Aligning Mission, Culture & Internal Branding
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

SBI

SBB Margin

$ 

SBCP Mission

Southern Bancorp
Southern Bancorp’s Culture Journey
Challenges: M & A Integration

And more....
Southern Bancorp’s Culture Journey

Challenges: Consolidation of Non-Profits

Seed Capital Fund

GFF
Good Faith Fund

Southern Bancorp Capital Partners

OLC
Opportunity Lands Corporation

Southern Financial Partners

Southern CDC
Southern Community Development Corporation

Arkansas Enterprise Group

Southern Property Corporation

Southern Ventures, Inc.

Southern Financial Management

Community Partners
Southern Bancorp’s Culture Journey

Challenges: Capital

• $33.8 million in CDCI (debt)

• Complex capital structure

• Lack of liquidity

• Limited growth opportunities
2013-2018
Culture Trumps Strategy

The “WHY”
of Southern
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

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, undercapitalized 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

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<thead>
<tr>
<th></th>
<th>2013</th>
<th>2019</th>
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<tbody>
<tr>
<td>ROA</td>
<td>0.75%</td>
<td>0.83%</td>
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<tr>
<td>CET1</td>
<td>4.32%</td>
<td>9.61%</td>
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<tr>
<td>CDCI</td>
<td>$33.8M</td>
<td>Retired</td>
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<td>Liquidity</td>
<td>SBCP only common shareholder to receive dividend</td>
<td>9 quarters of consecutive, increasing dividends for all common shareholders; share buyback program</td>
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<tr>
<td>Loans</td>
<td>$742M</td>
<td>$1B</td>
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<tr>
<td>Employee owners</td>
<td>N/A</td>
<td>90% of staff are employee owners</td>
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<tr>
<td>Capital (raised/committed)</td>
<td>__ __</td>
<td>$35M</td>
</tr>
<tr>
<td>Net Income (SBB)</td>
<td>9.51M</td>
<td>$12.75M (2018)</td>
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2019 & Beyond
Aligning Mission, Culture, Internal & EXTERNAL BRANDING
What if...?
You are not a loan officer. You are a wealth builder for everyone.
How Does Culture Matter at Sunrise?

Culture = Speed
Caring Culture of Achievement
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.
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.
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.

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.

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.
we are changemakers
“Culture eats strategy for breakfast. Purpose drives its appetite.”
Culture: “all that invisible stuff that glues organizations together.” --David Caldwell, Santa Clara University
“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
“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 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.”
Your people crave purpose; they want meaning in their lives and in their work.
The most powerful brands, the most powerful cultures, are driven by a crystalline, commonly understood purpose.
Culture cannot be dictated or controlled, only nurtured and shaped.
The 3 Habits of Highly Aligned Cultures
2. Translate purpose into action - oriented, concise, clear statements of core values.
3. Reward + recognize for behaviors and performance that demonstrate the core values and drive mission impact.
Culture quiz, self-assessment and table talk
THOMA