



2007 Annual Development Banking Conference
November 6-7, 2007

**Growth Through Acquisition or Organic;
Integrating and Managing Scale**
10:45 am – 12:00 pm

Moderator:

Michael Berry
Managing Editor, Profit Wise; Federal Reserve Bank of Chicago

Panelists:

Debbie Wright
Chairman & CEO, Carver Federal Savings Bank, NY
Phil Baldwin
Chairman & CEO, Southern Bancorp, AR
David Reiling
CEO, Sunrise Banks, MN

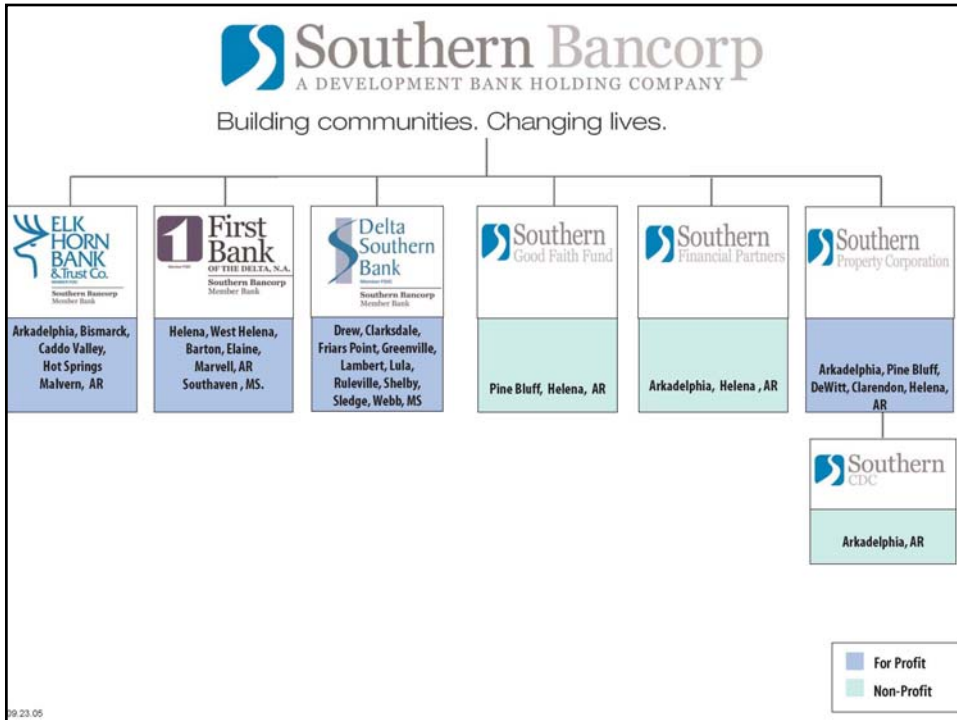
November 6, 2007

www.ncif.org

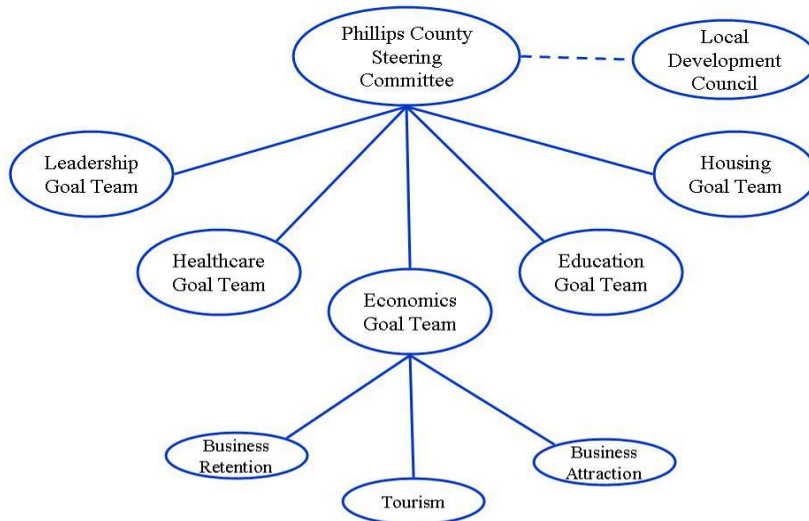
Southern Bancorp

Prepared for the National Community Investment Fund
November 6, 2007





Community Organizational Structure



Challenges in the Delta



Education Challenges



Phillips County, Arkansas

Economic Challenges
60% of Workforce Unemployable



Sunflower County, Mississippi

Economic Challenges
Unemployment rate 13%



Drew, Mississippi

Economic Challenges
Total Collapse of Business - No Jobs



Helena, Arkansas

Housing Challenges
20% of Community - Blighted Structures



Helena, Arkansas

Health Care Challenges



Leadership Actions - Adults

- Strategic plan process
- Merger of the cities
- New school board
- New quorum court
- Boys & girls club
- 2 cent sales tax



Leadership Actions - Youth

- Expands to 1,000 members in 2008
- \$886,000 grant



Existing facility in an old church building



New facility

Education Actions

Education grants - \$7.4 million
Loans - 3.8 million

Results - KIPP School 15th percentile to 92nd percentile



Economic Actions

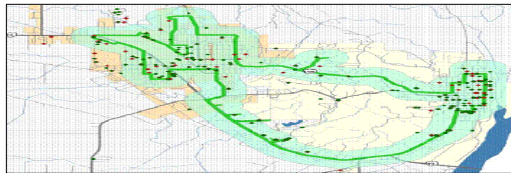
- \$25 million bio-fuels plant - 40 million galloon
- Sweet potato storage facility - \$2.3 million
- Financial assistance to municipalities - \$33,000
- Micro-loan program - \$38 million



Economic Actions



- Rural Public Transportation - \$175,000 Grant



Housing Actions

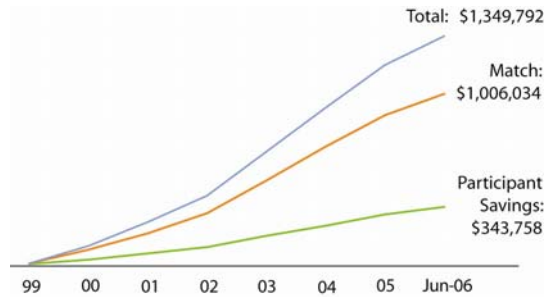


200 Houses Demolished
300 Junk Cars Removed
Southern Place Built



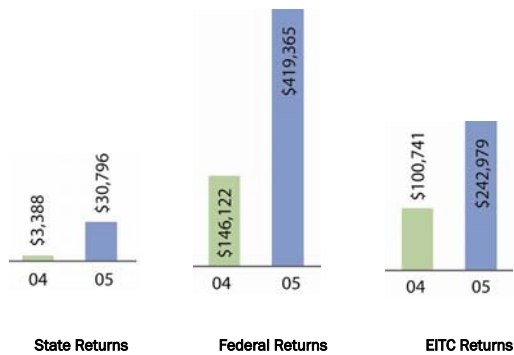
Impact on People – IDA Program

- \$1.3 million in IDA savings and matches
- 355 families have met their savings goals and purchased their asset



Impact on People – VITA Program

- 340 families have filed their taxes for free, bringing \$600,000 of revenue into the community

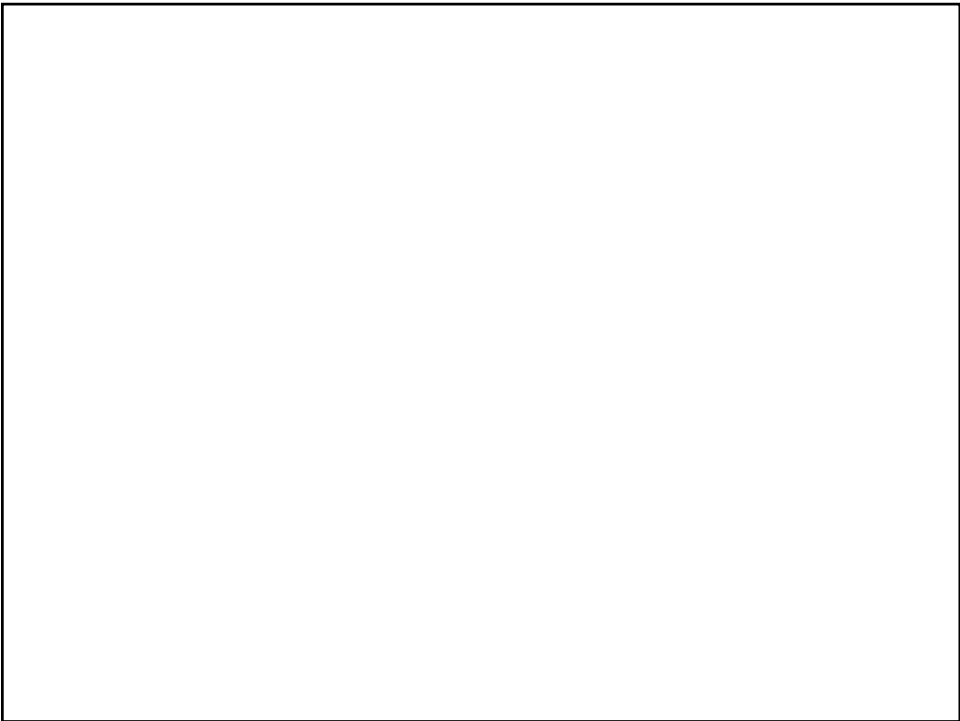
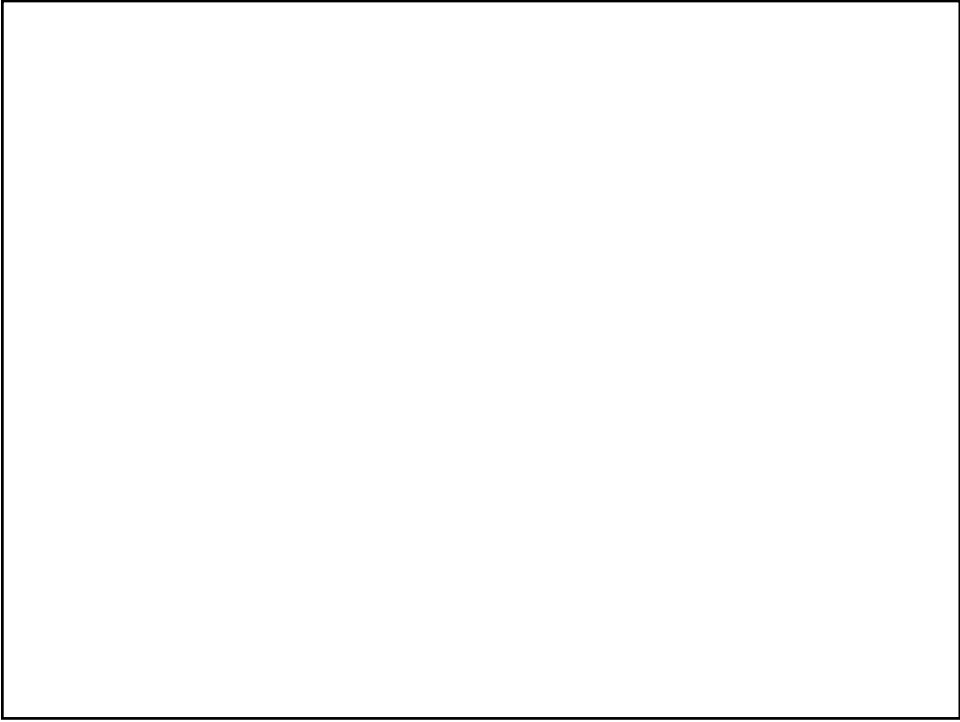


Southern Bancorp

Prepared for the National Community Investment Fund

November 6, 2007





Bigger and Brighter Future



Ask Yourself This Question

If we were meeting here three years from today – and you were to look back over those three years - what has to have happened during that period for you to feel happy about your progress?

Agenda

- An Industry Perspective
- Efficiencies & Scale
- Bigger & Brighter Future

One Perspective

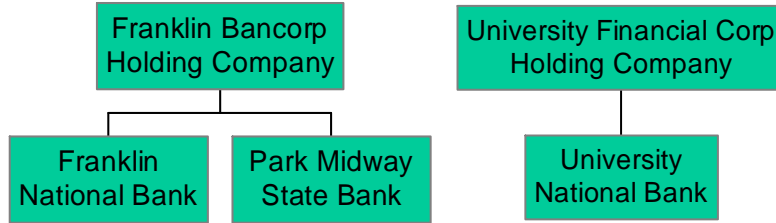
- Banking is entering a “no profit zone”
 - Commoditization, Non Bank competition
- Unique Value Proposition
 - Own the Standard vs. Commodity
 - To avoid the “no profit zone” what are you going to do to redesign your organization?
 - Start with the customer and work back
 - Turn your biggest risks into your biggest opportunities
 - Collaboration ratio (compete : collaborate)
 - What are you going to bet on?
 - Amazon vs. Barnes & Noble

Efficiencies and Scale

Sunrise Community Banks

(3 Bank Charters, 2 Holding Companies)

Last Year

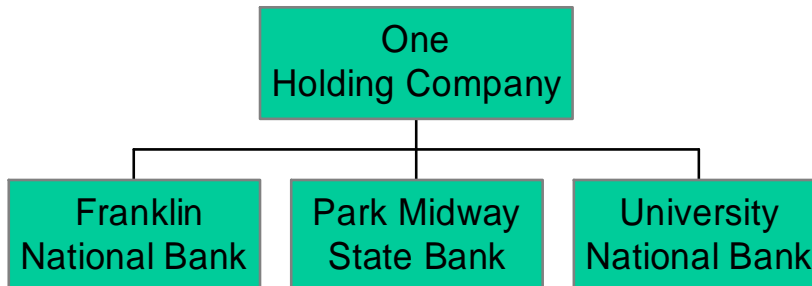


Efficiencies and Scale

Sunrise Community Banks

(3 Bank Charters, 1 Holding Company)

This Year



Efficiencies and Scale

“Lessons Learned”

- Culture is more important than efficiency!
- Efficient & Effective “process”
 - Standardization & Consolidation of “Deposit Services”
 - Standardizing our Loan Operations
 - Specialization:
 - CCO, Marketing Manager, Cash Management, Technology Applications & Information Security, Audit
 - New Capabilities
 - Fed Funds, ACH, Technology, Collaborations, Governance
- Scale: “matter of perspective”
 - The largest check & minimum check

Three years from now...?

Your Dream Check

Your Next Largest Check
(3 yrs.)

Your Current Check

Your Minimum Check

- Brainstorm on the next largest check improvements
- Five Best Improvements
- Ideal Result
- Strategy
- Specific Actions

Next Largest Check Top Strategies

- Hispanic Branch (new)
 - Why? Loans, Deposits, Bank the “Unbanked”
- Mission Related Deposit Campaign
 - Raise \$75 million in deposits to reinvest in our distressed urban communities. “Import capital”
- Apply NMTC allocation to fuel our lending in our target areas
- Mobile Banking Account
 - Support the above
 - Change the way we do business

What is it?

- Bank Account with a debit card
- Any cell phone
- Account lock (on & off)



Mobile Banking Card

Thank You

David Reiling

david@sunrisebanks.com

4102

DEBIT

