

Aligning Mission, Culture & Internal Branding



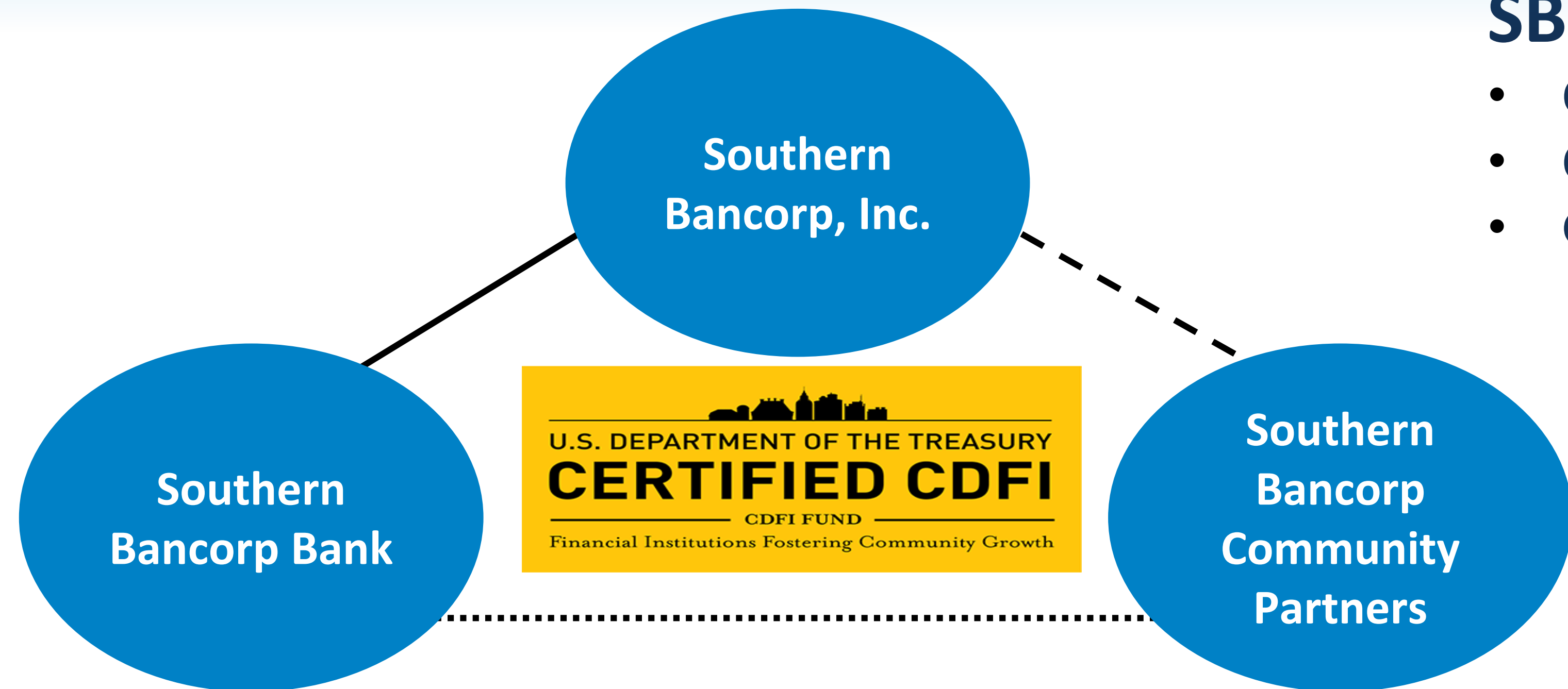


Aligning Mission, Culture & Internal Branding

2019 CDBA Peer Forum & Membership Meeting

Southern Bancorp

Integrated Structure & Strategy



SBI – Vision and Strategy

- Capital
- Communications
- Governance & Metrics

SBCP – Financial Development

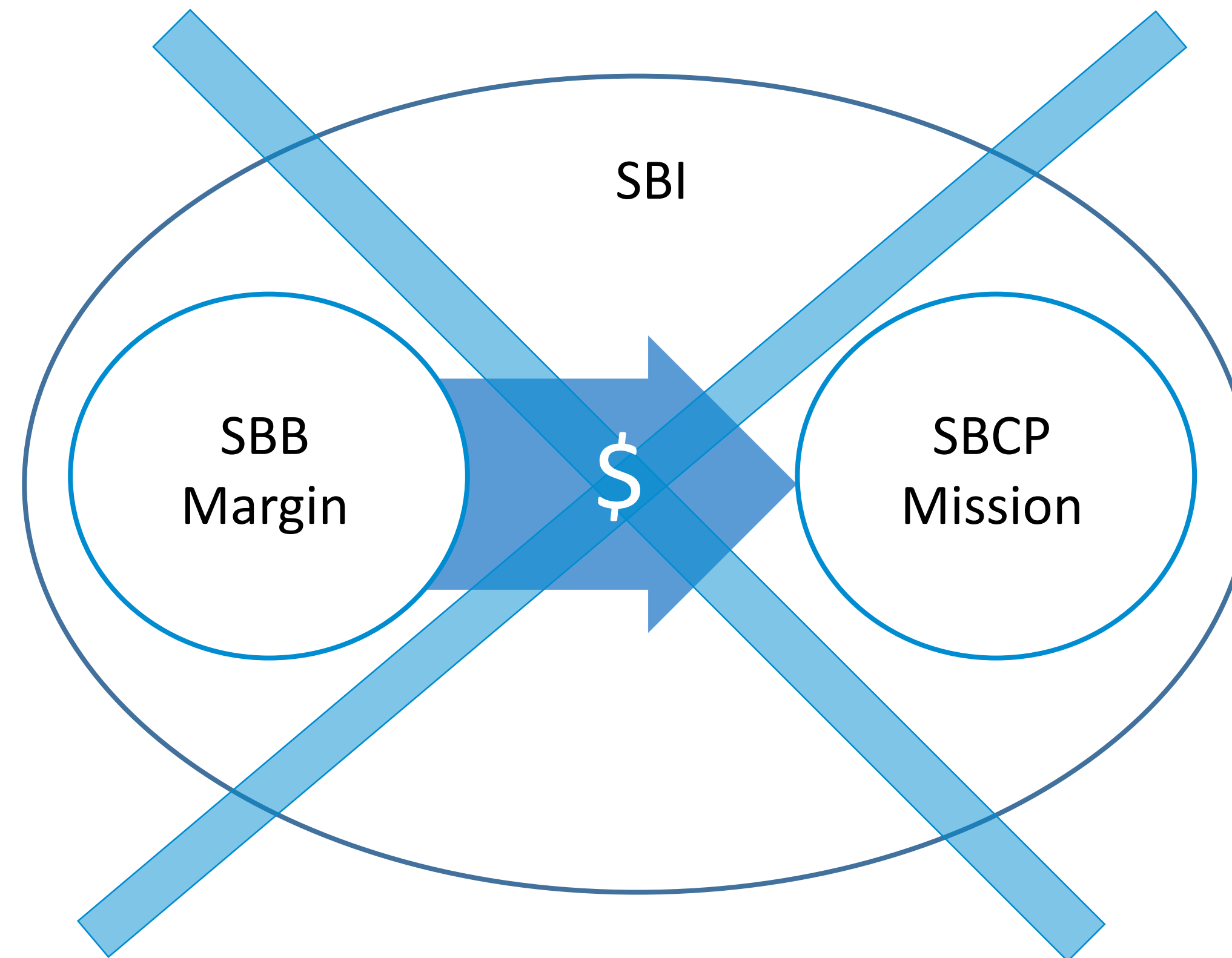
- Loans & Credit Enhancement
- Financial Education
- Research & Advocacy

SBB – Banking Services

- Loans
- Deposits
- Targeted Investment Portfolio

Southern Bancorp's Culture Journey

Challenges: Margin vs. Mission



Southern Bancorp's Culture Journey

Challenges: M & A Integration



Southern Bancorp's Culture Journey

Challenges: Consolidation of Non-Profits



Southern Bancorp's Culture Journey

Challenges: Capital

- \$33.8 million in CDCI (debt)
- Complex capital structure
- Lack of liquidity
- Limited growth opportunities



The “WHY” of Southern

2013-2018

Culture Trumps Strategy



Culture *MUST* be a Priority

Top Down • Bottom Up • Side to Side
Celebrated by All

Southern Bancorp's Culture Journey

The Process: Culture Must be a Priority

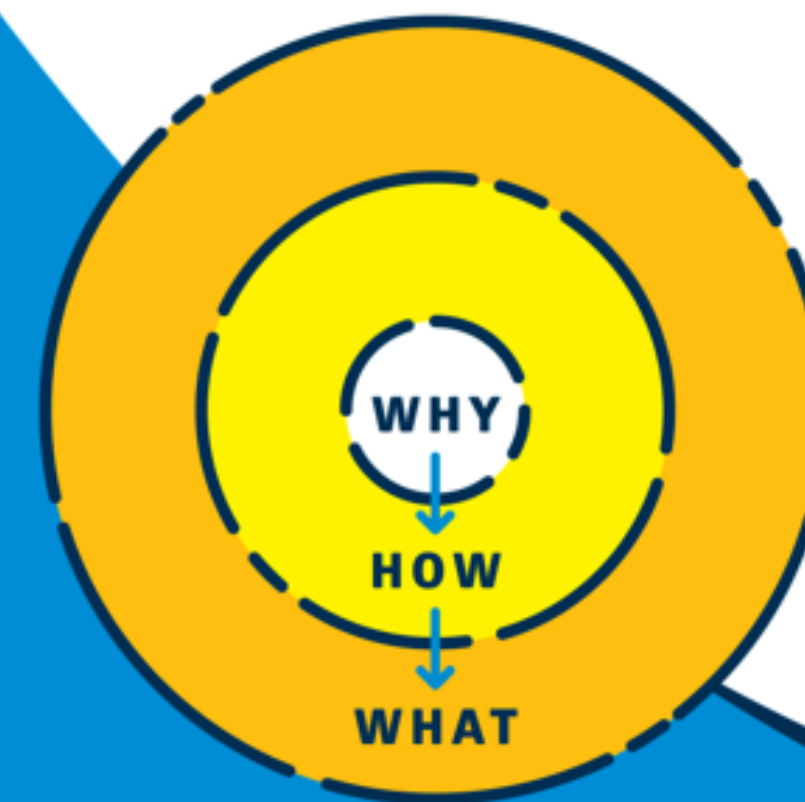
- Professional assistance
- Brand research across key stakeholders
- Board adopted strategic vision - Simplify. Refocus. Realign.
- Internal Branding



ONE SOUTHERN.
ONE MISSION.



We are Wealth Builders for Everyone.
THE GOLDEN CIRCLE



WHY

We believe that wealth building isn't just for the wealthy. We were founded to **INVEST** in rural towns, under-capitalized communities, and people's dreams. We are wealth builders for everyone.

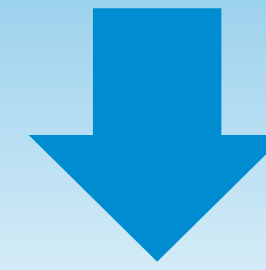
HOW

We combine the strength of a billion dollar bank with the flexibility of a non-profit financial education and development company to **EMPOWER** our customers and communities.

WHAT

Southern Bancorp is a bank...and so much more. We offer financial products and services that improve financial health and **TRANSFORM** lives.

Culture: Top Down



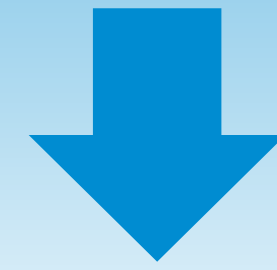
- Board adopted strategic vision
- Chief Executive Officer  CHIEF CULTURE OFFICER
- Lead with Core Values

- Recruit
- Hire
- Train
- Promote
- Evaluate
- Reward
- Terminate

...based on Core Values

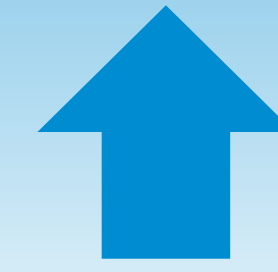


Culture: Top Down



- Southern Springboard – two day cultural onboarding for all new employees
- Southern Institute – year long culturally aligned leadership development program

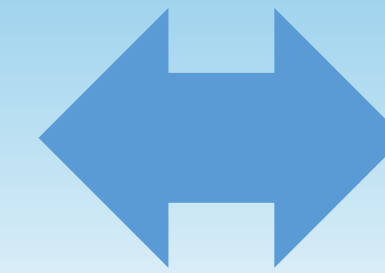
Culture: Bottom Up



- Brand Council – 25 Cultural Ambassadors (meets quarterly with CEO)



Culture: Side to Side



- R.A.I.S.E. Reward Program – Culturally based peer recognition program



Culture Must Be Celebrated!

- Southern Rendezvous – company wide brand celebration



The Results

	2013	2019
ROA	0.75%	0.83%
CET1	4.32%	9.61%
CDCI	\$33.8M	Retired
Liquidity	SBCP only common shareholder to receive dividend	9 quarters of consecutive, increasing dividends for all common shareholders; share buyback program
Loans	\$742M	\$1B
Employee owners	N/A	90% of staff are employee owners
Capital (raised/committed)	— —	\$35M
Net Income (SBB)	9.51M	\$12.75M (2018)



2019 & Beyond

Aligning Mission, Culture, Internal &
EXTERNAL BRANDING

What if...?








You are not
You are a
**wealth builder
for everyone.**





BankSouthern.com
SouthernPartners.org

southernbancorp 
@southernbancorp  
southern 
company/southern-bancorp 

How Does Culture Matter at Sunrise?

Culture = Speed



Caring Culture of Achievement

PAST DUE RATIO GOAL: <1%

0.70%
0.60%
0.50%
0.40%
0.30%
0.20%
0.10%
0.00%

2016 2017 2018

TOTAL ASSETS

1,200,000
1,000,000
800,000
600,000
400,000
200,000
-

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

GROSS REVENUE

\$70,000,000
\$60,000,000
\$50,000,000
\$40,000,000
\$30,000,000
\$20,000,000
\$10,000,000
\$-

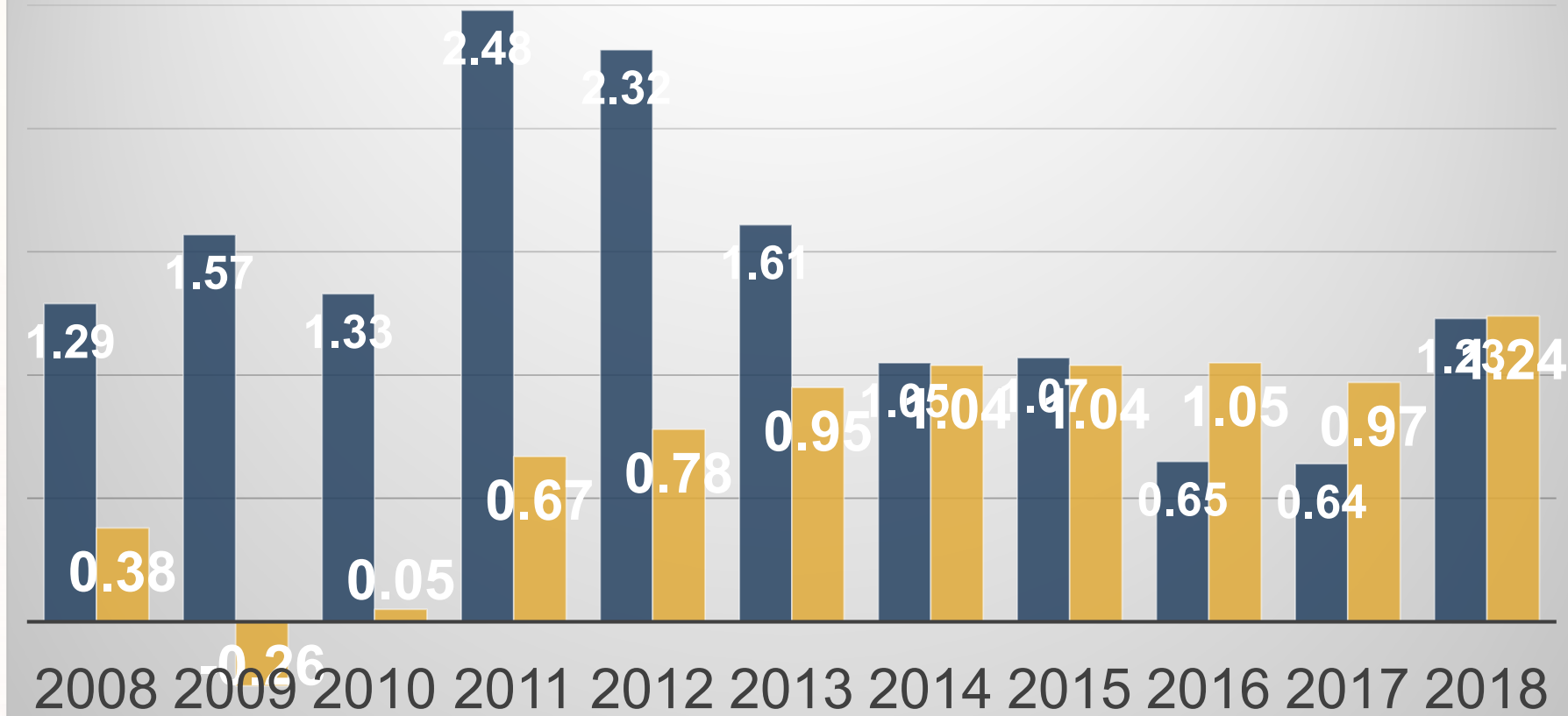
2016 2017 2018

CLASSIFIED ASSETS TO CAPITAL

14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%

2016 2017 2018

RETURN ON AVERAGE ASSETS



■ Sunrise Banks ■ Peer Banks

NET INCOME

\$16,000,000
\$14,000,000
\$12,000,000
\$10,000,000
\$8,000,000
\$6,000,000
\$4,000,000
\$2,000,000
\$-

2016 2017 2018

Employee Demographics

235 Total

57%
Female

26%
Minority

28%
Living In LMI Communities

Sunrise employees speak the following languages:

AMHARIC
ARABIC
CHINESE
ENGLISH
FRENCH
FULANI
GREEK
HINDI
PULAAR
SOMALI
SPANISH
SWEDISH
TELUGU
WOLOF

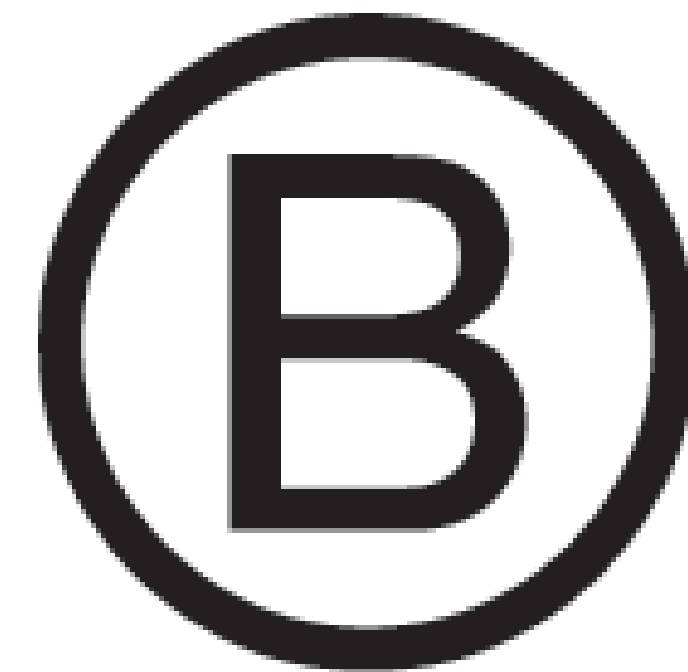
SUNRISE EMPLOYEES



Certified B Corporation

For the sixth consecutive year, Sunrise Banks was distinguished as one of the top B Corporation as Best for the World for overall social and environmental impact. Certified B Corps balance purpose and profit and together are driving a global movement of using business as a force for good.

Certified



Corporation[®]



How do you make a difference?

Through the power of financial technology (otherwise known as fintech), doing well and doing good are no longer mutually exclusive. In fact, they are combining forces to exponentiate success across the board. Helping others is just as important of a metric as making money – and it's possible to achieve both at the same time.

These five fintechs will illustrate that you don't have to choose between making a difference in your wallet or a difference in the world. You can dare to be different by picking both.

Learn more about how TrueConnect and Self Lender are making a difference in *Fintech4Good*, David Reiling's new book.



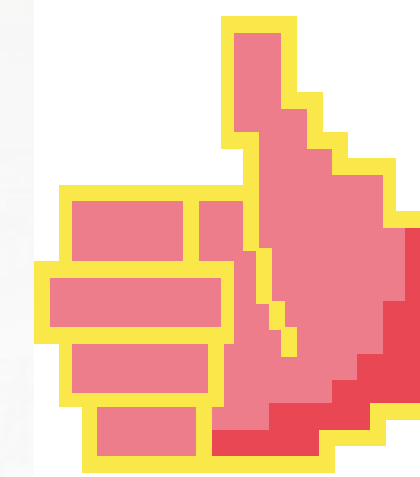
PEANUT BUTTER



NOVA CREDIT



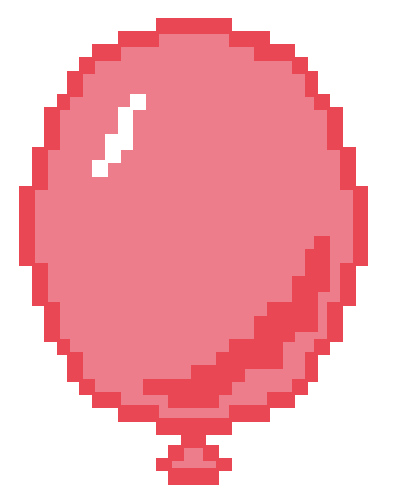
SELF LENDER



TRUECONNECT



EARNUP



2018 Impact Report

*It's a part of our DNA;
we are changemakers*



GET THE BOOK

In a hyper accelerating market, business leaders understand culture is the only sustainable business advantage. Great Mondays shows you how to design and manage yours.

[LEARN MORE](#)[BOOK EXERCISES](#)[MINI-SEMESTER: ENROLL NOW](#)

MEET THE COMPANY

We help companies find, tell, and live their story. We call it culture design, and believe that when employees know why they work, they are more motivated, more invested, and are happier doing it.

[LIVE YOUR STORY](#)

TALK WITH JOSH

Josh Levine is an educator, designer, and author, but above all, he is on a mission to help organizations design a culture advantage.

[SAY HELLO](#)



We are
changemakers



CDBA PEER FORUM

CULTURE + ALIGNMENT | JUNE 4, 2019

“Culture eats strategy for breakfast. Purpose drives its appetite.”

CULTURE EATS

Culture : “all that invisible stuff that glues
organizations together.” --David Caldwell,
Santa Clara University

CULTURE EATS

“You can have the best plan in the world,
and if the culture isn’t going to let it happen,
it’s going to die on the vine.” --Mark Fields,
Ford Motor Company U.S. president, later
CEO

CULTURE EATS

“You can have a good strategy in place, but if you don’t have the culture and the enabling systems [in place]...the culture of the organization will defeat the strategy.” --

Richard Clark, CEO of Merck

CULTURE EATS

“Culture isn’t just one aspect of the game, *it*
is the game .” --Lou Gerstner, CEO of IBM,
Who Says Elephants Can’t Dance?

Why culture trumps
strategy...and all the rest.

WHY CULTURE

- Culture humanizes strategy
- Strategy can be copied but culture cannot
- People are loyal to culture, not to strategy
- Culture creates competitive differentiation
- Strategy is forged in private, culture in the open
- Culture is persistent; strategy is changeable
- Strategy is “head work;” culture is “heart work”

“Purpose drives culture’s
appetite.”

PURPOSE

Your people crave purpose; they want
meaning in their lives and in their work.

PURPOSE

The most powerful brands, the most powerful cultures, are driven by a crystalline, commonly understood purpose.

PURPOSE

Culture cannot be dictated or controlled,
only nurtured and shaped.

The 3 Habits of Highly Aligned Cultures

CULTURE SKILLS

1. Crystalline purpose: pure, vivid,
compelling, memorable, repeatable.

CULTURE SKILLS

2. Translate purpose into action -oriented,
concise, clear statements of core values.

CULTURE SKILLS

3. Reward + recognize for behaviors and performance that demonstrate the core values and drive mission impact.

Culture quiz, self- assessment and table talk

thomathoma.com/cdba



THOMA