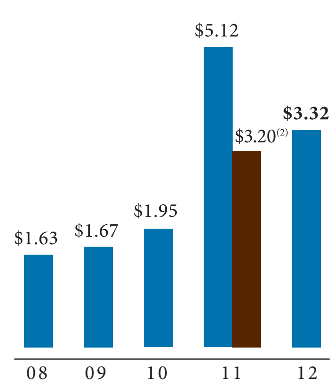
Ready for the Road Ahead...

SOUTHERN MISSOURI BANCORP, INC.
2012 ANNUAL REPORT

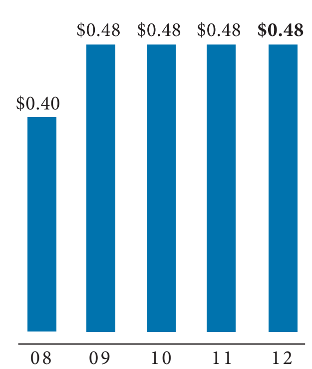
> FINANCIAL SUMMARY <

	2012	2011	CHANGE(%)
EARNINGS *(dollars in thousands)*			
Net interest income	$ 29,022	$ 23,763	22.1%
Provision for loan losses	1,785	2,385	-25.2
Noninterest income	4,063	10,502	-61.3
Noninterest expense	16,605	14,459	14.8
Income taxes	4,597	5,951	-22.8
Net income	10,098	11,470	-12.0
Effective dividend on preferred shares	518	512	1.2
Net income available to common stockholders	9,580	10,958	-12.6
PER COMMON SHARE			
Net income:			
Basic	$ 3.43	$ 5.25	-34.7
Diluted	3.32	5.12	-35.2
Tangible book value	22.56	21.19	6.5
Closing market price	21.50	20.78	3.5
Cash dividends declared	.48	.48	-
AT YEAR-END *(dollars in thousands)*			
Total assets	$ 739,189	$ 688,200	7.4
Loans, net of allowance	583,465	556,576	4.8
Reserves as a percent of nonperforming loans	312%	919%	
Deposits	$ 584,814	$ 560,151	4.4
Stockholders' equity	94,728	55,732	70.0
FINANCIAL RATIOS			
Return on average common stockholders' equity	15.15%	27.08%	
Return on average assets	1.37	1.81	
Net interest margin	4.12	3.92	
Efficiency ratio	50.20	42.20	
Allowance for loan losses to loans	1.27	1.14	
Equity to average assets at year-end	12.80	8.81	
OTHER DATA[1]			
Common shares outstanding	3,250,476	2,098,976	
Average common and dilutive shares outstanding	2,888,913	2,141,091	
Common stockholders of record	245	252	
Full-time equivalent employees	177	158	
Assets per employee (in thousands)	$ 4,176	$ 4,356	
Banking offices	18	16	

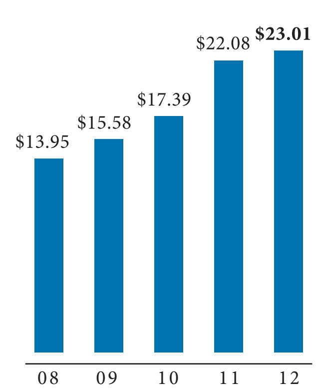
[1] Other data is as of year-end, except for average shares.



DILUTED EARNINGS PER SHARE



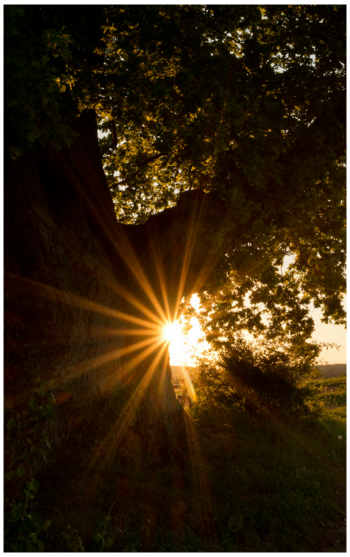
CASH DIVIDENDS PER SHARE



BOOK VALUE PER SHARE

[2] Diluted Earnings Per Share for fiscal 2011, excluding impact of bargain purchase gain on Acquisition, net of related tax and transaction expenses. (See "Non-GAAP Financial Information" included in Item 7 of the Company's Annual Report on Form 10-K.)

Dear Shareholder,



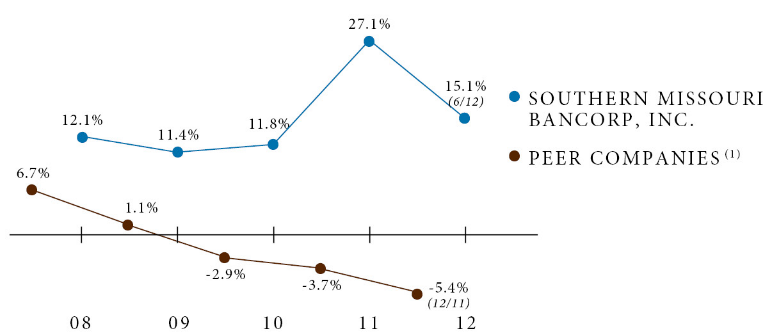
In fiscal 2012, Southern Missouri Bancorp continued to outperform peers in profitability, built tangible common equity with the completion of a public offering of common stock, progressed in its efforts to integrate operations of recent acquisitions, and sustained its focus on building long-term shareholder value. Our Company is ***ready for the road ahead***.

For fiscal 2012, net income available to common shareholders was $9.6 million, a decrease of 12.6% from the $11.0 million earned in fiscal 2011. This equated to $3.32 per fully diluted share, down from $5.12 in the prior year. Results in fiscal 2011 were positively impacted, net of tax and transaction expenses, by approximately $4.1 million as a result of the bargain purchase gain recognized from the December 2010 acquisition from the FDIC of the former First Southern Bank, Batesville, Arkansas (the "Acquisition"). This item contributed approximately $1.92 per fully diluted share to fiscal 2011 results. Earnings per share in fiscal 2012 were also negatively impacted by the Company's issuance of additional shares of common stock in its offering completed in November 2011.

The Company generated a return on common equity of 15.1%, and a return on average assets of 1.37% for fiscal 2012, both down from fiscal 2011 results, again primarily as a result of the bargain purchase gain in the prior year. Both compare favorably, however, with our peer group.

Return on common equity remains ahead of peer banks

Returns dropped from fiscal 2011 results, which included the impact of the bargain purchase gain.



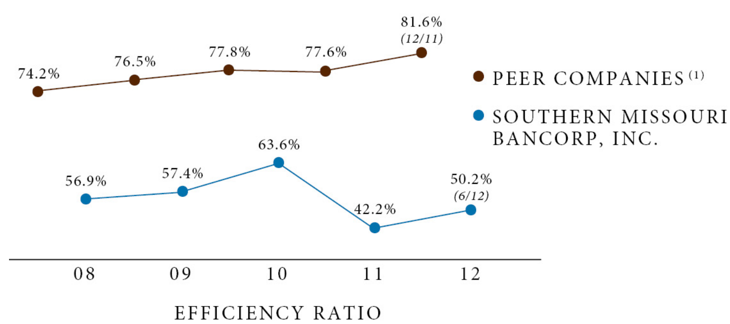
RETURN ON EQUITY vs. PEER BANKS

Net interest income for the year improved 22.1%, as we grew average earning assets by 16.2% and increased our net interest margin to 4.12%, as compared to 3.92% for the prior fiscal year. The improvements related primarily to the Acquisition completed in mid-fiscal 2011. Noninterest income was down from last year due to the inclusion in fiscal 2011 results of the one-time bargain purchase gain. Exclusive of that item, noninterest income would have increased 15.9%, as bankcard interchange income and secondary market loan sales improved.

[1] *Peer data is based on the average year-end figures (December) from SNL DataSource's Index of publicly traded commercial banks and thrifts with assets of $100 million to $1 billion, headquartered in Missouri, Arkansas, Illinois, Iowa, Kansas, Kentucky, Nebraska, Oklahoma, and Tennessee. SMBC data is as of fiscal year-end (June).*

Efficiency remains ahead of peers

The 2011 result was due largely to the bargain purchase gain, but core efficiency has improved.



Noninterest expense increased 14.8% for fiscal 2012 as the Acquisition impacted operations for a full year (versus slightly more than half of fiscal 2011). Additionally, we converted a loan production office in Springfield, Missouri, to a full-service branch, and invested in key personnel, many related to branches picked up in recent acquisitions. We were pleased with our efficiency ratio of 50.2%, which was not quite as impressive as last year's 42.2%, a result that was improved by the bargain purchase gain included in fiscal 2011 results.

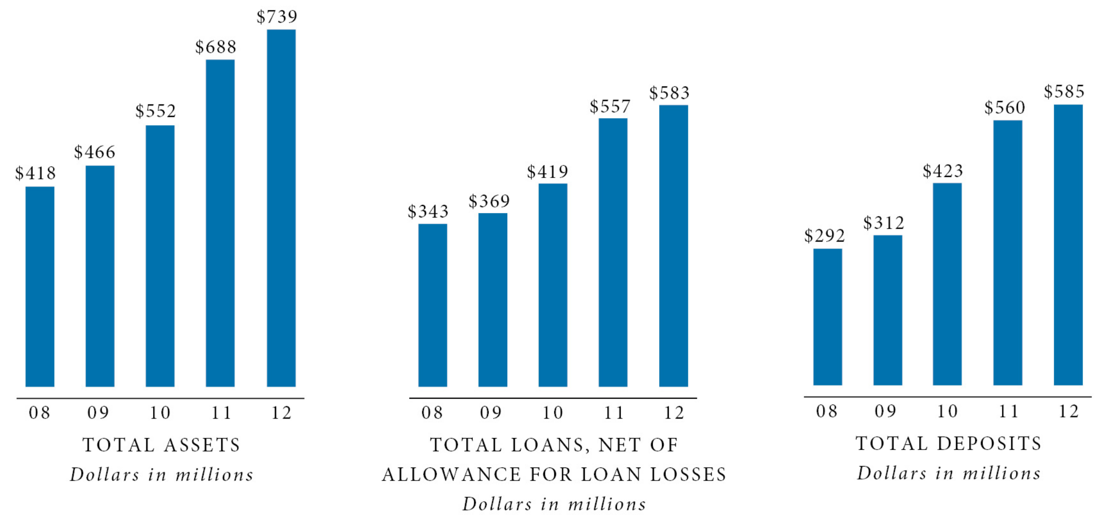
With the Acquisition in fiscal 2011, the Company recorded the acquired loan portfolio at a fair value discount of $9.8 million. Of that amount, $6.5 million was expected to eventually be recognized as interest income as it was accreted over time. Along with a much smaller premium to be amortized on the acquired time deposit portfolio, the accretion of the fair value discount contributed $3.9 million (pre-tax) to net interest income in fiscal 2012, as compared to $2.1 million (pre-tax) in fiscal 2011. Along with the bargain purchase gain, net of tax and transaction expenses, of $4.1 million included in fiscal 2011 results, we estimate that these "non-core" items improved fiscal 2011 results (after-tax) by approximately $5.4 million, and improved fiscal 2012 results (after-tax) by approximately $2.4 million. Net income available to common shareholders, excluding these non-core items, approximated $7.1 million in fiscal 2012, as compared to $5.5 million in fiscal 2011. These figures result in a return on average assets of 1.04% in fiscal 2012, as compared to 0.95% in fiscal 2011, and a return on average common equity of 11.3% in fiscal 2012, as compared to 13.7% in fiscal 2011. Net interest margin excluding these non-core items approximated 3.57% in fiscal 2011, as compared to 3.55% in fiscal 2012. (See "Non-GAAP Financial Information" included in Item 7 of the Company's Annual Report on Form 10-K.)

Despite a secondary offering of common stock at a discount to book value, the Company posted an improvement of 4.2% in book value per common share. Tangible book value per share improved 6.5%. Our stock price improved as well, up 3.5% as of June 30, 2012, compared to the previous year end. Over that same period, the SNL U.S. Bank Index declined 3.6%. Our dividends paid during fiscal 2012 represented a 2.2% return on our June 30, 2012, closing stock price, and a 2.1% return on our average closing stock price for fiscal 2012. The secondary offering of common stock completed in November 2011 provided the Company with $19.9 million in additional common equity. Also, the Company's participation in the US Treasury's Small Business Lending Fund (SBLF) netted an additional $10.5 million in preferred equity (and lowered the effective dividend rate paid on preferred equity). As a result of both, the Company's tangible and common equity ratios were significantly strengthened.

Loan and deposit growth slowed in fiscal 2012, as we took time to digest recent acquisitions and saw some expected runoff from the acquired offices. Loan growth of $26.9 million, or 4.8%, was the result of increases in our commercial and agricultural real estate loans, operating and equipment loans to commercial and agricultural borrowers, and residential real estate loans. We saw slight declines in construction and consumer loan balances. Deposit growth of $24.7 million, or 4.4%, was concentrated in interest-bearing and noninterest-bearing

Continued growth in our core business

The Acquisition contributed to significant balance sheet growth in 2011, which slowed in 2012.

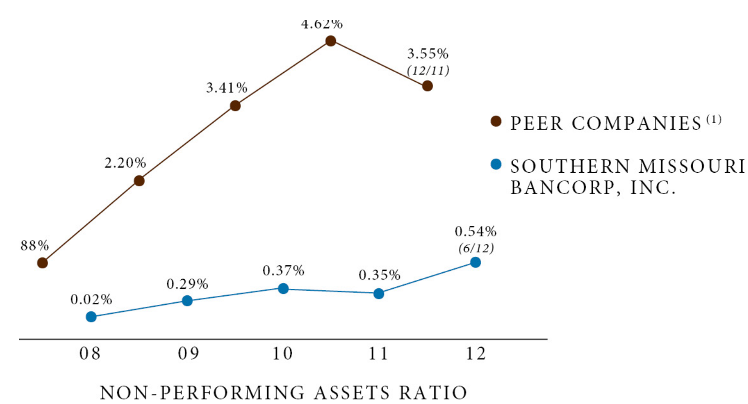


transaction accounts, while we saw time deposit balances decrease as our liquidity position led us to intentionally remain less competitive in pricing that product.

Problem assets increased, but remained at low levels. Asset quality continues to compare favorably to peers. At June 30, 2012, non-performing loans were 0.41% of total loans, as compared to 0.12% of total loans at June 30, 2011. Non-performing assets totaled 0.54% of total assets at June 30, 2012, as compared to 0.35% of total assets at June 30, 2011. The increase in both relates primarily to two loans, one of which was purchased in the Acquisition.

Slight increase in problem assets

Problem assets have increased in part due to the Acquisition, but still compare favorably to peers.



Our goals for 2013 include:

- **Identifying acquisition opportunities.** The Company remains interested in completing acquisitions to build scale, improve efficiency, access attractive markets, and provide for long-term growth. We intend, however, to maintain pricing discipline in this pursuit.

- **Appropriately managing the Company's capital position.** With the November 2011 capital raise, the Company now carries more capital, relative to assets, than it traditionally has, and is operating at a higher level of capitalization than it would plan to for the long-term. As noted above, we hope to be successful in deploying this capital through acquisitions. Other options, however, would include organic growth, the repurchase of the SBLF preferred shares, repayment of trust preferred debt, and stock repurchases. The Company announced in July 2012 a 25% increase in its quarterly cash dividend, which should return us to a payout ratio more in line with our historical norm.

- **Adding or repositioning branch locations in key markets.** Some branches acquired in recent transactions are not consistent with our standards for facilitating growth in our community banking markets. We are working towards replacement of these facilities using branch designs tailored with the next generation of banking in mind. Other markets will require additional branches to position us to be a leading option for financial services in those markets. We have begun the process of identifying potential locations in some markets, and will soon break ground on a second branch facility in Jonesboro, Arkansas.

- **Finally, as always, we'll continue to work towards long-term improvement in shareholder value.** We're proud of the strong growth in shareholder value we've posted over the last several years, and every decision made is with the goal in mind of posting similar results over the long term.

Those who have been Southern Missouri Bancorp, Inc., shareholders for some time will probably notice that our annual report format is different this year, as the document consists of our entire Annual Report on Form 10-K, including management discussion and analysis (see Item 7), and audited financial statements (see Item 8). We're making this change this year to better meet the ever-growing regulatory burden, as well as to hold down the cost of reporting.

Fiscal 2011 was a challenging year to follow, given the accomplishments realized in terms of profitability, long-term strategy, market share, and scale. But I believe we accomplished several goals in fiscal 2012 that were just as important, even if they didn't immediately grab the same kind of attention. This year marked the 125th anniversary of Southern Bank, and with the completion of our capital raise, our sustained profitability and efficiency, the addition and development of key personnel in various areas of our organization, and our continued investment in technology to improve customer service and efficiency, I am happy to report to you that our Company has never been better positioned for the future.

Nothing is more important to our continued success than the trust placed in us by our customers. For 125 years, our organization has served the financial needs of our region, and their loyalty remains humbling. Meeting those customer expectations would be impossible without the finest staff of dedicated professionals, and I am happy to count such a group as colleagues. And finally, our success is enabled by the willingness of investors to put capital to work here, in this Company. To you, our shareholders, for your continued investment in Southern Missouri Bancorp, I once again say, thank you. With great anticipation, I look forward to the road ahead.

Greg Steffens

GREG STEFFENS
PRESIDENT and CHIEF EXECUTIVE OFFICER
SOUTHERN MISSOURI BANCORP, INC.

> DIRECTORS *and* OFFICERS <

Standing: Charles Love, Ronnie Black, Sam Schalk, Rebecca Brooks, Dennis Robison, Charles Moffitt, David Tooley

Seated: Samuel Smith, Greg Steffens, Douglas Bagby

SOUTHERN MISSOURI BANCORP, INC.

Directors

Samuel H. Smith
Chairman of the Board;
Retired Engineer and former Majority Owner, S.H. Smith and Company, Inc.

L. Douglas Bagby
Vice-Chairman of the Board;
City Manager, City of Poplar Bluff

Ronnie D. Black
Retired Executive Director,
General Association of General Baptists

Sammy A. Schalk
President,
Gamblin Lumber Company

Greg A. Steffens
President and Chief Executive Officer,
Southern Missouri Bancorp, Inc.

Rebecca M. Brooks
Financial Manager,
McLane Transport

Charles R. Love
Certified Public Accountant,
Kraft, Miles and Tatum

Charles R. Moffitt
Agency Manager,
Morse Harwell Jiles Insurance Agency

Dennis C. Robison
President, Robison Farms, Inc.

David J. Tooley
Retired President and CEO,
Metropolitan National Bank

Leonard W. Ehlers
Director Emeritus,
Retired Court Reporter,
36th Judicial Circuit

James W. Tatum
Director Emeritus,
Retired Certified Public Accountant

Southern Missouri BANCORP

PLEASE JOIN US

at our 2012 Annual Meeting, where shareholders will hear management review this year's performance in detail.

ANNUAL MEETING

MONDAY, OCTOBER 29, 2012 AT 9:00 AM

CHAMBER OF COMMERCE BUILDING

1111 WEST PINE, POPLAR BLUFF, MISSOURI

SOUTHERN MISSOURI BANCORP, INC.

is a single-bank holding company that took steps
in 2012 to prepare for the road ahead
while maintaining profitability, sound asset quality,
and continued to build long-term shareholder value.

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