



IMPACT REPORT

2022



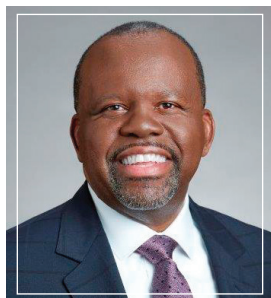


"Don't judge each day by the harvest you reap, but by the seeds that you plant."
- Robert Louis Stevenson

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Planting the Seeds of Tomorrow's Impact



Darrin L. Williams, CEO
Southern Bancorp, Inc.

Dear Friends of Southern Bancorp,

I am pleased to present our 2022 Impact Report, highlighting a year of growth and record-breaking milestones. We expanded our footprint, added to our team, and reached new heights across several metrics. It was a year of laying the groundwork for impactful growth, and I am excited about what the future holds for our organization.

The Southern Bancorp team knows my favorite mantra is “No Margin, No Mission.” 2022 was a year that underscored this commitment to increasing our business’ strength and soundness (our margin) and reaching the underserved markets we were founded to serve (our mission).

Our total asset size reached a record \$2.6 billion, driven by originating a record amount of loans in 2022 (\$806 million). Notably, 95% of these loans were made in our CDFI target markets, with nearly half in persistently poor counties. Our nonprofit CDFI loan fund, Southern Bancorp Community Partners, also reached new heights, originating a record 93 loans in 2022, almost twice as many as in 2021, with 84% made within our CDFI target markets.

In addition to our loan portfolio, our other lines of business also experienced significant growth. We received a \$45 million allocation in New Markets Tax Credits, leveraging \$31 million into \$124 million in investments. This resulted in the creation of 180 jobs, the retention of 167 jobs, and the serving of over 1,000 low-income individuals. Our SBA team thrived, expanding its market area and being named the Arkansas SBA Lender of the Year for the second year in a row.

The Minority Business Empowerment Fund (MBEF), a pilot program focused on Central Arkansas, was created by Southern Bancorp to address the historic lack of access to capital for minority entrepreneurs. Fifteen inaugural MBEF participants received culturally competent, individualized small business technical assistance and capital access, with seven entrepreneurs receiving loans totaling more than \$600,000.

Beyond lending, we provided financial development services through our Opportunity Center initiative. This program offers free resources, training, and education to anyone who needs it in our communities, regardless of whether or not they are Southern Bancorp customers. In 2022, our team made over 11,000 referrals, with more than 10,000 being “deep impact” or “high touch” referrals, providing hands-on services to people in need. Our financial coaching and counseling team offered over 800 hours of in-depth counseling to a client base that was 75% minority and low-to-moderate income.

Our staff contributed more than 10,000 hours of volunteer time in the markets we serve. Among these commitments was our participation in the Volunteer Income Tax Assistance program, through which we provide free tax preparation to income-qualified individuals and families. Last year, our volunteers filed over 4,400 tax returns, resulting in more than \$5.6 million in refunds, including \$1.7 million from Earned Income Tax Credits. Our community lending and engagement resulted in Southern receiving its third in a row “Outstanding” rating under the Community Reinvestment Act.



Darrin Williams (far right) joined with partners at the 2022 Clinton Global Initiative.



Darrin Williams speaking on financial wellness and inclusion at the 2022 VenCent Fintech Summit.

None of these milestones would have been possible without the dedication of our amazing, mission-focused team, which also saw a significant expansion this past year. In January 2022, we announced the acquisition of Premier Bank of Arkansas, with branches in West Memphis, Marion, and Jonesboro, Ark. – locations that are well-aligned with the markets we strive to reach.

As we enter new markets, hire new staff, and acquire other institutions, we recognize the importance of understanding our brand promise in new communities. To guide us in this endeavor, we welcomed Southern Bancorp's first-ever Chief Diversity, Equity, and Inclusion Officer, LaTricia Hill-Chandler, in 2022. LaTricia, a pioneer in the DEI space, has already provided foundational training for existing team members, guidance as we add new staff, and overall support in ensuring that we are building our company's future success on a foundation of inclusion.

In 2022, we held our second in-person, all-employee event, *Rendezvous 2022 – Back For The Future*. With nearly 150 new employees since our first gathering, we brought together almost 500 Southern Bancorp Wealth Builders for two days of fun, fellowship, education, and empowerment. The event had an '80s theme to teach staff about our history and prepare for our future.

As we look toward our goals and aspirations for that future, TeamWALT, our innovation division, continues its research and development efforts by building and testing mobile applications focused on serving underserved communities. Three such applications dominated our time in 2022: Elevault, our all-in-one budgeting app; Envie, our savings app; and we piloted MOD (Money on Demand), a microloan app designed to provide consumers with a responsible alternative to predatory, payday lenders.

Our successes, inclusive growth, and brand building in 2022 (and 2023) are essential to our future strategy. As recipients of Emergency Capital Investment Program funding, we take our responsibility seriously to put this capital, and the capital provided by others, to work as it was intended. We are putting resources into our expanding markets to reach underserved communities, including African American, Hispanic, and other minority populations in rural areas and urban centers.

We believe there is an excellent opportunity in America to help more families achieve the American Dream, and we are excited about a future in which we can deliver on that dream like never before.

If you'd like to join us in this journey to be wealth builders for everyone, I encourage you to read on and invite you to learn more.

Whether banking with us, investing in us, partnering with us, or joining the Southern team, there are several opportunities to help create a brighter future for everyone.

Darrin L. Williams
CEO, Southern Bancorp, Inc.

Expanding Impact

2022 was another year of growth as we continue to expand our mission to new markets.



In June 2022, we completed the acquisition of Premier Bank of Arkansas, a \$213 million asset bank with three branches in **Jonesboro, Marion, and West Memphis, Ark.** following board and regulatory approval. These markets now have access to our unique, mission-focused style of banking, and we are excited to have added a group of new, values-focused team members.

We wrapped up the year by putting the finishing touches on two new branches in under-resourced communities.

Little Rock, Ark.



The most recent of our new branches sits just down the street from the Arkansas State Capitol and historic Central High School. Located in an area of Little Rock that has long been devoid of banking options, our new branch inside Little Rock's 12th Street Station provides the community with locally-focused financial services as well as access to a wide range of financial development services. The multi-use facility built by the City of Little Rock also houses a police station, a fresh food deli operated by the University of Arkansas for Medical Sciences, and classrooms for local HBCU Philander Smith College.

Canton, Miss.



Canton, Miss., is located on the outer orbit of Jackson, Mississippi's capital. It's a city with a lot of history and a lot of pride, but also one in which financial access has not always been easy to come by. With our new full-service branch, local businesses and families in Canton now have access to our unique style of banking and a new development partner that's invested in the future of this community.

Minority Business Empowerment Fund



According to the Federal Reserve Bank, only 13% of Black-owned businesses received all the financing they sought during a recent one-year period, compared to 40% of white-owned businesses.

To create a bridge to equity in our own communities, Southern Bancorp partnered with Simmons Bank, the Winthrop Rockefeller Foundation, Little Rock's 50 for the Future, and Little Rock Mayor Frank Scott Jr. to launch a dual-track program for minority entrepreneurs in Central Arkansas called the **Minority Business Empowerment Fund (MBEF)**.

Our first cohort of minority entrepreneurs completed the program in 2022, which resulted in **seven loans** totaling **\$632,418** to help finance the futures of these small businesses.

New Markets Tax Credits



For the third year in a row, Southern Bancorp was awarded a New Markets Tax Credit (NMTC) allocation in 2022. The **\$45 million award** brought our to-date total to \$145 million. Our previous NMTC allocations resulted in more than \$270 million in investments in economically distressed communities in Arkansas and Mississippi, which created 525 new jobs and the retainment of 1,063 jobs.



"I AM SO HAPPY TO HAVE FOUND SOUTHERN BANCORP."

While receiving technical assistance through our Minority Business Empowerment Fund program, Carissa Hill-Ochi, owner of Posh Automotive in North Little Rock, Ark., discovered she had been losing a lot to her bottom line in high-interest payments and fees. Carissa thought obtaining traditional capital from a bank at a lower rate was near impossible.

With the help of Southern Bancorp's unique mission, she was able to secure a Business Line of Credit that removed the roadblocks from her future.

Collaborative Impact



Volunteer Income Tax Assistance

Every year since 2004, volunteers from both Southern Bancorp Bank and Southern Bancorp Community Partners step up to lead one of our most impactful savings programs – VITA (Volunteer Income Tax Assistance), through which we offer free tax preparation to income-qualified individuals in our markets.

4,403

Tax returns
filed for free in 2022

\$5.6 million

in tax refunds
and credits in 2022

\$1.7 million

in Earned Income
Tax Credits in 2022

\$27,209

Average adjusted
gross income of filers



Because helping everyone in the community build wealth is at the heart of what we do, we encourage every employee to be an Opportunity Center for our communities. This means that every Southern Bancorp employee is trained to offer a variety of services, from credit report reviews to scheduling counseling sessions. These tools are available in every one of our branches and online at banksouthern.com/opportunity.

11,115

Opportunity Center activities in 2022

Giving Back

Southern Bancorp employees also support our communities with their time and their donations through both our Community Core program and with optional, automatic paycheck drafts.

260

Organizations supported
by employees (volunteering
and contributing)

10,678

Employee Volunteer
Hours

\$49,345

Employee donations to
local nonprofits



CLINTON
GLOBAL
INITIATIVE

Our forthcoming health-wealth pilot project in Clarksdale, Miss., was recognized as a 2022 Commitment to Action by the **Clinton Global Initiative**, which it described among “new, specific, and measurable plans that address global challenges.”

The Clarksdale project is the result of a collaboration between Southern Bancorp and Aaron E. Henry Community Health Services, a Federally Qualified Health Center (FQHC). It will offer the support and resources of both health care and financial development services under the same roof. We will also use the center to gather data to better understand social determinants of health, further examining the effects of poverty on health outcomes.

Recognizing Impact

Certified



B-Corp Score



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.

Following our 2022 recertification process, our score grew from 122.3 to 129.7, again including us on the “Best for the World” list for scoring in the **top 5%** of the Impact Assessment, which measures the impact a company has on its customers.



Each year, the Arkansas SHRM State Council selects one organization in the state as its **Human Resources Best Practices Award** recipient. In 2022, Southern Bancorp was honored with this award for, among other things, our commitment to a culture in which employees may grow and build wealth through such programs as our 1% employee home loan and 6% employer match KSOP.

Community Reinvestment Act (CRA)

OUTSTANDING

In 1977, Congress passed 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 evaluated on how well they do this and are 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 four evaluations.**



Darrin Williams

CEO, Southern Bancorp

INSIDER

**100 People
TRANSFORMING
Business**

DIVERSITY EQUITY INCLUSION

Our CEO, Darrin Williams, was also recognized for his work leading our organization, being named as one of Insider’s “**100 People Transforming Business**” in the Diversity, Equity, and Inclusion category. Other notable honorees this year included LeBron James, Goldman Sachs CIO Marco Argenti, ABC News President Kim Godwin, and Lizzo. Previous years’ have featured JPMorgan Chase CEO Jamie Dimon, PayPal CEO Dan Schulman, and Marvel Studios President Kevin Feige.

Sowing Innovation



TeamWALT (Wealth Accumulation Lifestyle Technology)

With innovation representing one of our five core values, the success of TeamWALT, our innovation division, is instrumental to the future potential of our organization.



Elevault, which was recently rebranded from Wealthable, is a full-service banking app which gives users the ability to create and maintain budgets, build savings foundations, and develop better financial habits. Money saved and stored in the app's "vaults" earns daily interest, rewarding users for this money-smart behavior. In 2022, Elevault reached a milestone of **\$500,000 in total deposits**, from a user base of working families from all over the United States.



TeamWALT's second app, **Envie**, was created to give consumers a way to play and save at the same time. An innovation stemming from the viral "Envelope Challenge," Envie is a mobile savings game that provides daily challenges to help users reach a savings goal in 100 days – either \$350, \$550, \$1,000, \$2,500, or \$5,050. Such a broad range of goals makes it accessible to anyone's lifestyle and financial position.



Coming Soon

The latest product of TeamWALT, **MOD (Money On Demand)**, entered its pilot phase in 2022. With our other two apps checking the boxes of budgeting and savings, our innovators wanted to create a loan-based application to give people the ability to acquire new capital, responsibly. MOD was the result, which will serve as a micro loan app designed to one day disrupt the predatory lending industry.



Members of TeamWALT working on the latest innovations in their new office space.

Innovation in the Community

champions of change CHALLENGE

TeamWALT shares the same core values as Southern Bancorp, meaning that community is just as important for the innovation division as it is for the bank.

TeamWALT put that purpose to work in a big way with the **Champions of Change Challenge (CCC)**, a collaboration with Philander Smith College. The two-day innovation competition gave Philander students the opportunity to showcase their technical and problem-solving skills by finding solutions to solve a real-world problem – closing the homeownership gap for minority communities – as well as to learn from and network with local business leaders. The final teams competed for more than \$5,000 in prize money, with first place winning a grand prize of \$2,000.

Following this inaugural event's success, TeamWALT now has plans to scale this program to more colleges within Southern Bancorp's footprint, particularly those that do not typically have access to these types of opportunities.



Cultivating Culture

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.

Underscored by our commitment to **DIVERSITY, EQUITY, and INCLUSION.**



RAISE Grand Prize Winners

We encourage staff to recognize co-workers for living our core values. In 2022, Southern Bancorp employees recognized their colleagues 1,665 times throughout the year with a core value award of up to \$50. At the end of the year, those who were rewarded with each value letter – R.A.I.S.E. – are eligible to win a grand prize of extra paid time off and an expense paid vacation.



Grand Prize Winner
Devin King | Arkadelphia, Ark.



Grand Prize Winner
Natalie Clark | Little Rock, Ark.



Grand Prize Winner
Sam Swan | Indianola, Miss.



“DE&I AS WE SEE IT IS NOT ABOUT CHANGING YOUR VALUES AND BELIEF SYSTEMS, BUT MORE ABOUT CHANGING YOUR BEHAVIORS. WE WANT EVERYONE TO FEEL INCLUDED AND NO ONE TO FEEL EXCLUDED.”

— LaTricia Hill-Chandler
Chief Diversity, Equity & Inclusion Officer

Foundational to our core values is Diversity, Equity, and Inclusion. Our present-day focus of DEI aligns with Southern Bancorp’s long-standing mission to promote financial inclusion and fairness within the diverse, often under-resourced, communities we serve. DEI applies education and application to understanding and giving voice to the needs of “everyone” in our goal to be Wealth Builders for Everyone.

In 2022, we intentionally expanded our DEI efforts through the hiring and creation of a DEI team. LaTricia Hill-Chandler, CDEIO, joined Southern Bancorp with several years of experience in the DEI space, previously working for a major financial institution and global retailer. Her team oversees the implementation and alignment of DEI as part of Southern Bancorp’s overall business strategy to impact our employees, company culture, current and future customers, and the communities we serve.



The DEI team (LaTricia Hill-Chandler and Amy Gleason) showing the difference between equality and equity to Southern Bancorp’s team.

Dorothy Stuck Award



Darrin Williams (far right) presenting the Dorothy Stuck Award to the SBA team at Rendezvous 2022.

Left to right: Ty Johnston, Randy Ratcliff, Josh Austin, John Michael Davis, and Hunter Deweese.

The Dorothy Stuck Empowerment Award, named after the late icon who helped found Southern Bancorp, is given annually to an employee, or employees, who demonstrate(s) the following characteristics: Mission-Oriented, Bold/Brave Leader, Community-Minded, and Visionary. 2022’s Dorothy Stuck Award was given to our SBA Team.



Our SBA team was also recognized as the **Arkansas Top Lender** with assets of over \$500 million for the second year in a row.

Community

Serving the community is a core part of working at Southern Bancorp. That's why our "Community Core" is engaged year-round – volunteering, giving back, and sharing the tools needed for everyone in the community to build wealth.

Stuttgart, Ark.



Hattiesburg, Miss.



Helena-West Helena, Ark.



Arkadelphia, Ark.



Little Rock, Ark.



Clarksdale, Miss



Canton, Miss.



Glenwood, Ark.



Blytheville, Ark.

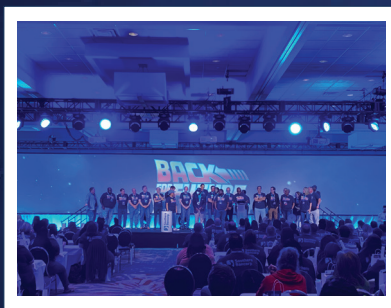


SOUTHERN BANCORP
COMMUNITY
CORE

Culture

2022 marked the return of Rendezvous, an all-employee gathering designed to energize, team-build, and prepare for the future ahead of us. It was our first in-person Rendezvous since 2017.

As we grow and expand our mission, it's important for us to always remember who we are and why we do what we do (and have a little fun along the way).



From the "Back to the '80s Bash" to the all-day "Past, Present, Future" conference, Southern Bancorp's team is prepared for and involved in the future growth of our organization. As our CEO, Darrin Williams, says:

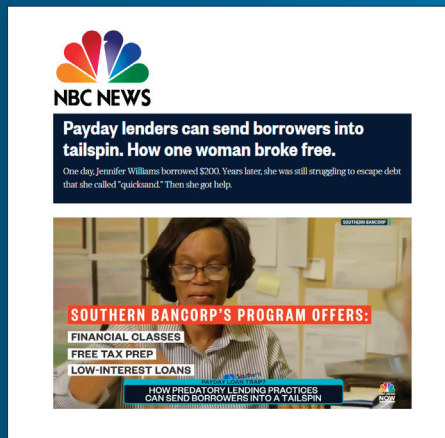
"OUR FUTURE'S SO BRIGHT, WE'VE GOT TO WEAR SHADES."



Spreading Our Mission

Sharing our work and the importance of community development banks has always been important to us. Southern Bancorp is proud to be a strong voice for CDFIs and MDIs across the country. By bringing awareness to the value of the work that we and other mission-focused financial institutions do, we leverage additional support for our cause into increased financial access for our local economies – assuring equitable opportunities that are within reach of everyone.

Here are just a few of the opportunities we had to share our work and vision last year.



Southern Bancorp in the News



Southern Bancorp, Aaron E. Henry Health Services recognized in New York by Clinton Global Initiative

A collaboration between Southern Bancorp and Aaron E. Henry Community Health Services (AEH) has been recognized as a 2022 Commitment to Action by the Clinton Global Initiative (CGI).

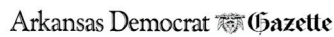
The two organizations will partner in a two-year pilot project in Clarksdale, designed to demonstrate the feasibility and economic development impact of integrating financial and health care services for low-income clients and health center staff.



CATALYST, LEADER, INFLUENCER: DARRIN WILLIAMS FOUND HIS PURPOSE AT SOUTHERN BANCORP

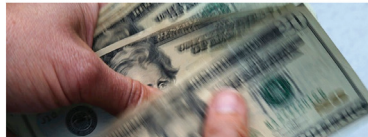
"We believe our mission is our competitive advantage. People of all financial walks of life want to bank with us because we provide a valuable service, but more specifically, because we are focused on doing good as well. We believe that wealth building isn't just for the wealthy; we are wealth builders for everyone.

"As long as I know that so many people lack access to responsible and responsive banking services, for a variety of reasons — including where they live, what they look like and how much money they have — I will have work to do. A person's ZIP code, race or current economic status should not be determinative of their ability to access the American dream."



Unbanked hit new state low with covid-19

Bankers say many opened accounts to access stimulus by Andrew Morse | November 6, 2022



Unbanked households in Arkansas essentially have been knocked down by half over the past five years, falling to a new low of 3.4% in 2021, according to the Federal Deposit Insurance Corp. That was below the national average of 4.5%.

"I've been tracking the number of unbanked and underbanked for years... and last year was the largest decrease I've ever seen," said Darrin Williams, chief executive officer of Arkansas-based Southern Bancorp Inc., which focuses on providing banking services to underprivileged and underserved communities in the Mississippi Delta region.



Southern Bancorp receives \$45 million in New Markets Tax Credit funds

The tax credits are sold to investors to raise capital for specific projects and are claimed over a seven-year period. The CDE then uses the fees earned from the allocation to make further investments in low-income communities.

"The NMTC program is a win-win situation, because while investors receive a return on their capital, they and the qualified business ultimately make a lasting economic impact in low-income, severely distressed communities," said Bill Wright, Southern Bancorp's West Region CEO and NMTC Program Director. "There's a strong need for this type of investment in our communities, and I'm proud to say we've put 100% of our previous two years' allocations to work throughout our footprint, and we look forward to quickly putting the latest round to work within these communities."



Anthony Young, 38
President
Southern Bancorp Community Partners
Little Rock

Anthony Young's traditional banking career veered into mission-based lending after receiving the Chairman's Club Award at Regions Bank. The shift in direction started when his wife posed a question: "What's next?"

Young left his job as branch manager in Southaven, Mississippi, to become economic development director with River City. After 22 months, he moved to Epicenter, the entrepreneurship hub of the greater Memphis region, as director of capital programs.

That was the jumping-off point for him joining Southern Bancorp Community Partners as president in January 2022.

Arkansas Business

COVER STORY

Southern Bancorp Poised to Double Capital, Expand Financial Reach

by George Waldon
Monday, Feb. 21, 2022 12:00 am 4 min read

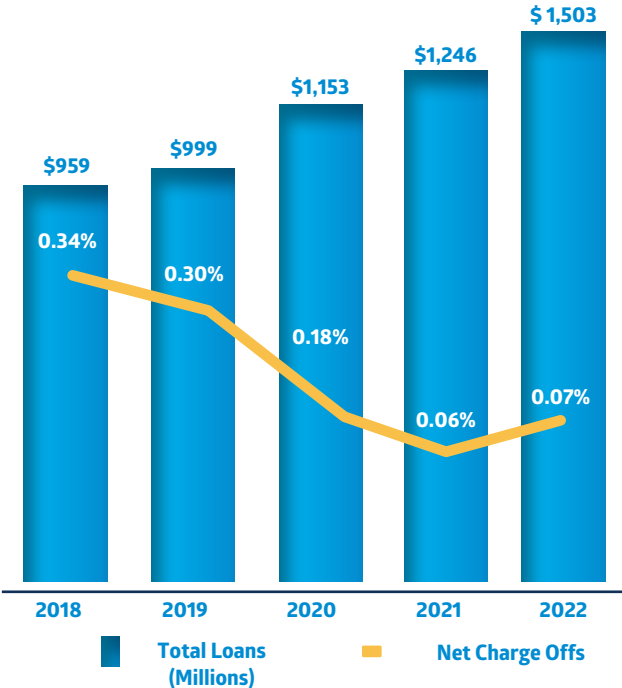
It took more than a decade for Southern Bancorp Bank to double its tally of total assets from \$1 billion to \$2 billion. The top executive of the bank's parent company expects the journey to \$4 billion will be much shorter.

"With the amount of capital we're going to receive, we will double in size during the next three to five years," said Darrin Williams, CEO of Southern Bancorp Inc.

Financial Highlights

At Southern Bancorp, we strive to equally increase our profitability and performance alongside our impact because each lead to long-term sustainability. 2022 was a year that saw increases in both.

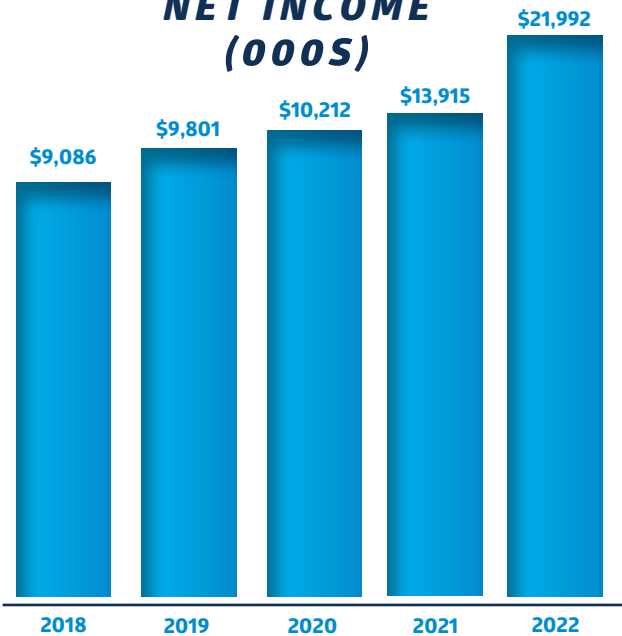
LOANS



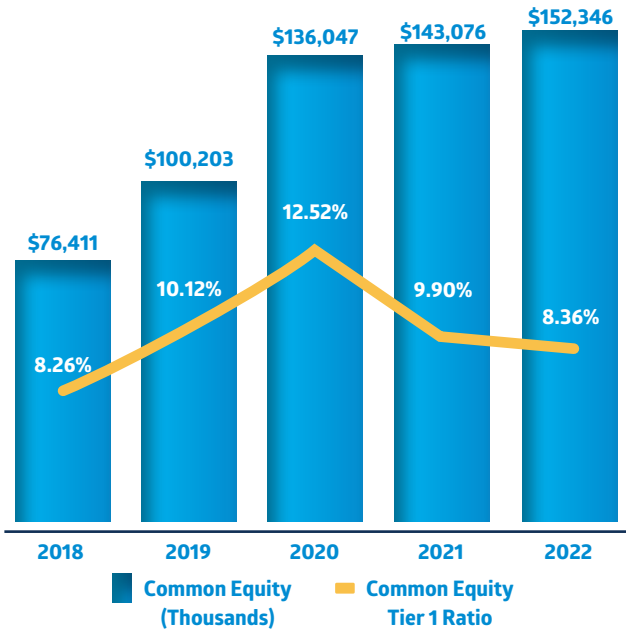
THROUGH 12/31/2022

% of loans (#) in CDFI Target Markets	95.76%
% of loans (\$) in CDFI Target Markets	87.44%
Total loans originated (#)	7,825
Total loan originations (\$)	\$806 million
% of total loans under \$1,000	27.39%
% of total loans under \$10,000	54.20%

NET INCOME (000'S)



COMMON EQUITY (000'S)





With the help of Southern Bancorp's Opportunity Center programs and resources — from an Opportunity Card to a Credit Builder CD and more — Jessica Drye of Glenwood, Ark., went from no bank account and little credit to being able to purchase a car on her own and her first home in just two years.



Hernando's Mary Davis providing a customer with a free credit review.

A 10-Year Plan for Economic Opportunity

2017-2027

Making an annual impact is important, but planning for and pursuing 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. The height of these goals was intentional, so that we would not only be motivated to work hard, but also innovative in our pursuits. Each goal focuses on an area that is vital to building net worth and therefore contributes 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.

Housing

As a single mom of four, owning a house had long felt like a distant dream for Lakisha Butler of Cleveland, Miss. But one day, she happened upon a financial education course being led by one of Southern Bancorp Community Partners' HUD-certified credit counselors that made her rethink this distance.

She felt inspired by the idea that opportunity could be within reach of everyone, even if a financial partner is needed along the way to help one reach their full potential.

Southern Bancorp would be that partner for Lakisha.

With counseling and support, Lakisha began saving toward a solid foundation, building her credit, and taking steps toward homeownership.

That hard work paid off when she opened the door to their new home for the first time. A place where everyone now has their own room, under the roof of a new beginning, with walls full of memories that will last for generations.

At last, Lakisha and her family are home.

In 2022...

1,776

*People supported or assisted
in attaining affordable
housing*

Cumulative Progress (2017-2022)

12,050

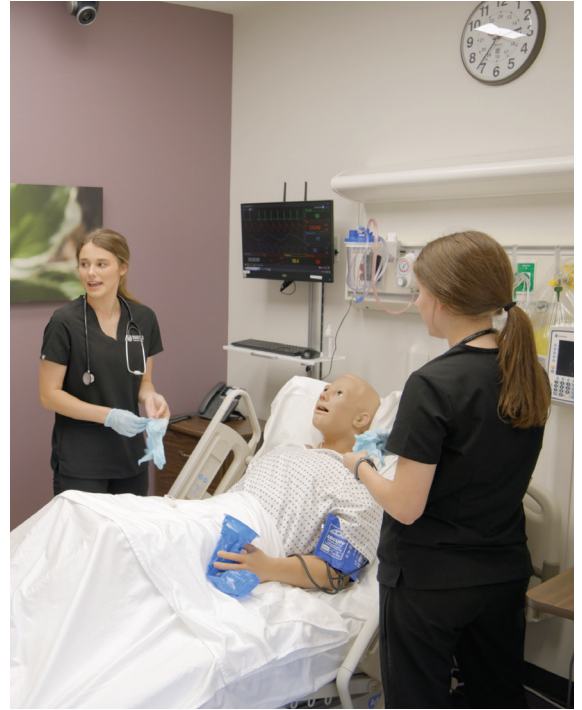
*People supported or assisted
in attaining affordable
housing*

Methodology

Affordable housing estimates are calculated based on loan originations for home purchases and construction (single- and multi-family), an assumption of average occupancy of 2.6 individuals per household, and a financial threshold of \$150,000.



Lakisha Butler in front of her family's new home.



In May 2022, OBU graduated its first class of students to earn a Bachelor of Science in Nursing at the 137-year-old university.

Jobs

Healthcare is one of our country's most important industries, particularly in Arkansas where access to healthcare isn't always in reach. To treat these symptoms, as well as the ongoing nursing shortage in the region, Ouachita Baptist University (OBU) sought to do something new, and which only a few institutions in the state offer – a full-track nursing program.

But while there is an increasing demand for nurses, creating a nursing program is difficult and expensive. In order to do this, the Arkadelphia, Ark.-based university would need to find partners who believed in the need for nursing, believed in healthcare, and believed in the impact such a project would have on the economy. OBU found that partner in Southern Bancorp.

Through our New Markets Tax Credits (NMTC) program, Southern Bancorp was able to help the university finance a state-of-the-art, 6,600-square-foot facility with more than \$1 million of simulation technology and medical equipment from which future nurses can learn, grow, and prepare for the careers ahead of them.

NMTC funding serves as a way of bridging financial gaps. Eligible, mission-focused financial institutions, such as Southern Bancorp, may apply to receive tax credit allocations annually from the U.S. Treasury to use intentionally to promote growth in under-resourced communities. With the \$145 million in NMTC credits we've received over the past three years, we take these intentions a step further, specifically targeting healthcare, education, and economic development. OBU's nursing program checked all three of those boxes.

12,077

Jobs created or retained in 2022

\$922M

Estimated GDP Impact in 2022

Cumulative progress (2017-2022)

91,083

Jobs created or retained

Cumulative progress (2017-2022)

\$5B

Estimated GDP Impact

Methodology

Jobs and GDP impact estimates are calculated based on business loans originated, median wages by state, and GDP per capita.

Savings

When Jeff Seeley's truck needed repairs following an accident, the bills began to pile up, and he started to get behind. In need of assistance but without many options, Jeff turned to a title lender in Hernando, Miss., who loaned him the \$2,500 he needed...but with a 250% interest rate.

Through collaboration between Southern Bancorp Bank and Southern Bancorp Community Partners, Jeff was able to get a responsible loan to cover the astronomical \$6,100 title loan pay out – with the benefit of a new monthly loan payment that is a third of what he was previously paying his creditors.

To serve even more people like Jeff, we continue to promote public policy solutions that empower people to save and thrive financially, while bringing attention to predatory lending.

95,892

People empowered to save in 2022

Cumulative progress (2017-2022)

308,691

People empowered to save

Methodology

Savings estimates are calculated based on direct products and services, as well as from public policy changes led or otherwise facilitated by Southern Bancorp's policy team.



Jeff Seeley is now saving hundreds of dollars per month in payments and fees to other lenders.

Consolidated Balance Sheet

As of December 31st
(\$ in thousands)

	2022	2021
Assets		
Cash and due from banks	\$ 35,229	\$ 31,196
Interest-bearing deposits in other banks	208,038	77,872
Cash and cash equivalents	243,267	109,068
Certificates of deposit in other banks	1,977	5,655
Investment securities, available for sale	218,401	289,266
Investment securities, held to maturity; fair value of \$331,995 and \$261,424, respectively	419,027	261,046
Other equity investments	19,101	15,141
Loans, net of allowance of \$15,568 and \$16,940, respectively	1,487,923	1,225,360
Premises and equipment, net	40,943	43,133
Goodwill	53,794	43,764
Real estate owned, net	286	1,020
Bank owned life insurance	46,892	44,229
Accrued interest receivable and other assets	38,934	22,641
Total assets	<u>\$ 2,570,545</u>	<u>\$ 2,060,323</u>
Liabilities		
Deposits:		
Noninterest bearing	\$ 515,767	\$ 406,322
Interest bearing	1,578,613	1,314,719
Total deposits	2,094,380	1,721,041
Securities sold under agreements to repurchase	24,142	31,155
Federal Home Loan Bank advances	6,670	72,408
Subordinated debentures	3,003	17,437
Notes payable and line of credit	-	14,732
Accrued interest payable and other liabilities	15,127	13,243
Total liabilities	2,143,322	1,870,016
Equity		
Southern Bancorp Inc.'s equity:		
Preferred stock, \$1.00 par value; 5% noncumulative; 400,000 shares authorized		
Series E, 500 issued and outstanding, 5% noncumulative;		
Series F, 250,000 issued and outstanding, 0% noncumulative;		
per-share liquidation preference \$1,000	250,500	500
Common stock, \$0.01 par value; 30,000,000 shares authorized;		
16,142,740 and 15,726,377 shares issued; and		
14,672,386 and 14,458,024 shares outstanding	161	157
Additional paid-in capital	88,843	83,425
Retained earnings	138,635	117,416
Accumulated other comprehensive income (loss)	(35,286)	1,825
Treasury stock, at cost; 1,470,354 and 1,268,353 shares, respectively	(15,998)	(13,057)
Total Southern Bancorp, Inc. equity	426,855	190,266
Noncontrolling interest	368	41
Total equity	<u>427,223</u>	<u>190,307</u>
Total liabilities and equity	<u>\$ 2,570,545</u>	<u>\$ 2,060,323</u>

Consolidated Statements of Income

As of December 31st
(\$ in thousands)

	2022	2021
Interest income:		
Loans, including fees	\$ 66,080	\$ 58,977
Investment securities:		
Taxable	5,388	4,258
Tax-exempt	8,389	3,063
Federal funds sold and other	2,842	429
Total interest income	82,699	66,727
Interest expense:		
Deposits	6,592	4,227
Federal funds purchased and repurchase agreements	44	68
Other borrowed money	960	799
Subordinated debentures	320	321
Notes payable and line-of-credit	349	375
Total interest expense	8,265	5,790
Net interest income	74,434	60,937
Provision for loan losses	-	-
Net interest income after provision for loan losses	74,434	60,937
Noninterest income:		
Interchange income	3,083	3,102
Overdraft fees	3,008	3,351
Service charges on deposit accounts	2,086	1,691
Other	15,849	5,451
Total noninterest income	24,026	13,595
Noninterest expense:		
Salaries and employee benefits	43,092	33,695
Net occupancy and equipment	7,120	5,613
Data processing	4,425	4,022
Foreclosed assets, net	59	786
Advertising	3,110	2,442
Amortization of intangibles	244	78
Other	15,390	12,713
Total noninterest expense	73,440	59,349
Income before income taxes:	25,020	15,183
Income tax provision	3,059	1,398
Net income	21,961	13,785
Less: net loss attributable to the noncontrolling interest	(31)	(130)
Net income attributable to common shareholders	21,992	13,915
Preferred stock dividends	19	25
Net income available to common shareholders	\$ 21,973	\$ 13,890

Governing Boards

As of December 31, 2022

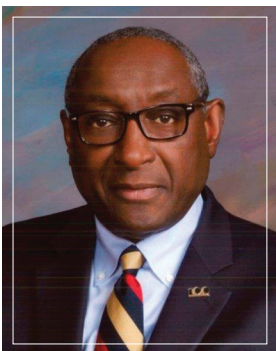
SOUTHERN BANCORP, INC.



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

- Chair** · **Glendell Jones, Jr.** · Georgetown University · Senior Advisor to the President
- John C. Edwards** · Helena-West Helena/Phillips County Port Authority · General Counsel & Economic Development Director
- Donna Gambrell** · Appalachian Community Capital · President & CEO
- Aurelia Jones-Taylor** · Aaron E. Henry Community Health Services, Inc. · 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



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



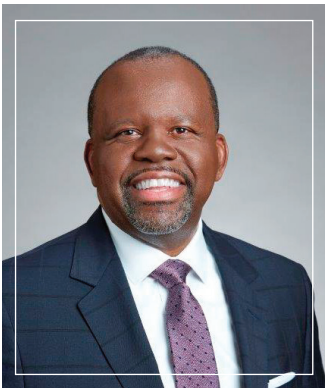
Donna Gambrell
*Chair of Southern Bancorp
Community Partners*

- 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
- Sarah Gentry** · Hudson Cisne & Co. LLP · CPA, Principal
- Tom Pittman** · Community Foundation of Northwest Mississippi · President & CEO
- Clark Tennyson** · Clark Timberlands, LLP. · Executive Vice President
- Darrin L. Williams** · Southern Bancorp, Inc. · CEO
- Anthony Young** · Southern Bancorp Community Partners · President (ex officio)



Southern Bancorp leadership visiting the Nucor-Yamato Steel Mill in Blytheville, Ark.

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
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