

From Local to Leader: A Community Bank's Data & Efficiency Transformation

Southern First Bank & CreditLens CRE Case Study



Southern First is a community bank in the Southeast that is growing organically through expansion into new markets. The bank was seeking a cloud-based commercial spreading solution that would support their aggressive growth goals, increase real estate lending capacity, and drive revenue growth.



\$10B

Challenges

Southern First's existing spreading software required downtime for updates impacting productivity and efficiency, which led the bank to evaluate C&I spreading and other analysis needs to accelerate growth. Transitioning from their current solution to a new robust spreading solution required careful consideration and strategic planning. In the world of lending, innovation is the key to staying ahead, as an early adopter of new robust lending technology, Southern First is undergoing instrumental transformation.

Total assets under management that Southern First Bank will have in 5 years.

Southern First Bank's Blueprint for Modernization

As part of Southern First strategic growth initiative, the aim is to modernize credit analysis solutions to address efficiency and scalability now to be nimble and ready for future growth. The bank's main objectives were to:

1

Enhance efficiency by implementing an integrated system to streamline complex processes, reduce duplicate data entries and enhance portfolio transparency.

2

Standardize risk management and analysis globally by operationalizing risk appetite, adopting a uniform spreading policy and standardizing customer analysis.

3

Support growth and market expansion with a scalable solution that facilitates rapid deployment and adoption, in line with Southern First's 17% 5-year CAGR.

4

Boost profitability and return on investment by leveraging data-driven market insights across the entire credit lifecycle.

Optimizing Credit Risk Management with CreditLens CRE

Southern First's current spreading solution was up for renewal and due to the bank's excitement with the Moody's solution, they moved forward with CreditLens CRE to manage the credit monitoring process within a single, workflow-enabled platform. Moody's onboarding process commenced immediately after signing the contract and within three months the C&I spreading capabilities were implemented. Southern First expedited the onboarding and product implementation swiftly, going from utilizing their old spreading solution one day, and CreditLens the next day, resulting in positive ROI for the bank in a short timeframe.

The onboarding process was streamlined using modern, scalable technology architecture, including a lower cost cloud deployment versus legacy applications, an open API for easier integration, advanced configuration toolkits, to eliminate vendor reliance, HTML 5 which supported browser independence and mobile enablement and the tenant database which simplified upgrades and supports agile model evolution.

Achieving Success

Through the end-to-end CreditLens CRE solution, Southern First gained access to vital Moody's capabilities, including:

Data Quality

Validate data quality through extensive rules, improve accuracy for management and regulatory reporting, and reduce downstream data correction.

Deal Pipeline

Track and prioritize opportunities, filter deals (size, start date, etc.) and monitor deal progression. Work in tandem with other lenders, relationship managers, underwriters, and portfolio managers.

Management Dashboards

Drive strategy and performance goals with the big picture in mind. Assess deal pipeline efficiency and performance KPIs to flag bottlenecks and inefficiencies.

CRE Analysis

Perform granular analysis at the property and portfolio level, including instantaneous calculations for NOI, DSCR, LTV, and others. Collect, store, and analyze data for office, retail, industrial, hotel, multifamily, and mixed-use properties.

NOI Analysis

Digitize and normalize rent roll and unit mix data from source documents (Word, Excel, PDF, etc.). Auto-import data into templates and perform NOI analysis to arrive at key metrics, as well as stress numerous factors and run scenarios.



Moody's CRE Property Data

Understand past, current, and future property performance through four decades of real estate data. Perform comps and track new construction, sales transactions, and local demand. Access pre-populated data to compare current and performance of subject properties to market and submarket.

Cash Flow

Eliminate the need for legacy cash flow spreadsheets, manual, redundant data entry, and potential for input error. Automate cash flow aggregation to speed GCF assembly.



Southern First is dedicated to providing outstanding client experiences through our relationship banking model. Our track record of organic growth has been built on these relationships, where speed, efficiency, and accuracy are critical alongside the exceptional service and authentic hospitality that our clients know and love. Moody's CreditLens spreading and lending platform have allowed us to continue building on these critical aspects and enable us to grow further with a process that works for us and our clients.

*Wes Wilbanks
Executive Director, Market Support
Southern First Bank*



Conclusion

Within five months after signing the contract, Southern First realized significant ROI. CreditLens CRE has allowed the bank to increase capacity and market size with statistically supported empirical insights, and extend optimal credit based on risk appetite. Leveraging automation and the latest technology within their credit process, Southern First can now utilize more time and resources for their organic expansion goals. Southern First will continue to expand its use of CreditLens CRE across various functions within the lending workflow to streamline efficiencies, and support their strategic growth initiatives.

Interested in learning what CreditLens CRE can do for your team? Visit moodyscres.com.

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