



# 2020 ANNUAL REPORT

*On the cover: Our cover features just a few of the many Paycheck Protection Program customers we had the privilege of serving in 2020. Top Row, Left to Right: Carrie Webster, owner of Carrie's Hair Salon in Marvell, Ark.; Keith Williams & Michael Howard, owners of MM&K Trucking in Greenville, Miss.; Middle Row, Left to Right: Jerry Lamar, owner of Flash Auto in Helena-West Helena, Ark.; Kayla Plyler, owner of Wild Flour Florist & Sweets in Gurdon, Ark. Bottom Row, Left to Right: Renaldo Roberts, Southern Bancorp lender, and Farouk Alawdi, owner of Discount Tire & Brakes in Clarksdale, Miss.; Tai Tran, owner of T&T Nails in Helena-West Helena, Ark.*

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Darrin L. Williams, CEO  
Southern Bancorp, Inc.

# TO OUR SHAREHOLDERS, PARTNERS, STAFF, AND COMMUNITIES:

From the onset of a global pandemic to the national outcry for justice following the murder of George Floyd to one of the most volatile presidential elections in our nation's history, it's hard to imagine a more contentious year in recent memory than 2020.

Each of these events on their own would have been enough to rattle a nation, yet to have them layered one upon another brought a level of distress in this country not witnessed in decades.

The COVID-19 pandemic's slow start brought a false sense of security to us that it would be short lived with few impacts to our daily lives, but as hospital rates began to rise and businesses began to close, the physical and economic fallout began to take shape.

With over half a million deaths in the United States alone and the permanent closure of roughly 200,000 businesses above historic levels (according the Federal Reserve), no corner of America has been left untouched by the virus.

And yet, not all of America experienced the virus' impact equally.

McKinsey researchers found that while rural residents account for 14 percent of the total US population, they accounted for 16 percent of the COVID related deaths in 2020. When the data was examined along racial lines, it was even more stark, as researchers found communities of color were nearly five times more likely to be hospitalized and six times more likely to die from COVID than their white counterparts. The reasons for both are varied, but many experts agree that the disparities are, at least in part, due to a combination of medical and socioeconomic factors such as higher rates of poverty, chronic medical conditions, and lower access to healthcare.

Rural businesses suffered right along with metro-area businesses, though as is the case in countless underserved parts of the country, their access to resources and capital was limited before 2020, so the effects of COVID only exacerbated an already difficult situation. Businesses operating in communities of color were also harder hit, with the Federal Reserve of New York estimating that nearly half of the black-owned businesses in the country closed during the pandemic.



## TOTAL PPP LOANS (2020 - 2021)

Total loans (#)	2,614
Total loans (\$)	\$157,674,5094
Jobs supported	22,098
1-10 employees	2,214
11-25 employees	237
# of loans \$1-\$10,000	884

## BUSINESS CONTINUITY GRANTS

Grants @ \$1,000 each	128
Jobs supported	330
African American	60%
Female	51%

Royshundria Thomas, owner of Every Girl's Dream Salon and BCG recipient, Clarksdale, Miss.

As a Community Development Financial Institution (CDFI) founded to serve rural communities with a focus on African American and other minority communities, we saw these impacts up close and personal throughout our markets in Arkansas and the Mississippi Delta. As the pandemic grew in strength, so did calls for loan payment deferrals, requests for financial lifelines, and even counseling help to assist with potential evictions.

We are proud to have been able to assist more than 1,200 businesses through the Paycheck Protection Program (PPP), though as the pandemic went on, we became increasingly concerned about very small, often minority businesses in our markets that were not accessing the PPP program because they were unable to provide all of the necessary paperwork or details needed.

These small businesses were suffering alongside larger businesses, but due to obstacles like income verification issues or a lack of tax filings, they were not eligible for relief.

Through our nonprofit CDFI loan fund partner, Southern Bancorp Community Partners, we raised \$128,000 in philanthropic capital to fund what we called "Business Continuity Grants" of \$1,000 to these businesses. In total, we provided 128 of these grants, impacting 330 jobs.

Because the need was so great, we prioritized businesses in communities that had a COVID-19 Community Vulnerability Index (CCVI) score of 8 or higher as rated by the Surgo Ventures ([SurgoVentures.org](https://SurgoVentures.org)), a public-health focused philanthropic organization. The CCVI looks at a number of factors in addition to healthcare impacts from COVID-19, including education, percentage of minority population and other socio-economic factors. Seventy-nine percent of our grants were awarded to businesses owned by women or people of color.

Though we felt our pandemic response efforts were significant, there are still far too many small businesses across our markets and beyond that either continue to struggle or will never again open their doors.

## ***A NATIONAL OUTCRY***

While the pandemic raged, another storm was erupting at the corner of 38th Street and Chicago Avenue in Minneapolis, Minnesota, where a police officer knelt on 46-year-old George Floyd's neck for nine minutes and twenty-nine seconds on May 25th, 2020.

As an African American man, father, and husband, my initial reaction to this killing was a roller coaster of emotion, vacillating between anger and frustration and genuine fear for my own children.

Though it was certainly not the first time a Black person had been killed by law enforcement (nor would it be the last), this time it felt different. Maybe it was hearing Mr. Floyd's words "I can't breathe" so clearly on video taken by bystanders that struck a chord with so many Americans,

or maybe it was simply the straw that broke the camel's back after so many years of systemic racism. Either way, the resulting national outcry for justice was unlike anything we've seen since the fight for civil rights in the 1960s.

Throughout the year, this call for justice extended beyond the streets and into corporate America's boardrooms, where numerous statements of support were issued and promises made to support the fight for justice and racial equality, and in particular, the challenge of America's growing racial wealth gap.

## THE CASE FOR CDFIs AND MDIs

The notion of stakeholder capitalism—the idea that a company should address the needs of all its stakeholders, from shareholders to employees and from customers to the community—was around long before COVID hit our shores, but it was this crisis, coupled with the national outcry for racial justice, that brought it careening back to the forefront of boardrooms across the country.

As Corporate America and philanthropy sought ways to directly contribute to struggling communities, a common refrain emerged in support of Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) as a way of financially contributing to underserved and minority communities.

As the proverbial “boots on the ground,” CDFIs like Southern Bancorp and MDIs are uniquely qualified to provide access to capital to underserved and minority communities because we’re often already the ones serving these populations. However, our reach must be expanded if we’re going to have the needed impact.

The number of financial institutions in this country has steadily dwindled over the years, with financial resources becoming concentrated in wealthier metro areas, leaving many rural and minority communities without adequate access to capital. With less access to capital, there are fewer options to help families build wealth, and without a plan for that (we believe wealth building isn’t just for the wealthy), there are fewer chances of breaking the generational grip of poverty.

I spent a significant amount of time in 2020 making the case nationally for CDFIs and MDIs as a key vehicle for getting resources where they need to be both quickly and efficiently, and I am excited to see so many of America’s corporate leaders and philanthropists embrace this notion. As we see investments from these sectors into CDFIs and MDIs grow, our ability to serve more communities will grow as well.

Read the full letter at [BankSouthern.com/AnnualReport2020](https://www.bankofamerica.com/annualreport2020).

### **George Floyd, Black Lives Matter, Systemic Racism and where Southern Bancorp goes from here...**

June 17, 2020 | Darrin's Blog

It's unlikely that there is one among us who has not heard about the murder of George Floyd in Minnesota by the police and the ensuing protests and demonstrations that have engulfed our country.

*Darrin Williams joined Bank of America CEO Brian Moynihan on Mad Money with Jim Cramer to talk about their investment in CDFIs like Southern Bancorp.*



From Business Roundtable members like Bank of America, technology leaders like Square, Inc., and philanthropists like MacKenzie Scott, to companies like LiveRamp and Encore Bank, there have been numerous examples of corporations and individuals recognizing the benefits of partnering with and investing in Southern Bancorp to leverage funding and scale impact.

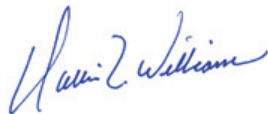
For our part, we intend to use these partnerships and investments to do what we were founded to do. Identify new, economically distressed and marginalized communities in which to grow and expand. Develop the new technologies, products, and services needed for underserved communities and minority and women-owned businesses to grow and succeed. And be an advocate in the halls of government on public policy issues that directly impact our communities.

My hope is that others will join us in these efforts, either by working with us in our communities, alongside us as fellow advocates, or through us as investors seeking to leverage impact far beyond the press release. There's plenty of need and opportunity to join in our mission to be wealth builders for everyone.

I'm immensely proud of our team who worked tirelessly to serve our customers throughout 2020, while also ensuring that we remain financially strong. Again, last year we reached an all-time high in net income, with record setting loan volume, while maintaining strong asset quality. We continue to successfully balance mission and margin as we strive to build communities and change lives.

Finally, I want to simply say thank you to all of our shareholders, partners, and employees who came together last year in an unprecedented show of support, comfort, and camaraderie that made a difficult year manageable. Without this collective effort, I am confident that our albeit still dire situation would today be much worse. I look forward to growing our impact together as we work toward a safer, healthier, and more equitable future.

Sincerely,



Darrin L. Williams  
CEO, Southern Bancorp, Inc.



Bloomberg Businessweek | 9.21.2020

[One of Finance's Few Black CEOs](#)

[Thrives Where Big Banks Fled](#)



CNBC | 6.11.20

[Southern Bancorp CEO on consumer confidence, employment expectations and more](#)



Impact Alpha | 6.2.20

[Get up, stand up: Impact investors speak out for racial justice](#)



Next City | 7.2.20

[How to be an Anti-Racist Bank](#)



Nonprofit Quarterly | 10.21.20

[Community Development Banks Take a Leading Role as Need for Capital Grows](#)



The Washington Post | 9.22.2020

[Southern Bancorp CEO finds success with CDFIs](#)

[Find these links and more at BankSouthern.com/AnnualReport2020](#)

Southern Bancorp team member  
Jayla Wilson discusses Credit  
and Housing Counseling options  
available to anyone through our  
Opportunity Centers.



 Southern  
Bancorp

### Credit and Housing Counseling

*From Southern Bancorp Community Partners*



*Schedule a  
session today:*

**Call**  
(800) 789-3428

**Visit**  
[SouthernPartners.org/counseling](http://SouthernPartners.org/counseling)  
to learn more

**Pay down your debt.  
Save for a home.  
Qualify for a mortgage.**

Southern's certified counselors will work with you to create a plan to pay down debt, save for a home, qualify for a mortgage, and improve your credit history.

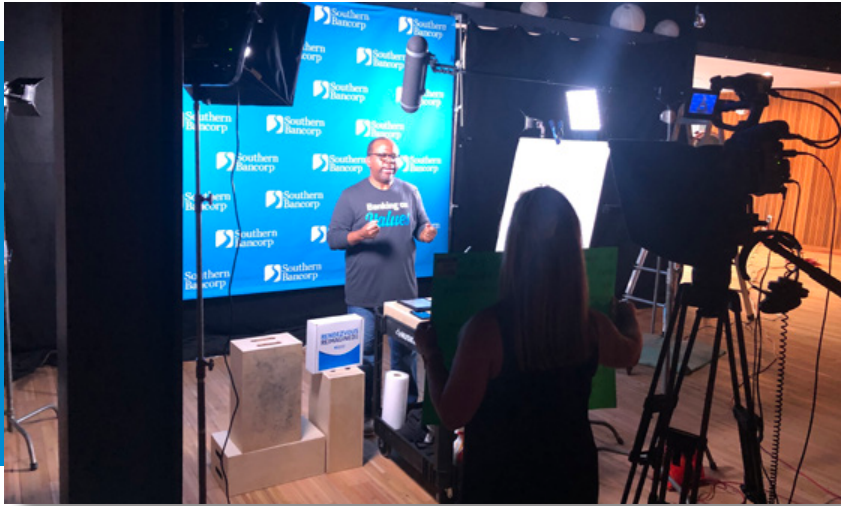
**Our free counseling services include:**

- One-on-one counseling

# BUILDING CULTURE

Leaders around the world often say that “Culture eats strategy for breakfast.” Though we certainly devote a significant amount of time to strategy, we couldn’t agree more with this statement. As a mission-driven organization, a strong culture is key to ensuring that our focus remains on being wealth builders for everyone. That’s why we strive to instill our culture and our values-driven approach to banking at the forefront of everything we do.

## **RENDEZVOUS REIMAGINED**



In 2017, Southern held its first ever all employee meeting known as the Southern Rendezvous. Due to COVID-19, we had to “reimagine” this important event in 2020, which ultimately became “Rendezvous Reimagined,” a virtual celebration of our employees complete with gifts and prizes. The meeting also introduced company-wide initiatives focused on DE&I, sustainability, employee homeownership and more. Check out the event for yourself at [BankSouthern.com/Rendezvous2020](https://BankSouthern.com/Rendezvous2020).

## **DIVERSITY, EQUITY, AND INCLUSION**

Even before 2020, Southern Bancorp was developing a plan to redouble its efforts on DE&I within our organization. Southern Bancorp was founded to have a focus on building wealth in communities of color, and to fulfill that mission, we want to ensure that our culture embraces, among other things, these ideals throughout our organization. A 33-member committee came together in 2020, representing all of our regions, positions, races and genders. This committee’s work will launch a new set of DE&I guidelines and goals in 2021 to ensure that our focus remains where it should be—being wealth builders for everyone—with emphasis on everyone.



*Southern Bancorp Bank CEO John Olaimey discusses Southern Bancorp’s focus on DE&I with Southern Bancorp, Inc. Board Chair Dr. Glen Jones.*

Watch the video at [BankSouthern.com/DEI](https://BankSouthern.com/DEI)







The Southern Bancorp Team lives and works by the R.A.I.S.E. core values—Relationship, Accountability, Innovation, Sustainability, and Empowerment—and we recognize each other for going above and beyond to exemplify them. Employees can win cash prizes throughout the year when they're recognized by their peers, and they can also become eligible for the annual grand prize—an all-expense paid vacation.

In 2020, Southern Bancorp employees awarded each other **1,383** RAISE Awards with three employees winning Grand Prizes for their hard work.

**Central Region President  
Wendy Von Kanel  
was recognized by  
Arkansas Money & Politics  
as a 2020 Powerful  
Woman in Banking.**




**Southern Bancorp was  
named one of the  
2020 Best Places to Work  
by Arkansas Business**



**DOROTHY STUCK AWARD**

Each year, the Dorothy Stuck Empowerment Award is given to an employee that is mission-oriented, bold, community-minded, and a visionary. The 2020 recipient was Dana Worstell, Opportunity Center Manager and longtime resident of Phillips County, Arkansas.



## **BLOOMBERG 50**

In December 2020, Bloomberg Businessweek announced that Southern Bancorp CEO Darrin Williams had been named to the 2020 Bloomberg 50, its annual list of the most influential thought leaders in business, entertainment, finance, politics, science, and technology who have changed the global business landscape over the past year. Other honorees on the 2020 list included Dr. Anthony Fauci, Netflix CEO Reed Hastings, and Chief Justice John Roberts.



**DARRIN WILLIAMS**  
CEO, Southern Bancorp Inc.  
Finance

He was part of a successful effort to add \$10 billion for community development finance institutions in the second round of Paycheck Protection Program loans.

View the full Bloomberg 50 list here at  
<https://www.bloomberg.com/features/2020-bloomberg-50/>



## SOUTHERN BANCORP EMPLOYEE HOME LOAN

When we say we're wealth builders for everyone, that means everyone. During our Rendezvous Reimagined event, we announced a new program for Southern Bancorp employees. A one-percent mortgage for any full-time employee who has been with the company for at least two years. Now we have another way of attracting mission-minded talent that will help build wealth for future generations.

### ***KIMBERLY'S STORY***

When Kimberly Enoch, a grant writer and fundraiser for Southern Bancorp Community Partners, heard about the Employee Home Loan (EHL), she could hardly contain her excitement. Since 2019, she had wrestled with finding the best way to hold on to her family home in Little Rock, Ark. Originally her grandmother's home, Kimberly had fond memories of her time there, though after her mother's passing, a reverse mortgage on the property had been taken out by her father to assist with expenses. Fearing that the family home would be lost if something happened to her father, she used the EHL to purchase the home and pay off the reverse mortgage. Now she and her daughter Mackenzie can focus on creating new memories to go along with the countless others from Kimberly's childhood—all while building an asset for future generations.



*Southern Bancorp Community Partners Grant Writer Kimberly Enoch stands in front of her family home with her daughter Mackenzie Enoch-Noble.*

# COMMUNITY IMPACT

In addition to providing responsible and responsive financial products and services to people in our markets, Southern Bancorp employees devote significant time to serving the community. From volunteer events to volunteer income tax preparation to financial development services via our Opportunity Centers, Southern Bancorp employees are proving that wealth building can have a variety of definitions.

## VOLUNTEER INCOME TAX PREPARATION



**100**  
Volunteer Income  
Tax Preparers

**3,645**  
Tax returns  
filed for free

**\$6,399,327**  
In tax refunds and  
credits to families

## GIVING BACK

**171**  
Organizations supported  
by employees (volunteering  
and contributing)

**6,201**  
Employee  
Volunteer Hours

**\$46,287**  
Employee donations to  
local nonprofits



## OPPORTUNITY CENTER

Every Southern Bancorp employee is trained to offer financial development services and materials to the people in our communities, regardless of whether they're a customer. Every location is an Opportunity Center, which means we have materials and services available to anyone on their financial journey, from credit repair checklists to budgeting 101 guidebooks. Every Southern Bancorp employee—even the CEO—is expected to be an Opportunity Center ambassador throughout the year.

Visit [banksouthern.com/opportunity](https://banksouthern.com/opportunity) to access these great tools and more.

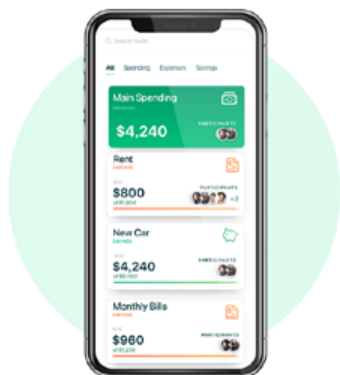
**10,050**

Opportunity Center activities in 2020



# FOSTERING INNOVATION

Innovation was one of Southern Bancorp's Core Values long before 2020, yet the challenges throughout the year served as an opportunity to focus our energy on identifying and investing in innovative solutions to reach our markets and beyond. From new financial system concepts to technological spins on traditional services, our investments are helping pave the way for a new generation of community-focused financial services.



## TEAM WALT

In a nod to one of Southern Bancorp's founders—Walter Smiley, the founder of Systematics, Inc., (now known as FIS)—our innovation division is named TeamWALT (**W**ealth **A**ccumulation and **L**ifestyle **T**ech). Led by Walter's son and Southern Bancorp's Chief Innovation Officer, Vance Smiley, TeamWALT is an innovation division free to focus on new and creative solutions to challenging financial problems—all through our mission-oriented lens. Nimble four-person development teams known as ModSquads tackle specific problems facing those largely ignored by the traditional financial system and develop rapid prototypes and focused app solutions to meet those needs.

TeamWALT's first app, Wealthable™, is a full-service banking app designed to create sound financial habits while also providing users with never before seen methods of spending, saving, and borrowing in today's high security-risk environment. Publicly available in late 2021, it's built using the proprietary S61 technology platform. Wealthable™ is positioned to be the first of many valuable tools for financially underserved families living anywhere in America. Learn more at [Wealthable.app](https://wealthable.app).



## SYSTEM 61 (S61)

Named after the famous Highway 61 that served as a major thoroughfare for families moving from the agricultural-based economies of the South to the industrial-focused cities of the North seeking change and economic opportunity, System61™ (S61) represents a new digital highway for banks. With S61, creative solutions can be designed and built, unencumbered by the traditional core banking systems. It's a separate cloud-based platform known as a Side-Core™. With it, bankers can finally get to the business of creating solutions for customers and communities at speeds and scale unimaginable until now.

S61 reimagines how financial services innovation is done in the digital age. Put simply, it's about control. Applications can now be built by bankers—in days and weeks, not months and years. S61 allows banks to build their own highly automated solutions at their own pace, directly on their own platform. Wealthable™ is the very first application built with S61, showcasing what speed and imagination can accomplish with the right people and tech resources. Southern Bancorp is an investor and partner in S61 with plans to utilize the platform's power to further extend its impact reach far beyond its current market borders. Learn more at [System61.com](https://system61.com).

Our technology investments aren't all in-house. We believe in working with innovative companies that share our goal of helping communities and working with them to grow and succeed.



**Banking's Strategic Partner**  
Smiley Technologies Inc.

## **SMILEY TECHNOLOGIES**

Since 2003, Smiley Technologies has been the technology muscle behind Southern Bancorp's work. Combining a capacity that rivals the largest bank software companies with the agility of a fast-moving fintech, Smiley Technologies develops software solutions to match our customers' needs in a fraction of the time it takes the largest core providers.

In 2020, Smiley Technologies helped Southern Bancorp tackle a problem many banks have struggled with for years – developing a payday loan alternative. A major issue has long been the cost associated with making small loans. Payday lenders can do it because their business model is built around charging excessive fees that lead to debt traps. But for a traditional bank to offer a low-cost alternative, it would take an innovative approach.

Working with Southern Bancorp staff, Smiley Technologies' team of developers created a fully automated, instantly-funded, pre-approved consumer loan for customers based on account algorithms. Eligible customers simply login to their online banking, and if they're eligible, they have instant access to various funding amounts. Quick and easy emergency funds, minus the predatory costs.

Their commitment to fast, flexible problem-solving is a big part of why they were named one of Forbes 2020 Small Giants, a recognition given to America's best small businesses that prioritize people and purpose over profits.



## **BANKLABS**

When making technology investments, we believe in identifying innovative companies that share our goal of helping communities and working with them to grow and succeed.

Helping community-focused banks serve their customer base more efficiently is the name of the game at BankLabs. By developing innovative technologies like *Participate* and *Construct* that automate laborious, time intensive bank processes, BankLabs is creating new opportunities for community banks to engage with customers and identify new income streams. Southern Bancorp has been a proud partner and customer since BankLabs' founding. Learn more at [BankLabs.com](https://www.banklabs.com).

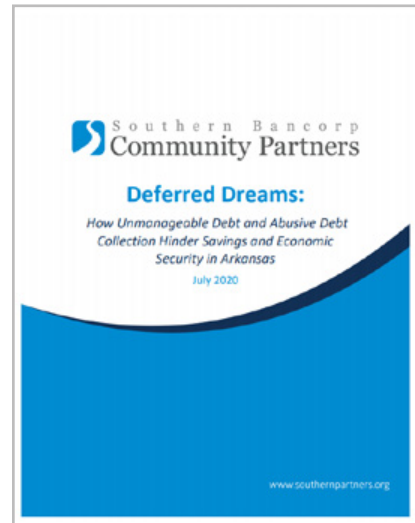
# ADVANCING PUBLIC POLICY

Southern Bancorp's public policy program focuses on empowering families and individuals to save because we know saving is a key component to building wealth. Our efforts include traditional policy and advocacy activities at the local, state, and national level; coalition-driven initiatives; and research-focused thought leadership.

In 2020, Southern Bancorp successfully advocated for the passage of "Second Line for Savings" legislation in Mississippi, which created two direct deposit lines on the state income tax form, allowing filers to easily split and save their refund into two accounts. We were successful in advocating for similar legislation in Arkansas the previous year. Additionally, we led the creation of Savings Coalitions in both Arkansas and Mississippi to serve as organizing and strategizing partnerships for advancing financially empowering public policies.

In addition, our policy team advocates against predatory lending and harmful debt collection practices, and publishes research-driven policy briefs and articles.

Southern Bancorp also became a national voice for CDFIs during the pandemic, joining the Community Development Bankers Association (CDBA) in their lobbying efforts to secure PPP loan carve-outs and other pandemic response funding for CDFIs to deploy to small businesses in underserved areas.



Read the Deferred Dreams whitepapers for [Arkansas](#) and [Mississippi](#) at [SouthernPartners.org/publications](http://SouthernPartners.org/publications).



## OPINION | The wolf is back at the door

SPECIAL TO THE DEMOCRAT-GAZETTE | November 1, 2020 at 8:56 a.m.

In Arkansas, it is in our nature to look out for each other, whether that means checking on neighbors, helping at church, or supporting local businesses. Now, facing unprecedented health, economic and social upheaval, caring for each other is absolutely necessary for us to make it through this tumultuous period in our history.

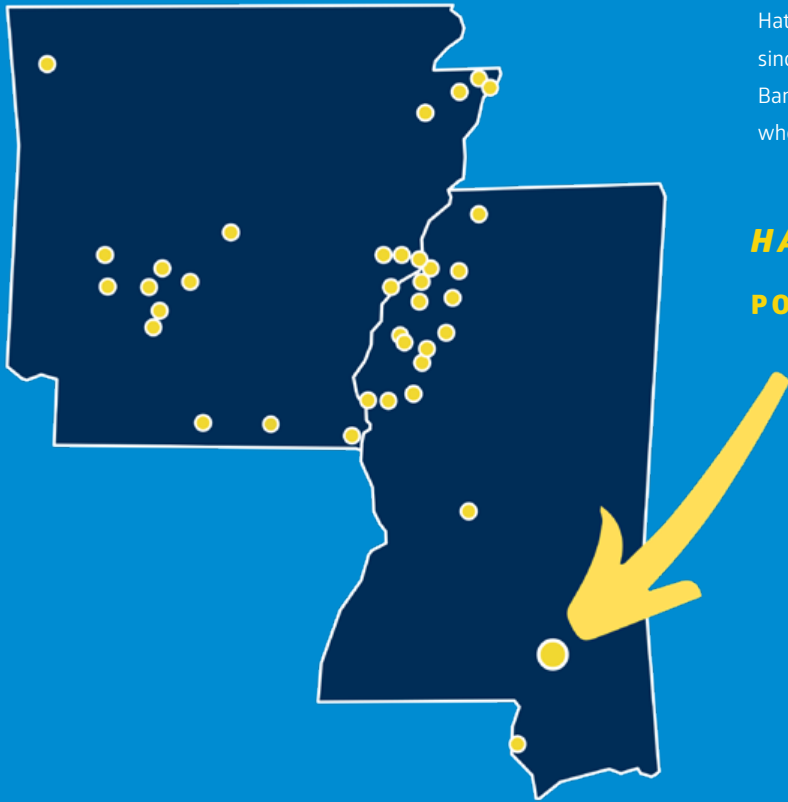


Mississippi Governor Tate Reeves signs a proclamation designating Mississippi Saves Week.

For links to this and the above stories, please visit [BankSouthern.com/AnnualReport2020](http://BankSouthern.com/AnnualReport2020)

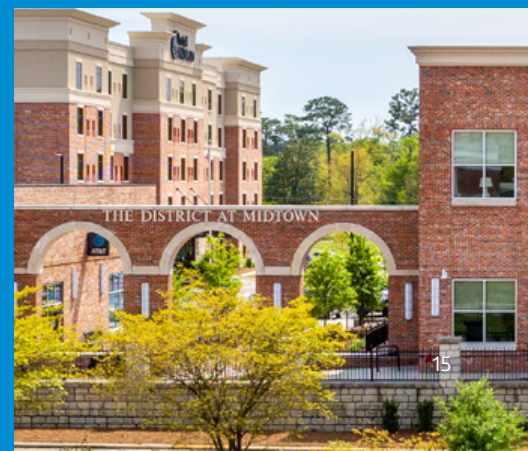
# GROWING OUR FOOTPRINT

In August 2020, Southern Bancorp introduced its unique blend of banking products and financial development services to Hattiesburg, Mississippi. Initially a loan production office, we have since opened a full service branch in the Pine Belt area. Southern Bancorp continues to pursue economically excluded communities where opportunity is ripe for growth.



**HATTIESBURG, MISSISSIPPI**

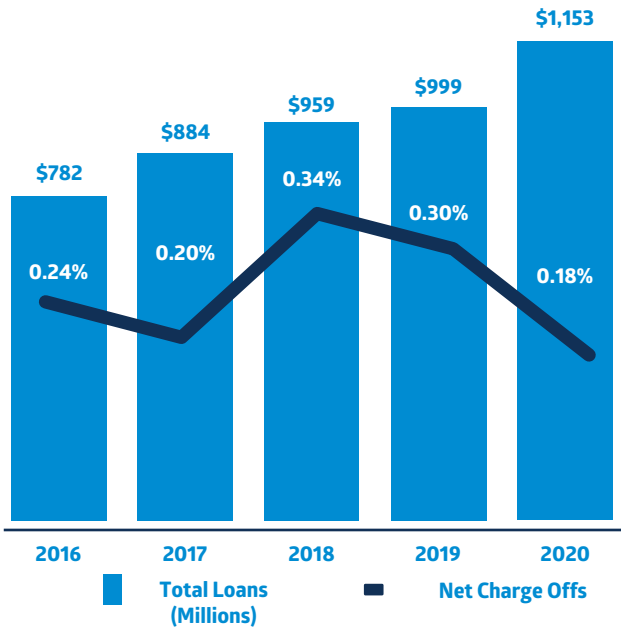
**POPULATION: 45,085**



# FINANCIAL HIGHLIGHTS

At Southern Bancorp, we strive to equally increase our profitability and performance as a company alongside our impact because each lead to long-term sustainability. 2020 was a year that saw increases in both.

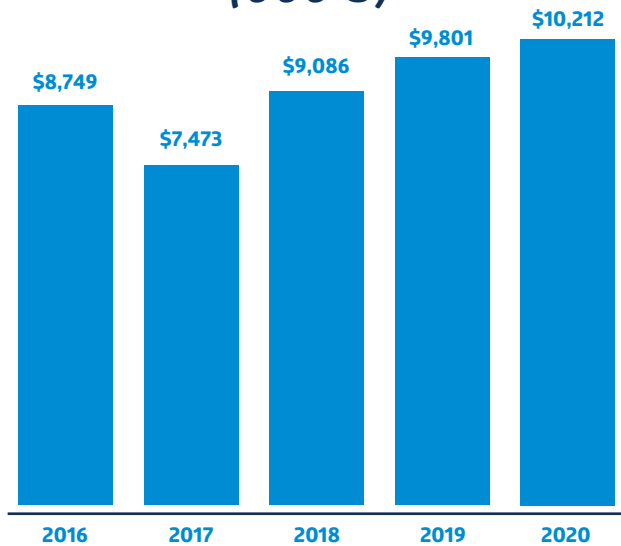
## LOANS



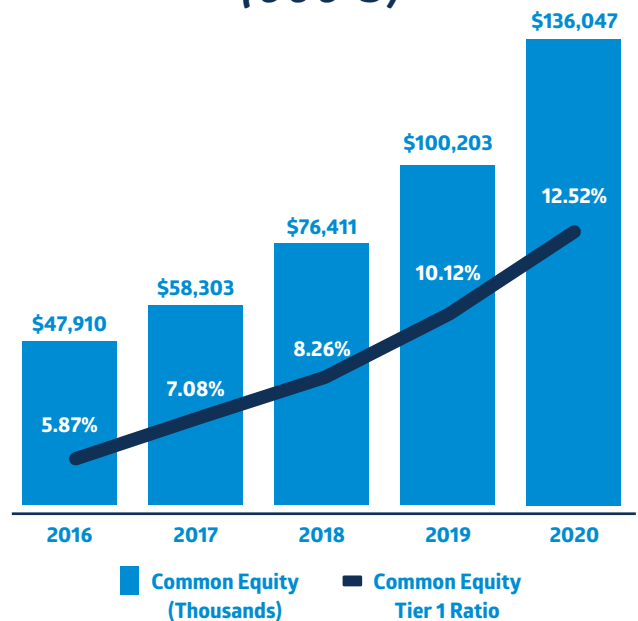
### THROUGH 12/31/2020

% of loans (#) in CDFI Target Markets	95.60%
% of loans (\$) in CDFI Target Markets	90.47%
Total loans originated (#)	7,220
Total loan originations (\$)	\$655 million
% of total loans under \$1,000	20.10%
% of total loans under \$10,000	56.10%

## END OF YEAR CONSOLIDATED EARNINGS (000'S)



## COMMON EQUITY (000'S)





# 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 20,000\* people  
in attaining and/or sustaining  
affordable housing.*

.....

## **JOBS**

*Support the creation or retention  
of 120,000\* jobs.*

.....

## **SAVINGS**

*Empower  
2,000,000\*  
people to save.*

*\*In 2021, Southern Bancorp's Board of Directors voted to increase the 10-year targets due to significant progress. Originally, the goals were: Housing—10,000; Jobs—100,000; and Savings—1,000,000. Sometimes, it's good to move the goalposts.*



# HOUSING

When first time homebuyers Alvin and Lenora Brown were referred to Southern Bancorp for their home loan needs, they weren't expecting the journey that resulted. Clarksdale loan officer Renaldo Roberts first met the Browns when their original realtor referred them for a home loan. When Roberts visited the home, he could instantly tell that it was in very poor condition and wasn't the right financial move for the Browns, who had only ever rented. Roberts helped them find a new realtor and another home that was well-built and well-priced to fit their budget. Today, the Browns are building wealth in their first home and creating lasting memories at the same time.

*In 2020...*

2,203

*People supported or assisted in  
attaining affordable housing*

.....

*Cumulative Progress (2017-2020)*

7,941

*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.*



Scan the QR code to watch  
Rose Schweikhart's story  
or [click here](#).

# JOBS

When Rose Schweikhart heard about a unique opportunity to lease historic bathhouses in Hot Springs, Ark., she immediately thought it would be the perfect place to launch her dream of opening the town's first brewery. Superior Bathhouse Brewery is today the first and only brewery in the world to use thermal spring water. Rose's project came together through a combination of tools and resources coordinated by Southern Bancorp, from the Arkansas Economic Development Commission's Minority Ownership Loan Guaranty Program and an SBA loan to an economic development grant from the Federal Home Loan Bank. Additionally, Southern Bancorp connected Rose to Henderson State University's Small Business Technology Center to provide technical assistance. Today, Superior Bathhouse Brewing employs 42 people and has become a popular food and beer lover's destination as well as a valuable member of the local business community. Learn more at [SuperiorBathHouse.com](https://SuperiorBathHouse.com).

34,882

*Jobs created or retained in 2020*

\$2.6 Billion

*Estimated GDP Impact in 2020*

*Cumulative progress (2017-2020)*

65,660

*Jobs created or retained*

*Cumulative progress (2017-2020)*

\$5 Billion

*Estimated GDP Impact*

## **Methodology**

*Jobs and GDP impact estimates were prepared by economist 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.*



**The CONFESS**  
PROJECT

# SAVINGS

As a young man, Lorenzo Lewis spent countless days at his aunt's salon, watching customers come and go, listening to their conversations. He noticed people often left happier than they arrived, a result he attributed to them being free to talk about life's problems with their barbers and stylists. This idea stuck with him as a young adult looking to make a positive impact on his community. Eventually, it evolved into a vision for providing communities of color with the tools to succeed—via mental health services, job assistance, healthcare access, and economic mobility—through his mission-driven company, L&J Empowerment, a Southern Bancorp Community Partners (SBCP) business and savings client.

L&J Empowerment is the parent company of three initiatives that realize Lorenzo's vision. The first, and most well-known of these is The Confess Project, dubbed America's first mental health barber shop movement. To date, the initiative has trained 300 barbers in 25 cities as mental health advocates. Out of this movement, Lewis saw firsthand the importance of economic mobility to his community, and subsequently launched The Lewis Group, which focuses on finding employment for individuals with disabilities. In serving these clients, Lewis identified yet another barrier to economic mobility for those he served—transportation. And so was born TOG Transit, a company that provides transport services to individuals seeking employment and healthcare services.

To ensure that these services could be found in one central location and not only barber shops, Lewis launched the first "Joy and Wellness Hub" in Little Rock, Ark. as a prototype for reimagining the traditional community health center. His vision is to have these centers located in communities throughout the country, providing opportunities that result in clients leaving happier and healthier than they arrived, just like his aunt's customers all those years ago. Learn more about his movement at [TheConfessProject.com](https://TheConfessProject.com).

93,989

*People empowered to save in 2020*

.....  
*Cumulative progress (2017-2019)*

117,579

*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 page 12.

# CONSOLIDATED BALANCE SHEET

## AS OF DECEMBER 31<sup>ST</sup> (\$ IN THOUSANDS)

ASSETS	2020	2019
Cash and due from banks	\$ 28,355	\$ 32,046
Interest-bearing deposits in other banks	115,180	119,479
Cash and cash equivalents	143,535	151,525
Certificates of deposit in other banks	9,262	30,456
Investment securities, available for sale	236,580	152,876
Investment securities, held to maturity	17,063	33,480
Other equity investments	13,096	12,755
Loans, net of allowance of \$17,224 and \$13,398	1,135,828	986,163
Premises and equipment, net	38,709	41,349
Goodwill	36,753	36,753
Real estate owned, net	3,456	3,402
Bank owned life insurance	33,319	33,682
Accrued interest receivable and other assets	17,051	16,617
Total assets	\$ 1,684,652	\$ 1,499,058
LIABILITIES		
Deposits		
Noninterest bearing	\$ 318,360	\$ 235,346
Interest bearing	1,059,108	995,998
Total deposits	1,377,468	1,231,344
Securities sold under agreements to repurchase	29,080	26,111
Federal Home Loan Bank advances	65,467	46,182
Subordinated debentures	17,437	17,437
Notes payable and line of credit	12,475	13,718
Accrued interest payable and other liabilities	12,525	12,874
Total liabilities	1,514,452	1,347,666
SHAREHOLDERS' EQUITY		
Preferred stock, \$1 par value; 5% non-cumulative; 200,000 shares authorized; 500 issued and outstanding; aggregate liquidation preference \$500	500	500
Common stock, \$0.01 par value; 30,000,000 shares authorized; 14,514,362 and 14,000,102 shares issued; and 13,475,980 and 13,168,853 shares outstanding	145	140
Additional paid-in capital	68,935	62,663
Retained earnings	104,220	94,644
Accumulated other comprehensive income	6,729	1,616
Treasury stock, at cost; 1,038,382 and 831,249 shares, respectively	(10,329)	(8,171)
Total shareholders' equity	170,200	151,392
Total liabilities and shareholders' equity	\$ 1,684,652	\$ 1,499,058



# CONSOLIDATED STATEMENTS OF INCOME

## YEAR ENDED DECEMBER 31<sup>ST</sup> (\$ IN THOUSANDS)

INTEREST INCOME	2020	2019
Loans, including fees	\$ 56,069	\$ 52,919
Investment securities:		
Taxable	2,401	2,869
Tax exempt	2,582	2,069
Federal funds sold and other	1,375	1,986
Total interest income	62,427	59,843
INTEREST EXPENSE		
Deposits	6,992	9,009
Federal funds purchased and repurchase agreements	146	312
Other borrowed money	1,100	1,403
Subordinated debentures	415	659
Notes payable	247	285
Total interest expense	8,900	11,668
Net interest income	53,527	48,175
Provision for loan losses	5,850	5,280
Net interest income after provision for loan losses	47,677	42,895
NONINTEREST INCOME		
Interchange income	2,228	1,943
Service charges on deposit accounts	1,642	1,558
Overdraft Fees	3,253	4,406
Other	3,428	4,181
Total noninterest income	10,551	12,088
NONINTEREST EXPENSE		
Salaries and employee benefits	25,875	24,019
Net occupancy and equipment	5,065	4,849
Data processing	3,909	3,645
Foreclosed assets, net	262	432
Advertising	1,770	2,394
Amortization of intangibles	78	336
Other	9,172	8,287
Total noninterest expense	46,131	43,962
INCOME BEFORE INCOME TAXES	12,097	11,021
Income tax provision (benefit)	1,885	1,220
Net income	10,212	9,801
Preferred stock dividends	25	27
Net income available to common shareholders	\$ 10,187	\$ 9,774

# GOVERNING BOARDS

*As of December 31, 2020*

## **SOUTHERN BANCORP, INC.**



*Glendell Jones, Jr.*  
*Chair of Southern Bancorp, Inc.*

**Chair** · **Glendell Jones, Jr.** · Georgetown University · Senior Advisor to the President  
**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** · Senior International Advisor  
**Diane Tatum** · Entergy Arkansas · Regional Customer Service Manager (Retired)  
**Darrin L. Williams** · Southern Bancorp, Inc. · CEO

## **SOUTHERN BANCORP BANK**



*Sherman Tate*  
*Chair of Southern Bancorp Bank*

**Chair** · **Sherman Tate** · Tate & Associates · President & CEO  
**Hugh Arant, Jr.** · Arant Farms · President  
**Jerry Damerow** · Ernst & Young · Partner (Retired)  
**Kim Evans** · Walton Family Foundation · Senior Program Officer—Special Projects  
**Jim Franks** · First National Bankers Bank · Arkansas Regional President (Retired)  
**Donna Gambrell** · Appalachian Community Capital · President & CEO  
**Glendell Jones, Jr.** · Georgetown University · Senior Advisor to the President  
**Michael Montgomery** · BankLabs · Chairman & CEO  
**Walter L. Morris, Jr.** · WLM Enterprises · President  
**John T. Olaimy** · Southern Bancorp Bank · President & CEO  
**Susie Smith** · Former Financial Services Executive  
**Darryl D. Swinton** · Better Community Development, Inc. · Director of Housing & Economic Development  
**Darrin L. Williams** · Southern Bancorp, Inc. · CEO

## **SOUTHERN BANCORP COMMUNITY PARTNERS**



*Donna Gambrell*  
*Chair of Southern Bancorp Community Partners*

**Chair** · **Donna Gambrell** · Appalachian Community Capital · President & CEO  
**Vice Chair** · **Amanda Johnson** · Clarksdale Collegiate Public Charter School · Executive Director  
**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  
**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



A Leland, Mississippi mural honoring nationally recognized music legends from the area. Southern Bancorp serves Leland and other towns around the historic Mississippi Blues Trail.

# Southern Bancorp

acer

ve - Thru Hours

nday - Thursday

8:30 - 4:00

Friday

8:30 - 5:30



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