders' equity	371,243			386,447		
Total liabilities & stockholders' equity	$ 3,971,227			$ 3,961,895		
Net interest income		$ 69,500			$ 67,660	
Net interest margin (2)			3.70%			3.68%

(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	
	June 30, 2023	December 31, 2022
Assets		
Cash and due from banks	$ 64,497	$ 61,613
Interest-bearing deposits in banks	231,084	173,270
Securities available for sale	628,093	701,711
Loans held for sale	22,158	30,403
Loans held for investment	2,979,063	2,748,081
Less: Allowance for credit losses	(43,137)	(39,288)
Net loans held for investment	2,935,926	2,708,793
Premises and equipment, net	56,416	56,337
Goodwill	19,315	19,508
Intangible assets	2,834	4,349
Mortgage servicing assets	26,658	27,474
Other assets	163,148	160,605
Total assets	$ 4,150,129	$ 3,944,063
Liabilities and Stockholders' Equity		
Noninterest-bearing deposits	$ 1,100,767	$ 1,150,488
Interest-bearing deposits	2,473,755	2,255,942
Total deposits	3,574,522	3,406,430
Subordinated debt	76,054	75,961
Junior subordinated deferrable interest debentures	46,393	46,393
Other liabilities	61,131	58,265
Total liabilities	3,758,100	3,587,049
Stockholders' Equity		
Common stock	16,952	17,027
Additional paid-in capital	111,133	112,834
Retained earnings	325,772	292,261
Accumulated other comprehensive income (loss)	(61,828)	(65,108)
Total stockholders' equity	392,029	357,014
Total liabilities and stockholders' equity	$ 4,150,129	$ 3,944,063

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

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Interest income:				
Loans, including fees	$ 42,864	$ 35,419	$ 82,461	$ 64,797
Other	7,957	5,333	15,808	9,035
Total interest income	50,821	40,752	98,269	73,832
Interest expense:				
Deposits	14,433	2,317	25,803	4,207
Subordinated debt	1,013	1,013	2,025	2,025
Junior subordinated deferrable interest debentures	789	317	1,540	548
Other	5	-	5	-
Total interest expense	16,240	3,647	29,373	6,780
Net interest income	34,581	37,105	68,896	67,052
Provision for credit losses	3,700	-	4,710	(2,085)
Net interest income after provision for credit losses	30,881	37,105	64,186	69,137
Noninterest income:				
Service charges on deposits	1,745	1,612	3,446	3,385
Income from insurance activities	37	1,577	1,448	3,147
Mortgage banking activities	5,258	8,669	7,544	22,306
Bank card services and interchange fees	4,043	3,478	6,999	6,700
Gain on sale of subsidiary	33,488	—	33,488	—
Other	2,541	3,499	4,878	6,994
Total noninterest income	47,112	18,835	57,803	42,532
Noninterest expense:				
Salaries and employee benefits	23,437	21,990	42,691	44,693
Net occupancy expense	4,303	4,033	8,135	7,770
Professional services	1,716	2,647	3,364	5,272
Marketing and development	784	758	1,720	1,478
Other	10,259	6,628	16,950	14,767
Total noninterest expense	40,499	36,056	72,860	73,980
Income before income taxes	37,494	19,884	49,129	37,689
Income tax expense	7,811	4,001	10,202	7,528
Net income	$ 29,683	$ 15,883	$ 38,927	$ 30,161

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

	As of	
	June 30, 2023	**December 31, 2022**
Loans:		
Commercial Real Estate	$ 1,006,909	$ 919,358
Commercial - Specialized	355,252	327,513
Commercial - General	551,096	484,783
Consumer:		
1-4 Family Residential	522,472	460,124
Auto Loans	318,126	321,476
Other Consumer	79,795	81,308
Construction	145,413	153,519
Total loans held for investment	$ 2,979,063	$ 2,748,081

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

	As of	
	June 30, 2023	**December 31, 2022**
Deposits:		
Noninterest-bearing deposits	$ 1,100,767	$ 1,150,488
NOW & other transaction accounts	400,779	350,910
MMDA & other savings	1,751,029	1,618,833
Time deposits	321,947	286,199
Total deposits	$ 3,574,522	$ 3,406,430

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

	For the quarter ended				
	June 30, 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
Pre-tax, pre-provision income					
Net income	$ 29,683	$ 9,244	$ 12,621	$ 15,458	$ 15,883
Income tax expense	7,811	2,391	3,421	3,962	4,001
Provision for credit losses	3,700	1,010	248	-782	—
Pre-tax, pre-provision income	$ 41,194	$ 12,645	$ 16,290	$ 18,638	$ 19,884
Efficiency Ratio					
Noninterest expense	$ 40,499	$ 32,361	$ 32,708	$ 37,401	$ 36,056
Net interest income	34,581	34,315	36,322	35,102	37,105
Tax equivalent yield adjustment	303	302	299	301	303
Noninterest income	47,112	10,691	12,676	20,937	18,835
Total income	81,996	45,308	49,297	56,340	56,243
Efficiency ratio	49.39%	71.42%	66.35%	66.38%	64.11%
Noninterest expense	$ 40,499	$ 32,361	$ 32,708	$ 37,401	$ 36,056
Less: Windmark transaction and related expenses	(4,532)	—	—	—	—
Less: net loss on sale of securities	(3,409)	—	—	—	—
Adjusted noninterest expense	32,558	32,361	32,708	37,401	36,056
Total income	81,996	45,308	49,297	56,340	56,243
Less: gain on sale of Windmark	(33,488)	—	—	—	—
Adjusted total income	48,508	45,308	49,297	56,340	56,243
Adjusted efficiency ratio	67.12%	71.42%	66.35%	66.38%	64.11%

	As of				
	June 30, 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
Tangible common equity					
Total common stockholders' equity	$ 392,029	$ 367,964	$ 357,014	$ 341,799	$ 364,222
Less: goodwill and other intangibles	(22,149)	(23,496)	(23,857)	(24,228)	(24,620)
Tangible common equity	$ 369,880	$ 344,468	$ 333,157	$ 317,571	$ 339,602
Tangible assets					
Total assets	$ 4,150,129	$ 4,058,049	$ 3,944,063	$ 3,992,690	$ 3,974,724
Less: goodwill and other intangibles	(22,149)	(23,496)	(23,857)	(24,228)	(24,620)
Tangible assets	$ 4,127,980	$ 4,034,553	$ 3,920,206	$ 3,968,462	$ 3,950,104
Shares outstanding	16,952,072	17,062,572	17,027,197	17,064,640	17,417,094
Total stockholders' equity to total assets	9.45%	9.07%	9.05%	8.56%	9.16%
Tangible common equity to tangible assets	8.96%	8.54%	8.50%	8.00%	8.60%
Book value per share	$ 23.13	$ 21.57	$ 20.97	$ 20.03	$ 20.91
Tangible book value per share	$ 21.82	$ 20.19	$ 19.57	$ 18.61	$ 19.50

Exhibit 99.2

South Plains Financial

South Plains Financial, Inc.

Second Quarter 2023 Earnings Presentation

July 25, 2023

Safe Harbor Statement and Other Disclosures

South Plains Financial, Inc.

FORWARD-LOOKING STATEMENTS

This presentation contains, and future oral and written statements of South Plains Financial, Inc. ("South Plains" or the "Company" or "SPFI") 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, general economic conditions, potential recession in the United States and our market areas, the impacts related to or resulting from recent bank failures and any continuation of the recent uncertainty in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response thereto, increased competition for deposits and related changes in deposit customer behavior, changes in market interest rates, the persistence of the current inflationary environment in the United States and our market areas, the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System, the effects of declines in housing prices in the Unites States and our market areas, increases in unemployment rates in the United States and our market areas, declines in commercial real estate prices, uncertainty regarding United States fiscal debt and budget matters, severe weather, natural disasters, acts of war or terrorism or other external events, 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. 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. 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 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." 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.

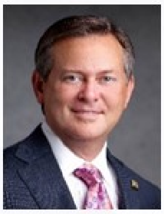
NON-GAAP FINANCIAL MEASURES

Management believes that certain non-GAAP performance measures used in this presentation provide meaningful information about underlying trends in its business and operations 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. 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

South Plains Financial, Inc.

Second Quarter 2023 Highlights

South Plains Financial, Inc.

Deposit Growth *1.9%*	Organic Loan Growth *6.8%*	Net Income *$29.7 M*	Net Interest Margin [1] *("NIM") 3.65%*
Uninsured / Uncollaterized Deposits 16%	Loans Held for Investment *("HFI") $2.98 B*	*EPS - Diluted $1.71*	Average Yield on Loans *5.94%*

- **Diluted earnings per share** for the second quarter **was $1.71,** compared to $0.53 for the first quarter of 2023
- **Excluding one-time gains and charges related to the sale of Windmark Insurance Agency, Inc.** ("Windmark") and the **repositioning of the securities portfolio**, second quarter **diluted earnings per share was $0.55**
- **Loans grew $190.4 million, or 6.8%,** during the second quarter as compared to the first quarter of 2023
- **Deposits grew $66.5 million, or 1.9%,** during the second quarter as compared to the first quarter of 2023
- **Net Interest Margin held steady from March 2023** levels at 3.65% as higher loan yields offset the rise in deposit costs
- Completed **the sale of Windmark for $35.5 million** on April 1, 2023
- Offset a portion of the Windmark gain through the **strategic sale of $56 million of our investment securities resulting in a realized loss of $3.4 million**. Reinvested those proceeds in higher yielding loans which will be **accretive in subsequent quarters**
- Recorded a **$3.7 million provision for credit losses** in the second quarter due to strong organic loan growth and $1.3 million in specific reserves for a previously-classified credit relationship totaling $13.3 million that was placed on nonaccrual in May 2023
- **Classified loans declined $3.5 million** during the second quarter to $67.4 million from $70.9 million at March 31, 2023

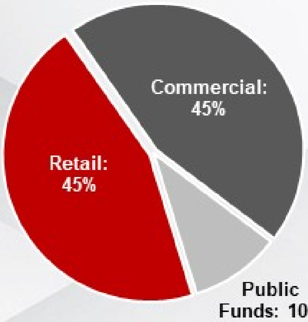
Source: Company documents

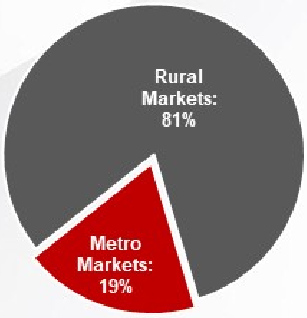
(1) Net interest margin is calculated on a tax-equivalent basis

Granular Deposit Base & Ample Liquidity

South Plains Financial, Inc.

Total Deposit Base Breakdown

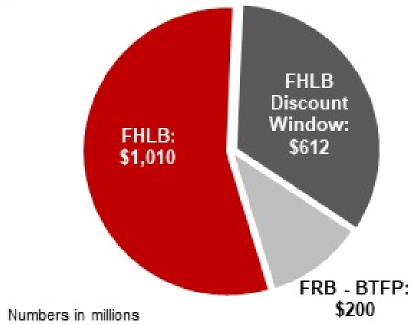




- ✓ Average deposit account size is approximately $36 thousand
- ✓ City Bank's percentage of **estimated uninsured or uncollateralized deposits is 16% of total deposits**
  - Total of $577 million
  - Includes $98 million of parent company deposits
  - Excludes collateralized public fund deposits

Total Borrowing Capacity

$1.82 Billion



- ✓ SPFI had $1.82 billion of **available** borrowing capacity, as follows:
  - $1.01 billion with FHLB of Dallas
  - $612 million through the Federal Reserve's Discount Window
  - $200 million via the Federal Reserve's Bank Term Funding Program (1)
  - No borrowings utilized during 2Q'23

Source: Company documents
(1) No securities are currently pledged to this program; amount represents securities available to be pledged
Data as of June 30, 2023

Loan Portfolio

South Plains Financial, Inc.

Total Loans HFI

$ in Millions

2Q'23 Highlights

- ✓ Loans HFI increased $190.4 million from 1Q'23, primarily due to organic net loan growth
  - Organic net loan growth was primarily driven by increases in commercial real estate, residential mortgage and energy loans
- ✓ Loans HFI increased $398.2 million from 2Q'22
- ✓ 2Q'23 yield on loans of 5.94%, an increase of 16 bps compared to 1Q'23

Source: Company documents

Attractive Markets Poised for Organic Growth

South Plains Financial, Inc.

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

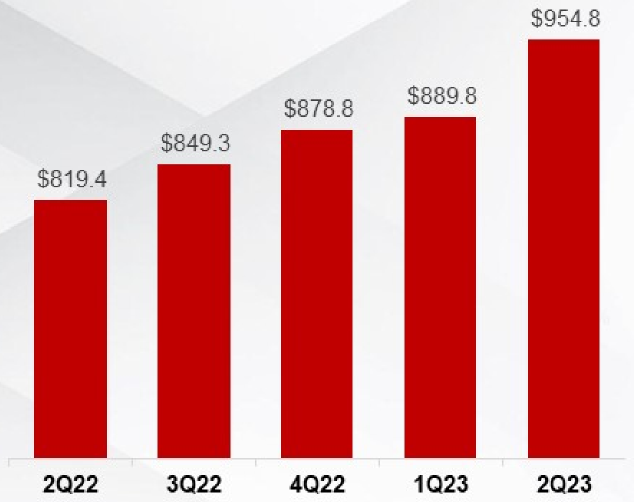
- ✓ Population in excess of 320,000 with major industries in agribusiness, education, and trade among others
- ✓ Home of Texas Tech University – enrollment of 40,000 students
- ✓ Focus on community bank approach and expanding local relationships

Metropolitan Loan Growth

South Plains Financial, Inc.

Total Metropolitan Loans

$ in Millions



2Q'23 Highlights

- ✓ Loans HFI in our Dallas, Houston and El Paso metro markets increased 7.3% in 2Q'23 as compared to 1Q'23
- ✓ Major metropolitan market loan portfolio represents 32% of Bank's total loans at June 30, 2023

Source: Company documents

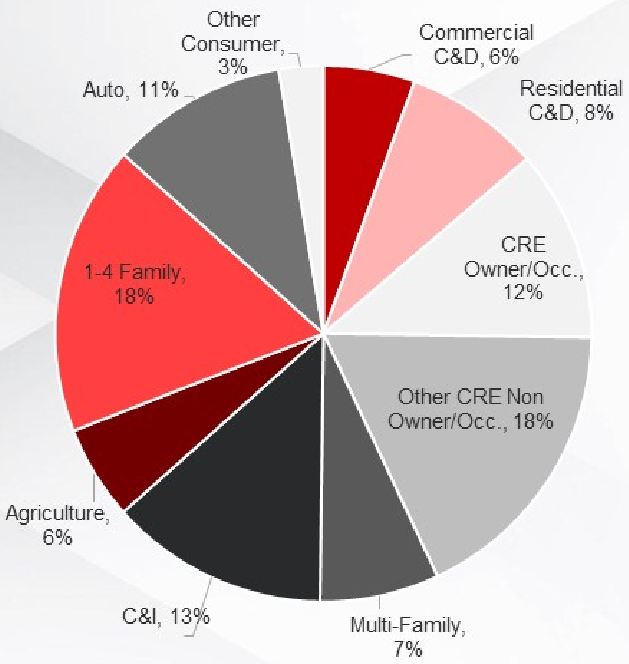
Source: Company documents

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

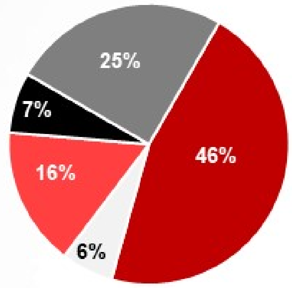
Loan HFI Portfolio

South Plains Financial, Inc.

Loan Mix



Fixed vs. Variable Rate at 6/30/23



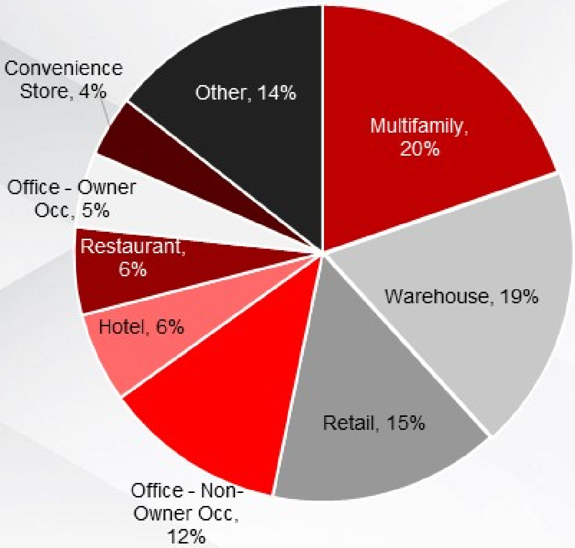
Loan Portfolio (*$ in millions*)		6/30/23
Commercial C&D	$	164.3
Residential C&D		244.0
CRE Owner/Occ.		343.3
Other CRE Non Owner/Occ.		529.8
Multi-Family		214.3
C&I		393.6
Agriculture		169.4
1-4 Family		522.5
Auto		318.1
Other Consumer		79.8
Total	**$**	**2,979.10**

Source: Company documents

CRE Portfolio

South Plains Financial, Inc.

CRE Sector Breakdown



Office Highlights

- ✓ 6.1% of total loans HFI
- ✓ 29% is owner-occupied
- ✓ Average loan size is $864 thousand
- ✓ Medical offices comprise 11% of office loans

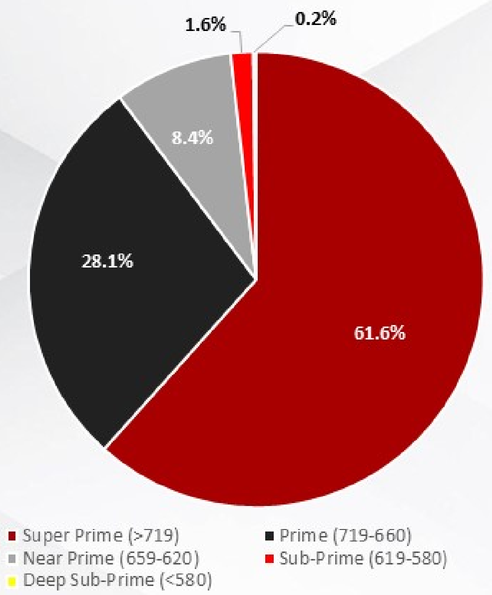
CRE Portfolio (*$ in millions*)	6/30/2023
Property Type	**Total**
Multifamily	$214.3
Warehouse	201.4
Retail	163.3
Office – Non-Owner Occ	129.2
Hotel	63.8
Restaurant	62.0
Office – Owner Occ	53.0
Convenience Store	43.2
Other	157.2
Total	**$1,087.4**

Source: Company documents

Indirect Auto Overview

South Plains Financial, Inc.

Indirect Auto Credit Breakdown



Indirect Auto Highlights

- ✓ Indirect auto loans totaled $297.9 million
- ✓ Disciplined underwriting approach, management anticipates a modest reduction of the portfolio over time while improving yields
- ✓ Strong credit quality in sector positioned for resiliency across economic cycles:
  - Super Prime Credit (>719): $183.7 million
  - Prime Credit (719-660): $83.8 million
  - Near Prime Credit (659-620): $25.1 million
  - Sub-Prime Credit (619-580): $4.8 million
  - Deep Sub-Prime Credit (<580): $0.6 million
- ✓ Loans past due 30+ days: 35 bps

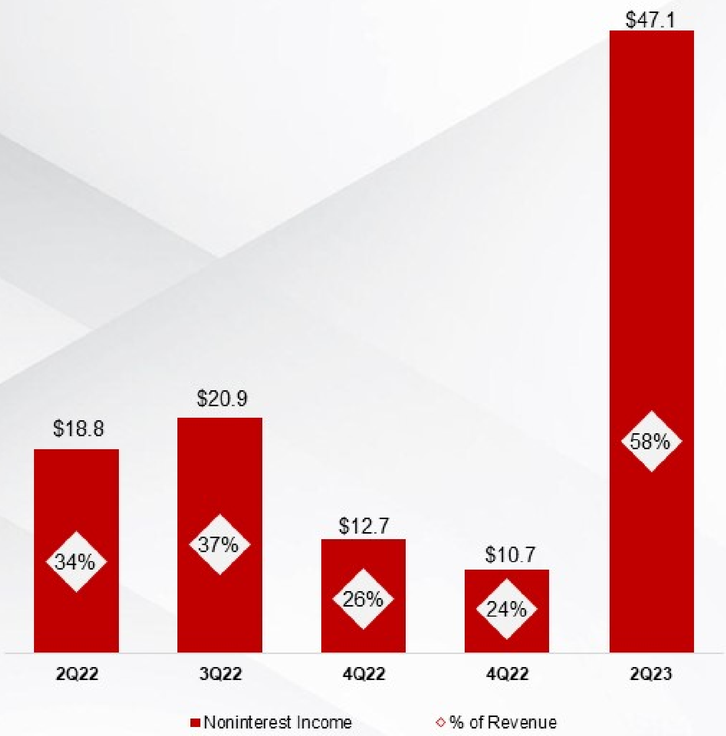
Source: Company documents
Data as of June 30, 2023

Noninterest Income Overview

South Plains Financial, Inc.

Noninterest Income

$ in Millions



2Q'23 Highlights

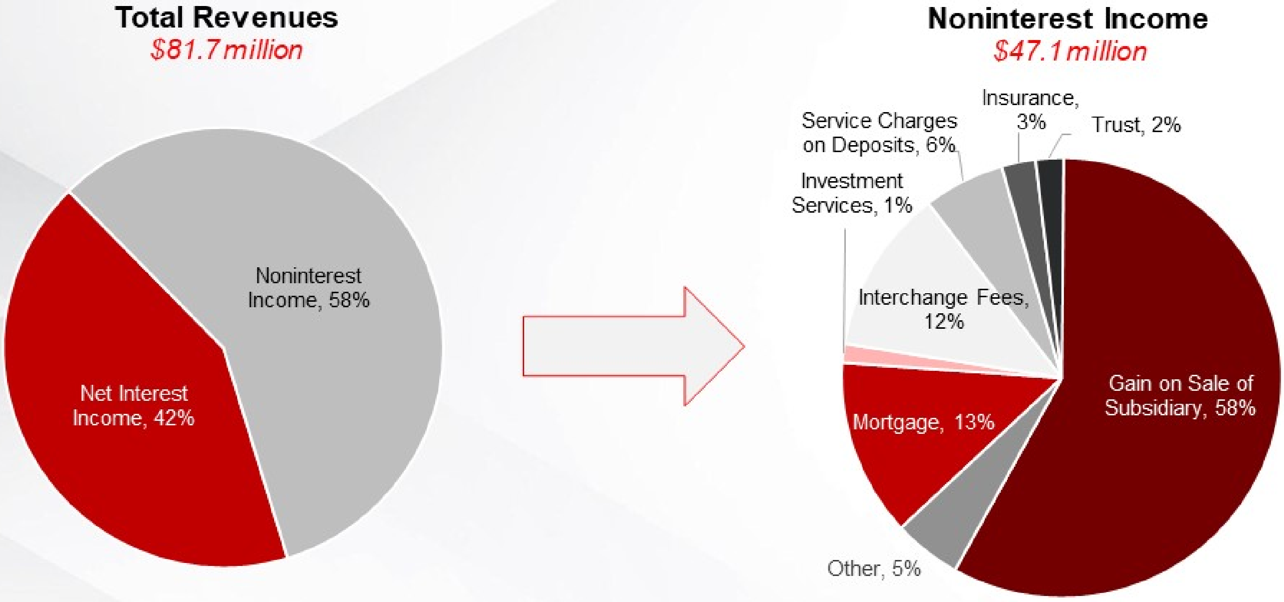
- ✓ Noninterest income of $47.1 million, compared to $10.7 million in 1Q'23, primarily due to:
  - The $33.5 million gain on sale of Windmark on April 1, 2023
  - An increase of $3.0 million in mortgage banking activities revenue
  - Partially offset by a reduction of $1.4 million in income from insurance activities due to the sale of Windmark

Source: Company documents

Diversified Revenue Stream

South Plains Financial, Inc.

Six Months Ended June 30, 2023



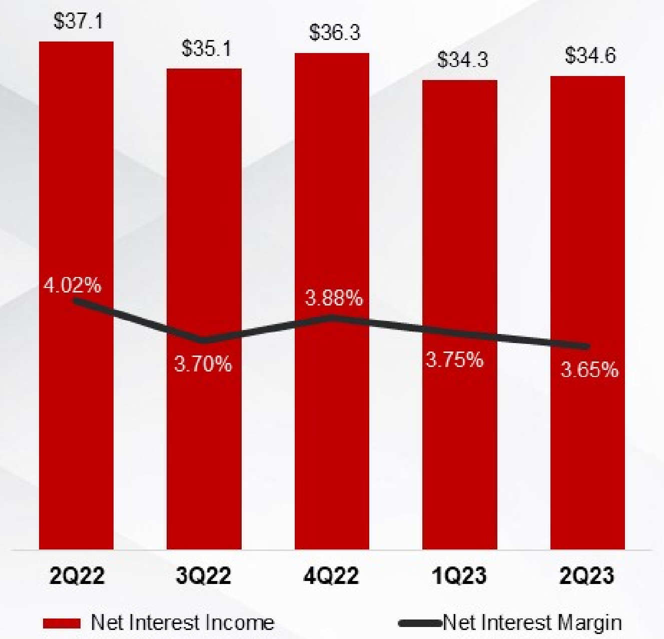
Source: Company documents

Net Interest Income and Margin

South Plains Financial, Inc.

Net Interest Income & Margin

$ in Millions



2Q'23 Highlights

- ✓ Net interest income ("NII") of $34.6 million, compared to $34.3 million in 1Q'23
- ✓ 2Q'23 NIM of 3.65%, a decrease of 10 bps compared to 1Q'23, though stable from March '23
- ✓ Interest income increased $3.4 million 2Q'23 from 1Q'23, primarily due to an increase of $3.3 million in loan interest income, largely offset by an increase of $3.1 million in interest expense
- ✓ The average yield on loans was 5.94% for 2Q'23, compared to 5.78% for 1Q'23

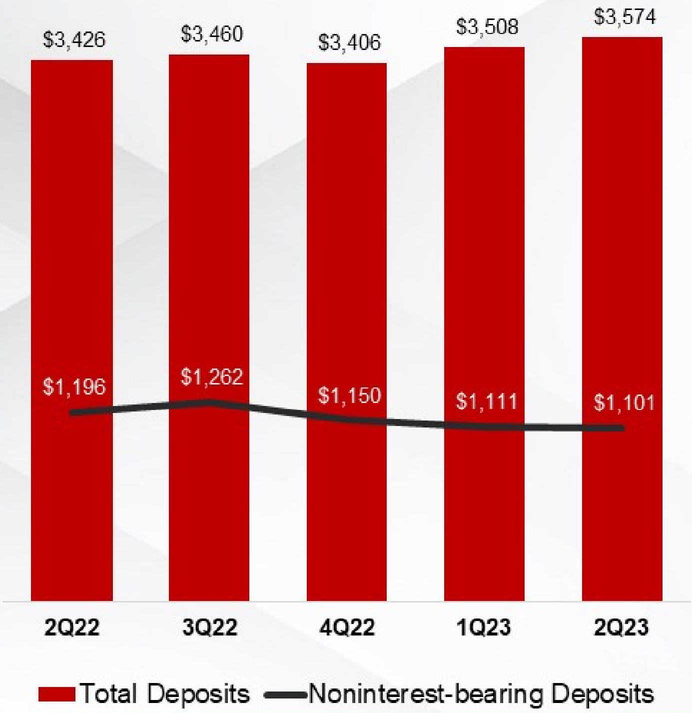
Source: Company documents

Deposit Portfolio

South Plains Financial, Inc.

Total Deposits

$ in Millions



2Q'23 Highlights

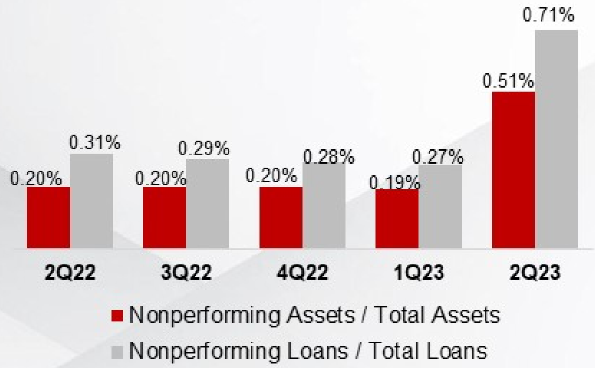
- ✓ Total deposits of $3.57 billion at 2Q'23, an increase of $66.5 million from 1Q'23
  - Growth in deposits was driven by an $81 million increase in brokered deposits
  - Partially offset by a $67 million decline in public funds
- ✓ Cost of interest-bearing deposits increased to 2.45% in 2Q'23 from 2.03% in 1Q'23
  - Average cost of deposits was 169 bps as compared to 136 bps in 1Q'23
- ✓ Noninterest-bearing deposits to total deposits was 30.8% in 2Q'23, compared to 31.7% in 1Q'23

Source: Company documents

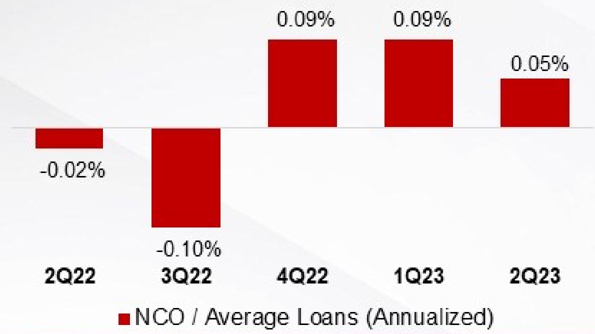
Credit Quality

South Plains Financial, Inc.

Credit Quality Ratios



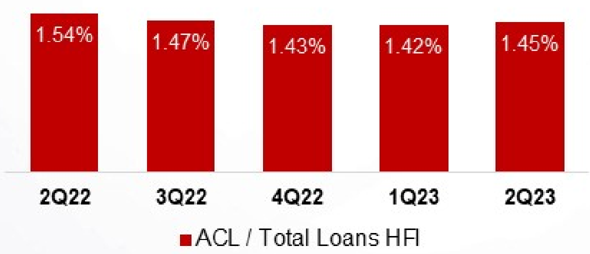
Net Charge-Offs to Average Loans



2Q'23 Highlights

- ✓ The Company recorded a provision for credit losses of $3.7 million in 2Q'23, compared to $1 million in 1Q'23
  - The provision was for loan growth and $1.3 million for specific reserves on one previously classified credit relationship that was placed on nonaccrual status in 2Q'23
- ✓ Ratio of Allowance for Credit Losses ("ACL") to loans HFI was 1.45% at 6/30/2023

ACL to Total Loans HFI



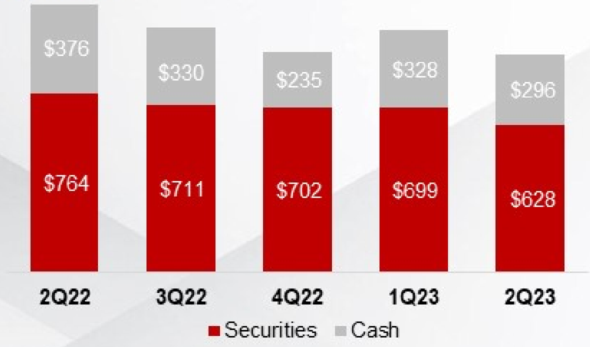
Source: Company documents

Investment Securities

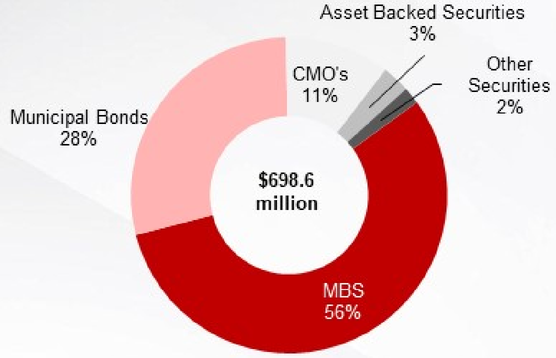
South Plains Financial, Inc.

Securities & Cash

$ in Millions



2Q'23 Securities Composition



2Q'23 Highlights

- ✓ Investment securities totaled $628 million at June 30, 2023, a decrease of $70.5 million from March 31, 2023
    - The decrease was largely the result of a strategic sale of $56 million of investment securities during the period
- ✓ All municipal bonds are in Texas
- ✓ All MBS, CMO, and Asset Backed securities are U.S. Government or GSE
- ✓ Duration of the securities portfolio was 6.92 years at quarter end

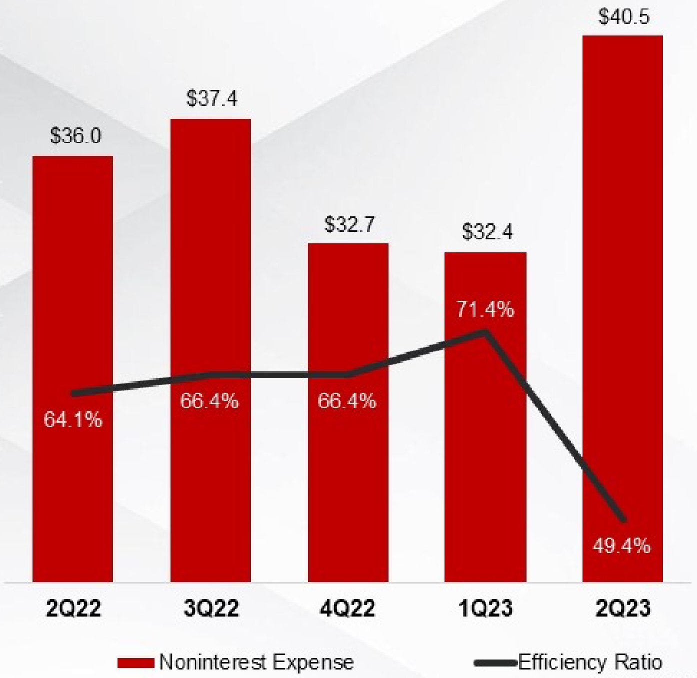
Source: Company documents

Noninterest Expense and Efficiency

South Plains Financial, Inc.

Noninterest Expense

$ in Millions



2Q'23 Highlights

- ✓ Noninterest expense for 2Q'23 increased $8.1 million from 1Q'23 primarily due to:
  - $4.5 million in transaction expenses and related incentive-based compensation from the Windmark sale
  - Realized a loss of $3.4 million on the strategic sale of investment securities
- ✓ Adjusted efficiency ratio was 67.1%
- ✓ Will continue to manage expenses to drive profitability

Source: Company documents

Note: Adjusted efficiency ratio is a non-GAAP measure. See appendix for the reconciliation of non-GAAP measures to GAAP

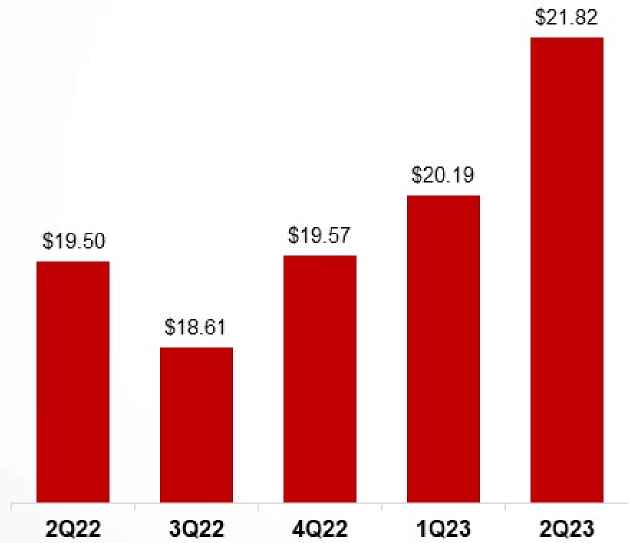
Balance Sheet Growth and Development

South Plains Financial, Inc.

Balance Sheet Highlights

$ in Millions

Tangible Book Value Per Share

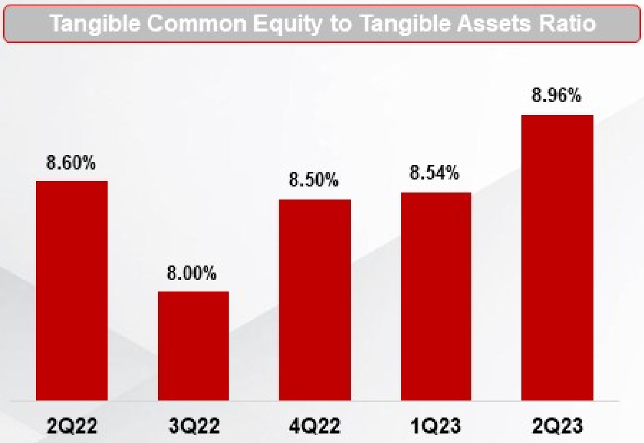


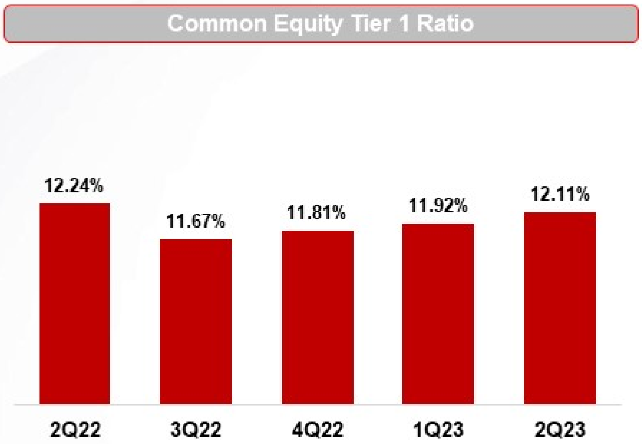
Note: Tangible book value per share is a non-GAAP measure. See appendix for the reconciliation of non-GAAP measures to GAAP

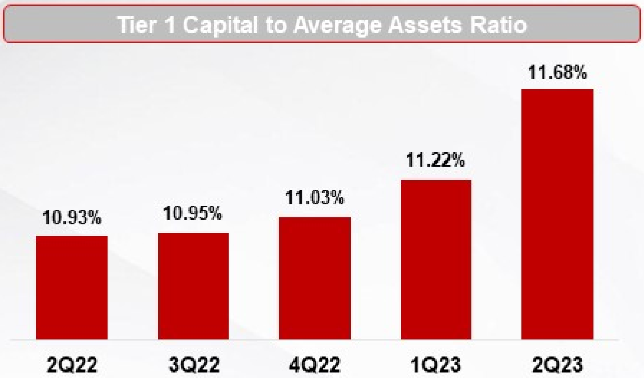
Source: Company documents

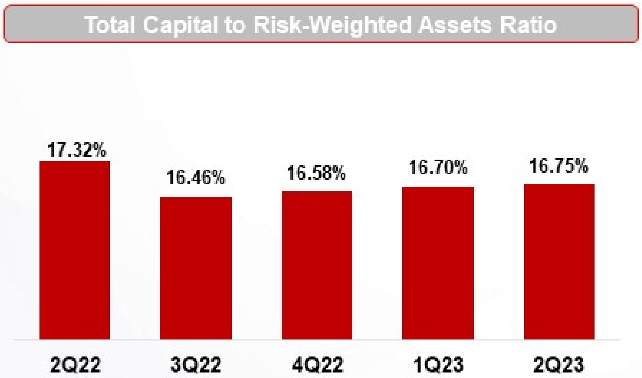
Strong Capital Base

South Plains Financial, Inc.









Source: Company documents

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

SPFI's Core Purpose and Values Align: Centered on Relationship-Based Business

South Plains Financial, Inc.

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.***

South Plains Financial, Inc.

Appendix

Non-GAAP Financial Measures

South Plains Financial, Inc.

	For the quarter ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Pre-tax, pre-provision income					
Net income	$ 9,244	$ 12,621	$ 15,458	$ 15,883	$ 14,278
Income tax expense	2,391	3,421	3,962	4,001	3,527
Provision for credit losses	1,010	248	(782)	-	(2,085)
Pre-tax, pre-provision income	$ 12,645	$ 16,290	$ 18,638	$ 19,884	$ 15,720

	As of				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Tangible common equity					
Total common stockholders' equity	$ 367,964	$ 357,014	$ 341,799	$ 364,222	$ 387,068
Less: goodwill and other intangibles	(23,496)	(23,857)	(24,228)	(24,620)	(25,011)
Tangible common equity	$ 344,468	$ 333,157	$ 317,571	$ 339,602	$ 362,057
Tangible assets					
Total assets	$ 4,058,049	$ 3,944,063	$ 3,992,690	$ 3,974,724	$ 3,999,744
Less: goodwill and other intangibles	(23,496)	(23,857)	(24,228)	(24,620)	(25,011)
Tangible assets	$ 4,034,553	$ 3,920,206	$ 3,968,462	$ 3,950,104	$ 3,974,733
Shares outstanding	17,062,572	17,027,197	17,064,640	17,417,094	17,673,407
Total stockholders' equity to total assets	9.07%	9.05%	8.56%	9.16%	9.68%
Tangible common equity to tangible assets	8.54%	8.50%	8.00%	8.60%	9.11%
Book value per share	$ 21.57	$ 20.97	$ 20.03	$ 20.91	$ 21.90
Tangible book value per share	$ 20.19	$ 19.57	$ 18.61	$ 19.50	$ 20.49

Source: Company documents
$ in thousands

Non-GAAP Financial Measures

South Plains Financial, Inc.

		As of and for the quarter ended June 30, 2023
Efficiency Ratio		
Noninterest expense	$	40,499
Net interest income	$	34,581
Tax equivalent yield adjustment		303
Noninterest income		47,112
Total income	$	81,996
Efficiency ratio		49.39%
Noninterest expense	$	40,499
Less: Windmark transaction related expenses		(4,532)
Less: net loss on sale of securities		(3,409)
Adjusted noninterest expense		32,558
Total income	$	81,996
Less: gain on sale of Windmark		(33,488)
Adjusted total income	$	48,508
Adjusted efficiency ratio		67.12%

Source: Company documents
$ in thousands