



How to Turn Dreams into Reality

- Q.** What was the deciding factor to open the bank?
- A.** It's easy to think that anyone that starts a company was always passionate about becoming an entrepreneur or business owner. But I never had any desire to start a company of any kind, much less a bank. As the old saying goes, never say never; I had been with a local bank for about 18 years, quite comfortable with the company, its leadership, and really operated in a very independent environment. Our industry has always been known for consolidation and it was time for our owners to find a much larger company to take the reins. After the merger I discovered just how important alignment of values with a company was. That doesn't mean that one set of values is better or worse, but that any employee must share the company's values or should opt out. That's just what I did. I was pretty passionate about how a business should operate in the local community and how it must treat its employees and customers and found myself a bit concerned if I would ever find the same alignment again with a new company; so it was obvious to me that opening a new bank seemed like the best choice.
- Q.** How did you convince other people to share the vision?

A. Paul, Dale and I spent most of our professional lives building trusting relationships with our customers and the community. I think that trust along with our naive passion for this venture allowed us to break through the layer of doubt in most people. I am most proud of our original organizing board. There were a number of people that felt we were not bringing enough power into the original group, these were also the same naysayers that saw just a couple of country bankers trying something we shouldn't be trying. However, I looked for several traits in our board: 1. Someone that had started their own business, 2. Someone that knew and trusted us, 3. Someone that understood that the board's role is to govern and protect the shareholder's best interest, not through managing the bank, but sharing the leader's vision and empowering him to execute. Our board has proved to be more than qualified, and I'm forever grateful for their commitment to our vision.

Q. What do you contribute your success to?

A. Let me first say that I don't treat the success of our company as my success, it belongs to every associate, every director, every shareholder and every community we operate in. We could not have achieved any of our milestones without the commitment from every stakeholder. I believe that nothing great has ever been achieved by a single individual, it takes a team of dedicated, talented people and we've been fortunate to have such a group. I will say that my principal role is creating the vision, making sure it gets executed and to clear any road blocks for our staff. I believe that I can lead best if I am serving my staff. I have been fortunate to surround myself with great mentors and coaches too. There have been a number of great men and women that have dedicated their time to me; helping me to see clearly around the corner and teaching me the best way to communicate the future for our company and how to get it executed.

- Q.** Over the past 10 years that the bank has been open, what WOULD YOU SAY ARE THE BANK'S BIGGEST ACHIEVEMENTS? Your biggest achievements?
- A.** You might think, and I guess it would be easy to comment on, our financial achievements; however I would like to think that our greatest accomplishments are centered on our Purpose. I believe that every company has to have a cause bigger than its vision. People rally around a cause and it's difficult to motivate large groups of people for an extended period of time with financial milestones. So I'd have to say our greatest achievement to date has to be clearly defining why we exist and getting real good at selecting associates that shared and could get passionate about our purpose. Most people might think that a company like ours exists to grow and make money, well we do want to be South Carolina's largest and most profitable bank, not because that would give us bragging rights; you see, financial success is like breathing, you've got to do it to survive, but its not why you get up and out of bed everyday. We want to grow and make money so we can be sure we make a positive impact on every stakeholder in our company.
- Q.** Who helped you to start the bank? What did you have to learn?
- A.** My brother, Paul Saunders, and good friend, Dale Porter. They were much more excited about the concept than me. I went through a "glass half empty" period. I quickly learned that I could not do it all myself. If we were going to achieve any significance, I had to build a team of highly qualified, intelligent people that would give me discretionary effort. We've been fortunate to do that.
- Q.** Who are some of the heritage associates of the bank? What are some of the risks these associates took when deciding to join FRB?

- A.** Mary Neale Fowler and my wife Tiffany quit their jobs and came to work with us before we even had an office; Reuben Hewitt, Nancy Watts, Melinda McLamb, Pat Oliver and Pam Richardson all came just prior to or just after we opened. They were all at risk of us not ever getting the doors open and could have possibly been without work. We were opening a bank in a market that already had too many competitors and two recent new banks. It had to be the most stressful period in our company. These people were as dedicated and passionate about our cause as I was. I'm happy to say that we now have the 3rd largest market share in Florence.
- Q.** What is your vision for the future?
- A.** We truly want to be the state's largest and most profitable bank. To do this we'll have to operate in the entire southeast. By 2010, our goal is to have 25 retail branches and 1 billion in assets. This would put us in the top 5-10 banks in asset size. Currently we are the 25th largest bank out of 107 banks in SC.
- Q.** What are some of the roadblocks that you have Encountered?
- A.** As a new and young company I could spend days talking about road blocks. One that comes to mind is people. You've got to have them and early on we were quick to put warm bodies in empty chairs. We quickly learned the concept of proper selection, talent management and alignment with culture. I'm convinced that engaged associates translates to engaged customers and if you don't recruit and develop great talented people, aligned with your company's vision, mission and values, every customer service initiative will ultimately fail. We experienced problems with both early on. We're fortunate that our customers were patient with our growing pains. Today I'm happy to say that our associate

engagement is 80%, well above high performing companies and our customer satisfaction is at 93% also well above industry best of class.

- Q.** How did you handle opening a bank in Florence with so many competitor banks in the same area?
- A.** Every market and industry is competitive and unless you've just invented something completely new you've got to learn to compete, and even if you've invented something new you better learn quickly how to compete because if it's a good idea you won't be alone long. In banking there are a number of good companies with business models that suit them. I didn't want to open just another good company. I believe that our business model was different enough and truly unique to Florence and our state that there would be a place for us to belong and thrive. That's proven to be true.
- Q.** With your vision to be the largest and most profitable bank in SC do you feel like you can do that headquartered in Florence?
- A.** The guys on Wall Street ask me this question often, often enough that I've questioned it myself. However, Florence is my home and I really like it here. This community has given us so much support that the thought of moving our headquarters is just not an option. My greatest concern was that it would be challenging to recruit executives to live here, but when you really look at it Florence is a great place to raise a family. I believe the quality of life here is better than most cities anywhere in the US and for those that like larger cities, you can visit some good ones with just an hour or two drive. We've successfully recruited people from all parts of the US and Canada. One of our mission principles is to be an employer of choice; you do that through effective leadership and providing growth opportunities for your associates. If you achieve that goal

it's amazing, in any market, how the most talented work force wants to be part of the team.

- Q.** How do you keep yourself grounded? (family, community, ETC...)
- A.** I was fortunate years ago to have a mentor that spent a lot of his time coaching me on the importance of balancing life. He taught me that success is not defined by position or compensation but by your ability to execute God's purpose for your life. I truly believe that what I am suppose to do with my life is directly supported by the success of my family, church, friends, community and our company and that for me to achieve my life's goals I can't fail in any of these categories. So balance in every area is critical. That doesn't mean necessarily that I do the traditional 40 hour work week. Every stakeholder in my life shares the passion and purpose of our company so I still have very long work days and weeks. I can't tell you how thankful I am to have a beautiful and supporting wife. In the early years of our company she would bring the kids to the bank and we would have our family supper at the board room table every night and most days I would arrive at 8 am and get home at mid night. It's not quite that bad now, but now I do spend a lot of time away from home traveling between locations and conferences.
- Q.** What inspires you to help other people?
- A.** Every thing that I am and have achieved is the direct result of a commitment of time, energy and wisdom that someone else unselfishly shared with me. The debt that I've got to repay is great and I can only do that by passing on the support and inspiration that others have given me.
- Q.** Define community bank. How do you plan on remaining a community bank and yet still achieve your vision?

- A.** People think of a community bank and good customer service as the small local bank on the corner, I disagree. I would agree that everyone wants great service, but they also want convenience and innovation. The problem with most small banks that aren't growing is they lack innovation and convenience and the problem with most large banks is that they have the convenience and innovation but can't deliver on the service. I think you've got to do both. Community banking is simply investing in the community you serve and giving decision autonomy to the team you've asked to represent your company in that market. Our business model is directly tied to this principle.
- Q.** Do you have plans to allow the bank to be bought?
- A.** Most people think that all banks are started with an exit strategy to sell as standard protocol. That's far from the truth. Most banks sell because they've either decided they can't grow anymore or they've made a huge financial mistake. I do have an obligation to our shareholders to provide them with a better than average return on their investment and to build a company with a great reputation. At the end of the day everything we want to accomplish can't be accomplished if we don't deliver to the shareholder. If the day comes that we cannot grow our balance sheet and earnings then finding someone better than us would be an alternative. However, I have absolutely no desire to sell this company. I would consider it an utter failure if I had to concede the management and leadership of our company to someone else. I have a clear vision and plan on what it will take to grow and thrive in the future and I plan to press forward and as long as we can continue to attract talented people and execute, we're going to stay in the game.