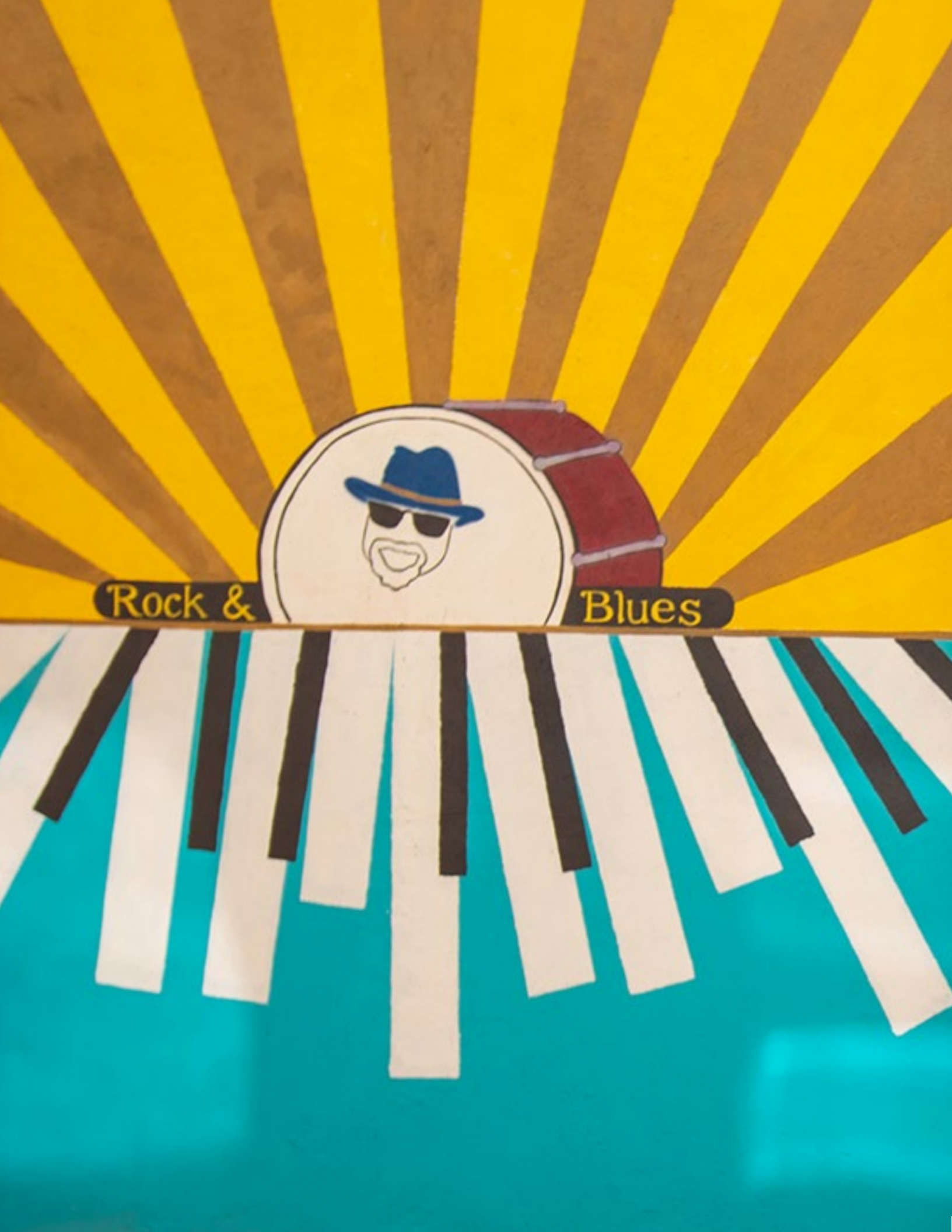




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IMPACT  
REPORT  
 Southern  
Bancorp



Rock &

Blues

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On the cover: Entrepreneur Kenyatta Ward of Jonesboro, Ark. stands in front of her new restaurant. Read more about her journey on page 31.



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

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

Each of our impact reports feature a theme that is reflective of our past year. In recent years we've focused on opportunity, growth, impact, and capital to name a few. Because 2021 was a year that saw us laying the foundation for our future, for this report we decided that "building" would be the most apt description.

2021 was a year more than any other that set the stage for our future. It saw a foundation built through investments, recognition, collaborations, and partnerships which all combined to set our company on course for impact beyond anything our founders may have imagined. If you're reading this report, you're part of that future. I hope you'll enjoy reading about what all we accomplished in 2021, but more importantly, I hope you'll join us for the journey in 2022 and beyond.

## **BUILDING IMPACT**

In December of 2021, the U.S. Treasury Department announced recipients of the Emergency Capital Investment Program, or ECIP, a stimulus program providing \$9 billion in equity investments into qualifying CDFIs and Minority Depository Institutions. The ECIP capital will allow mission driven banks to provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, that were disproportionately impacted by the economic effects of the COVID-19 pandemic. This investment in mission-driven financial institutions has the potential to transform marginalized communities across the nation.

Upon completing an exhaustive application to illustrate our ability to put this investment to work, it was announced that we will receive the maximum amount allowed through the program: \$250 million in the form of non-cumulative, perpetual preferred stock with a maximum 2% annual dividend rate that is not applicable for the first two years. Further, this rate can be reduced to as low as 0.5% by meeting aggressive lending targets to marginalized people, in economically distressed places, and for community building projects – a bar we fully intend to meet.

The ECIP announcement was the culmination of a focus on CDFIs that began in 2020 and continued through 2021. From Business Roundtable members like Bank of America and JPMorgan Chase who not only invested in us but welcomed our ideas and input, to tech leaders like Block (formerly Square) who invested and likewise provided support to our growing CDFI-focused technology efforts, to philanthropies such as the Winthrop Rockefeller Foundation and MacKenzie Scott – our new capital and partnerships have set the stage for much needed growth and impact in economically distressed communities.



The investment also capped off a record-breaking year for Southern Bancorp – from eclipsing \$2 billion in assets and exceeding \$1.2 billion in loans to the launch of our first ever fintech app (Wealthable) focused on increasing financial access to the underserved.

We grew our footprint in 2021 by opening a new branch in Hattiesburg, Miss., and acquiring Arkansas County Bank, which expanded our Arkansas footprint in three new rural communities. We also announced an agreement with the City of Little Rock to open a branch in the capital city's 12th Street Station, located in a minority community long devoid of banking options and just blocks from Little Rock's historic Central High School. Finally, we capped off the year with an announcement to acquire another community bank, Premier Bank of Arkansas, which we closed on in May of 2022.

We also grew awareness around Southern Bancorp and the CDFI industry itself. Southern Bancorp was featured in nearly 70 media articles around the country, including in American Banker, The Wall Street Journal, and NPR to name just a few. Future business leaders will also now have a better understanding of CDFIs thanks to Harvard Business School's case study, *Aligning Mission and Margin at Southern Bancorp*, which is being taught to MBA students at both Harvard University and Duke University and is available to other business schools across the country.

Our customers also showed their support for our mission in 2021 by awarding us a Net Promoter Score of 69.3%, putting us among the highest reputations in our industry. (The average NPS for financial institutions in 2021 was 34%.)

Of course, our work is only possible because of our team, which has grown tremendously. In 2021, we grew our workforce by nearly 10%, and our mission-driven culture was on full display throughout the year. Our staff volunteered over 8,000 hours of their time, part of which came through our participation in the Volunteer Income Tax Assistance Program that saw us complete more than 3,800 tax returns in our communities for free, resulting in more than \$7.6 million in refunds of which \$2.6 million was in the form of the Earned Income Tax Credit.

Finally, we believe that our "wealth builders for everyone" attitude must start from within, which is why we launched our Employee 1% Home Loan in 2020. To date, I'm proud to say that nearly one quarter of our staff have begun building wealth through this program. Similarly, a strong majority of our team is investing in both our company and our future through our combination 401K and ESOP, known as the Southern Bancorp KSOP, with 95% of eligible employees participating. Together, these programs represent just some of the ways we encourage our team to be the example by building net worth and increasing economic mobility.

## FUELING THE JOURNEY

Last year, I made the case for CDFIs and MDIs as a delivery mechanism for economic hope, healing, and growth in minority and underserved communities, and it's a need that has only grown in our country.

According to the 2021 Small Business Credit Survey, businesses owned by people of color were more likely to be turned down by large banks for financing and more likely to be approved by CDFIs. This illustrates how mission-driven financial institutions are meeting the needs of marginalized people and communities where they live. The need is there, we just have to deliver, and more so than ever before, we have the resources to do so.

The road toward recovery, prosperity, and equity is long, but Southern Bancorp – along with other mission-driven financial institutions - is well positioned to fuel it, and I invite you to join us for the journey.



Darrin L. Williams  
CEO, Southern Bancorp, Inc.



Scan the QR code to read  
Treasury's ECIP announcement.

# A COMMUNITY DEVELOPMENT ICON



## DOROTHY STUCK

There are more than a few words often used to describe the late Dorothy Stuck – journalist, activist, newspaper publisher, trailblazer, government official, “Arkansas legend” – but everyone who knew her could probably sum her up with just one: helper. It was this all-encompassing trademark that led her to be a founding board member of Southern Bancorp, and later the board chair of our non-profit arm, Southern Bancorp Community Partners.

**“When I was a boy and I would see scary things in the news, my mother would say to me, ‘Look for the helpers. You will always find people who are helping.’” – Fred Rogers**

The changing social tides of the '50s and '60s were equal parts historic and tumultuous.

Stuck was perfectly placed in this era, becoming one of her time's most ardent advocates for equality – not just in Arkansas but the entire South. The Gravette, Ark. native and University of Arkansas alum used her platform as the publisher/editor of three east Arkansas newspapers and her eventual job as Regional Director of the Office of Civil Rights to be a resolute voice for the social reforms of the time. In the latter role, which was based in Dallas, she was responsible for realizing Title IX of the Civil Rights Act, and ensuring the five-state region followed the department's desegregation regulations.

After nearly a decade in Dallas, Stuck returned to her home state and co-founded the management consulting firm Stuck & Snow Resultants alongside her friend, Nan Snow. Shortly after, she became a charter member of the Southern Bancorp board and coined our motto, “Building Communities, Changing Lives” as a way of describing our mission-minded work.

The impact of her three decades of service to our mission is invaluable. We'd say it is also immeasurable, but that wouldn't be entirely true. It's measured in every metric outlined in this report – from community impact to culture building, loans made to jobs created, equity pursued to empowerment achieved, and so much more.

It's also measured by a culture that cultivates the next generation of Dorothy Stucks, for whom we created a namesake award to carry her legacy and reward those who live – and work – by the same driving principles: the Dorothy Stuck Empowerment Award.

Southern Bancorp would be only a fraction of what it is today without Stuck's service and stewardship. Though she is greatly missed, her spirit is alive and well in our ongoing commitment to building communities and changing lives.

### **Dorothy D. Stuck**

*February 5, 1921 – July 1, 2021*

### **Distinctions**

Charter board member, Southern Bancorp

Arkansas Press Woman of the Year Award (1964, 1969)

Chair, Suffrage and Elections Committee, Arkansas Constitutional Convention (1968)

Charter member, president, Arkansas Press Women

Distinguished Service Award, U.S. Department of Health, Education, and Welfare

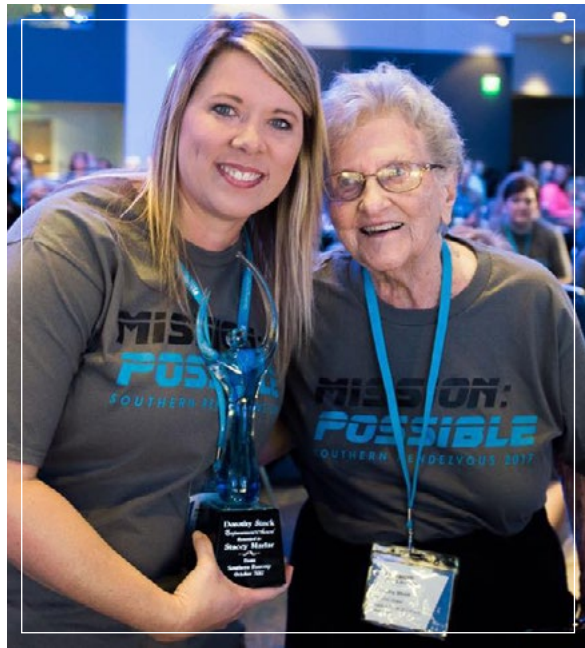
Chair, Dallas-Fort Worth Federal Executive Board (the first woman to do so)

Author, *Roberta: A Most Remarkable Fulbright*

Award of Merit, American Association of State and Local History

Distinguished Alumni Award, University of Arkansas

Inductee, Arkansas Women's Hall of Fame (2017)



Top left: Dorothy Stuck. Top right: Dorothy with Stacey Marlar, 2017 Dorothy Stuck Empowerment Award Winner, at that year's employee celebration. Bottom (left to right): Stacey Marlar, Dorothy Stuck, 2018 Award Winner Vida Fielder, and Southern Bancorp CEO Darrin Williams.

The Dorothy Stuck Empowerment Award is to be given to an employee that demonstrates the following characteristics: Mission-Oriented, Bold/Brave Leader, Community-Minded and Visionary. Past winners include Stacey Marlar in 2017, Vida Fielder in 2018, Jason Giachelli in 2019 and Dana Worstell in 2020.

# BUILDING IMPACT

2021 was a year of growth and expansion. The acquisition of Arkansas County Bank began the year and added three new Arkansas branches to our networks: **DeWitt, Stuttgart, and Lockesburg**. Not only did we add three new markets in which to provide our financial development products and services, but we gained an outstanding new team of mission-focused individuals.



DeWitt



Lockesburg



Stuttgart

Later in the year, we completed our expansion into the **Hattiesburg, Mississippi** market, bringing a strong team that has already grown with plans to open another branch in the community in 2023.

We ended the year with the announcement of an agreement with the City of Little Rock to open our first branch in Arkansas' capital city. The new branch will be located in Little Rock's 12th Street Station alongside our partners in this revitalization project – Philander Smith College, an Historically Black College or University (HBCU), who is using its space for a criminal justice program; and the University of Arkansas for Medical Sciences, who is creating a health- and nutrition-focused food program for an area that has long been regarded as a "food desert." With our part, we aim to be a constructive financial partner for this community, which has been without a community-based financial option for years. The branch will not only provide access to much-needed financial products and services, but will also be home to a HUD-certified credit counselor as well as consumer-focused lenders.



Little Rock



Hattiesburg



2021 was the second year in a row that Southern Bancorp was awarded a **New Markets Tax Credit (NMTC)** allocation, totaling \$100 million to date (\$50 million each year). Through 2022, we have deployed nearly our entire allocation, anticipating fully utilizing our credits by the end of the year. Our \$100 million NMTC allocation since 2020 has resulted in over \$270 million in investments in economically distressed communities in Arkansas and Mississippi, resulting in the creation of 525 new jobs and the retention of 1,063 jobs. It also resulted in bringing three new businesses to Mississippi along with financial assistance for two existing businesses.



World Services for the Blind construction project.

World Services for the Blind offers a variety of resources for blind or visually impaired people across the country. Based in Little Rock, Ark., the organization also teaches life skills that put students on the path to sustainable independence. By utilizing the NMTC program through Southern Bancorp, the non-profit is now building 24 housing units for individuals with no support, as well as renovating their 70-year-old campus with new electrical, HVAC, and other much needed amenities.

Throughout the pandemic, **Southern Bancorp's SBA Team** was hard at work ensuring that capital was flowing to businesses. Through the end of 2021, our Preferred SBA lenders supported our own and other banks' customers through the PPP program by handling **2,614 loans** totaling nearly **\$158 million** and **supporting over 22,000 jobs**.



**SOUTHERN BANCORP WAS RECOGNIZED AS THE ARKANSAS TOP LENDER WITH ASSETS OF OVER \$500 MILLION.**

“I want to build a legacy for my family.”



Scan the QR code to learn how the **Timmons Family** is building generational wealth through Southern's SBA program

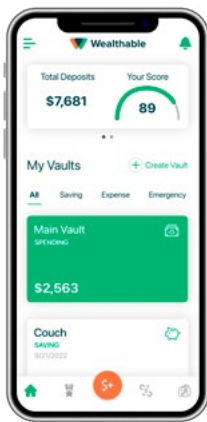


# BUILDING INNOVATION

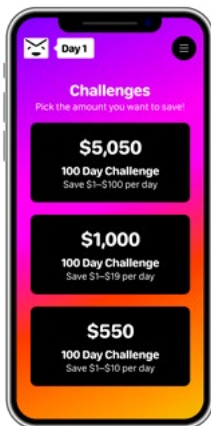
## TEAMWALT – OUR INNOVATION DIVISION

2021 saw tremendous growth in Southern Bancorp’s new innovation division, **TeamWALT** (an acronym for Wealth Accumulation Lifestyle Technologies). Led by Southern’s Chief Innovation Officer, Vance Smiley, **TeamWALT** is free to focus on new and creative solutions to challenging financial problems through our mission-focused lens.

Thanks to the inventive work of **TeamWALT**, Southern Bancorp’s financial fingerprints can reach an even larger market of people – whether they are in our physical banking coverage area or not.



With the full-service banking app **Wealthable**, users can learn and enact sound financial habits, create and maintain their budgets, and build solid savings foundations. The app also allows for digital person-to-person connections, such as through its shared savings plans and money transfers. Above all else, **Wealthable** is a way to help families across America get control of their finances – no matter their starting point – and redirect their financial future forward. Learn more at [Wealthable.app](https://Wealthable.app).



TeamWALT’s latest creation, **Envie**, is a way for consumers to play and save simultaneously. Created in response to the popular “Envelope Challenge,” **Envie** is a mobile savings game that provides daily challenges designed to help users save a lot of money in just 100 days. Digital “envelopes” are labeled 1 to 100, one of which is opened at random each day. Whatever amount is listed inside the envelope – be it \$1 or \$100 – is how much is put into savings that day. And with a broad range of goals to select from – \$550, \$1,000, or \$5,050 – it’s a tool within reach of everyone’s financial position. Learn more at [savewithenvie.com](https://savewithenvie.com)



## INNOVATION IN THE COMMUNITY



Sam Carrasquillo and Wes Prewett from Team WALT visit with Philander Smith College students about app development



July 12, 2021

### 251: Building Communities and Changing Lives featuring Darrin Williams and Vance Smiley

Startup Junkie



As a direct extension of Southern Bancorp and our core values, community is an important pillar for TeamWALT. We seek to help our communities; we get our ideas from our communities; and we build our applications with our communities not only in mind, but in the room. Just as Southern Bancorp is more than just a bank, TeamWALT is more than an app developer.

Because of this real-time engagement and open dialogue with our peers, we can be at the forefront of the challenges that face our communities – and be part of the solution.

One of the community projects currently in the works at TeamWALT is a collaboration with Philander Smith College, a 145-year-old HBCU in Little Rock, Ark. In 2022, the duo is teaming up for a first-of-its-kind “hack-a-thon” for students of the college, an engaging competition designed to strengthen participants’ financial literacy and computer science knowledge, as well as soft skills such as problem solving and teamwork. Among the prizes for the winning team includes an internship with TeamWALT, yet another investment into the future of our community.



Southern Bancorp CEO Darrin Williams and Chief Innovation Officer Vance Smiley joined the **Startup Junkie** podcast in 2021 to talk about reimaging and reinventing the way banks use and develop core banking systems.

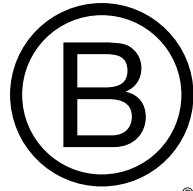


Scan the QR code to watch Startup Junkie Podcast.

# RECOGNIZING IMPACT

Southern Bancorp and its leaders were recognized in several ways throughout 2021 – from assessments and recognition of our impact, to leadership appointments, and opportunities to share our work widely.

**Certified**



**Corporation**



Certified B Corporations are leaders in the global movement for an inclusive, equitable, and regenerative economy. Certification identifies businesses as meeting high standards of verified performance, accountability, and transparency.

In 2021, Southern Bancorp was named to the B-Corp "Best for the World" list for setting high standards for serving customers.



Since 2017, Southern Bancorp has participated annually in the America Saves Week challenge, encouraging customers and community members to take the pledge to save – a key part of our focus on wealth building. In 2021, Southern Bancorp was one of six banks in the U.S. to receive the Designation of Savings Excellence, an award made annually to financial institutions that go above and beyond to actively encourage members to save, increase savings, save automatically, and build wealth.

Community Reinvestment Act (CRA)

**OUTSTANDING**

In 1977, Congress enacted the Community Reinvestment Act (CRA) to encourage federally insured banks and thrifts to help meet the credit needs of the whole community, including low- and moderate-income neighborhoods. Banks are then evaluated on how well they do this and assigned ratings based upon the findings, with an "Outstanding" reserved for the highest performing institutions. Southern Bancorp is proud to have earned an "Outstanding" on our last three evaluations.



We were also proud of our company and staff for receiving recognition for their work across our markets.

[www.armoneyandpolitics.com/most-admired-companies-2021/](http://www.armoneyandpolitics.com/most-admired-companies-2021/)

2021 was also a full year for Southern Bancorp's CEO, Darrin Williams, with a variety of appointments and recognitions for his work leading our organization.



### Community Development Advisory Board

Appointed by President Biden, Darrin serves on the 15-member board that advises the Community Development Financial Institutions (CDFI) Fund and its director. The board is made up of 9 citizens plus several cabinet members.



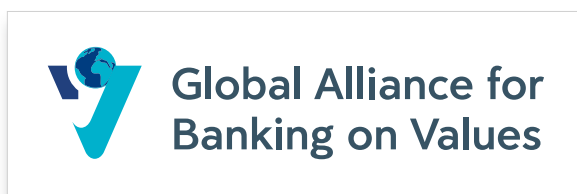
### Federal Reserve Bank of St. Louis, Little Rock Branch Board of Directors

Board members work with Federal Reserve staff to ensure that the conditions of Main Street America are represented in Federal Open Market Committee deliberations in Washington, D.C.



### Investing in Rural Prosperity, Chapter Author

From the Federal Reserve Bank of St. Louis, this collection features leaders discussing the economic needs of rural America. Darrin's chapter, "A Swiss Army Knife for Rural Development" offers insight into how CDFIs serve as economic first responders. Read for free at [www.stlouisfed.org/community-development/publications/invest-in-rural](http://www.stlouisfed.org/community-development/publications/invest-in-rural).



### Global Alliance for Banking on Values Board of Directors and North American Board Chair

Southern Bancorp is a proud member of the Global Alliance for Banking on Values, a leadership network with a shared purpose of putting finance to work for the benefit of people and our planet.



### 2021 Community Banking in the 21st Century Research and Policy Conference Keynote Speaker

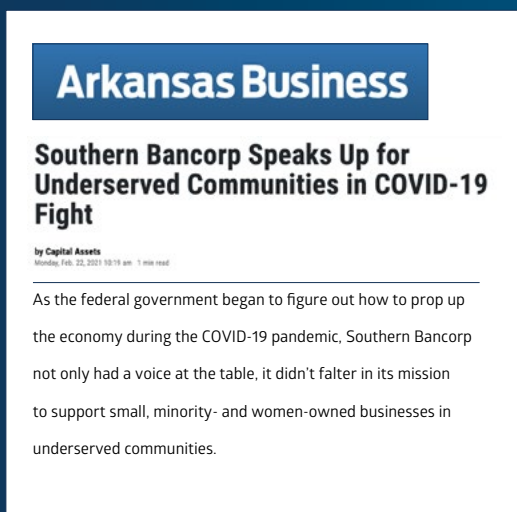
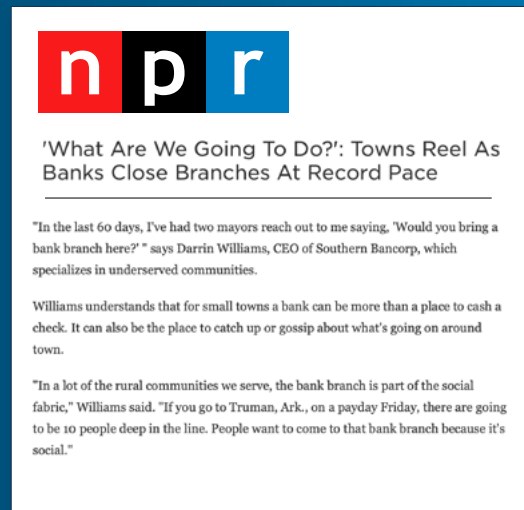
Darrin served as keynote speaker for the 2021 Community Banking in the 21st Century Research and Policy Conference, sponsored by the Federal Reserve System, the Conference of State Bank Supervisors (CSBS) and the Federal Deposit Insurance Corp. (FDIC). Scan the QR code to watch the keynote presentation.



Scan the QR code to watch Darrin's Keynote Speech at the 2021 Community Banking Conference.

# SOUTHERN BANCORP IN THE NEWS

Sharing our work has always been important to us, but throughout the pandemic and the nation's renewed focus on equity, Southern Bancorp found a new calling to be a voice for CDFIs and MDIs across the country as financial first responders and a strong delivery mechanism for putting capital to work in underserved, marginalized, and disenfranchised communities. Here are just a few of the opportunities we had to share our work and vision.



Scan the QR code to visit our landing page with links to these stories and more.



## Closing racial wage gap in just 20 occupations would boost millions of Black Americans

About 2 million Black Americans could climb into the middle class if they were given equal wages as their White co-workers, a new study from corporate consulting firm McKinsey estimates.

Moving that many people to the middle class would benefit the larger U.S. economy as well as Black communities, said Shelley Stewart III, a McKinsey partner who led the study released Thursday.

Newly minted middle-class families would have much less need for public assistance like food stamps and housing vouchers, thus reducing U.S. government spending on social service programs, Stewart said. Black households would earn an extra \$220 billion in wages annually if the racial wealth gap were erased, and that in turn would generate more income for federal and state governments to tax, he added.



## The Tape

Matt Miller and Paul Sweeney focus on market coverage as Wall Street begins its day with analysis from Bloomberg Opinion writers, Bloomberg Intelligence analysts, and influential newsmakers.

The Tape Podcast - Browse all episodes

## Investing In CDFIs, Impact On Under-Served Areas (Radio)

Darrin Williams, CEO of Southern Bancorp, discusses equity investments into Community Development Financial Institutions (CDFIs) and the impact they can have on under-served areas. Hosted by Paul Sweeney and Matt Miller.



## Southern Bancorp CEO on serving underbanked communities

Southern Bancorp has over a billion dollars in assets and serves predominantly Black, rural and agricultural communities. Southern Bancorp CEO Darrin Williams joined "Squawk Box" on Friday to discuss serving underbanked communities and the importance of investing in the financial institutions that can reach them.



## BankThink Three reforms CDFIs need to help build stronger communities

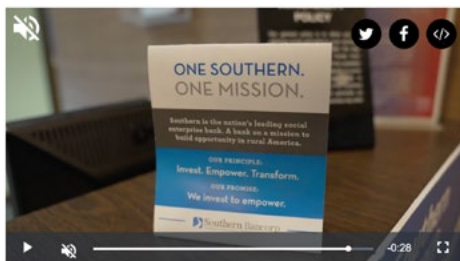
No one can reasonably deny that when the overall economy gets a cold, low- and moderate-income individuals and neighborhoods get the flu, largely through no imprudence of their own. History proves that lower-income families, particularly those comprising people of color, get fired first and rehired last. As a result, no matter how hard they work to save, they're almost always left a step behind. The Great Recession was a clear example: While a range of big banking institutions were given taxpayer bailouts, more modest communities were left with a Sisyphian boulder. As we emerge from the pandemic, the cycle is apt to repeat itself.

One tool we should use to address this perennial problem has emerged from the world of finance. Despite decades of often fruitful work inducing ordinary banks to serve lower-income communities, many poorer neighborhoods today remain inundated with check-cashing storefronts and pawnbrokers. Many lower-income borrowers have little choice but to deal with



## Banks are closing at record rates in the US, presenting a problem for rural communities

CDFIs look to fill the void left by bigger banks



TALK BUSINESS & POLITICS

## Southern Bancorp CEO Darrin Williams discusses expansion plans

by Roby Brock (robys@business.net) | December 19, 2021 10:03 am | 1,582 views

Tags: Darrin Williams | Southern Bancorp



Southern Bancorp is expanding on a number of fronts. The Arkadelphia-based Community Development Financial Institution (CDFI) is about to receive a major equity investment from a new federal fund, has launched a minority business initiative with Arkansas banks, will open a banking center in Little Rock, and will expand its reach with a recent new hire.

CEO Darrin Williams was a guest on this week's Talk Business & Politics to discuss the changes.

# COLLABORATIVE IMPACT

Creating widespread, generational change requires powerful partnership and strong collaborations. In 2021, we were privileged to partner with a wide array of philanthropic, government, media and corporate powerhouses working to create real change in our markets and beyond.

## CASE STUDY COLLABORATIONS



## Harvard Business School

October of 2021 was the culmination of ten months of collaboration with Harvard Business School on the development of a case study focused on Southern Bancorp's origins, our growth into the CDFI we are today, and the challenges we faced to get here. The case which has been taught to HBS students is now available to other business school students across the country.

## University of Arkansas

We also had the pleasure of partnering with University of Arkansas students on another case study focused on Southern Bancorp's mission driven work throughout the pandemic and the impact on our customers and communities. The case study was presented as part of the Conference of State Bank Supervisors Case Study Competition.

## BUILDING BACK

On December 10, 2021, an F2 tornado struck several Northeast Arkansas towns, including Trumann, Ark., a community served by Southern Bancorp. The devastating wake of the tornado was felt for miles, destroying homes and claiming the lives of two in the state, but it did little to break the spirit of this strong community. Southern Bancorp was proud to work with several local nonprofits and government organizations to help raise funds to support local residents and begin the process of getting residents — and the community — back on its feet.



Jeremy Wooldridge, CEO of Crowley's Ridge Development Council and Southern Bancorp Market President Paul McAnally survey a tornado cleanup area.



Structural tornado damage in Trumann, Ark.





## SUPPORTING MINORITY ENTREPRENEURS

It's no secret that minority entrepreneurs have historically struggled to access capital, experiencing higher denial rates and lower loan approval amounts. According to the Federal Reserve Bank's 2021 Small Business Credit Survey, only 13% of Black-owned firms received all the financing they sought during a one year period compared to 40% of white-owned firms.

Though the ultimate answer to this lies in a global shift in regard to equity, there are opportunities arising. In 2021, Southern Bancorp partnered with Simmons Bank, the Winthrop Rockefeller Foundation, Little Rock's 50 for the Future, and Mayor Frank Scott, Jr. to launch a dual track program for minority entrepreneurs in Central Arkansas called the Minority Business Empowerment Fund (MBEF).

The MBEF program offers two tracks for entrepreneurs depending on their business readiness level at the time of application. One track provides technical assistance including: financial literacy and business skills development focused primarily on improving sales, marketing, financial management, and operational efficiency training provided by experts in each field. The other track, which is intended for those proficient in business skills, may be able to move directly to the program's loan application.

2021 saw our first successful cohort to begin the program, with our second class set to begin in 2022. We intend to replicate the program in other markets in the future. [Learn more by visiting www.MBEMpowerment.fund](http://www.MBEMpowerment.fund).



Southern Bancorp Community Partners  
President Anthony Young welcomes the  
MBEF's inaugural class.

## ASSESSING THE IMPACT OF HOUSING COUNSELING WITH THE ARKANSAS COMMUNITY FOUNDATION

Southern Bancorp's public policy team published a report examining the impact and accessibility of housing counseling in Arkansas. Funded through a grant from the Arkansas Community Foundation, the report found several key challenges around expanding access to housing counseling, including funding, foreign language services, and increased demand for rental counseling.

[Read the full report at www.banksouthern.com/publications](http://www.banksouthern.com/publications).



# BUILDING CULTURE

“CUSTOMERS WILL NEVER LOVE A COMPANY UNTIL THE EMPLOYEES LOVE IT FIRST.”

-Simon Sinek

Financial institutions regularly measure themselves. Assets, loans, deposits, income, and investments are all part of those calculations. Yet the most important asset for any company is often left out – the people. We are quick to share that our most precious assets are the individual staff who work together to create impact every day. Our success is a direct result of their dedication and commitment to our company's culture, mission, and values.

## OUR CORE VALUES

We build relationships that lift up our customers, our co-workers, and our communities.

## RELATIONSHIP

**ACCOUNTABILITY** We share a collective responsibility to fulfill our mission and we hold each other to it.

**INNOVATION** We are not afraid to try new things, question traditional methods, or embrace new opportunities to better fulfill our mission.

We know that our success is measured by our impact on people, the planet, and profits.

## SUSTAINABILITY

**EMPOWERMENT** We work with our customers, communities, and employees to ensure they have equal and equitable access to the financial resources, tools and support they need to improve their financial health.

We encourage staff to recognize co-workers for living the core values that represent our mission to be wealth builders for everyone. In 2021, employees recognized co-workers 1,592 times throughout the year with a core value award worth up to \$50. At the end of the year, grand prize winners are selected among those who went above and beyond throughout the year, being recognized in all five categories. Winners receive extra paid time off and an expense paid vacation.



Grand Prize Winner  
Olivia Booker  
Greenville, Miss.



Grand Prize Winner  
Sylvia Keen,  
Malvern, Ark.

Being a certified Community Development Financial Institution means we take extra pride in engaging with and supporting our communities. From fun-filled outings and events to educational opportunities, Southern Bancorp employees are a regular presence throughout our markets – volunteering and giving back.



Though free tax preparation isn't something one usually associates with banks, we believe that helping people save even a small amount is a key part of wealth building. By preparing basic tax returns for free in our communities – for customers and non-customers alike – we're helping put more money into savings accounts and back into the community.

**108**

Volunteer Income  
Tax Preparers

**3,800**

Tax returns  
filed for free

**\$7,637,861**

In tax refunds and  
credits to families

**\$2,668,770**

In Earned Income  
Tax Credits



Because helping everyone in the community build wealth is at the core of what we do, we encourage every employee to be an Opportunity Center for the community. This means that everyone is trained to provide an array of services, from checking credit reports to scheduling counseling sessions, regardless of whether they are a customer. Our tools are available in every one of our branches and online at [banksouthern.com/opportunity](https://banksouthern.com/opportunity).

**9,562**

Opportunity Center activities in 2021

## GIVING BACK

Southern Bancorp employees also support our communities with their time and their donations. Turn the page to see our wealth builders in action.

**200**

Organizations supported  
by employees (volunteering  
and contributing)

**8,742**

Employee  
Volunteer Hours

**\$44,190**

Employee donations to  
local nonprofits



# BUILDING COMMUNITY

Serving the community is a core part of working at Southern Bancorp. Our “Community Corps” is engaged year round — volunteering, giving back, and sharing the tools needed for everyone in the community to build wealth.



Clarksdale, Miss.



Mt. Ida, Ark.



DeWitt, Ark.



Olive Branch, Miss.



Hattiesburg, Miss.



Lockesburg, Ark.



Hattiesburg, Miss.



Gurdon, Ark.



Blytheville, Ark.



DeWitt, Ark.



Stuttgart, Ark.

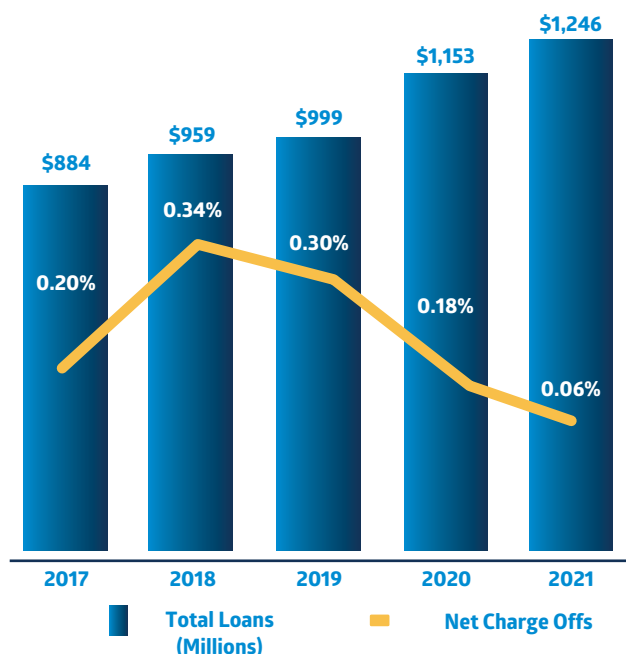


Arkadelphia, Ark.

# 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. 2021 was a year that saw increases in both.

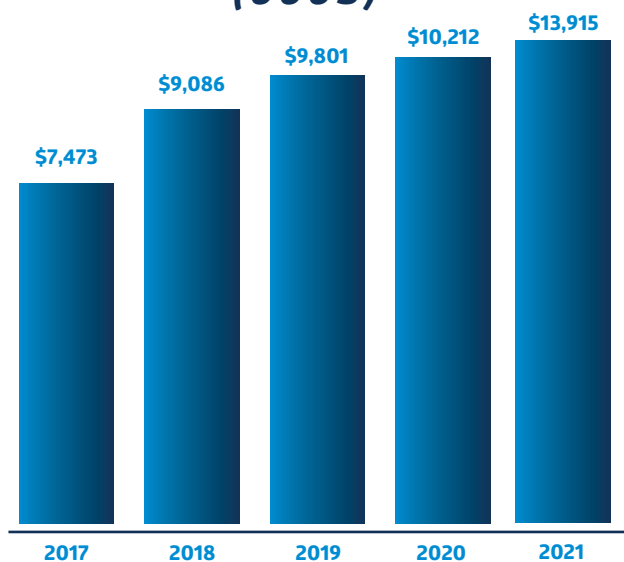
## LOANS



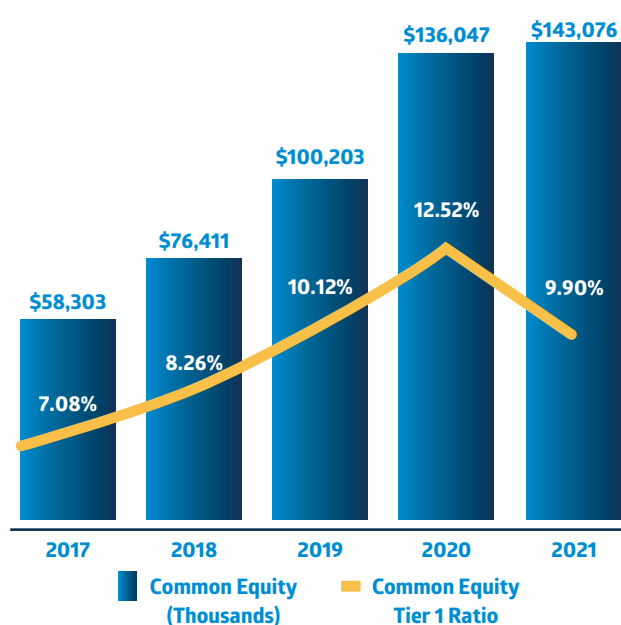
### THROUGH 12/31/2021

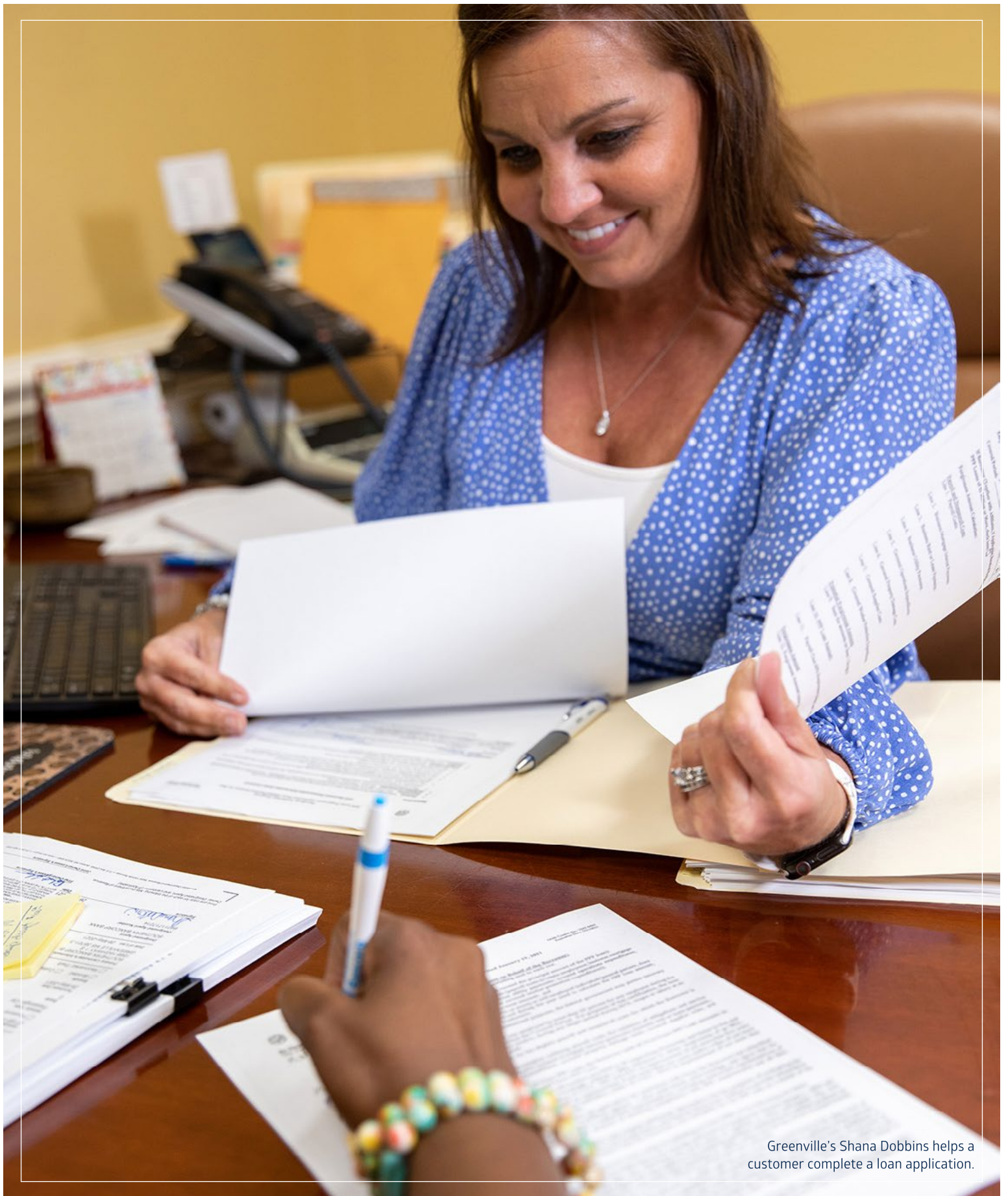
% of loans (#) in CDFI Target Markets	96.03%
% of loans (\$) in CDFI Target Markets	86.78%
Total loans originated (#)	8,157
Total loan originations (\$)	\$670 million
% of total loans under \$1,000	19.73%
% of total loans under \$10,000	47.30%

## NET INCOME (000S)



## COMMON EQUITY





Greenville's Shana Dobbins helps a customer complete a loan application.

# 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 we would be forced to not only work hard, but 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.





Southern Bancorp customer Ebony Williams  
with MM&K Trucking in Greenville, Miss.



New homeowner Davidlon Palmer with Southern Bancorp lender Glenda Danzy.

# HOUSING

Davidlon Palmer is known for his hard work and perseverance. Opening up a restaurant in his Southeast Arkansas hometown of Eudora took a great deal of both, yet he wasn't expecting to call on the same skill set to buy his first home. Going to his local bank, he expected an easy process to secure a loan to purchase a home just blocks away from his business; however, he was turned down without a second glance.

Determined not to give up, Davidlon reached out to Southern Bancorp lender Glenda Danzy, who shared with him Southern Bancorp's philosophy of taking time with each borrower to determine what products and services are the right mix to get them on track. Not only is Davidlon now a homeowner, but he is now a wealth building advocate for others in his community.

*In 2021...*

# 2,332

*People supported or assisted in  
attaining affordable housing*

---

*Cumulative Progress (2017-2021)*

# 10,273

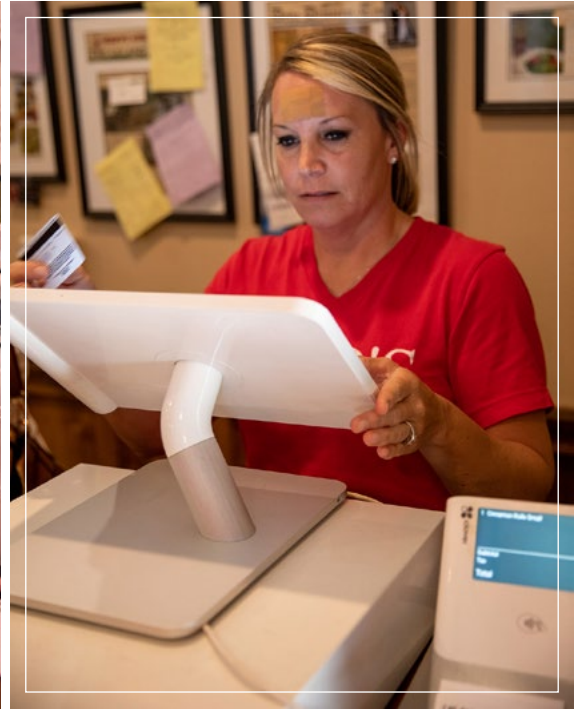
*People supported or assisted in  
attaining affordable housing*

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#### **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.*

# HOUSING



Top left: Amy Virden, owner of Vito's Marketplace. Top right: Stacey Trussell, manager.

# J O B S

One doesn't have to travel far in the Mississippi Delta before seeing Vito's salad dressing for sale. The wildly popular concoction can be found in stores hundreds of miles from its origin in the small Mississippi community of Leland. Also known as the hometown of famed puppeteer Jim Henson, Leland is a tight-knit, slow-paced community where everyone knows each other – especially Amy Virden, the spirited restaurateur who owns and operates the popular downtown dining spot, Vito's Marketplace. In addition to their famous salad dressing, Vito's serves a wide variety of Italian and seafood dishes, while also serving as a popular gathering place for the community of 4,000.

Like so many restaurants impacted by the pandemic, Vito's was hit hard by both the virus and state ordinances working to limit its spread that closed dining rooms and left restaurants with few options for remaining in business. A long-time Southern Bancorp customer, Amy reached out to Jason Giachelli, a Market President and lender who has worked with and known Amy for years. She relayed her concerns about keeping her business open and keeping her staff employed. Jason was able to work with Amy to get her quick access to the paycheck protection program, and remained in close contact throughout the pandemic to ensure she was taken care of – so she can continue taking care of her employees and her community.

## 14,648

*Jobs created or retained in 2021*

## \$1.1 Billion

*Estimated GDP Impact in 2021*

*Cumulative progress (2017-2021)*

## 80,308

*Jobs created or retained*

*Cumulative progress (2017-2021)*

## \$6.1 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.*

# J O B S



Restaurant owner Kenyatta Ward (right) with her daughter Ntravus.

# SAVINGS

Kenyatta Ward always dreamed of making a living baking delicious treats for others. For years, the Jonesboro, Arkansas resident spent much of her free time – before and after work – in her kitchen whipping up sweet treats for families and friends as a small side business. That all changed after a regular visit to her Southern Bancorp branch.

While chatting and asking about a bank statement, Kenyatta shared her dream of leaving her day job and opening her own storefront. Because all Southern Bancorp staff are trained to share the unique resources available to customers through our Opportunity Centers, she was introduced to Southern Bancorp's IDA coordinator and credit counselor, Mindy Maupin.

Individual Development Accounts, also known as Matched Savings Accounts, are unique savings accounts designed to help individuals build assets and achieve financial stability. When saving for specific, asset-building goals such as starting a new business, buying a first home, or going to school, an IDA customer will consistently save for a set period and after which, the funds are matched and distributed by the IDA coordinator for the covered purposes.

Kenyatta was able to save and receive funds to purchase equipment for her business and pay the initial rent on her establishment. The Sweet Tooth Headquarters is now open and already looking to expand to meet the growing demand for Kenyatta's sweet treats.

## 95,220

*People empowered to save in 2021*

---

*Cumulative progress (2017-2021)*

## 212,799

*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.

# SAVINGS

# CONSOLIDATED BALANCE SHEET

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

ASSETS	2021	2020
Cash and due from banks	\$ 31,196	\$ 28,355
Interest-bearing deposits in other banks	77,872	115,180
Cash and cash equivalents	109,068	143,535
Certificates of deposit in other banks	5,655	9,262
Investment securities, available for sale	289,266	236,580
Investment securities, held to maturity; fair value of \$261,424 and \$17,840, respectively	261,046	17,063
Other equity investments	15,141	10,917
Loans, net of allowance of \$16,490 and \$17,224, respectively	1,225,360	1,135,828
Premises and equipment, net	43,133	38,709
Goodwill	43,764	36,753
Real estate owned, net	1,020	3,456
Bank owned life insurance	44,229	33,319
Accrued interest receivable and other assets	22,641	19,230
Total assets	<u>\$ 2,060,323</u>	<u>\$ 1,684,652</u>
LIABILITIES		
Deposits		
Noninterest bearing	\$ 406,322	\$ 318,360
Interest bearing	1,314,719	1,059,108
Total deposits	1,721,041	1,377,468
Securities sold under agreements to repurchase	31,155	29,080
Federal Home Loan Bank advances	72,408	65,467
Subordinated debentures	17,437	17,437
Notes payable and line of credit	14,732	12,475
Accrued interest payable and other liabilities	13,243	12,525
Total liabilities	1,870,016	1,514,452
EQUITY		
Southern Bancorp Inc.'s 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; authorized 15,726,377 and 14,514,362 shares issued; and 14,458,024 and 13,475,980 shares outstanding	157	145
Additional paid-in capital	83,425	68,935
Retained earnings	117,416	104,220
Accumulated other comprehensive income	1,825	6,729
Treasury stock, at cost; 1,268,353 and 1,038,382 shares, respectively	(13,057)	(10,329)
Total Southern Bancorp, Inc equity	190,266	170,200
Noncontrolling interest	41	-
Total equity	190,307	170,200
Total liabilities and equity	<u>\$ 2,060,323</u>	<u>\$ 1,684,652</u>



# CONSOLIDATED STATEMENTS OF INCOME

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

INTEREST INCOME	2021	2020
Loans, including fees	\$ 58,977	\$ 56,069
Investment securities:		
Taxable	4,258	2,401
Tax exempt	3,063	2,582
Federal funds sold and other	429	1,375
Total interest income	66,727	62,427
INTEREST EXPENSE		
Deposits	4,227	6,992
Federal funds purchased and repurchase agreements	68	146
Other borrowed money	799	1,100
Subordinated debentures	321	415
Notes payable and line-of-credit	375	247
Total interest expense	5,790	8,900
Net interest income	60,937	53,527
Provision for loan losses	-	5,850
Net interest income after provision for loan losses	60,937	47,677
NONINTEREST INCOME		
Interchange income	3,102	2,228
Overdraft Fees	3,351	3,253
Service charges on deposit accounts	1,691	1,642
Other	5,451	3,428
Total noninterest income	13,595	10,551
NONINTEREST EXPENSE		
Salaries and employee benefits	33,695	25,875
Net occupancy and equipment	5,613	5,065
Data processing	4,022	3,909
Foreclosed assets, net	786	262
Advertising	2,442	1,770
Amortization of intangibles	78	78
Other	12,713	9,172
Total noninterest expense	59,349	46,131
INCOME BEFORE INCOME TAXES	15,183	12,097
Income tax provision	1,398	1,885
Net income	13,785	10,212
Less: Net loss attributable to the noncontrolling interest	(130)	-
Net income attributable to common shareholders	13,915	10,212
Preferred stock dividends	\$ 25	\$ 25
Net income available to common shareholders	\$ 13,890	\$ 10,187

# GOVERNING BOARDS

As of December 31, 2021



**Glendell Jones, Jr.**

*Chair of Southern Bancorp, Inc.*

## 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 (Advisory Director)

## 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

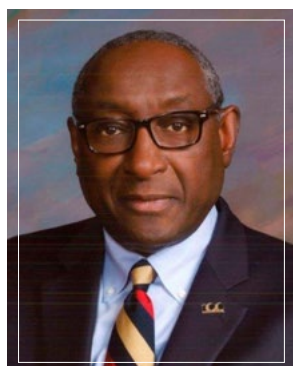
**Walter L. Morris, Jr.** · WLM Enterprises · President

**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



**Sherman Tate**

*Chair of Southern Bancorp Bank*

## 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

**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



**Donna Gambrell**

*Chair of Southern Bancorp  
Community Partners*

## BOARD LEADERSHIP



Southern Bancorp Community Partners Board Chair Donna Gambrell (left) works with Southern Bancorp, Inc. CEO Darrin Williams (middle) and Southern Bancorp, Inc. Board Chair Glen Jones (right).



Southern Bancorp Bank Board Chair Sherman Tate receiving the Legacy of Leadership Award at the 34th annual Arkansas Business of the Year Awards.

## EXECUTIVE LEADERSHIP



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



**John T. Olaimy**  
President & CEO  
Southern Bancorp Bank



**Anthony Young**  
President, Southern Bancorp  
Community Partners



# Southern Bancorp

[BankSouthern.com](http://BankSouthern.com) | [SouthernPartners.org](http://SouthernPartners.org)

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