

**STACK'S
HAIR AFFAIR**



2019

ANNUAL REPORT



Below: Tyler Thornton (left) and Bruce Thornton (right) of H and T Truss Mill in Arkadelphia, Ark. Southern Bancorp customers and PPP participants.



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GROWTH

Noun: grōth

1. **progressive development or evolution**

Example: When the nation's leading political, business, and philanthropic leaders came together more than 30 years ago to address the Arkansas Delta's increasing economic distress, they recognized an opportunity for growth in using finance as a mechanism to increase economic mobility and help make capitalism work better in distressed communities.

2. **increase or expansion**

Example: Southern Bancorp's record-breaking financial performance and capital raise have set the organization on a path of growth in both margin and mission.

A MESSAGE FROM THE CEO



2019 was a record setting year for Southern Bancorp in terms of income, loan growth, and Community Development Financial Institution (CDFI) Target Market reach. We achieved public policy success that will allow more people to save, grew our physical presence in new and existing markets, and launched innovative technology pilots to enhance our service to new and underserved markets.

And while we are extremely proud of these milestones, one achievement above all others stands to have the most widespread impact for our nation's community development banks – the growth of a new CDFI capital model.

Like most CDFI banks, Southern Bancorp had long struggled with accessing the capital markets because we did not provide a way for shareholders to exit their investments.

That changed in recent years when we created a new capital model for CDFI banks. In order to access the elusive capital markets, we first simplified our complex capital structure to one with a single series of common stock, installed mechanisms to protect our company's mission into the future, created a more robust shareholder communications function, and, most importantly, implemented vehicles to not only pay regular common dividends but to also offer the opportunity for shareholders to exit their investment through semi-annual share buybacks. With these strategic changes, our capital campaign raised \$35 million in common equity from a diverse group of institutional and individual impact investors.

I am most proud to report that in 2019, we provided \$8 million in liquidity for our shareholders; and while this may be smaller compared to many publicly traded financial institutions, it represented a monumental shift in liquidity offered by CDFIs. In fact, several of our early investors were able to profitably exit portions of their investment in Southern Bancorp.

Today, Southern Bancorp is providing regular common quarterly dividends and semi-annual buyback opportunities for our shareholders, marking a first for us and creating a roadmap for other CDFI banks to access the capital markets by providing both a return on, but more

importantly a return of, capital to shareholders. We documented the challenges and successes of raising capital using this new model in our paper: *Raising Core Equity Capital for Community Development Banks – A New Capital Model, Insights from Southern Bancorp’s Capital Campaign*.


Read the full report at BankSouthern.com/CapitalCampaignInsights.



**Raising Core Equity Capital for
Community Development Banks
— A New Capital Model**
*Insights from Southern
Bancorp’s Capital Campaign*

Of course, everything now is seen through the lens of the current global pandemic we find ourselves facing. While we join the world in praying for an end to the situation, we also find ourselves well-positioned to meet the growing need for financial support that has arisen during the crisis. Our capital position is strong, and we have met the challenge head on by creating new methods of serving our customers, offering various government sponsored COVID relief programs like the Paycheck Protection Program (PPP), and being a voice for CDFIs across the nation.

We are committed to serving our customers today as we collectively struggle with the pandemic, and we will be here for them in the future when the focus turns to rebuilding communities, businesses, and financial lives. That is our commitment to our employees, our customers, our communities, and our shareholders alike. And if you’ve ever wondered whether your money could be doing more than it is with your current bank, I invite you to reach out and learn more about mission-driven banking and the impact we can have together.



Darrin L. Williams, CEO
Southern Bancorp, Inc.

GROUP LIVING INC.



SOUTHERN BANCORP'S RESPONSE TO COVID-19

The Covid-19 pandemic has re-shaped life across the globe, from schools to churches to restaurants and more. Every facet of life has changed. Many businesses were required to close temporarily in an attempt to slow down the spread of the coronavirus; however, essential businesses continued to operate. Banking is one of those essential services, and Southern Bancorp has adjusted to this new reality and stepped up to use its unique financial resources to help today and plan for tomorrow.

Lobby Closures

One of the first banking elements to change was the closure of lobbies. All traffic was diverted to drive through lanes, calling for a new way of transacting business. Southern Bancorp employees never missed a beat, opening accounts and handling normal business in this new environment.



Left: Yukiko Taylor, Executive Director of the Arkadelphia, Ark. nonprofit Group Living. Group Living is a Southern Bancorp customer and PPP participant providing normalization skills and living assistance to adults with developmental disabilities. Arkansas Democrat Gazette, May 11th, 2020: "Group serving disabled survives; paycheck program's aid keeps Arkadelphia nonprofit going"

ArkansasOnline.com/news/2020/may/11/group-serving-disabled-survives-2020051

SBA Disaster Loans and Paycheck Protection Program

As businesses began to experience the devastation in the pandemic's early days, we aggressively reached out to our customers, offering our borrowers three month payment holidays, interest only payments, fee waivers, as well as access to government sponsored pandemic relief resources.

Utilizing our experienced SBA lending team, we were able to process and fund the Paycheck Protection Program (PPP) loans the first day the program opened. The PPP was a \$670 billion government relief program designed to help small businesses keep their workers. Among other stipulations, the SBA will forgive loans if employees are kept on the payroll for a required time period. Many larger banks were slow to operationalize the program, initially only offering access to their larger business customers. With significant interest in the PPP, Southern Bancorp provided loans to existing and new customers, some even beyond our traditional geographic markets.

\$112 Million in Paycheck Protection Program Loans

Through June 30th, 2020

AT A GLANCE

Total Loans (#)	1,279
Total Loans (\$)	\$111,716,565
Largest Loan	\$4,986,100
Smallest Loan	\$200

NATIONWIDE COMPARISON

	Round 1	Round 2	TOTAL
Southern Bancorp Average Loan	\$147,571	\$41,473	\$87,347
Nationwide Average Loan	\$206,000	\$54,242	\$107,000

Loan Size	# of Loans	% of Total	Average Loan Size
\$150,000 or less	1,146	89.60%	\$29,013

EMPLOYEE BREAKDOWN OF PPP LOANS

Employee Count	# of Loans	% of Total	Average Loan Size
1-10	1,012	79.12%	\$23,462
11-25	144	11.26%	\$107,467
26-100	99	7.74%	\$309,979
101-500	24	1.88%	\$1,742,096
ALL	1,279	100%	\$87,347

95%
of PPP Loans were
made in CDFI Target
Markets

White House Economic Revival Group and CEO Roundtable

Southern Bancorp’s CEO Darrin Williams was invited to join nine other CEOs from some of the nation’s largest financial institutions to discuss their experience with the Paycheck Protection Program. The live video roundtable with President Donald Trump, Treasury Secretary Steve Mnuchin, Advisor to the President Ivanka Trump, Director of the National Economic Council Larry Kudlow, and Small Business Administration Administrator Jovita Carranza also included the leaders of Goldman Sachs, Bank of America, JP Morgan Chase, Wells Fargo, Citigroup, Visa, and Mastercard, along with two other community bank CEOs.

During the roundtable, Darrin’s remarks focused on the importance of CDFIs in getting financial support to underserved communities that were struggling even before the pandemic. These remarks echoed those of the Community Development Bankers Association and key members of Congress who ultimately included a special \$30 billion allocation of PPP funds in round one specifically for CDFIs, Minority Depository Institutions (MDIs), and community banks with less than \$10 billion in assets. In round two of funding, an additional \$10 billion was allocated exclusively for CDFIs.

Southern Bancorp has continued to be a leader in the fight to bring more attention to the needs of rural America through multiple national media appearances as well as being named by the White House to the Great American Economic Revival Industry Group on Banking. For complete news coverage, please visit BankSouthern.com/news.

Bloomberg

IMPACT **ALPHA**



EUROMONEY



The Economist

yahoo!
finance





OUR STORY

Southern Bancorp's story began when then Arkansas Governor Bill Clinton learned about a group of financial disruptors on the South Side of Chicago who were breaking down long-standing barriers to economic inclusion with a new banking model.

Chicago's ShoreBank was created in the early 1970s to serve the city's predominantly African American South Shore community in an era where redlining, the refusal of banks to make loans in minority communities, was common practice. Their revolutionary approach leveraged the power of a financial institution to help these communities grow by providing community support and access to capital where both were desperately needed.

Clinton invited ShoreBank leaders to see if their new model would take root in the rich soil of the Arkansas Delta, though he wasn't alone in the effort. He was joined by Arkansas First Lady Hillary Rodham Clinton, former Walmart Chairman Rob Walton, former White House Chief of Staff Mack McLarty, the Winthrop Rockefeller Foundation, and others in raising the capital needed to launch a fledgling institution, ultimately named the Southern Development Bancorporation, which later became Southern Bancorp.

Southern Bancorp wasn't just any other bank. It was a whole new model for a financial institution. With a unique mission specifically to serve underserved people and provide capital where it wasn't, the new institution began experimenting with a variety of community and economic development tools aimed at solving the poverty challenges facing Arkansans.

The original group of founders shared a vision to create an economic engine for Arkansas. Little did they know they would help create a vehicle for growth in communities across the United States. When the governor became the president, a whole new industry, called Community Development Financial Institutions (CDFIs), was formed based in part on the experience of Southern Bancorp. In 1994, within what became known as the Riegle Community Development and Regulatory Improvement Act, CDFIs would be charged by Congress and the United States Treasury to primarily serve financially underserved families and communities.

Twenty-five years later, in November 2019, Southern Bancorp joined Bill and Hillary Clinton to co-sponsor the Clinton Foundation Summit *Economic Inclusion and Growth: The Way Forward*, which was a convening meant to engage CDFIs and other leaders on domestic economic policy ideas around the challenges facing low to moderate income families as well as celebrate the

accomplishments of the industry – and there is much to celebrate. Cumulatively, CDFIs have invested over \$30 billion in rural and underserved communities across the United States and will continue to have a substantial impact for years to come.

Southern Bancorp is not only focused on its past, but actively looking to the industry's future. By redefining what it means to invest in impact, Southern Bancorp is charting a path forward for the entire CDFI Industry.

GROWING A NEW CDFI MODEL

Like many Community Development Financial Institutions, Southern Bancorp had long struggled to attract equity investors, outside of those who had originally helped capitalize the institution nearly three decades before. Due to a typically complex capital structure and lack of liquidity, impact investors had long avoided CDFIs like Southern Bancorp. They also lacked confidence that such institutions could be profitable in the financially underserved sector on which they focused.

In 2017, Southern Bancorp set out to change that perception, and pave the way for a new model that would encourage investment in financial institutions focused on doing good.



The plan called for a capital campaign focused on providing liquidity for investors and raising new common equity capital following three major changes to the organization: the implementation of a solid dividend plan, the creation of regular share repurchase opportunities, and simplification of the company's complex capital structure, from five series of common stock to one.

As of December 31, 2019, Southern Bancorp had raised nearly \$35 million from investors, and through 2019, had also paid 11 consecutive quarterly common dividends, with the per share common dividend increasing every quarter. As part of the liquidity plan established in 2017, Southern Bancorp created a KSOP (a combination employee stock ownership plan and traditional 401k plan in which the company allocates a portion of an employee's match into an account that then purchases stock on a quarterly basis.) The KSOP has now invested over \$3 million in common stock, with 92% of all eligible Southern Bancorp employees participating, making it the 11th largest shareholder.

Most importantly, Southern Bancorp was able to deliver for investors the much sought after liquidity, sponsoring two share repurchases in 2019 totaling \$8 million and developing a plan to offer buybacks twice per year going forward.

While Southern Bancorp's leadership was proud of these margin-centric advancements, they also sought to ensure that the organization's mission would not be overshadowed and instead remain a driver for impact and growth.

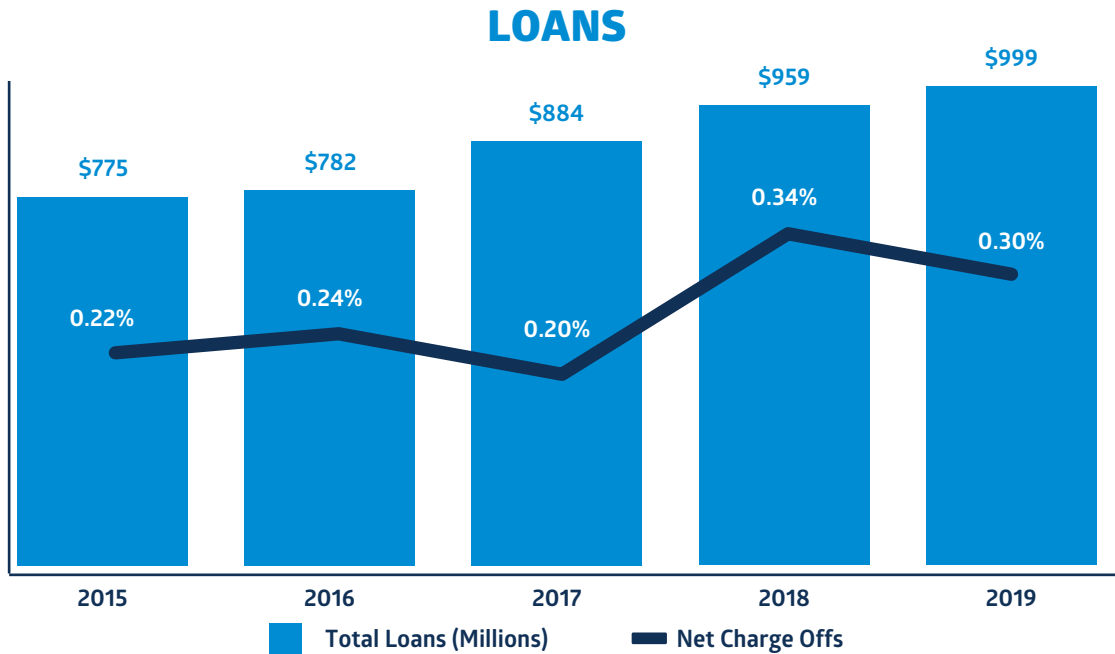
To do this, Southern Bancorp converted its legal structure to that of a Benefit Corporation. Additionally, Southern Bancorp became B-Corp Certified by B Labs, a nonprofit that rates and certifies companies based on their track record of social and environmental performance.

These changes have paved the way for future capital campaigns and investment opportunities for mission-driven financial institutions seeking to raise equity, ensure liquidity, and maintain their focus on helping families and communities thrive.

Left: Southern Bancorp CEO Darrin Williams (right) moderates a panel discussion with Former Secretary of State Hillary Clinton and Former President Bill Clinton about their role in launching the Community Development Financial Institution industry at the Clinton Foundation's CDFI Convening in November 2019, titled Economic Inclusion and Growth: The Way Forward. To read more about Southern Bancorp's experience in developing a new CDFI Growth model, visit BankSouthern.com/CapitalCampaignInsights

FINANCIAL HIGHLIGHTS

At Southern Bancorp, we strive to equally increase our profitability and performance as a company alongside our impact, as both lead to long-term sustainability. 2019 was a year that saw increases in both.

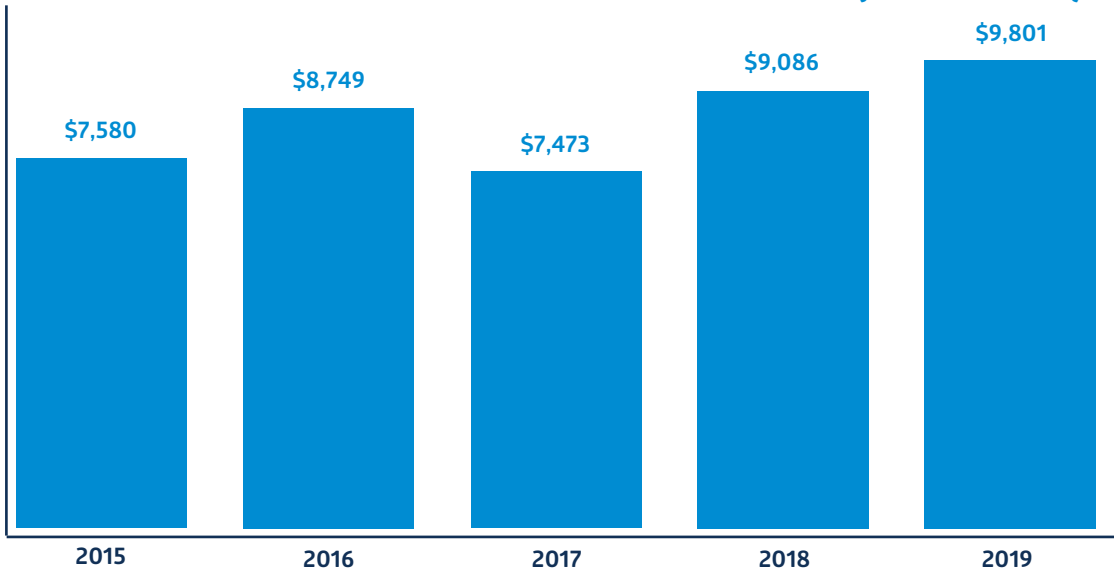


THROUGH 12/31/2019

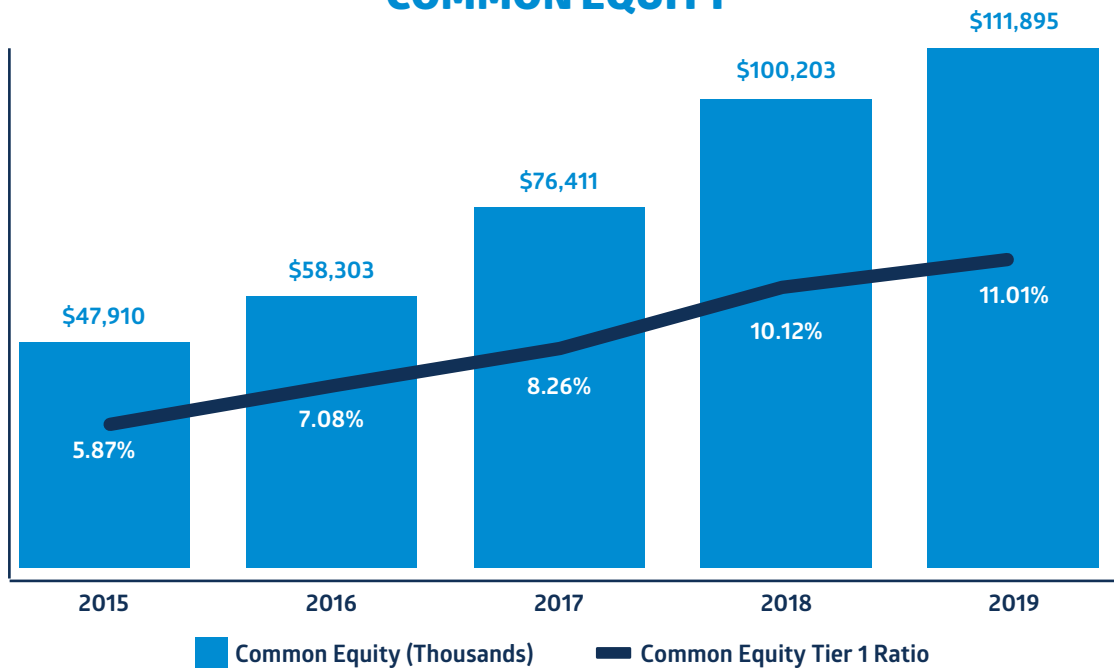
% of loans (#) in LMI tracts	72.70%
% of loans (\$) in LMI tracts	66.80%
Total loans originated (#)	6,967
Total loan originations (\$)	\$516 million
% of total loans under \$1,000	22.88%
% of total loans under \$10,000	55.50%

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END OF YEAR CONSOLIDATED EARNINGS (Thousands)



COMMON EQUITY



Welcome

Our mission is to create economic opportunity in rural and underserved communities by providing responsible and responsive financial products and services that balance *profits with purpose.*

GROWING OUR MARKETS

Southern Bancorp not only made great strides in growing its investor base, but also helping grow its markets. Opening new branches in the Arkansas communities of Gurdon, Mount Ida, and Glenwood; Southern Bancorp continues to focus on financially underserved communities where opportunity is ripe for growth.



Left: Southern Bancorp Bank CEO John Olaimey speaks to employees in Arkadelphia at a core values presentation. Bottom Left: Staff and community members cut the ribbon at the new Glenwood, Ark. branch. Bottom Right: Southern Bancorp's new Mount Ida, Ark. branch. Both communities are classified as CDFI markets.



GIVING BACK

292 Organizations supported by employees (volunteering and contributing)

10,707 Employee volunteer hours

\$47,704 Employee donations to local nonprofits



In 2019, Southern Bancorp employees referred community members to financial education and wealth building services nearly 23,000 times.

Your road to
OPPORTUNITY
starts here.

 **Opportunity Center**

at Southern Bancorp

COMMUNITY GROWTH

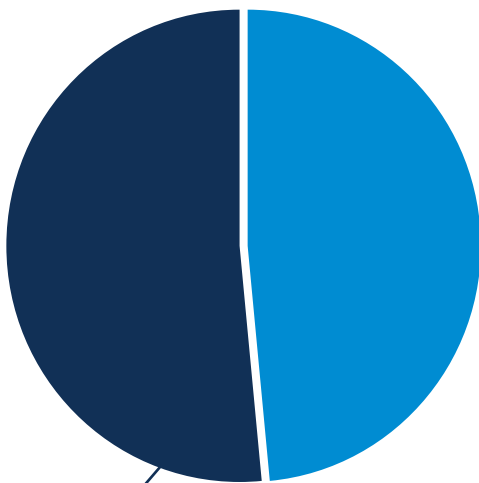
Growing our impact as a CDFI means more than increasing loans and deposit accounts. It means finding ways to connect with the community to meet their financial needs in creative ways. For example, over the past 15 years, we've filed nearly 34,000 tax returns, resulting in \$66 million in tax refunds and credits for families in our community for free through the Volunteer Income Tax Assistance Program. Since 2005, the annual number of returns we've prepared has increased from 110 to 3,656, and the number of tax sites we've offered has increased from 2 to 29!

We've also paved new roads to success through our Opportunity Centers, which provide one-stop shops for anyone in the community looking for free financial education and advice, regardless of whether they're a Southern Bancorp customer.

And of course, as a CDFI, volunteering and giving back to our communities comes natural to Southern Bancorp employees. Through our Community Corps program, we're able to serve our communities in multiple capacities throughout the year.

Volunteer Income Tax Preparation

\$66 million



***Earned Income Tax Credit
(\$34 million)***

Since 2005, Southern Bancorp has helped bring \$66 million in total refunds and credits to our markets, over half of which (\$34 million) was from the Earned Income Tax Credit.

GROWING INNOVATION

Southern Bancorp regularly seeks out opportunities for innovation. 2019 was filled with new ventures that are pushing boundaries to increase our impact, reach new markets, and educate ourselves and our communities about the importance of a strong financial relationship.

FinX Experience comes to Little Rock



The Financial Health Network, formerly the Center for Financial Services Innovation, partnered with Southern Bancorp in 2019 to bring its unique FinX Experience to Little Rock. FinX takes the conversation about financial health and the underbanked out of the conference room and into the field, resulting in an eye-opening empathy building experience about the challenges that many families face on a daily basis.

The workshop invited financial sector leaders, community advocates, city officials, and state lawmakers to come together and learn about the issues financially underserved communities face. They then went into the community to conduct every day financial transactions through the lens of an underserved consumer, including cashing checks, wiring money, loading prepaid debit cards and other tasks that underbanked and underserved families face every day. Participants then discussed their experience and ideated solutions, which ultimately, according to the participants themselves, helped to build empathy and understanding of what these families and fellow community members face on a daily basis.

To learn more about FinX and watch a video about the Little Rock experience, visit BankSouthern.com/Finx or visit FHN on the web at FinHealthNetwork.org

“FinX is helping us as leaders to understand this phenomenon and figure out policy changes to effectuate positive change in this area. It’s truly a challenge to be underserved and underbanked.”

- Frank Scott Jr., Mayor of Little Rock, Ark.



FINANCIAL HEALTH NETWORK

Financial Health Network

In addition to FinX, Southern Bancorp also partnered with the Financial Health Network to survey a sample of our customers to begin the process of determining their financial health. The results have been processed and showed that the health of our customers largely reflects that of the region. More importantly, we now have a baseline by which we can begin to track the long-term benefits of our work in helping our customers build their net worth and improve their financial health.

Certified



Corporation

B-Corp Certification

In 2019, Southern Bancorp officially became the first Certified B Corporation (B Corp) headquartered in Arkansas, and one of only 14 B-Corp certified credit providers in the United States. The Certification shows that Southern Bancorp meets the highest standards of social performance, transparency, and legal accountability to balance profit and purpose, though it's not the first time we've sought to make clear our mission focus. In 2017, Southern Bancorp became a Benefit Corporation, legally ensuring that our pursuit of social impact will always run parallel to our pursuit of profit.



2019 Little Rock FinX participants, including Little Rock Mayor Frank Scott Jr. (far left).



Dr. Karama Neal, President of Southern Bancorp Community Partners, speaks at the Clinton School of Public Service for the one year anniversary of the founding of Arkansas' Bank On coalition, Bank On Arkansas+. This coalition of advocates and financial institutions seeks to ensure that all Arkansans have access to safe, trusted, and affordable banking so they have the opportunity to save for themselves, build wealth for their families, and improve the quality of life in their communities. More at BankOnAR.org. Photo Credit: Niguel Valley Sr.

PUBLIC POLICY LEADERSHIP

Southern Bancorp's public policy efforts focus largely on the development of innovative strategies for empowering people to build wealth through savings as part of the organization's 10 year goals.

Initiatives range from traditional policy and advocacy activities at the local, state and national level, to coalition-driven initiatives like Bank On Arkansas+ which are aimed at bringing diverse groups together around a central goal, to research-focused thought leadership aimed at providing support to these activities. In 2019, Southern Bancorp successfully advocated for legislation that now allows Arkansas taxpayers to split their state tax refund into two accounts, increasing opportunities to save.

Southern Bancorp is building a public policy path to help its communities, customers, and partners grow.

[ArkansasOnline.com/news/2019/feb/24/canary-in-a-coal-mine-20190224/?opinion](https://arkansasonline.com/news/2019/feb/24/canary-in-a-coal-mine-20190224/?opinion)

Arkansas Democrat Gazette

Arkansas' *Largest* Newspaper

Canary in a coal mine

by Darrin Williams | February 24, 2019

This last week of February is America Saves Week, and thanks to a recent proclamation from Gov. Asa Hutchinson, it's also Arkansas Saves Week and Military Saves Week. The idea is to promote savings and financial security throughout our communities; it's a focus we desperately need right now.

TAX-TIME SAVINGS:

*Opportunities and Strategies for
Policy and Practice*

Karama Neal, PhD | Janie Ginocchio, MPA | Mindy Maupin

*Read the Tax-Time Savings: Opportunities for
Policy and Procedure publication by visiting
SouthernPartners.org/taxtimesavings.*

A 10-YEAR PLAN FOR GROWING ECONOMIC OPPORTUNITY

Striving for a strong annual impact is important, but planning for long-term success is key. In 2016, Southern Bancorp’s Board of Directors established a 10-year plan that included three goals toward which we as a company would strive. We intentionally set these goals high so that we would be forced to not only work hard, but to be innovative in our pursuits. Each goal focuses on one area that is key to building net worth and therefore contributing to economic mobility.

HOUSING

Assist **10,000** people
*in attaining and/or sustaining
affordable housing.*

.....

JOBS

Support the creation or retention
of **100,000** jobs.

.....

SAVINGS

Empower
1,000,000
people to save.

.....



HOUSING

In 2019...

1,739

*People supported or assisted in
attaining affordable housing*

Cumulative Progress (2017-2019)

5,738

*People supported or assisted in
attaining affordable housing*

Methodology

Housing numbers are derived through assessments of Southern Bancorp Bank and Southern Bancorp Community Partners annual financing for home purchases and construction (single family and multi-family), with projections made based on average occupancies of 2.6 individuals per household and a financial threshold of \$150,000 or less.



JOBS

10,783

Jobs created or retained in 2019



Cumulative progress (2017-2019)

30,778

Jobs created or retained

Methodology

Jobs and GDP impact estimates were prepared by Dr. Gregory Hamilton, University of Arkansas at Little Rock (retired), utilizing the nationally recognized economic impact model, IMPLAN. The model incorporates commercial lending data from Southern Bancorp and Southern Bancorp Community Partners.



9,039

People empowered to save in 2019

Cumulative progress (2017-2019)

23,590

People empowered to save

Savings through direct products and services only make up a portion of our goal to empower one million savers. The bulk of our progress will come in the form of public policy change resulting in widespread impact. Learn more about our public policy work on pages 22 and 23.

Methodology

Individual savings numbers are calculated by identifying new savings related accounts as well as direct products and services accessed by Southern Bancorp and Southern Bancorp Community Partners' customers and clients. In future reports, quantifiable policy-related gains will be included in these totals.

Consolidated Balance Sheets

at December 31st (\$ in Thousands)

ASSETS	2019	2018
Cash and due from banks	\$ 32,046	\$ 33,805
Interest-bearing deposits in other banks	119,479	86,261
Total cash and cash equivalents	151,525	120,066
Certificates of Deposit in other banks	30,456	2,710
Investment securities, available for sale	152,876	149,611
Investment securities, held to maturity	33,480	34,973
Other equity investments	12,755	14,021
Loans, net of allowance of \$13,398 and \$11,156	986,163	948,375
Premises and equipment, net	41,349	39,905
Goodwill	36,753	36,753
Real estate owned, net	3,402	4,074
Bank owned life insurance	33,682	30,433
Accrued interest receivable and other assets	16,617	10,787
Total assets	<u>\$ 1,499,058</u>	<u>\$ 1,391,708</u>
LIABILITIES		
Deposits		
Noninterest bearing	\$ 235,346	\$ 226,806
Interest bearing	995,998	904,765
Total deposits	1,231,344	1,131,571
Securities sold under agreements to repurchase	26,111	34,600
Federal Home Loan Bank advances	46,182	47,191
Subordinated debentures	17,437	17,437
Notes payable and line of credit	13,718	14,980
Accrued interest payable and other liabilities	12,874	9,391
Total liabilities	1,347,666	1,255,170
SHAREHOLDERS' EQUITY		
Preferred stock, \$1 par value; 0% cumulative; 200,000 shares authorized; 500 issued; aggregate liquidation preference \$500	500	550
Common stock, \$0.01 par value; 30,000,000 shares authorized; 14,000,102 and 12,915,550 shares issued and outstanding.	140	129
Additional paid-in capital	62,663	52,037
Retained earnings	94,644	85,446
Accumulated other comprehensive loss	1,616	(1,624)
Treasury stock, at cost; 831,249 shares	(8,171)	0
Total shareholders' equity	151,392	136,538
Total liabilities and shareholders' equity	<u>\$ 1,499,058</u>	<u>\$ 1,391,708</u>

Consolidated Statements of Income

Year Ended December 31st (\$ in Thousands)

	2019	2018
INTEREST INCOME		
Loans, including fees	\$ 52,919	\$ 47,498
Investment securities:		
Taxable	2,869	2,665
Tax exempt	2,069	2,220
Federal funds sold and other	1,986	762
Total interest income	<u>59,843</u>	<u>53,145</u>
INTEREST EXPENSE		
Deposits	9,009	3,866
Subordinated debentures	659	609
Federal funds purchased and repurchase agreements	312	299
Federal Home Loan Bank advances	1,403	1,570
Notes payable	285	329
Total interest expense	<u>11,668</u>	<u>6,673</u>
Net interest income	48,175	46,472
Provision for loan losses	5,280	4,310
Net interest income after provision for loan losses	<u>42,895</u>	<u>42,162</u>
NONINTEREST INCOME		
Interchange income	1,943	1,885
Service charges on deposit accounts	1,558	1,617
Overdraft Fees	4,406	4,573
Other	4,181	3,199
Total noninterest income	<u>12,088</u>	<u>11,274</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	24,019	22,274
Net occupancy and equipment	4,849	4,406
Data processing	3,645	3,418
Foreclosed assets, net	432	728
Advertising	2,394	2,087
Amortization of intangibles	336	347
Other	8,287	9,550
Total noninterest expense	<u>43,962</u>	<u>42,810</u>
Income before income taxes	11,021	10,626
Income tax provision (benefit)	1,220	1,540
Net income	<u>9,801</u>	<u>9,086</u>
Preferred stock dividends	27	28
Net income available to common shareholders	<u>\$ 9,774</u>	<u>\$ 9,058</u>

GOVERNING BOARDS

Our governing boards are amongst the most diverse boards of directors for any financial institution in America.

SOUTHERN BANCORP, INC.

Chair · **Glendell Jones, Jr.** · Henderson State University · Professor of Accounting

Jerry Damerow · Ernst & Young · Partner (Retired)

John C. Edwards · Helena-West Helena/Phillips County Port Authority · General Counsel & Economic Development Director

Donna Gambrell · Appalachian Community Capital · President & CEO

Dan Koehler · Koehler Software, Inc. · President

Mike Myers · Winrock International · Vice President & CFO

James L. Prouty · Sustainability-Finance-Real Economies (SFRE) · CEO (Retired)

Diane Tatum · Entergy Arkansas · Regional Customer Service Manager (Retired)

Darrin L. Williams · Southern Bancorp, Inc. · CEO

SOUTHERN BANCORP BANK

Chair · **Sherman Tate** · Tate & Associates · President & CEO

Hugh Arant, Jr. · Arant Farms · President

Jerry Damerow · Ernst & Young · Partner (Retired)

Kim Evans · College of Medicine, University of Arkansas for Medical Sciences · Senior Director of Corporate & Foundation Relations

Donna Gambrell · Appalachian Community Capital · President & CEO

Glendell Jones, Jr. · Henderson State University · Professor of Accounting

Michael Montgomery · Radius Group, LLC · Chairman & CEO

Walter L. Morris, Jr. · WLM Enterprises · President

John T. Olaimey · Southern Bancorp Bank · President & CEO

Susie Smith · Former Financial Services Executive

Darryl Swinton · Better Community Development, Inc. · Director of Housing & Economic Development

Darrin L. Williams · Southern Bancorp, Inc. · CEO

Photography provided by Chris Cranford/Cranford Co.

SOUTHERN BANCORP COMMUNITY PARTNERS

Chair · **Donna Gambrell** · Appalachian Community Capital · President & CEO

Vice Chair · **Freddye Petett** · Clinton School of Public Service, Professor (Retired) ·
W.K. Kellogg Foundation, Program Coordinator (Retired)

Raymond Christman · RPRC Consulting · President & CEO

John C. Edwards · Helena-West Helena/Phillips County Port Authority · General Counsel & Economic
Development Director

Sarah Gentry · Hudson Cisne & Co. LLP · CPA, Principal

Amanda Johnson · Clarksdale Collegiate Public Charter School · Executive Director

Aurelia Jones-Taylor · Aaron E. Henry Community Health Services, Inc. · CEO

Walt Patterson · Patco Services, Inc. · Principal

Tom Pittman · Community Foundation of Northwest Mississippi · President & CEO

Mary Gay Shipley · That Bookstore in Blytheville · Founder (Retired)

Clark Tennyson · Clark Timberlands, LLP. · Executive Vice President

Darrin L. Williams · Southern Bancorp, Inc. · CEO



Glendell Jones, Jr.
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Sherman Tate
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