



IMPACT REPORT » 2024

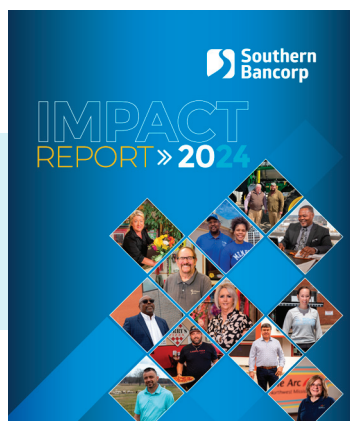


Wealth Builders for *Everyone.*



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On the Cover:

From florists to farmers, savers to first-time homeowners, and budding entrepreneurs to established enterprises, the impact of our mission was felt across every inch of our local economic ecosystems in 2024. Because we are Wealth Builders for Everyone.

» A MESSAGE FROM THE CEO



Darrin L. Williams, CEO
Southern Bancorp, Inc.

Friends of Southern Bancorp,

As I reflect on the past year, I am filled with immense pride and gratitude – not only for the remarkable strides Southern Bancorp achieved in 2024, but for the people and partners who made it a reality. Our passionate and growing team of wealth builders takes great pride in being mission-driven, and our accomplishments from the year reflect their commitment.

I'm equally grateful for the partners that continue to support our work, not only with capital, but with expertise and guidance. We've benefitted greatly from numerous partnerships that have helped us prepare and implement our growth strategy, and to them we say thank you and assert that our community impact is also theirs.

These partnerships were key in helping us prepare and plan for the growth we are now experiencing. Last year marked the first full year of implementing our "Delivering Impactful Growth" (DIG) strategy aimed at dramatically increasing our impact on under-resourced families and communities. The results thus far have been nothing short of transformative.

As one of the nation's oldest Community Development Financial Institutions or CDFIs, Southern Bancorp has a long, rich history of being a bridge for homeowners, entrepreneurs, families, and communities who lack access to the capital and financial resources needed to thrive economically, and 2024 was a year that built upon that legacy and set the stage for an even stronger future.

This Impact Report shares some of the highlights around both mission and margin from the past year, but most importantly, it shares the stories of the lives impacted by our work. I hope you'll take the time to read about our impact, and then if you haven't already, I hope you'll consider joining our efforts. Together, we can share in both the impact and success of creating economic opportunity throughout the nation.

Strategic Growth

In 2021, Congress announced the launch of the Emergency Capital Investment Program (ECIP) aimed at providing growth capital to CDFIs committed to serving underserved communities. Based on our history of impact, Southern Bancorp was awarded the largest investment amount possible – \$250 million – to grow and expand our work. This investment, of course, comes with expectations of both impact and return.

ECIP investments come with a 2% maximum annual dividend rate; however, if recipients significantly increase lending to target communities, including rural, low-income, and minority communities, they can reduce the dividend rate to 1.25% or as low as 0.5%. This reduction translates into substantial savings and can strengthen the CDFI's financial position.

I'm incredibly proud to say that our ECIP-qualified lending last year set us up for a reduced dividend rate of 1.25%, resulting in savings of \$1.875 million. This achievement, in our first year of required dividend payments, was two years ahead of projections, showcasing our increased commitment to serving economically challenged communities.

Expanded Reach

Putting our ECIP investment to work has meant expanding our footprint, bringing new markets and products under the Southern Bancorp brand. Notably, we opened a new full-service branch in Olive Branch, Mississippi, and expanded our mortgage business significantly – with mortgage lenders now operating in three new states (Alabama, Georgia, and Tennessee) beyond our flagship markets in Arkansas and Mississippi. In 2024, our growing mortgage team helped more than 225 first-time homebuyers, with 89% of these loans qualifying for the Emergency Capital Investment Program (ECIP).

Financial Performance

In 2024, we set ambitious goals to both expand our impact and ensure sustainable growth. Our net income target was \$13.6 million, and I am pleased to report that we exceeded this goal, achieving more than \$15 million in net income. Despite a challenging economic environment, our team increased loans by 12% to \$1.8 billion while maintaining strong credit quality. Our mission deposits – those corporate and philanthropic lower cost deposits placed by supportive organizations – grew by \$60 million, reflecting the trust and support of our partners who believe in our mission and want to share our impact.



Darrin Williams talks about our mission on Yahoo Finance's "Financial Freestyle," November 2024.

Commitment to Underserved Communities

Our commitment to serving historically underserved communities remains unwavering. In 2024, we received several CDFI Fund Awards to support these efforts, including \$1.2 million from the CDFI-Financial Assistance Program, \$163,012 from the Bank Enterprise Award Program, and \$383,223 from the Small Dollar Loan Program, which we put toward making an impact for the people and places we serve. Last year, 85% of our loans were directed to low- and moderate-income communities, with 37% going to borrowers in persistently poor counties. Our award-winning SBA team doubled their production, approving over \$33 million in loans, 75% of which were in CDFI-eligible tracts.

Innovative Initiatives

We also launched several new initiatives, including a new debit card program that provides customers with added card features like touchless payments and access to digital wallets, while significantly reducing interchange fees resulting in increased card swipe revenue. Last year, we activated more than 9,000 new cards and settled more than \$27 million in transactions. We anticipate full deployment of our new debit cards in 2025 and project more than a 20% increase in card swipe revenue. And our newly launched Hispanic Market outreach strategy resulted in \$7 million of growth in our Hispanic lending portfolio in its first year.

Recognizing Our Team

None of this would be possible without the dedication and hard work of our team of nearly 600 wealth builders. Their commitment to our mission was evident in our customer satisfaction scores, with an average Net Promoter Score (NPS) of 72.5, and our employee engagement scores, which ranked in the 90th percentile.



Darrin speaks to financial leaders from across the country at Bank Director's 2024 Acquire or Be Acquired Conference in Phoenix, Ariz.

Looking Ahead

As we progress into 2025, we are poised for even greater scale and achievement. Looking to the future, we will continue to expand our teams, tools, and market presence, all while staying true to our mission of being Wealth Builders for Everyone.

Thank you for your support over the past year, and if you are not a Southern Bancorp partner, I hope our impact and our stories will spark a desire to join in our efforts. Together, we can provide more Americans with the tools needed to help them turn the American Dream into a reality.

Sincerely,



Darrin L. Williams, CEO
Southern Bancorp, Inc.



Darrin Williams with Jane Fraser, CEO of Citi, and Harold Butler, Head of Citi's Diverse Financial Institutions Group.

“

The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement. [It is not] ... a dream of motor cars and high wages merely, but a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position.

—James Truslow Adams, “Epic of America” (1931)

”



El Dorado, Ark.

» DELIVERING IMPACTFUL GROWTH

Strategic Roadmap

2023-2027

Southern Bancorp's strong track record of service and performance, combined with new growth capital, means that we can now broadly expand our impact to more communities and families than ever before.

We've set ambitious goals for how we want to deliver upon this unique moment in our company's history, the most lofty of which is to double our assets to \$5 billion by 2027. To get there will mean opening ourselves up to new strategies, greatly expanding our footprint and workforce, and, most importantly, exponentially increasing our impact for underserved communities.



1. Mortgage

Launch an expanded mortgage division that will originate \$500M in home loans by 2027, significantly bridging the homeownership gap for underserved people and places.



2. Market Expansion

Grow into four new Metropolitan Statistical Areas (MSAs) over the next five years, and greatly expand our Hispanic outreach across our footprint.



3. Financial Development Services

Refine our value proposition and delivery models to effectively deploy financial development services throughout our markets.



4. Operations & Enterprise Integration

Stand up a consolidated operations structure and identify systems updates to support our growth, and build out a Project Management Office and Data Analytics Division to promote efficiency and innovation.



5. Product & Policy Alignment

Launch a thorough evaluation of credit risks and develop customer-centric products and programs in alignment with revised policies.



6. Talent Services

Design and implement a strategic workforce plan to attract experienced and mission-aligned talent for key roles, from market-level to the C-suite.

NET WORTH DRIVES « ECONOMIC OPPORTUNITY

Even as we grow, we do so with intentionality, continuing to balance **mission** and **margin** – where mission remains the guide.

Our approach to creating economic opportunity in underserved communities remains rooted in both our belief and historical data: **Net worth drives economic opportunity for people and communities.**

An economic study led by Pew Charitable Trusts found that most Americans born at the bottom of the income ladder never reach the middle rung. Those who were able to climb the ladder, often breaking generational cycles of poverty, did so by accumulating more savings, wealth, and home equity. This empirical evidence aligns with our strategic framework, which is to provide individuals an opportunity to build net worth and achieve upward mobility through three primary impact verticals...

HOUSING

To assist people in attaining
and/or sustaining affordable housing.



JOBS

To support entrepreneurs who
create jobs and drive economic growth.



SAVINGS

To empower individuals and
families to save toward solid
financial foundations.



» MEASURING IMPACTFUL GROWTH

As we expand our ambitions and capabilities, we also expand the ways in which we measure our impact.

For years, we have tracked our impact across three primary verticals - housing, jobs, and savings. These remain the channels of wealth creation through which we measure our impact. In addition, as a result of the U.S. Treasury's Emergency Capital Investment Program (ECIP) and our deep engagement with the CDFI Industry, we are moving toward greater discipline around the specific places, people, businesses, and projects that benefit from our lending.

\$938M » Total loan
originations in 2024 (\$)

9,270 » Total loan
originations in 2024 (#)

90%
» ECIP-qualified
to underserved
communities*

50%
» ECIP-qualified
to deeply
underserved
communities**

*ECIP qualified loans are defined as loan originations to target communities defined as people, places, businesses and projects that are or have historically lacked access to capital (e.g., low-income, rural, small businesses, affordable housing, etc.).

**ECIP Deep Impact communities are a subset of target communities that have been defined as having severe lack of access to capital (e.g., persistent poverty counties, mortgages to racial minorities, undercapitalized small businesses, etc.).

The ECIP investment we received, which was an unprecedented \$250 million, measures performance by the extent to which a recipient increases lending to underserved people, places, projects, and businesses over a baseline amount. ECIP recipients are required to pay an annual dividend of 2% on investment capital received. However, the annual dividend will be reduced to 1.25% for recipients that increase their lending above baseline by 200% - 400% of the investment received and to 0.5% for increased lending above 400% of the investment received. In the first year of required dividends, we were able to qualify for a rate reduction of 1.25%, two years ahead of our own projections.

1.25%



Dividend rate paid on ECIP capital as a result of dividend reduction from 2%

\$1.87M



Saved as a result of ECIP dividend rate reduction

225



First-time homebuyers created in 2024

\$60M



Mission deposits from investment partners in 2024

20%



Growth in number of employees in 2024

» GROWING IMPACT

Representing the first full year of our Delivering Impactful Growth strategy, 2024 was a year that brought to bloom many of our preparative and development initiatives. To help us bring this work to fruition and align this growth with intention and purpose, we attracted external talent and developed internal staff into new and reimagined roles that support our mission-focused growth.



WILL CARROUTHERS | Chief Financial Officer

Following a long and careful search that brought us candidates from across the country, we selected Will Carrouthers to serve as our new Chief Financial Officer. Will most recently served as Head of Corporate Forecasting and Planning for Wells Fargo, and prior to that as a divisional CFO at both SunTrust and Bank of America. His experience as well as his firm belief in the “stories” behind the numbers will be instrumental in ensuring we continue to balance mission and margin effectively along our growth journey.



SEUN AIYESE | Head of Retail

To lead our growing retail efforts, enhance our customer experience, and expand our mission-focused branch services, we selected Seun Aiyese as our first-ever Head of Retail. Seun carries more than two decades of experience in financial retail leadership, having led similar roles for First City Credit Union, Affinity Federal Credit Union, and GEICO Federal Credit Union.



MARLENE DEHART | Head of Information Security

In a world that continues to be dominated by digital technology, information security is more important than ever before. To help us navigate this ever-changing landscape efficiently and effectively, we selected Marlene Dehart as our new Head of Information Security. Prior to joining Southern Bancorp, Marlene was the Chief Information Security Officer for the Colorado Department of State, and before that held a number of senior-level cybersecurity roles, including for the U.S. Air Force, Zions Bancorporation, and Oracle.



MICHAEL COULTER | Head of Lending, Southern Bancorp Community Partners

Our nonprofit loan fund and financial development organization, Southern Bancorp Community Partners (SBCP), is also growing and expanding its impact. As SBCP's new Head of Lending, Michael Coulter plays an integral role in those efforts and the unique, flexible lending it provides to our communities. Michael brings decades of experience to his new role, most recently as Chief Lending Officer for LiftFund.



MICHAEL ERSLAND | Head of Product, Payments & Data Insights

Michael Ersland took on expanded roles in 2024. Previously leading all things payments, including the rollout of the new Southern Bancorp Debit Card, Michael now also leads our products and our growing data insights team. Prior to joining Southern Bancorp, Michael spent nearly eight years in leadership roles at Discover.

Olive Branch, Miss.



In 2024, we celebrated the Grand Opening of our branch in Olive Branch, Miss., the sixth most populous city in Mississippi, which sits within the Memphis Metropolitan Statistical Area. We previously operated a small loan production office in the community, and soon recognized the need for a full-service branch for not only the residents of Olive Branch but also the nearby residents of Memphis, which is one of the most unbanked large cities in the nation.

Our new branch will provide the community and surrounding areas with access to flexible capital via lending, as well as account services, financial counseling, homeownership assistance, credit building, along with all of the things that make Southern Bancorp a different kind of bank.



Clarksdale, Miss.

HEALTH+WEALTH
Nurturing Health, Building Wealth

Our Health-Wealth project in Clarksdale, Miss., officially launched in Summer 2024. It is a collaborative, holistic community resource created by Southern Bancorp and Aaron E. Henry Community Health Services, a Federally Qualified Health Center (FQHC). The project aims to provide the support and resources of both **health care** and **financial development services** under the same roof, and it is also gathering data to better understand **social determinants of health**, examining the effects of poverty on health outcomes alongside our research partners at the New York Institute of Technology's College of Osteopathic Medicine at Arkansas State University and the Sam M. Walton College of Business at the University of Arkansas.



» GROWING HOMEOWNERSHIP

Owning a home is one of the most impactful ways for families to build generational wealth and climb the economic ladder. However, many communities and populations face barriers to achieving this financial dream.

According to the latest data from the U.S. Census Bureau and the U.S. Department of the Treasury, the homeownership rate in the United States is around 65.7 percent. White households own homes at a rate of 75 percent, compared to 45 percent for Black households, 48 percent for Hispanic households, and 38 percent for younger generations (under the age of 35).

In 2024, we significantly expanded our mortgage efforts in both personnel and geographic reach, with dozens of originators serving communities across the entire Southern region. These efforts are guided by our overall mission to help everyone find a path to financial empowerment and open the door to the opportunity of homeownership for more individuals and families throughout the country.

738

» 2024 Mortgage
Originations (#)

\$149M

» 2024 Mortgage
Originations (\$)

\$202,799

» Avg. Mortgage Loan

\$800K

» Down payment assistance
services provided

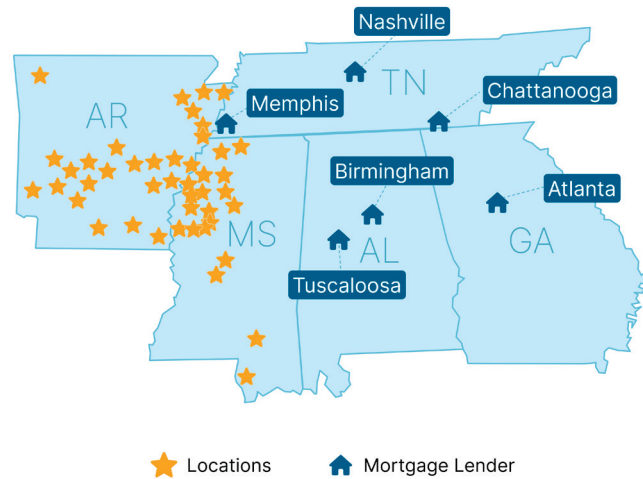


In our mortgage team's first full year serving the state, Southern Bancorp was a winner of the Georgia Business Journal's Best of Georgia Awards in the Mortgage Companies category.



Robert Wade, one of our Mortgage Community Development Managers, was selected by the Mortgage Bankers Association as one of its Residential mPact Young Professionals Spotlight Award recipients.

We added 17 new mission-focused mortgage producers and staff in 2024, including lenders in Arkansas, Mississippi, Tennessee, Alabama, and Georgia.



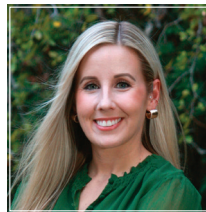
Mortgage Leadership



Jeremy Davis
President of Mortgage



Miguel Vega
Director of Mortgage
Production
Tennessee



Katie Thompson
Director of Secondary
Markets
Texas



Ginny Markham-Jones
Director of Operations
and Compliance
Tennessee



Kortni Beene
VP, Mortgage Production
Leader
Arkansas



Katina Robinson
Mortgage Community
Development Manager
Alabama



Robert Wade, Jr.
Mortgage Community
Development Manager
Georgia

» HISPANIC OUTREACH

In 2024, we made great strides along our Hispanic Roadmap, helping build a path of financial services and capital for Hispanic and Latino individuals and families throughout our communities.

Hispanic Roadmap

Hispanic and Latino households represent around 20 percent of GDP growth in the United States (McKinsey & Co.) and around 3 percent higher income growth than average. However, millions of these individuals and families remain un- and under-banked. Commercially, there is an estimated \$200 billion business lending gap among Hispanic-owned organizations. We're working to bridge many of these divides in our communities.

PHASE ONE:

Assess & Analyze

Identify markets where the opportunity and need for financial access is the greatest.

PHASE TWO:

People

Develop intentional hiring, training, and development opportunities for bilingual retail and lending staff in all opportunity markets.

PHASE THREE:

Products

Expand retail and lending experience for Spanish-speaking customers.

PHASE FOUR:

Processes

Enhance account opening, loan application, and customer service processes for Hispanic/Latino customers.

PHASE FIVE:

Messaging

Develop and integrate Spanish versions of all customer-facing digital and print assets, including the bank website and in-branch resources.

PHASE SIX:

Measure Results

Track and analyze our data to monitor the impact of these for individuals, families, and businesses.

New Board Members

We welcomed two new bilingual board members in 2024. **Dr. Henry Torres**, Chief Information Officer at Texas Woman's University, became a board member for Southern Bancorp, Inc. and Southern Bancorp Community Partners; and **Dr. Eduardo R. Ochoa Jr.**, Vice Chair of Diversity and Health Equity at Arkansas Children's Hospital, became a board member for Southern Bancorp Bank.



Dr. Eduardo R. Ochoa Jr



Dr. Henry Torres

49.74%

» Loan balance growth to Hispanic/Latino customers in 2024

200+

» Free tax returns filed for Hispanic/Latino taxpayers in 2024

186

» New Hispanic/Latino borrowers in 2024



Ramiro Valadez, a multi-business owner who operates a ranch, event center, and local restaurants, was able to greatly stabilize and scale his operations with the help of Southern Bancorp's commercial lending team.

» DELIVERING IMPACT



For nearly two decades, volunteers from all three of Southern Bancorp's entities have collaborated to lead one of our most impactful annual programs – VITA (Volunteer Income Tax Assistance). Because a tax refund is one of the largest lump sums of money many families receive all year, we believe that by offering free tax preparation in our communities, we're helping both our neighbors and our local economies save more.

4,719
Tax returns
filed for free in 2024

\$6.1 million
in tax refunds
and credits in 2024

\$2.5 million
in Earned Income
Tax Credits in 2024

\$24,600
Average adjusted
gross income of filers

\$100M
Total refunds and credits
provided since 2004



We encourage every Southern Bancorp employee to be an Opportunity Center. All of our wealth builders are trained to offer a variety of services that go beyond the traditional banking mold, from credit report reviews to scheduling counseling sessions.

13,848

Opportunity Center activities in 2024



Southern Bancorp employees support our communities outside of work just as much as they do in the branch.

524

Organizations supported by employees
(volunteering and contributing)

16,787

Employee Volunteer Hours

\$74,452

Employee donations to local nonprofits

Human Resources Professional of the Year

Southern Bancorp's Director of Human Resources, Broderick Daniels, was recognized as Arkansas' HR Professional of the Year by the Arkansas Society for Human Resource Management (ARSHRM).



Micro Business Empowerment Program

In 2024, we officially launched our **Micro Business Empowerment Program**, in partnership with Simmons Bank, the Winthrop Rockefeller Foundation, the City of Little Rock, and Fifty for the Future. The program is designed to help local entrepreneurs and business owners receive the business technical assistance and funding readiness needed to eventually create more successful, sustainable, and scalable enterprises in our communities.



\$5.6 million

in capital deployed to micro business owners through MBEP

New Markets Tax Credits

We leveraged the CDFI Fund's New Markets Tax Credits (NMTC) to invest **\$18.3 million** in commercial development projects that will create **123 new quality jobs** and retain **85 existing jobs** in underserved communities.

One of these NMTC projects was Rosedale Distilling Co., which will become the largest distillery in the history of Mississippi. The project includes renovations of approx. 130,000 square feet of historic buildings in the rural town of Rosedale (pop. 1,460) and Bolivar County (pop. 28,000), more than \$23M in economic investments, and the creation of more than 50 local jobs. We were proud to join with other project partners and supporters to make this historic development possible, including **Mississippi Governor Tate Reeves**, the **Mississippi Development Authority**, and more.



Gov. Tate Reeves speaks at the Rosedale Distilling Co. groundbreaking.



Small Business Administration (SBA)

Our award-winning SBA team continued to grow and expand its impact on our local economic ecosystems in 2024, producing more than **\$33 million** in SBA loans last year, more than double their YOY production; **75 percent** of these loans were in CDFI census tracts.



Arkansas Attorney General Tim Griffin joins a ribbon cutting for one of our SBA customers, an addiction treatment facility in Paron, Ark.

» RECOGNIZING IMPACT

Certified



Corporation

Certified B Corporations are recognized as leaders by meeting high standards of verified performance, accountability, and transparency.

On both our initial evaluation and our most recent recertification process, Southern Bancorp has scored not only high enough to register as a Certified B-Corporation, but also to be included on the “**Best for the World**” list for scoring in the top 5% of the Impact Assessment.

129.7

B-Corp Score

Community Reinvestment Act (CRA)

OUTSTANDING

The Community Reinvestment Act (CRA), which took effect in 1977, encourages financial institutions to meet the credit needs of the whole community, including low- and moderate-income neighborhoods. Regulators annually evaluate banks’ CRA performance, and assign ratings based upon the findings. The “Outstanding” designation is reserved for the highest-performing institutions. **Southern Bancorp is proud to have earned an “Outstanding” score on our last five evaluations.**

\$82.7M

CRA-eligible
loans in 2024

\$22.5M

CRA-eligible
investments in 2024

10,661

CRA-eligible employee
volunteer hours in 2024



We were honored to once again be named to Arkansas Business’ Best Places to Work in 2024. From our culture and benefits to our mission, we constantly strive to create a work environment where Southern Bancorp employees have the unique opportunity to do good and do well.

DEVELOPING « INNOVATION

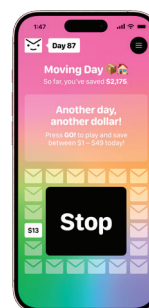
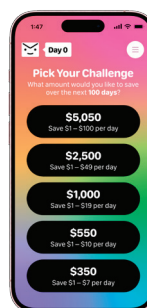
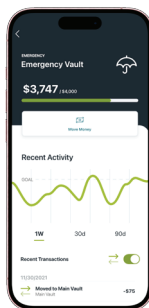
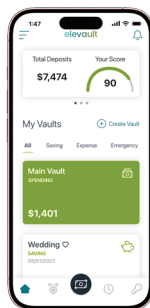


TeamWALT (Wealth Accumulation Lifestyle Technology)

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.



Our innovators at **TeamWALT** continued to deliver access to wealth building and financial stability through mobile devices across the country in 2024. **Elevault**, a full-service banking app, helps users budget, develop better financial habits, and earn daily interest on the money stored in their personal “vaults.” **Envie** is a mobile savings game that helps users reach a unique savings goal in 100 days, be it a large purchase, vacation, or even school supplies.



OUR NEW DEBIT CARD



We rolled out a new Southern Bancorp debit card to thousands of consumers last year, providing our customers with enhanced benefits, such as contactless debit, as well as an Expanded ATM Partnership Network, through which our customers can utilize free withdrawals at any partner bank worldwide. Learn more at banksouthern.com/debit.

20+%

Projected increase in
interchange revenue

\$27M+

Debit card transactions
settled in 2024

550K+

Number of transactions
in 2024

» CULTIVATING CULTURE

Our Core Values

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

« **RELATIONSHIP**

ACCOUNTABILITY » We share a collective responsibility to fulfill our mission of creating equitable opportunities, and we hold each other to it.

INNOVATION » We are not afraid to use our diverse experiences and thoughts to create new ideas, question traditional methods, or embrace new opportunities to better fulfill our mission.

We know that our success is measured by our impact on all 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.

RAISE Grand Prize Winners

In 2024, Southern Bancorp employees recognized their colleagues 519 times throughout the year with a core value award. 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 vacation.



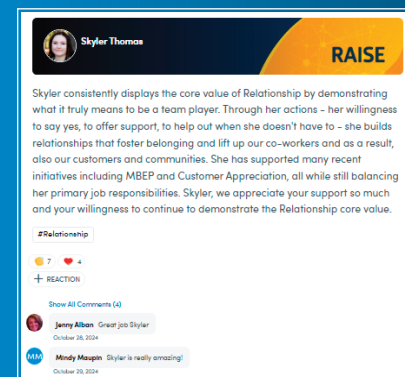
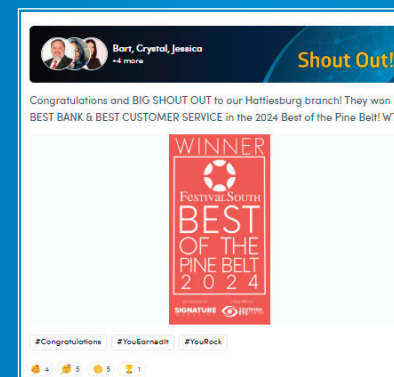
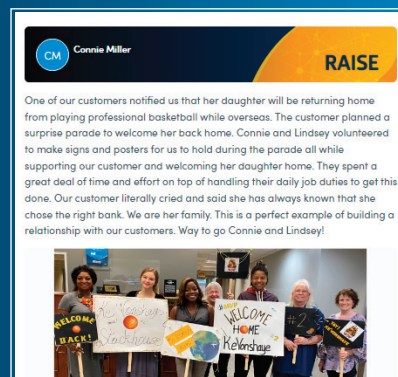
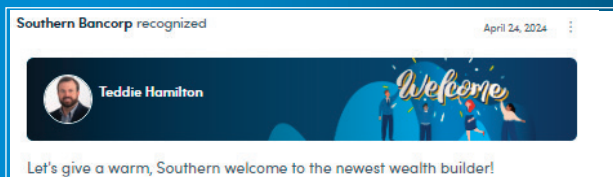
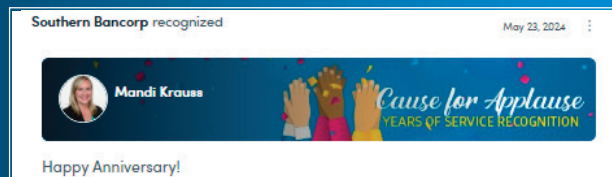
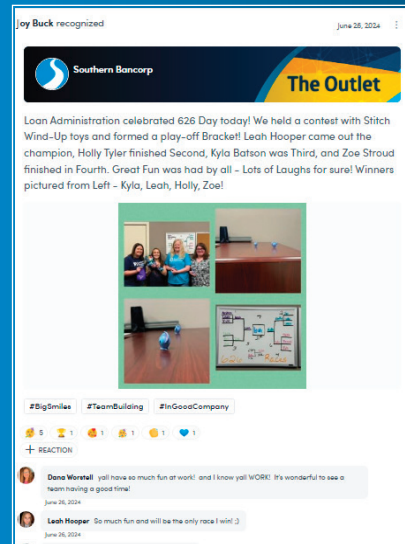
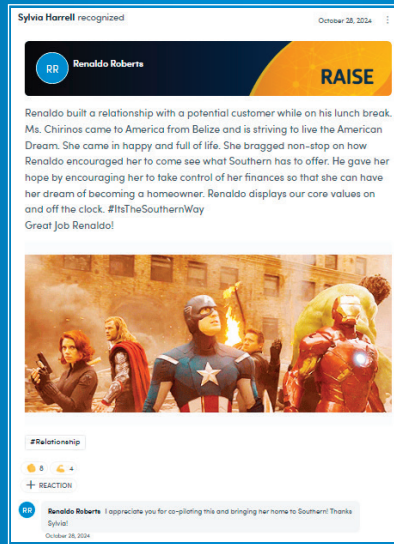
Courtney McKinney | Trumann, Ark.



Sydney Rowland | Glenwood, Ark.

CULTURE « CONNECTION

As we grow in size and impact, it's important for us to do so in a way that maintains the incredible culture that makes Southern Bancorp a unique and rewarding workplace. In 2024, we launched Culture Connection, an employee-only social site where staff can reward and recognize each other for living our Core Values, share pictures of volunteerism and community involvement, spend their culture points in an Amazon-affiliated store, and more.



CULTURE CONNECTION

GET PLUGGED IN

» AWARDING OUR WEALTH BUILDERS

Dorothy Stuck Empowerment Award

Named for the late icon who helped found Southern Bancorp, the Dorothy Stuck Empowerment Award is presented annually to an employee who is best described as: Mission-Oriented, Bold/Brave Leader, Community-Minded, and Visionary.

The 2024 Dorothy Stuck Empowerment Award was awarded to Kortni Beene of Arkadelphia, Ark., for her impactful work supporting our affordable housing efforts as VP and Mortgage Production Leader.



Left to right: Darrin Williams, CEO of Southern Bancorp, Inc.; Kortni Beene, VP, Mortgage Production Leader; Jeremy Davis, President of Mortgage.

Sherman E. Tate Customer Service Award

In 2023, Sherman Tate announced his retirement from his long-time post as a Board Member of Southern Bancorp Bank, most recently serving as Board Chair. To honor his legacy, we created the Sherman E. Tate Customer Service Award, which is given annually to a Southern Bancorp employee who embodies the same spirit of service and stewardship for our customers as Sherman has done for so many years.

The 2024 Sherman E. Tate Customer Service Award was given to Shakita Hudson, Customer Service Representative in Helena-West Helena, Ark., for consistently going above and beyond for customers, resolving issues effectively, and demonstrating an unparalleled commitment to customer satisfaction.



Left to right: Sherman Tate, former Southern Bancorp Bank Board Chair; Shakita Hudson, Customer Service Representative; Janice Williams, Retail Market Manager; Darrin Williams, CEO of Southern Bancorp, Inc.; Wendy Von Kanel, Regional President.

“

Where flowers bloom, so does hope.

—Claudia Alta “Lady Bird” Johnson, former First Lady
of the United States

”

» COMMUNITY

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



Little Rock, Ark.



Glenwood, Ark.



Arkadelphia, Ark.



Lockesburg, Ark.



Little Rock, Ark.



Clarksdale, Miss.



Little Rock, Ark.



Helena-West Helena, Ark.



Memphis, Tenn.



Picayune, Miss.



El Dorado, Ark.



Canton, Miss.

» SOUTHERN BANCORP IN THE NEWS

Southern Bancorp continues to be a strong voice for CDFIs across the country by bringing awareness to the impact of our industry in local, regional, and national media outlets.

AMERICAN BANKER

COMMUNITY BANKING

How ECIP capital is driving change at one mission-based lender

By John Reault January 03, 2024, 10:11 pm EST 6 Min Read

Southern Bancorp in Little Rock, Arkansas, is among the biggest beneficiaries of the \$8.7 billion Emergency Capital Investment Program the Treasury Department unveiled two years ago. Now, CEO Darrin Williams says he's busy putting the \$250 million in low-cost equity capital his community bank received to work.

The bank's plans for deploying the ECIP cash include a major investment in home lending, boosts to consumer and Small Business Administration lending, as well as pursuit of mergers and acquisitions. The ultimate aim is to double Southern's size over five years — the idea being a bigger bank can do more to help disadvantaged communities.

amp

Arkansas Money & Politics

Darrin Williams, Mind on the Mission

by Sarah DeClerk | June 18, 2024

"It was truly Southern's mission that got me into banking," he said. "Our work really focuses on serving the people that have been underserved, the communities that have been underserved from a financial standpoint, and it was the mission of Southern that led me to Southern."

Raised in Little Rock, Williams was adopted as an infant by his father, a minister, and his mother, a teacher, who instilled in him the value of service. When his father died, his mother, who had never written a check, was left in a vulnerable position. Williams said he realized during law school that she became a victim of predatory financial institutions.

That realization led him to form a financial wellness discussion group at his church.

Independent Banker

Your source for community banking news

News Feb. 05, 2024

From Vision to Reality: How CDFIs and MDIs Fund Their Important Efforts

Minority-owned banks are a lifeline to their communities—but their needs often require deposits. From partnering with other banks, including ECIP funds and even working with the FDIC, these MDIs are securing the capital and resources to lift up their communities.

When Southern Bancorp in Arkadelphia, Ark., received \$250 million in ECIP funding, it focused on affordable housing.

"We are embarking on a significant expansion of our affordable home mortgage division to really attack the homeownership gap," reports Darrin Williams, CEO of Southern Bancorp Inc., the holding company that wholly owns \$2.5 billion-asset Southern Bancorp Bank. "We have expanded our mortgage loan originators and hired a new president of the home mortgage division. We were always planning to do this. The ECIP funding has allowed us to increase the speed and pace of our expansion."

CNBC

PERSONAL FINANCE

23% of low-income Americans are living without a bank account

Greene Creditor @GREENECREDIT

Many rural areas of the U.S. also tend to be banking deserts, largely because of a lack of population density, according to Darrin Williams, CEO of Southern Bancorp, Inc., a community development financial institution that serves rural and minority communities in the mid-South.

"In many of the markets we serve, we're the only bank in town," Williams said. "Often competition of the bank is a payday lender or some predatory provider of capital."

105

News articles about
Southern Bancorp in 2024

AMERICAN BANKER

TECHNOLOGY FIRST-TIME HOME BUYERS

Podcast Southern Bancorp's answer to the home affordability crisis

By Penny Crozman November 3, 2024 9:45 AM

The goal of owning a home, once a core component of the American dream, has become hopelessly out of reach for a growing number of Americans. Home ownership costs skyrocketed in 2022, pricing out about 2.4 million renters according to the Habitat for Humanity. According to a Harvard study, the estimated annual income needed to afford a home rose 20% to \$117,000, well above the national median income for renters. There are many more stats like this, but the key point is that for many of the young families that most need a home, even in households where both parents work full-time, buying a home has become extremely challenging. We're here today with Darrin Williams, CEO of Southern Bancorp, a community development financial institution in Little Rock, Arkansas that is launching a new initiative to help home buyers.

Arkansas Democrat Gazette

West Memphis, Southern Bancorp promoting local homeownership

April 26, 2024 by Aaron Gettlinger

Southern Bancorp President of Mortgage Jeremy Davis said his division is focused on expanding homeownership among low- and moderate income households, people of color and in rural areas through low- to no-interest loans. Southern Bancorp's community development financial institution nonprofit then continues relationships with new homeowners as they build equity.

"The vast majority of the people we work with are first-time homebuyers; others are first-in-their-family homebuyers. They just have not had the privilege of being exposed to this level of financial detail. They don't know the rules of engagement coming in," Davis said. "These are not things taught in most schools, but they are exceptionally valuable to an adult trying to plan their financial future."



Empowering Families, One Home at a Time: Mission-Focused Mortgage Lending at Southern Bancorp

For decades, Southern Bancorp, a certified Community Development Financial Institution (CDFI), has been more than just a bank—it's been a trusted partner in helping individuals and families achieve dreams of homeownership, entrepreneurship, financial stability, and generational wealth. Their expanded mortgage team follows the same, mission-focused approach, offering tailored home loans, down payment assistance, financial counseling, and innovative tools like mortgage calculators to guide customers every step of the way along their financial journey, no matter the starting point. "We believe responsible homeownership is the foundation of building generational wealth," says Jeremy Davis, President of Mortgage at Southern Bancorp. "This award reflects our dedication to helping families unlock their potential and build brighter futures."



When Miguel Lopez was 3, his family moved from Mexico to America. When he was in college, the family took another huge leap into the unknown by opening a small business. Now, as market strategy executive at Southern Bancorp, Lopez works to help other Hispanic families achieve financial success.

He said he hopes to position Southern Bancorp to be the premier bank for the Hispanic community—the fastest growing demographic in the U.S.—and believes the institution has the people, products, marketing and board-level support to do so.



How Southern Bancorp CEO's mission drives his work

Financial Freestyle's Ross Mac spoke with Southern Bancorp CEO Darrin Williams at the Yahoo Finance Invest conference. Mac explains to Wealth's Brad Smith how the former Arkansas state representative is working to make capital more accessible to underserved communities in his role as a bank executive.



NEWS

Little Rock Zoo Welcomes Southern Bancorp as Partner to Help Families

In early March, the Zoo announced its Zoo Access for All initiative. The initiative involves discount admission programs to help overcome barriers to visitation and ensure that all area children and families can connect with the Zoo's remarkable animals.

Subsequently, after the Zoo's announcement, Southern Bancorp joined the cause to help open the Zoo to more families. As a mission-focused financial institution and one of the country's oldest and largest community development banks, Southern Bancorp believes that everyone in the community should have access to the tools and resources needed to succeed. The missions of both institutions are so closely aligned that it was a logical step for the two to work together in this endeavor.

Ronnie and Joslyn Turner walking
proudly through their new neighborhood.



AFFORDABLE « HOMEOWNERSHIP

Ronnie and Joslyn Turner, the parents of three young children, spent years living in apartments – sharing rooms, sharing spaces, and with no place for the family of five to truly call “home.”

Their financial position and history, which included bankruptcy, resulted in rejection notices from other banks in their community. Then, they found Southern Bancorp.

Instead of saying “no,” Southern Bancorp said “not yet,” and took the time to help the Turners find a path forward. After working through credit issues and other development opportunities, Southern Bancorp’s mortgage team was able to qualify the Turners for a \$12,000, forgivable down payment assistance program, an affordable mortgage loan, and, most importantly, the “yes” they had been looking for.

Today, Ronnie and Joslyn are homeowners, and the Turner family as a whole is finally home – a place with a yard and where everyone has their own room.

1,750

People supported or assisted
in attaining affordable
housing in 2024

225

First-time homebuyers
created in 2024



Southern Bancorp is going to help you get that dream house.

Ronnie Turner



» SUPPORTING JOBS

The Arc of Northwest Mississippi is a nonprofit that provides programs, education, and connection services for intellectually and developmentally disabled youth in DeSoto County, Miss. The services provided by The Arc are vital to helping these children achieve the highest quality of life possible.

Without The Arc, there are few resources and opportunities for these children and their families. That's the reality Rebecca Treadway, Executive Director, encountered personally when one of her children was diagnosed with autism. After her family's experiences, she set out to fill these gaps for other families in similar situations throughout her community.

This personal mission led her to create The Arc. But what began as primarily mobile services – mainly Rebecca and a small team hopping from schools to churches to community centers – quickly required a physical space of their own. To acquire the financing needed to accomplish that goal, Rebecca needed a similarly mission-focused institution. She found that with Southern Bancorp.

Our lending team in Olive Branch, Miss., helped Rebecca secure a loan to significantly expand her operations, purchase and renovate a permanent building, hire additional staff, and ultimately serve more children in need. Through the new location, The Arc is able to provide education, activities, host events, hold summer camps, and even offer cooking classes.

In 2024, The Arc's impact was felt by around 3,500 individuals with intellectual and/or developmental disabilities, a size and scope of service that would not have been possible without this new center.

\$689M

Commercial lending supporting economic development in 2024

1,903

Commercial loans originated in 2024



We create events and programs that help kids live their best lives, and we educate the community about the people that we serve.

Rebecca Treadway

Executive Director, The Arc of Northwest Mississippi



Rebecca Treadway in The Arc's
new facility in Southaven, Miss.



Gloria Howard (right) with Charlestien Harris (left) outside Southern Bancorp's branch in Clarksdale, Miss.

EMPOWERING « SAVINGS

Gloria Howard of Clarksdale, Miss., lives what she is quick to describe as “a blessed life.” The pastor’s wife is right in the heart of her empty nester phase, as she and her husband have five adult children and nine grandchildren. But even with as much life as she’s lived and as many experiences as she’s had to learn from over the years, a true understanding of money and finances was not one of them.

That is, until she found herself in a financial education course at church taught by Charlestien Harris, a HUD-Certified and AFCPE Accredited Financial Counselor at Southern Bancorp Community Partners.

Through the classes, Gloria was able to learn all of the basics and best practices of personal financial management that she never knew, and never knew she needed to know. Charlestien’s curriculum centered around a lot of the foundations of Southern Bancorp’s financial counseling work – be it through one-on-one sessions with clients or group sessions – such as budgeting, spending habits, paying off debt, the importance of saving, and understanding your credit history.

When she first arrived in Charlestien’s financial class, Gloria estimates that, on a scale of one to 10, her financial knowledge was at about a four. Now, she feels more knowledgeable about personal finance and confident enough to feel more in control of her financial foundation – and future.

227

Financial counseling
clients served in 2024

380

Financial counseling
hours in 2024

“

When I realized how much I was saving, I said, ‘Wow, now I can set a goal.’

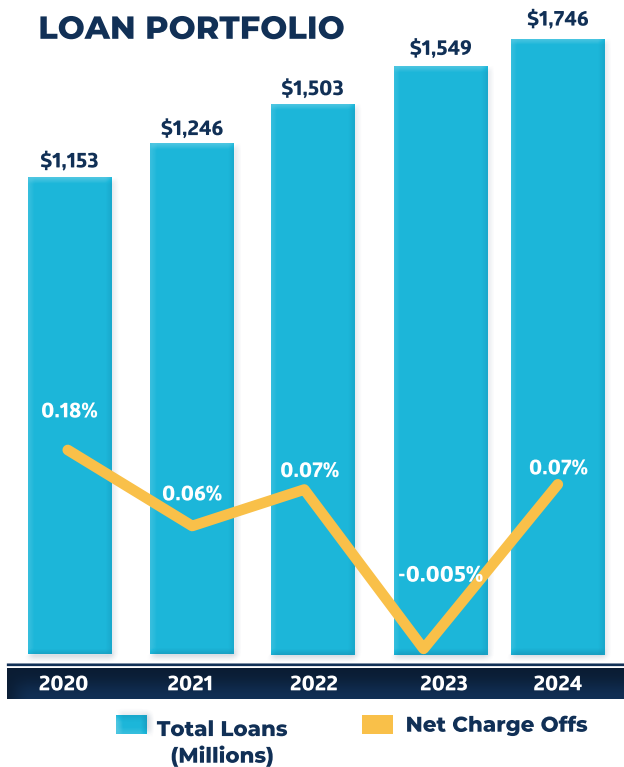
— Gloria Howard

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» FINANCIAL HIGHLIGHTS

At Southern Bancorp, we strive to increase our profitability and performance alongside our impact because each lead to long-term sustainability. 2024 was a year that saw increases in both.

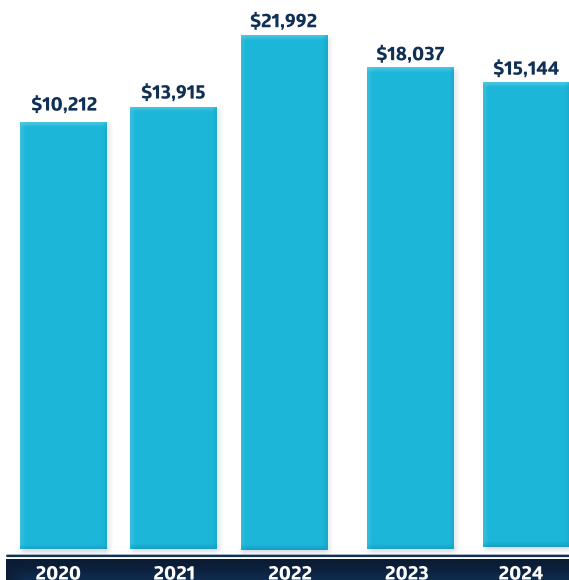
LOAN PORTFOLIO



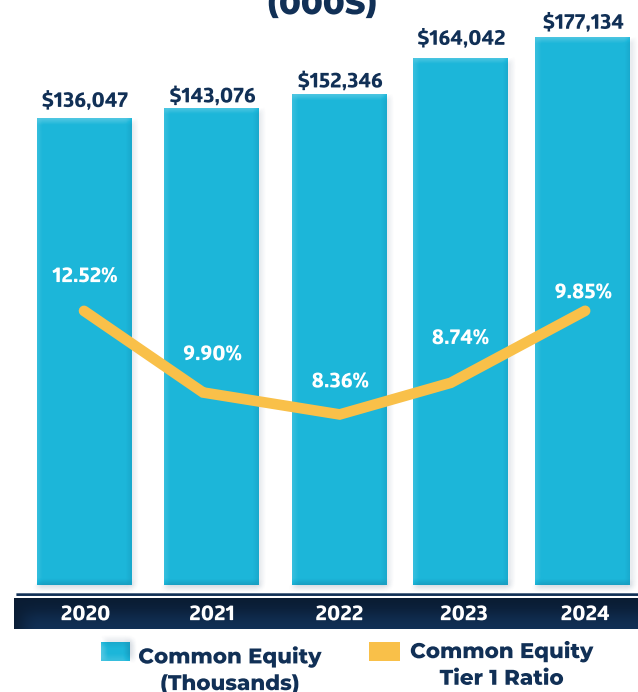
2024 LOAN ORIGINATIONS

THROUGH 12/31/2024*	
% of loans (#) in CDFI Target Markets	85%
% of loans (\$) in CDFI Target Markets	74%
Total loans originated (#)	9,270
Total loan originations (\$)	\$938 million
% of total loans under \$1,000	37%
% of total loans under \$10,000	62%

NET INCOME (000S)



COMMON EQUITY (000S)



*2024 metrics measured per ECIP

Our local farmers have been hit hard by post-pandemic economic challenges. According to the USDA, most crop prices have dropped significantly each year since 2022; during this time, crop production costs have risen by around 30% in some cases. Altogether, net farm income in the U.S. was down \$6 billion in 2024.

Supporting local farmers has been a vital function of our mission for decades, and last year we made it an intentional focus to expand our agriculture work to help farmers in our communities navigate these economic conditions.

\$140M

Agriculture loans
and renewals in 2024

| DeWitt, Ark.



» CONSOLIDATED BALANCE SHEET

As of December 31st
(\$ in thousands)

	2024	2023
Assets		
Cash and due from banks	\$ 37,695	\$ 38,505
Interest-bearing deposits in other banks	191,797	232,851
Cash and cash equivalents	229,492	271,356
Certificates of deposit in other banks	1,956	1,470
Investment securities, available for sale, at fair value, net of allowance for credit losses of \$186 and \$211, respectively	217,501	228,472
Investment securities, held to maturity; fair value of \$297,893 and \$316,260, respectively	391,057	397,333
Other equity investments	26,050	23,008
Loans, net of allowance of \$19,154 and \$19,352, respectively	1,727,413	1,530,398
Premises and equipment, net	42,871	42,430
Goodwill	53,794	53,794
Real estate owned, net	1,540	59
Bank-owned life insurance	74,462	63,393
Accrued interest receivable and other assets	47,493	41,839
Total assets	<u>\$ 2,813,629</u>	<u>\$ 2,653,552</u>
Liabilities		
Deposits:		
Noninterest bearing	\$ 403,081	\$ 458,819
Interest bearing	1,673,028	1,518,422
Total deposits	2,076,109	1,977,241
Securities sold under agreements to repurchase	22,780	20,897
Federal Home Loan Bank advances	234,977	185,936
Subordinated debenture	3,003	3,003
Allowance for credit losses on off-balance sheet credit exposure	4,734	4,734
Accrued interest payable and other liabilities	22,976	20,750
Total liabilities	2,364,579	2,212,561
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, 2% noncumulative;		
per-share liquidation preference \$1,000	250,500	250,500
Common stock, \$0.01 par value; 30,000,000 shares authorized;		
16,725,933 and 16,423,116 shares issued; and		
14,789,174 and 14,728,760 shares outstanding	167	164
Additional paid-in capital	95,510	92,418
Retained earnings	163,024	150,089
Accumulated other comprehensive loss	(37,815)	(33,343)
Treasury stock, at cost; 1,936,759 and 1,694,356 shares, respectively	(22,757)	(19,246)
Total Southern Bancorp, Inc. equity	448,629	440,582
Noncontrolling interest	421	409
Total equity	<u>449,050</u>	<u>440,991</u>
Total liabilities and equity	<u>\$ 2,813,629</u>	<u>\$ 2,653,552</u>

CONSOLIDATED « STATEMENTS OF INCOME

As of December 31st
(\$ in thousands)

	2024	2023
Interest income:		
Loans, including fees	\$ 106,800	\$ 85,220
Investment securities:		
Taxable	7,395	7,596
Tax-exempt	9,074	8,186
Federal funds sold and other	11,758	8,510
Total interest income	135,027	109,512
Interest expense:		
Deposits	31,926	24,000
Federal funds purchased and repurchase agreements	452	210
Other borrowed money	15,176	4,512
Subordinated debentures	30	30
Total interest expense	47,584	28,752
Net interest income	87,443	80,760
Credit loss expense	900	1,000
Net interest income after credit loss expense	86,543	79,760
Noninterest income:		
Interchange income	2,877	3,220
Overdraft fees	2,750	2,417
Service charges on deposit accounts	917	940
Other	7,395	10,800
Total noninterest income	13,939	17,377
Noninterest expense:		
Salaries and employee benefits	51,420	46,089
Net occupancy and equipment	9,072	7,839
Data processing	5,799	5,418
Foreclosed assets, net	133	213
Advertising	1,612	3,526
Amortization of intangibles	627	581
Other	16,173	12,740
Total noninterest expense	84,836	76,406
Income before income taxes:	15,646	20,731
Income tax provision	561	2,740
Net income	15,085	17,991
Less: net loss attributable to the noncontrolling interest	(59)	(46)
Net income attributable to common shareholders	15,144	18,037
Preferred stock dividends	1,353	31
Net income available to common shareholders	\$ 13,791	\$ 18,006

» GOVERNING BOARDS

As of December 31, 2024



Glendell Jones, Jr.

Chair of Southern Bancorp, Inc.

» 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
Amanda Johnson • Clarksdale Collegiate Public Charter School • Executive Director
Aurelia Jones-Taylor • Aaron E. Henry Community Health Services, Inc. • CEO
Dan Koehler • Koehler Software, Inc. • President
James L. Prouty • Senior International Advisor
Diane Tatum • Entergy Arkansas • Regional Customer Service Manager (Retired)
Dr. Henry Torres • Texas Woman's University • Chief Information Officer
Darrin L. Williams • Southern Bancorp, Inc. • CEO (Advisory Director)



Darrin Williams

Chair of Southern Bancorp Bank

» SOUTHERN BANCORP BANK

Chair • **Darrin L. Williams** • Southern Bancorp, Inc. • CEO
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)
Glendell Jones, Jr. • Georgetown University • Senior Advisor to the President
Michael Montgomery • BankLabs • Chairman & CEO
Walter L. Morris, Jr. • WLM Enterprises • President
Dr. Eduardo Ochoa, Jr. • Arkansas Children's Hospital, UAMS • Vice Chair of Diversity and Equity, Tenured Professor
John T. Olaimay • Southern Bancorp Bank • President & CEO
Susie Smith • Financial Consultant
Darryl D. Swinton • Better Community Development, Inc. • Director of Housing & Economic Development



Donna Gambrell

*Chair of Southern Bancorp
Community Partners*

» SOUTHERN BANCORP COMMUNITY PARTNERS

Chair • **Donna Gambrell** • Appalachian Community Capital • President & CEO
Raymond Christman • Community & Economic Development Consultant
Aurelia Jones-Taylor • Aaron E. Henry Community Health Services, Inc. • CEO
Tom Pittman • Community Foundation of Northwest Mississippi • Co-Incorporator & President Emeritus
Darryl D. Swinton • Better Community Development, Inc. • Director of Housing & Economic Development
Clark Tennyson • Clark Timberlands, LLP. • Vice President
Dr. Henry Torres • Texas Woman's University • Chief Information Officer
Darrin L. Williams • Southern Bancorp, Inc. • CEO
Kenya Gordon-Davenport • Southern Bancorp Community Partners • President (ex officio)

EXECUTIVE « LEADERSHIP



Darrin L. Williams
CEO, Southern Bancorp, Inc.



John T. Olaimy
President & CEO
Southern Bancorp Bank



Kenya Gordon-Davenport
President, Southern Bancorp
Community Partners



Southern Bancorp leaders volunteering at a food bank in Memphis, Tenn.



Southern Bancorp

BankSouthern.com | SouthernPartners.org

601 Main St | Arkadelphia, AR 71923

