



**Southwest Georgia
Financial Corporation**

Sidoti Fall Conference

September 27, 2018

DeWitt Drew
President and CEO

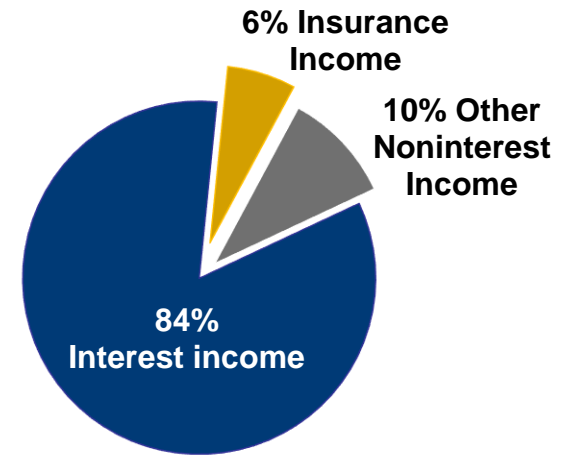
Safe Harbor Statement

This presentation contains forward-looking statements, as defined by federal securities laws, including statements about the Company's financial outlook. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. Important factors that could cause actual results to differ materially from those contemplated today include a change in the Company's capital structure, new or expanded regulatory requirements, the success of the Company's growth strategy, customer preferences, the interest rate environment and other factors described in the Company's filings with the Securities and Exchange Commission, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q under the sections entitled "Forward-Looking Statements" and "Risk Factors". The Company undertakes no obligation to update any forward-looking statements as a result of new information, future events or otherwise, except as otherwise required by law.



Southwest Georgia Financial Corporation

- ✓ Established in 1928
- ✓ Diverse revenue mix
- ✓ Lower-risk balance sheet with solid capital base
- ✓ Strong market share



Q2 2018 TTM Revenue: \$24.2 million

Recent Price	\$22.84	Dividend Yield*	2.1%
52 week range	\$19.28 – 26.04	Total Assets	\$508 million
Market Capitalization	\$58 million	Total Loans	\$346 million
Total Shares Outstanding	2.55 million	Total Deposits	\$415 million
Ownership – Insider	20%	Total Common Equity	\$42 million
Institutional	3%	Book Value	\$16.47

Market data as of September 17, 2018 [Source: S&P Capital IQ]; Financial data as of June 30, 2018; Ownership as of most recent filing

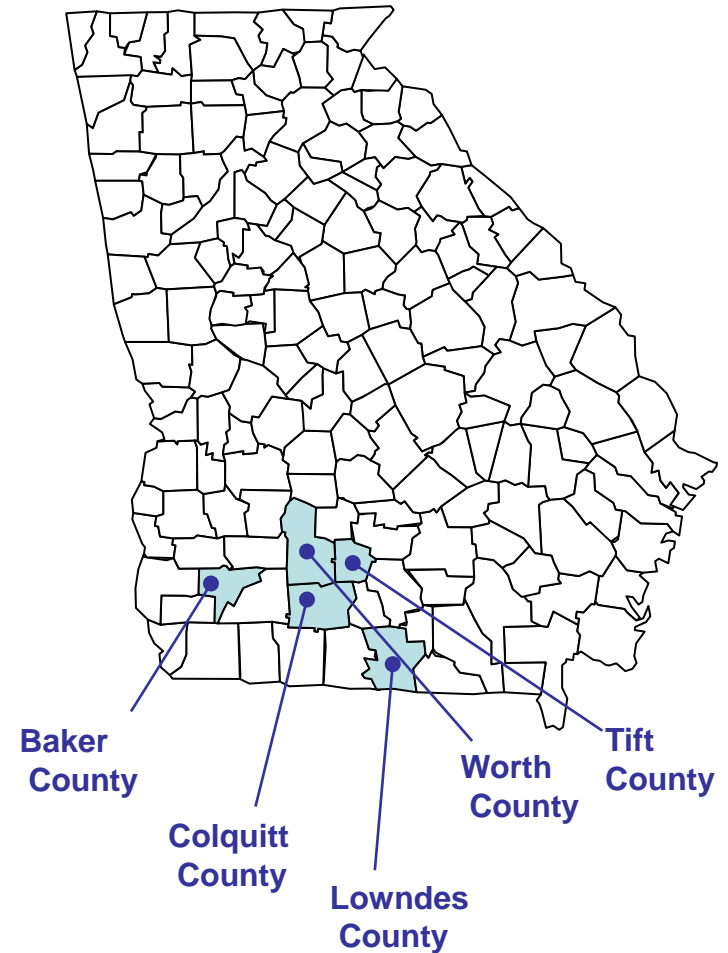
*Annualized dividend



Market Overview

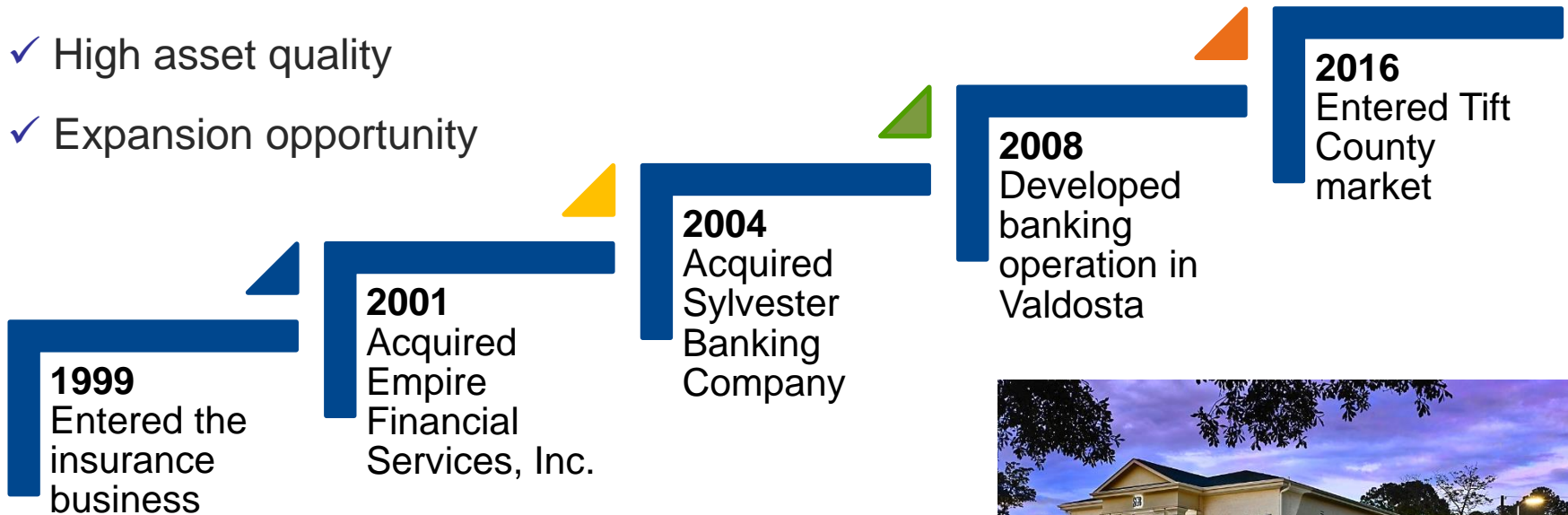
Banking assets concentrated in southwest Georgia

- Stable farm-based economy in rural areas
- Diversified economy in metro areas
- Headquarters: Moultrie (Colquitt)
- Branch offices: Colquitt, Baker, Worth, Lowndes, Tift



Market Expansion

- ✓ 1st or 2nd in market share in Colquitt, Worth and Baker counties
- ✓ 35% market share in Colquitt County
- ✓ Steady loan growth
- ✓ High asset quality
- ✓ Expansion opportunity

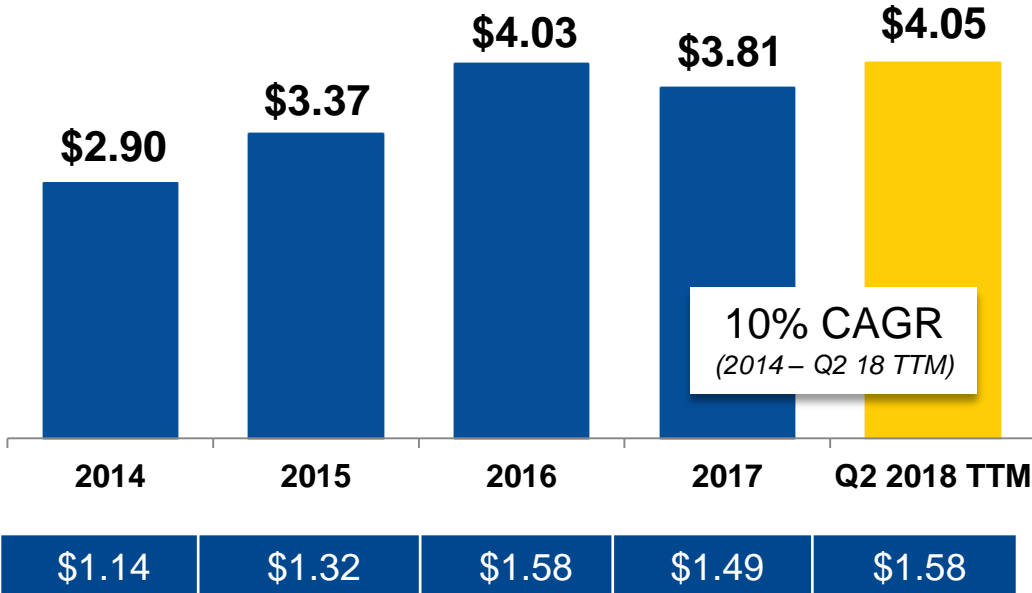


New full service branch in Tifton

Improved Earnings

(in millions, except per share data)

Net Income



Earnings per Diluted Share



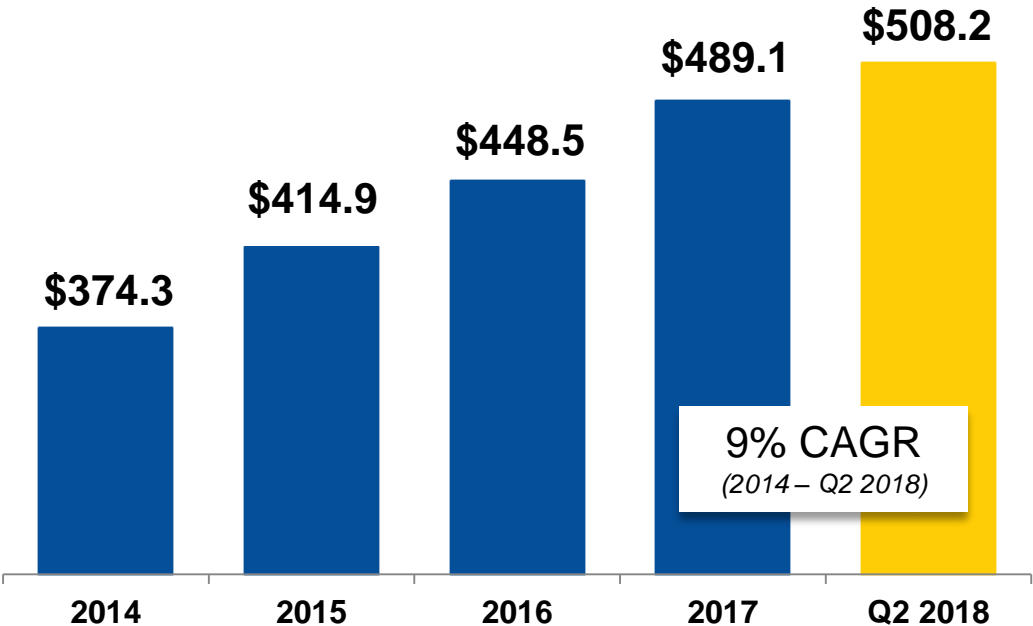
Impressive results despite \$419 thousand writedown of deferred tax asset due to recent tax reform in Q4 17

EPS impact of \$0.17 from writedown in Q4 2017



Crossed Half Billion Asset Mark

(in millions)



+ 8% YOY

Q2 2018 vs Q2 2017

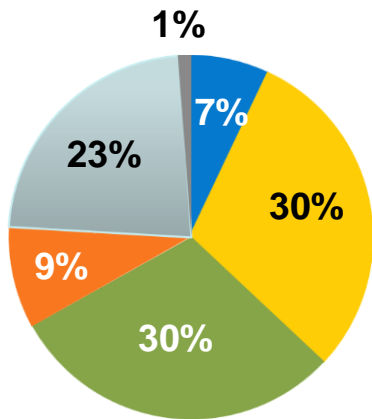
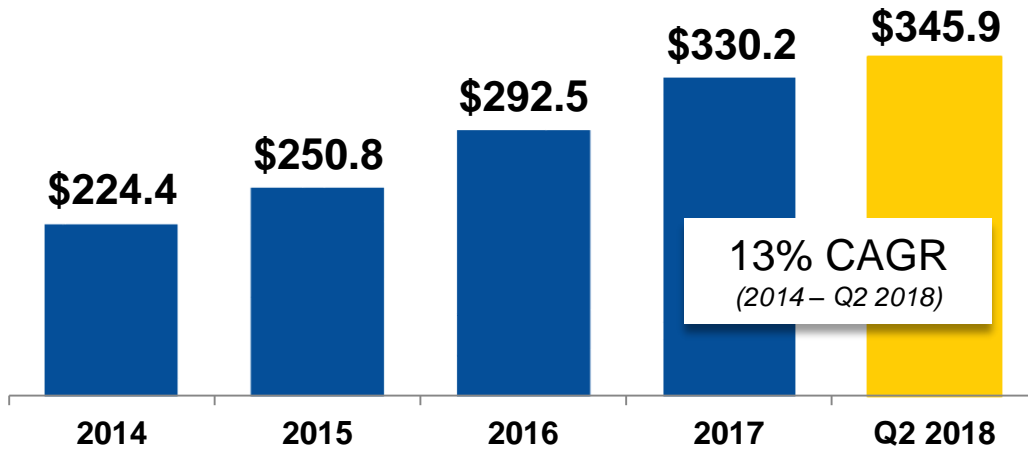
Driven by strong
loan growth

Added key
personnel to aid
expansion



Robust Loan Growth

(in millions)



Q2 2018 Loan Portfolio

- Construction loans
 - Commercial mortgage loans
 - Residential loans
 - Agricultural RE loans
 - Commercial, financial and agricultural loans
 - Consumer & other loans
- } Real estate loans

+ 7% YOY

Q2 2018 vs Q2 2017

Strong customer relationships and underwriting discipline

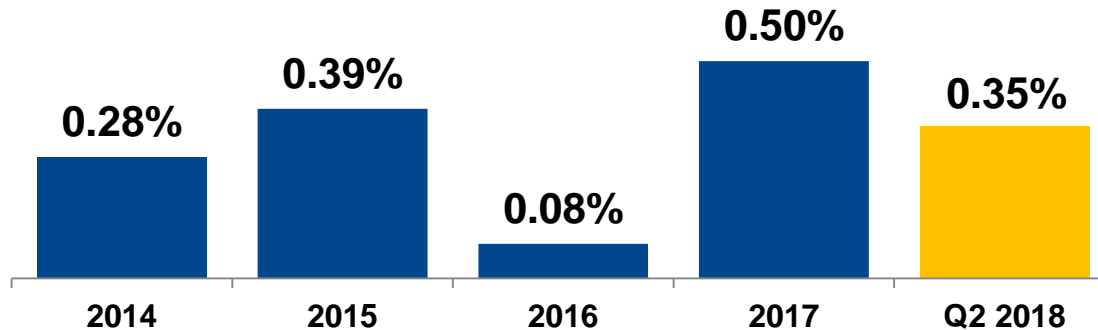
Diversified loan portfolio

LTD Ratio 83%

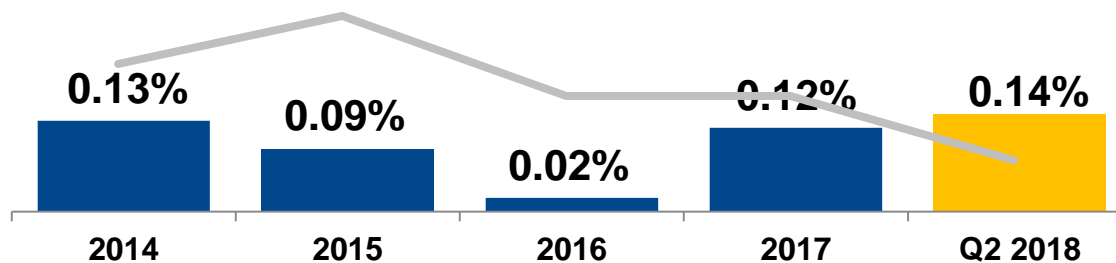


Solid Credit Fundamentals

NPAs to Total Assets



Net Charge Offs to Average Loans

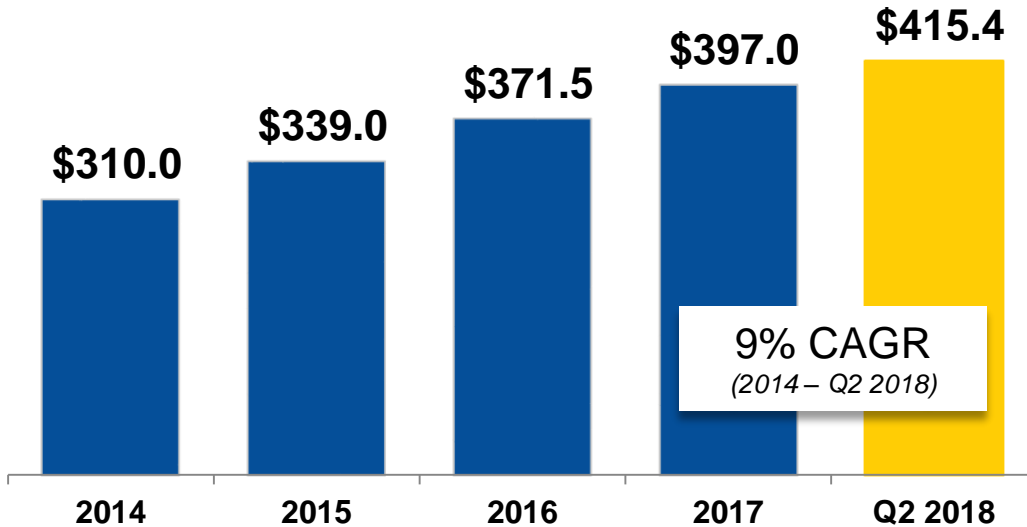


■ SGB — Peer Group <\$500M in assets



Total Deposit Growth

(in millions)



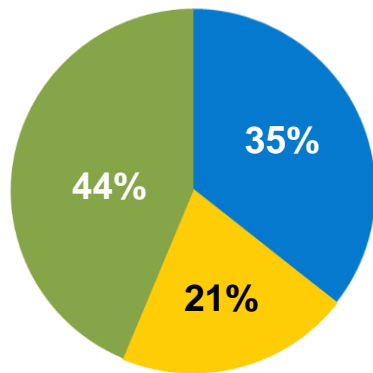
+ 6% YOY

Q2 2018 vs Q2 2017

New interest bearing
business checking
product

Strong retention tool
~\$30M in balances

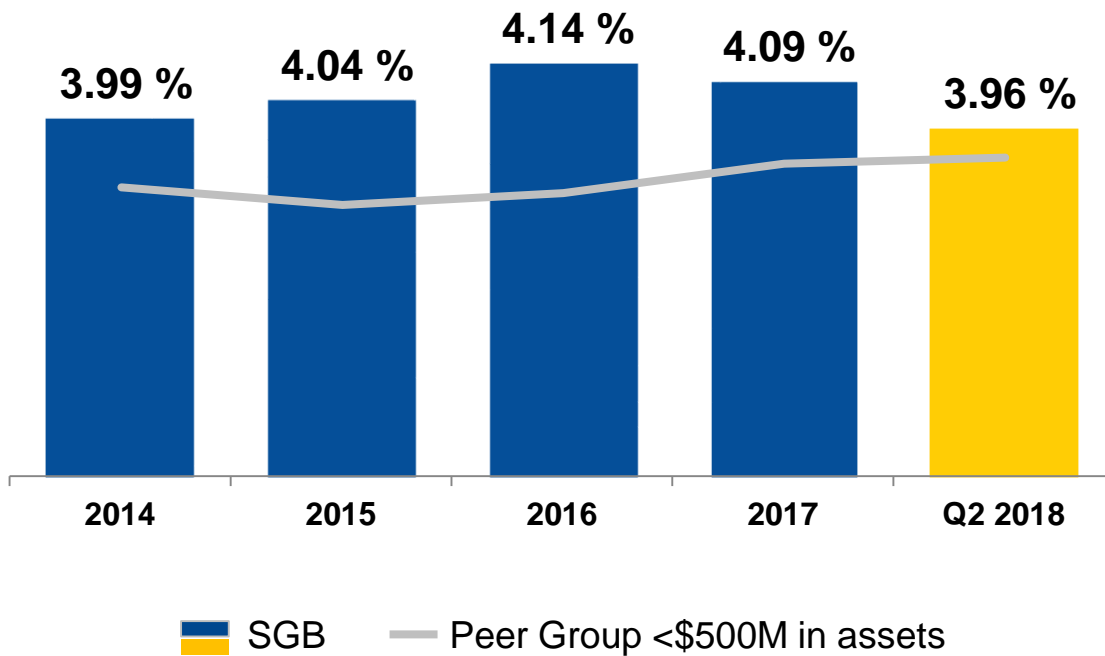
Cost of interest
bearing funds: 0.81%



Q2 2018 Deposit Composition

- Savings & Money Market
- Time Deposits
- Demand Deposits

Net Interest Margin



+14 bps over peer group

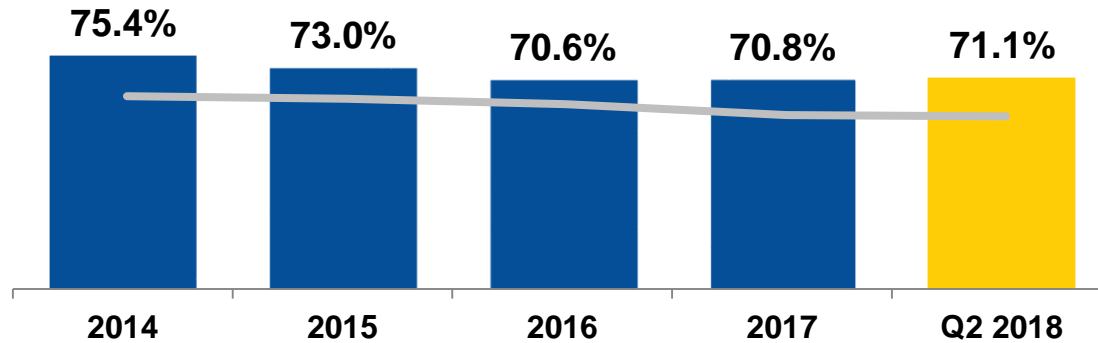
Recent decrease reflects tax equivalency adjustment to our tax free bond portfolio

Disciplined in placing floors on variable loans

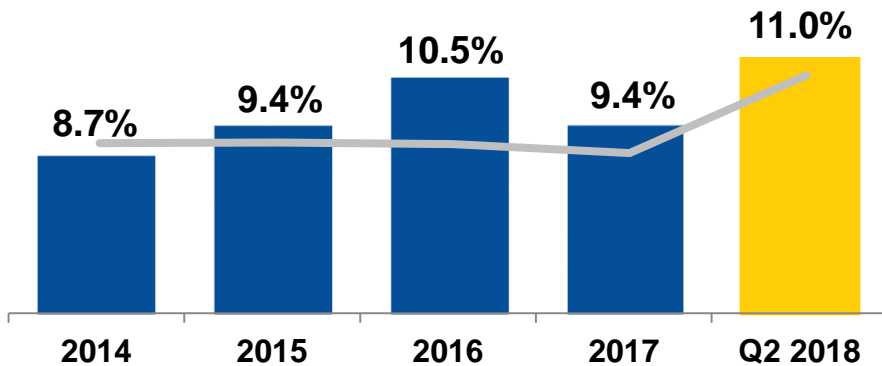


Driving Operating Efficiencies

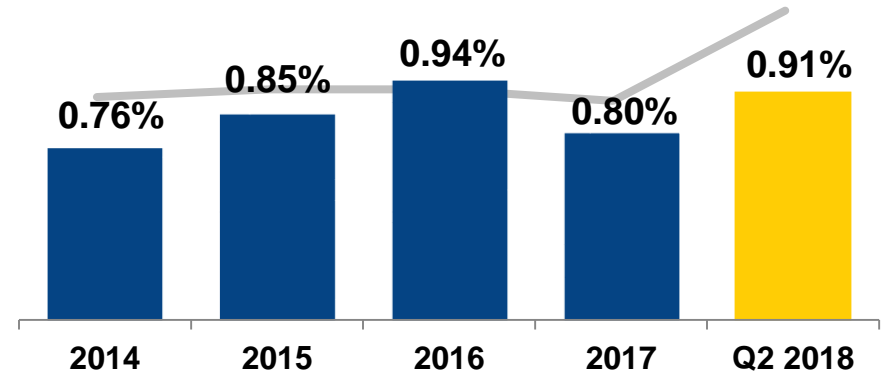
Efficiency Ratio



Return on Average Equity



Return on Average Total Assets

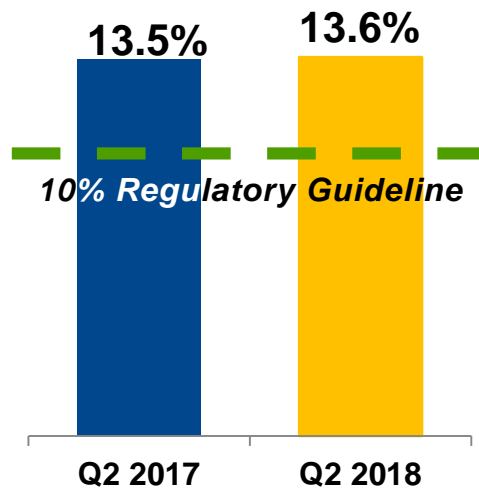


 SGB  Peer Group <\$500M in assets

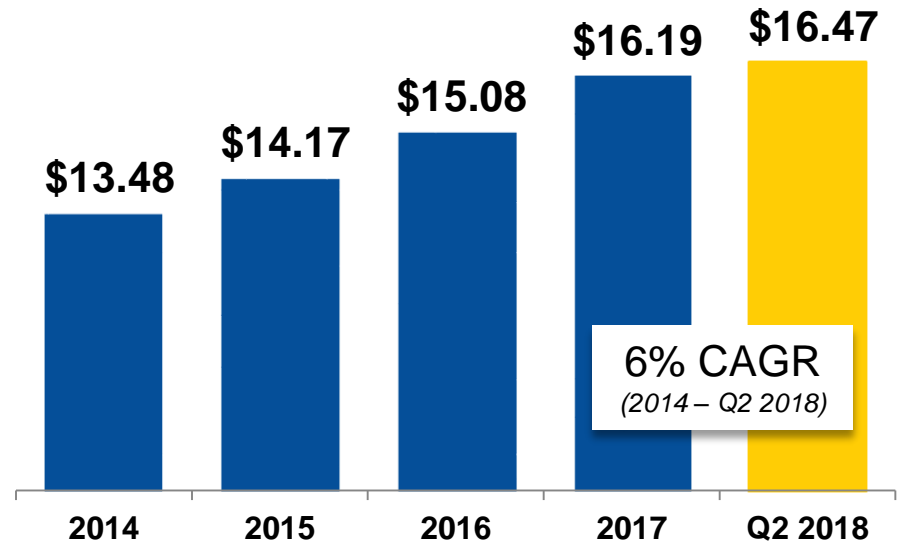


Increasing Shareholder Value

Total Risk-based Capital

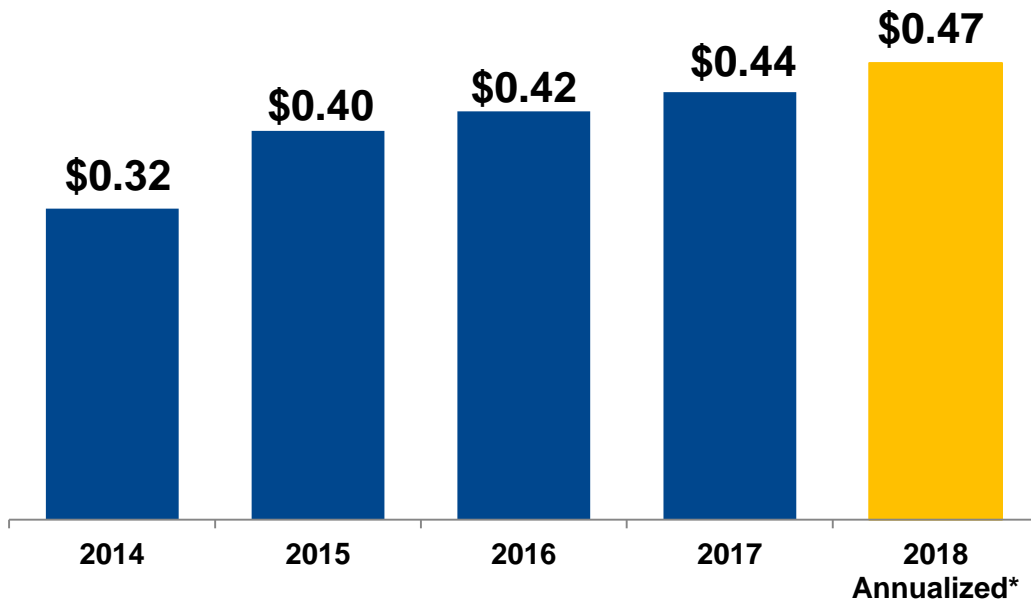


Book Value per Share



Returning Capital to Shareholders

Dividend Payment History



**Paid quarterly cash dividend of \$0.12 per share in June 2018*

9% dividend increase
in June 2018

Current dividend
yield: 2.1%

90 consecutive years
of cash dividends

Strategic Focus for Continued Growth

Lead with people

Focused on relationship building

Investment in our community

Focused on higher growth areas

Improving our products and services

Low-cost core funding

Focused on long-term shareholder return



North Office, Valdosta, Lowndes



Commercial Banking Center, Valdosta, Lowndes

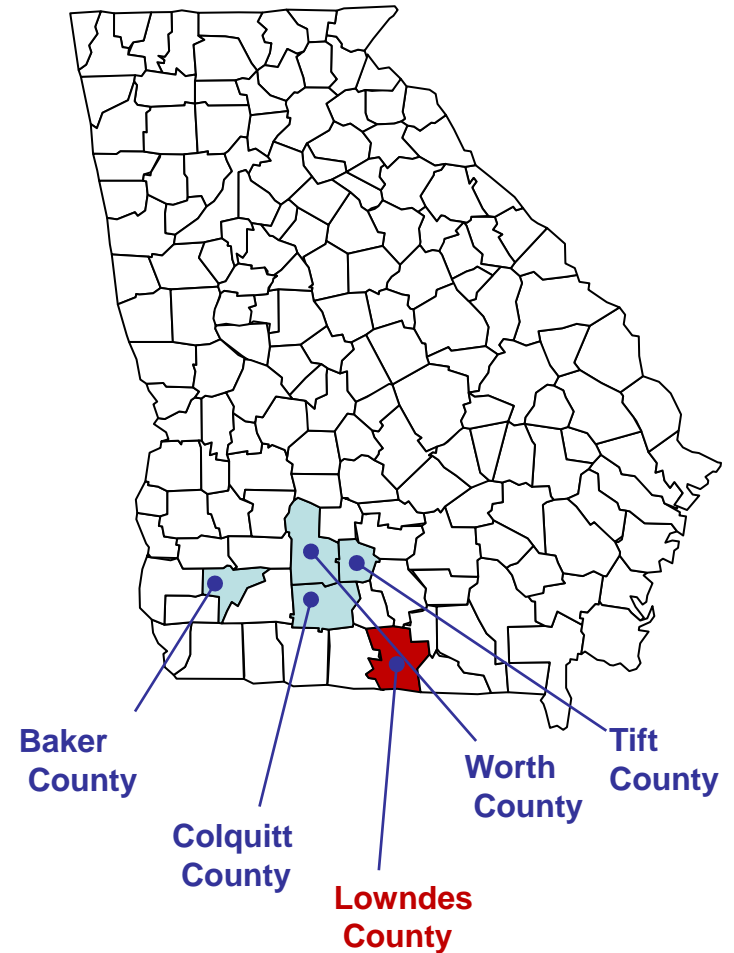


Growth Engine: Valdosta

- ✓ Loan production office in 2008
- ✓ Full service branch in 2010
- ✓ Growing market and gaining market share
 - Achieved top 10 deposit status in Lowndes county
- ✓ Significant contribution to our higher loan originations and healthy pipeline

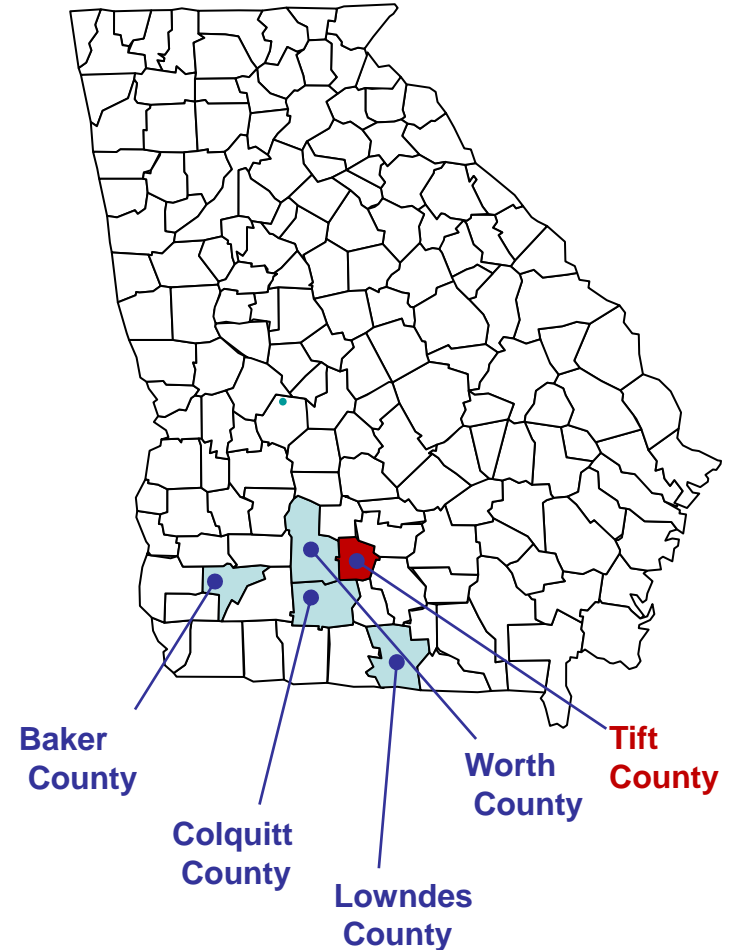


Baytree Office, Valdosta, Lowndes



New Opportunity: Tifton

- ✓ Adjacency to primary market, Colquitt County
- ✓ Strong agricultural community
- ✓ Major transportation hub (Interstate 75, U.S. Highway 82 and U.S. Highway 319 all intersect)
- ✓ Opened loan production office in 2016
- ✓ Added to Tifton staff during 2017
 - Planning to combine management with Sylvester operation
- ✓ Full service branch opened in mid-2018
- ✓ Expected to be contributor to growth going forward



Investment Considerations

Long history of efficient and profitable operations

90 years of cash dividends

Diversified sources of revenue

Opportunity to grow earnings from all sources

Solid community commitment and involvement



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For additional information, contact:

Deborah Pawlowski, Investor Relations
(716) 843-3908 dpawlowski@keiadvisors.com