

Community Impact Report

2023 ESG Highlights



South Plains Financial, Inc.

OUR COMMITMENT

South Plains Financial, Inc. 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. It 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.

2023 HIGHLIGHTS

4,979 Hours

Our employees volunteered at 119 organizations across our communities.

\$77,600

Contributions by our employees to United Way charities.

189

Nonprofit agencies that participated in our 2023 Community Rewards program.

\$38M

In small farm lending in 2023.

\$177M

In small business lending originated in 2023.

\$76M

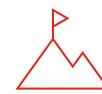
In community development loans originated in 2023.

PURPOSE, MISSION, AND VISION



Purpose

To use the power of relationships to help people succeed and live better.



Mission

We will build lasting relationships by delivering financial solutions with unrivaled customer service...one customer at a time.



Vision

Our greatest achievement is when we help our stakeholders succeed - resulting in growth, profitability, and longevity for all.

DEAR STAKEHOLDERS,

I'm pleased to share our Community Impact Report for 2023 with you. Each year, we continue to enhance and broaden our Environmental, Social, and Governance (ESG) plans to positively impact our company, the environment, and our communities.



Curtis Griffith Chairman and Chief Executive Officer

Through our ESG initiatives, we are underscoring our commitment to using the power of relationships to help people succeed and live better in all the communities we serve.

We are exceptionally proud of the giving culture that has been integral to our company's 82-year history. This distinctive philosophy not only differentiates us from our competitors but also fosters the development of more meaningful relationships with our customers, enabling us to impact the causes that matter to them positively. This is highlighted by our continuous commitment to community giving, which saw our employees volunteer almost 5,000 hours to 119 different organizations. In addition, our cumulative giving through our Community Rewards program over the last 16 years tops \$1.1 million, and our United Way

contributions since 2017 total over \$805,000, proving that not only are our employees donating their time, but also investing in the local community.

One of the biggest challenges facing younger Americans is an increasingly complicated financial landscape. That's why we partnered with EverFi, an industry-leading financial education company offering high school students an interactive money management curriculum. In addition to this initiative, during the past four years we have provided financial education to young adults aging out of the foster care system in the Lubbock area. These types of initiatives are having positive, lasting impacts across Texas and beyond.

Our commitment to finding solutions for a better environment includes investing in technological

solutions such as online account and loan opening, e-statements, and other paperless transactions. Not only is this something younger generations are looking for, but it also significantly reduces the need for paper, one of our most significant environmental impacts.

Finally, our Board and management teams are committed to a diverse and inclusive organization that supports our employees and the diverse communities we serve. We are also continually strengthening our risk management procedures to effectively mitigate operational risk across all our business lines.

Our focus on building a financial institution that is the hometown bank in every community we serve is enhanced by our ESG efforts. We are committed to investing in our colleagues and communities. Our

everyday interactions prove to our customers that we are here to help them succeed and live better. This drives our efforts as we continue to build a strong, diverse, and sustainable future for all our stakeholders.

Yours sincerely,

Curtis C. Griffith
Chairman and Chief Executive Officer
South Plains Financial, Inc.

Social

OUR PEOPLE

Our people continue to be our greatest asset in an environment characterized by a great work culture. Supportive colleagues, open communication, and a shared commitment to excellence create an environment where individuals flourish, all while continuing to invest in the communities we serve. We prioritize placing women in senior roles and management positions and strive to recruit racially and ethnically diverse employees.

A unique benefit we offer includes our H.O.P.E. (Helping Our People in Emergencies) Fund, which is available to employees in need of emotional, physical, financial, or spiritual resources to support them through difficult circumstances in a confidential manner.

We also offer a wellness program that includes health screenings for full and part-time employees and paid time off for healthy lifestyle choices. Resources that include mental health courses and videos are available to all employees. For 2023, we had 367 participants who earned over 3,600 hours of paid time off for their healthy lifestyle choices.

Employee Volunteering

Each year, we give our employees the opportunity to receive up to eight hours of paid time off to volunteer at a community organization of their choosing. Community involvement is at our core, and we believe it is vitally important that the company and all our

employees give back in whatever way they can. This year saw almost 5,000 volunteer hours at 119 different organizations.

Employee Highlight



Clara Edwards Celebrates 75th Year in Banking

Clara Edwards began her career in 1948 at the First State Bank of Monahans. Since then, she has served in many capacities and is currently the smiling face that greets customers as they enter the City Bank branch.

“Banking has changed a lot in 75 years. We have new products and new technology. But what hasn’t changed is how we treat people and care for our community. That’s what makes me proud.”

—Clara Edwards

Clara is active in the Monahans community. She was instrumental in bringing softball to the young women of Monahans in 1967. Since then, she’s coached numerous teams, started the high school girls’ softball program, and coached the Special Olympics team. She also volunteers at the Senior Citizens Center and Meals on Wheels.

COMMUNITY ENGAGEMENT

We are very proud of our Community Rewards program. Each year, City Bank awards \$120,000 to qualifying organizations, with \$60,000 presented in the South Plains region and an additional \$60,000 in the Permian Basin. Residents of each region determine the 30 recipients of the Community Rewards by voting online for their favorite charities.

In 2023, more than 350,000 votes were cast for the 189 agencies that registered to participate in the month-long event. The top vote-getter in each region was awarded \$7,000 for their organization.

Since its inception in 2008, Community Rewards has awarded \$1.14 million to more than 215 charitable entities

in the South Plains and Permian Basin area. In addition, the program helps to increase the awareness and public support of these organizations and their missions.

Financial Literacy

Navigating personal finance has rarely been more challenging than it is today and we understand our role in helping future generations better comprehend this complex subject. In order to meet this increasingly challenging moment we have several financial literacy initiatives.

In 2023, we partnered with EverFi, an industry-leading financial education company. We sponsor programs for high schools in our markets in Texas and New Mexico to administer financial literacy. Our programs are interactive online courses that teach students how to make wise financial decisions that promote financial well-being over their lifetime. Through real-life scenarios, students explore complex financial concepts and gain actionable financial management strategies.

Additionally, in 2023, we began working with Watermark Community Development Corporation (CDC) in Dallas on a financial literacy initiative. Watermark CDC serves economic needs, including financial literacy in under-resourced Dallas communities. We help educate families seeking home ownership and stability. We also participate in the Banker Leadership Committee for the CDC.

Governance

RESPONSIBLE BUSINESS PRACTICES

Being a responsible business is how we have built the company you see in front of you today, and it is the way we will continue to be a great business going forward. To prove our continued commitment, we are constantly amending and improving upon a host of different company policies, such as:

POLICIES

Code of Business Conduct & Ethics (Code):

Our [Code](#) sets forth the basic standards of ethics and conduct to which all directors, officers, and employees are held.

Fraud Prevention:

Our fraud department is highly trained to help customers address suspicious behavior associated with their accounts. More information is available at our [Fraud and Security Resource Center](#).

Customer Privacy:

To protect our customers' personal information from unauthorized access and use, we use comprehensive security measures that comply with federal law and are audited regularly to ensure they conform with industry-standard best practices for information and security privacy. For more information, see our [Privacy Policy](#).

Vendor Management:

Our vendors undergo an extensive review process and must meet our rigorous security, stability, and capability requirements to initiate the business relationship.

Whistleblower Policy:

Employees can voice concerns anonymously [here](#), or through a dedicated phone number at 855-395-7482. More information is available in our [Whistleblower Policy](#).

Data and Security:

We are deeply committed to Data Security and Customer Privacy. We continue to invest in the latest secure online and mobile banking technologies and employees to deliver user-friendly and secure service possible while giving our customers peace of mind. These platforms feature strong encryption, multi-factor authentication, automatic fraud monitoring, and customized alerts.

- All employees are trained annually on information security and privacy practices designed to secure the confidentiality of customer information.
- Our Fraud and Security Resource Center webpage provides up-to-date resources to help educate our customers on topics such as safely using online and mobile banking, avoiding social engineering and fraud, and keeping their devices secured against cyber threats.

GOVERNANCE AND OVERSIGHT

Board of Directors & Leadership

The Board of Directors of South Plains Financial sets high standards for the company's employees, officers, and directors. Our Board is committed to advancing our corporate sustainability, community engagement, and ESG capabilities throughout our business.

Nominating & Corporate Governance Committee

The Nominating & Corporate Governance Committee of the Board oversees risk management, corporate governance practices, board independence and composition, and guides the company's ESG strategies.

Audit Committee

The Audit Committee reviews guidelines and policies for assessing and managing our exposure to risks not already assigned to other committees. The Audit Committee reviews management's steps for monitoring and controlling such exposures, including compliance with our [Code](#).

Compensation Committee

The Compensation Committee provides oversight in the company's overall compensation structure, policies, and programs.

Environmental

68%

Electronic delivery

Electronic Delivery: As of year-end 2023, we had over 68% of our customers receiving their statements through e-delivery and 100% of our mortgage applications are initiated online and paperless. Our newest initiative, launched in 2023, resulted in paperless account openings for over 30% of deposit accounts. We continue to identify additional opportunities for e-delivery of notices, documents, letters, and marketing materials.

62 tons

Recycled paper and technology equipment

Recycling Efforts: Our 2023 recycling efforts yielded more than 62 tons of recycled paper and technology equipment.

Energy Efficiency: To maximize energy efficiency in our buildings, we have installed LED lights and converted to electronic thermostats where possible.

Lending Considerations: Our real estate due diligence and lending practices consider compliance with environmental regulations.



CLOSING AND LOOKING TO THE FUTURE

Community banks are at the heart of thriving communities, and that motivates us to consistently strive for the highest standards of excellence. Ultimately, people are the glue that binds these communities and it is the people that matter most to us. Each year, we innovate our approaches to community services, corporate governance, and environmental stewardship because of those we serve. Our 2023 results underscore City Bank's commitment to helping people succeed and live better. We are continually challenging ourselves to identify ways to improve these business practices, resulting in growth and longevity for our company.