

Executive Masterclass: Advanced Strategic Planning to Maximize Growth

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Chief Strategy Officer
Haberfeld

THE FINANCIAL BRAND

FORUM



About Haberfeld for Context

About Haberfeld



Over the last decade we have brought our clients 7.5 million new core relationships

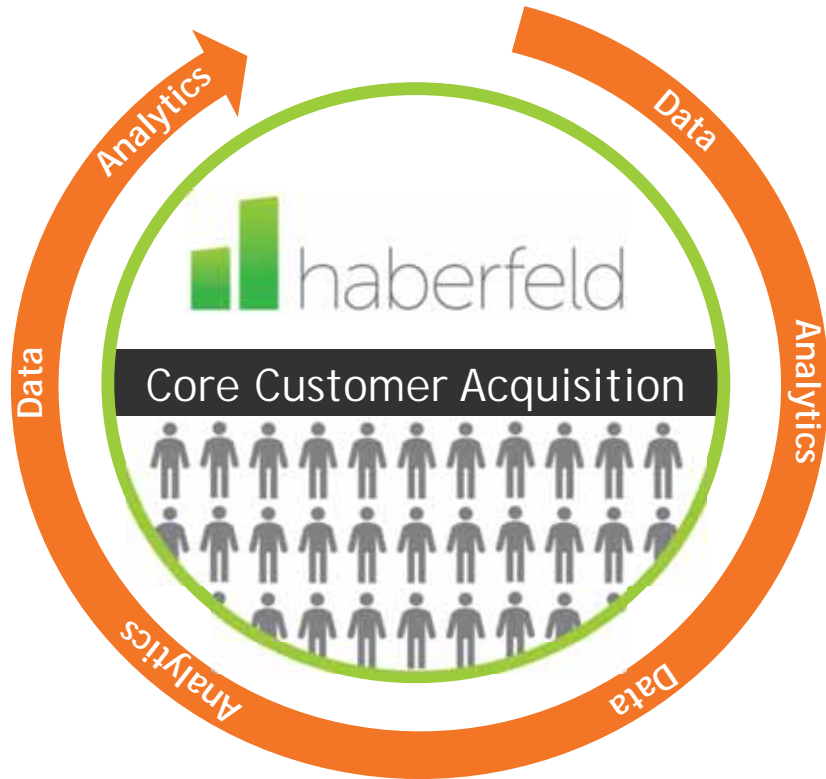


35+ year track record of success and employee owned since 2013



Clients with branches in 48 states representing the 4th Largest FI in the United States by branch count

About Haberfeld



2.0x Household Acquisition

1.5x Deposit Growth

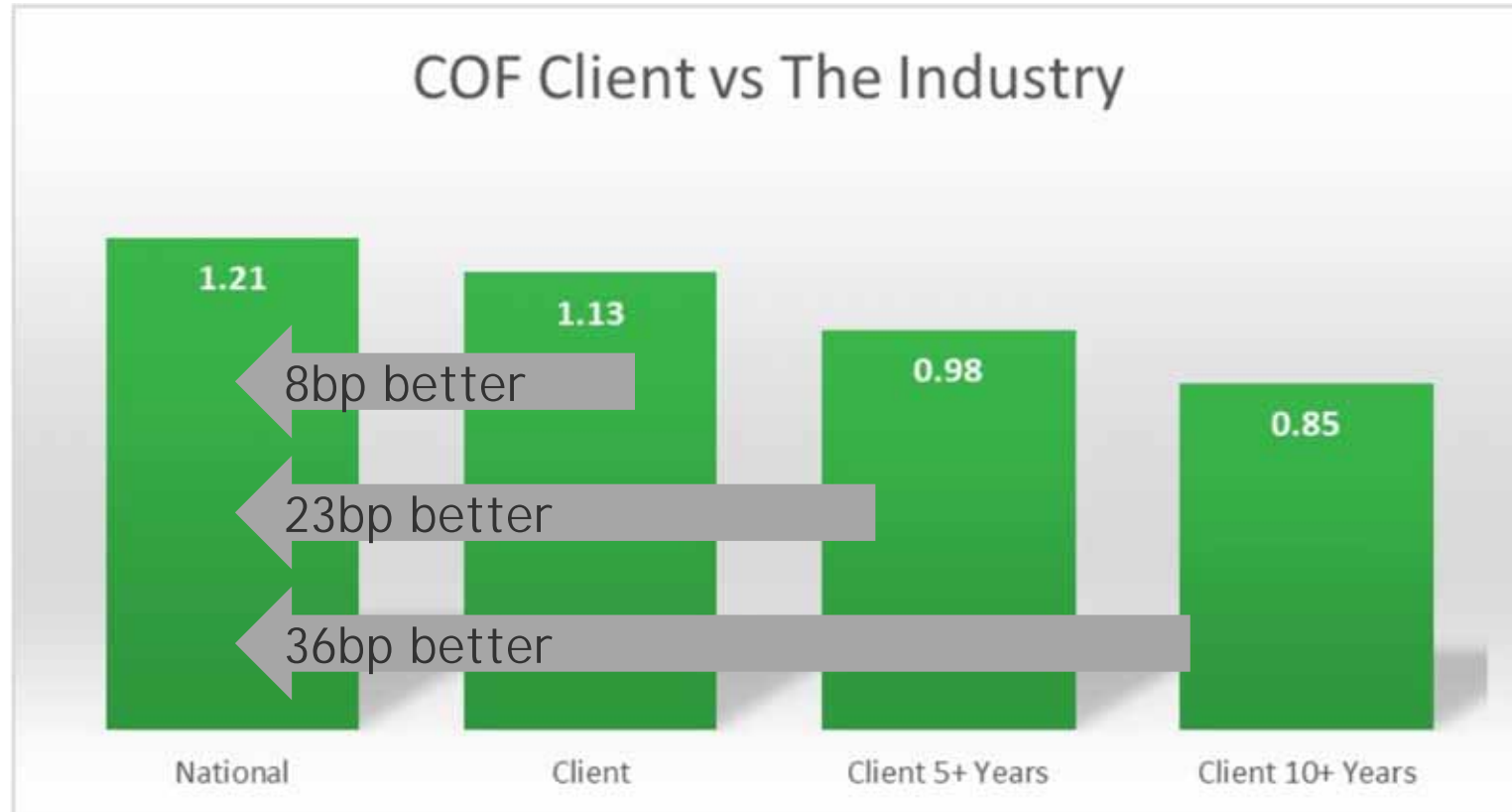
36 bps Better Cost of Funds
For Tenured Clients

1.66x Noninterest Income

2.5x Service Charge Income

3.6x Loan Growth

Cost of Funds Management Over Time





Let's Get Started

Your Ideas

Discussion Topic:

1. How often does your bank conduct strategic planning?
2. How far out do you plan?
3. How do you manage execution of the plan?

Session Overview

Session Objectives

1. Engage in some lively discussion and idea exchanges.
2. Explore strategic planning areas of focus.
3. Review and evaluate strategic marketing methods that have been effective in driving growth.
4. Identify onboarding strategies that have worked to increase relational intensity with new and current customers or members.
5. Evaluate retention strategies designed to have a direct impact on customer or member attrition.

As an organization, you must have a strategy.





Strategy is what we do.
Through our planning
regarding marketing,
sales calls, networking,
referrals...

“Culture eats strategy
for breakfast.”

Peter Drucker





Culture is who we are.
It is woven into our
fabric by our values,
beliefs, standards...

Before you can effectively execute strategy, you must first have the culture to support it.



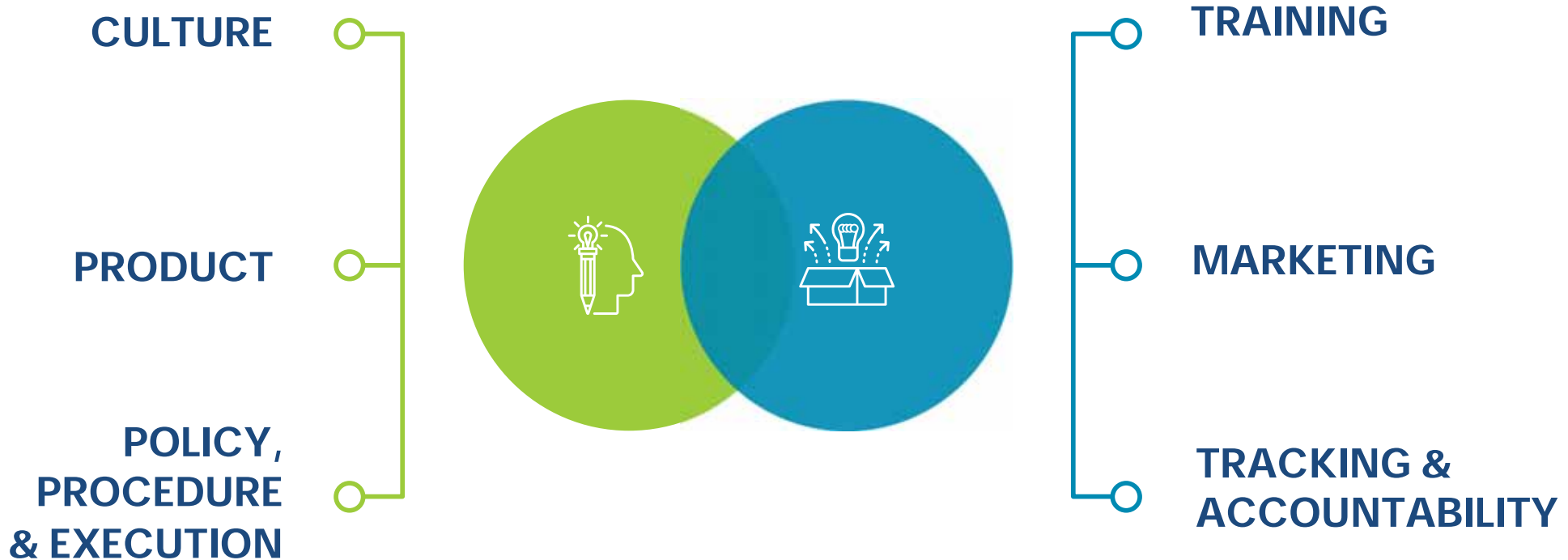
Strategic Initiatives that Drive Growth?

1. Removing barriers
2. Providing products employees are proud to offer
3. Getting people in the best products on the first visit
4. Treating “sales” as escalated service
5. Creating referral-worthy experiences
6. Assuring its good for the consumer *and* for the financial institution

What Inhibits Growth?

1. A promotion mentality
2. Excessive control by compliance
3. Foisting unwanted, unneeded, and unattractive products on customers or members
4. “Hoping” people will refer others without **earning** the referrals
5. Offering products that don't make us money

Strategic Areas We Will Explore to Varying Degrees



10 Step Process for Meaningful Results



THE SETUP

- 1 Intelligent products
- 2 Responsible policies
- 3 Efficient process
- 4 Effective training
- 5 Appealing incentives



DRIVE TRAFFIC

- 6 ROI-focused marketing with the most compelling offer to the right audience
- 7 Leverage the power of referrals



KEEP IT GOING

- 8 Measuring and benchmarking
- 9 Inspect what you expect
- 10 Ongoing training and accountability

Our Session Contract



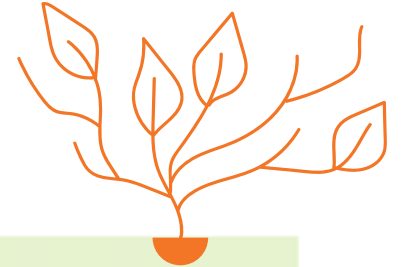
COUNSEL

We will provide each other with the best counsel (based on data as possible).



SUPPORT

We will support each other with strategies to drive the best results.



HARD WORK

We acknowledge that strategically growing a financial institution is hard work.

What is the Impact of Strategic Customer Growth on Profitability?

A Case Study Bank: (1) \$2.1B with 25 locations (originally 8),
(2) Mostly small cities and rural communities in Georgia, and
(3) Implemented a customer growth strategy in 2003.

Case Study Bank: Average Customers Per Branch

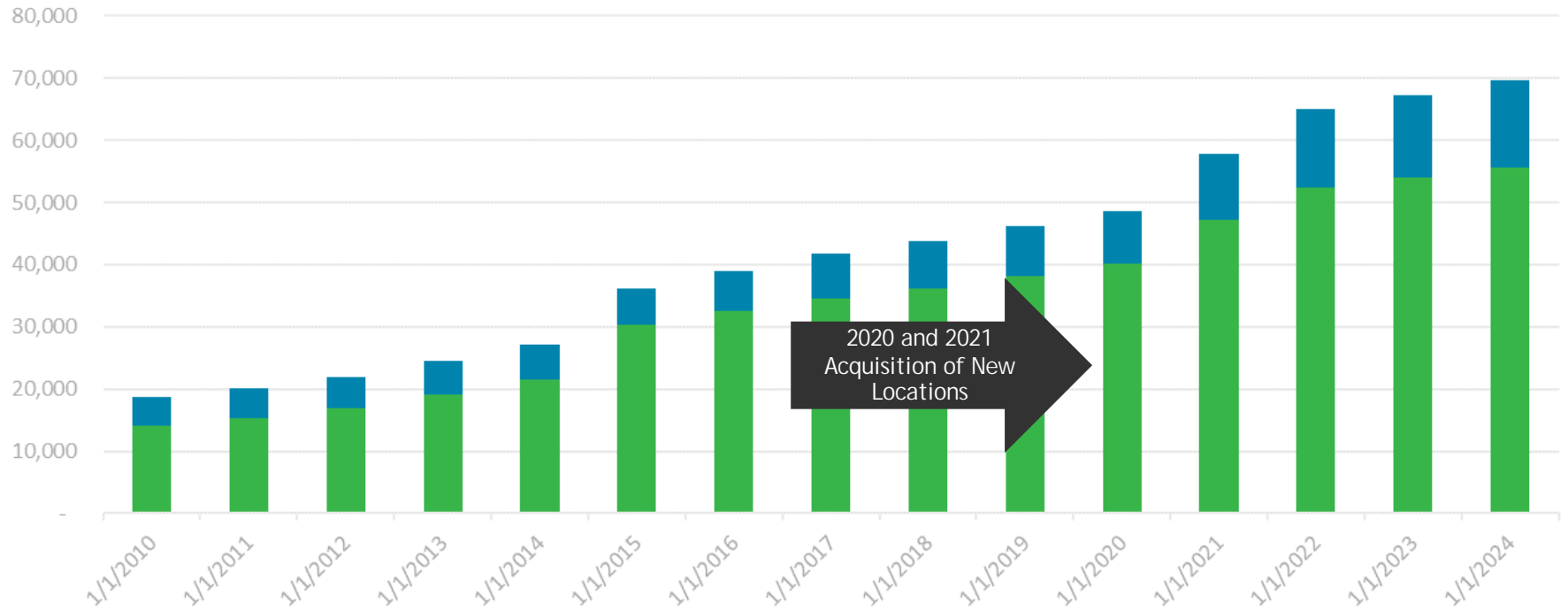
COMMUNITY BANKS

Community banks average
1,300 customers
per branch.

CASE STUDY BANK

After 20 years, averages
2,787 customers
per branch.

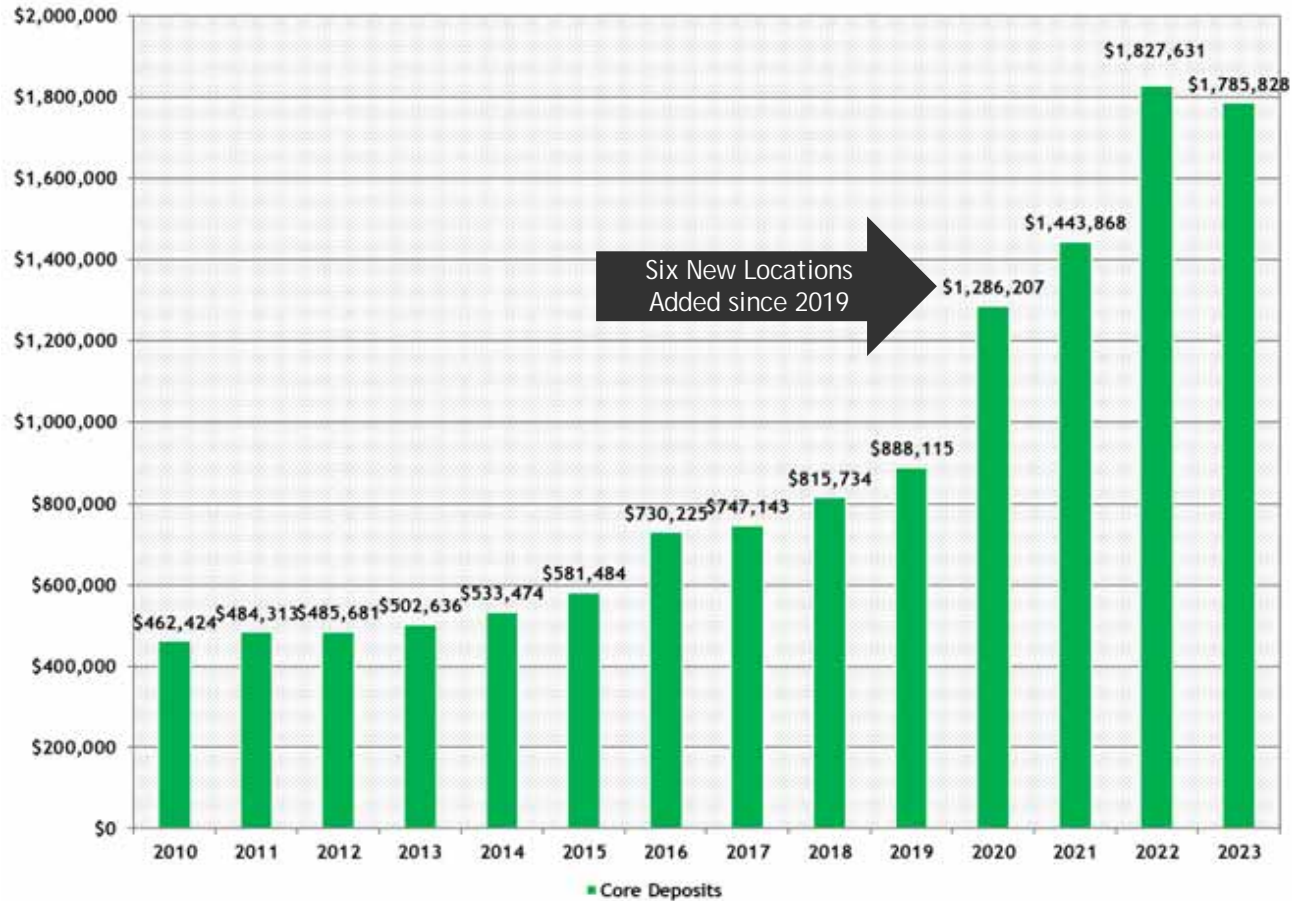
Case Study Bank: Checking Portfolio Trends



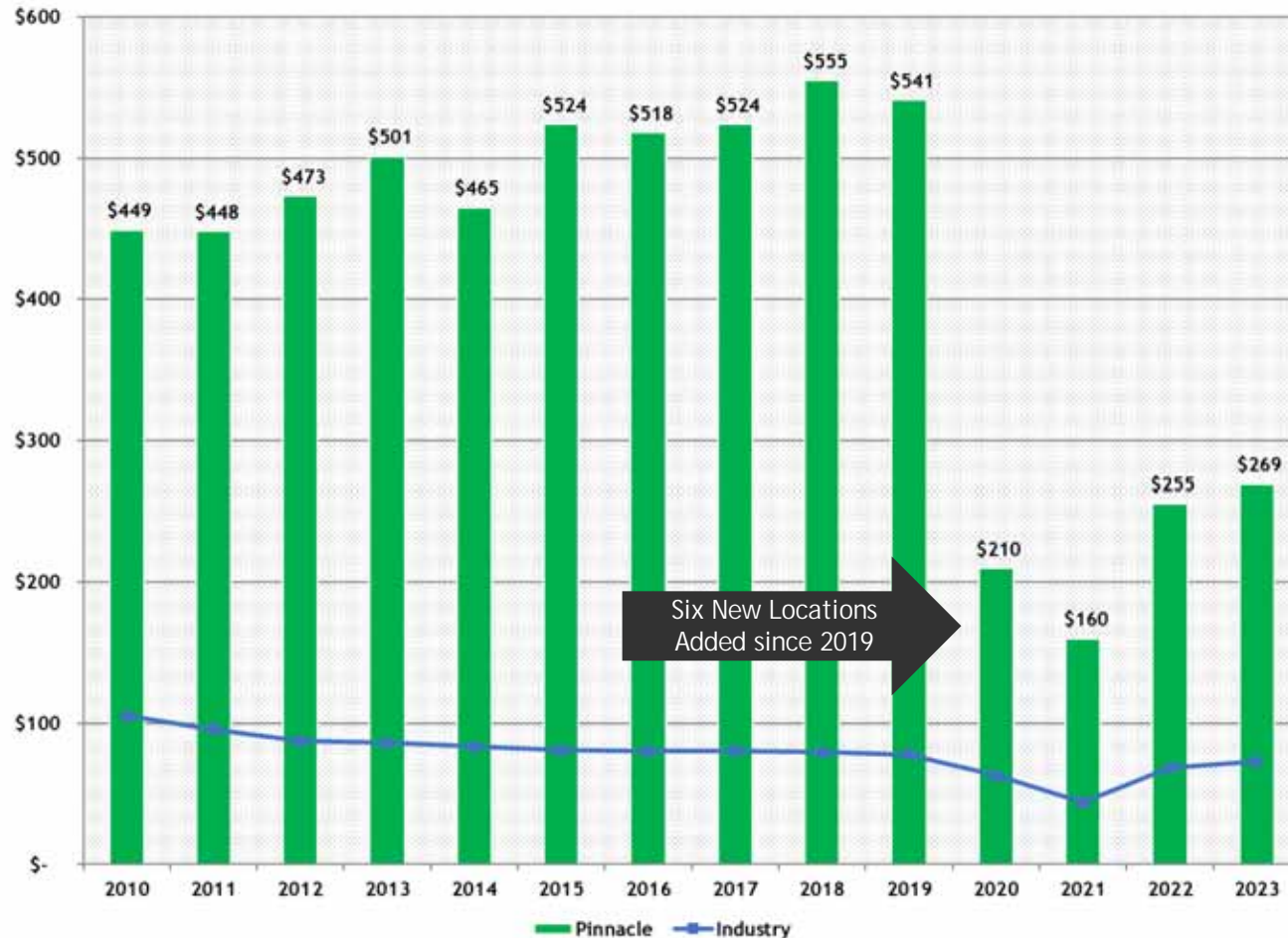
	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
■ Business Checking	4,605	4,778	4,999	5,249	5,595	5,819	6,344	7,192	7,534	7,922	8,399	10,526	12,655	13,258	14,031
■ Retail Checking	14,108	15,388	17,024	19,213	21,493	30,352	32,548	34,488	36,236	38,201	40,166	47,197	52,324	53,971	55,644

■ Retail Checking ■ Business Checking

Case Study Bank: FDIC Trends - Core Deposits



Case Study Bank vs. The Industry: Service Income per Branch

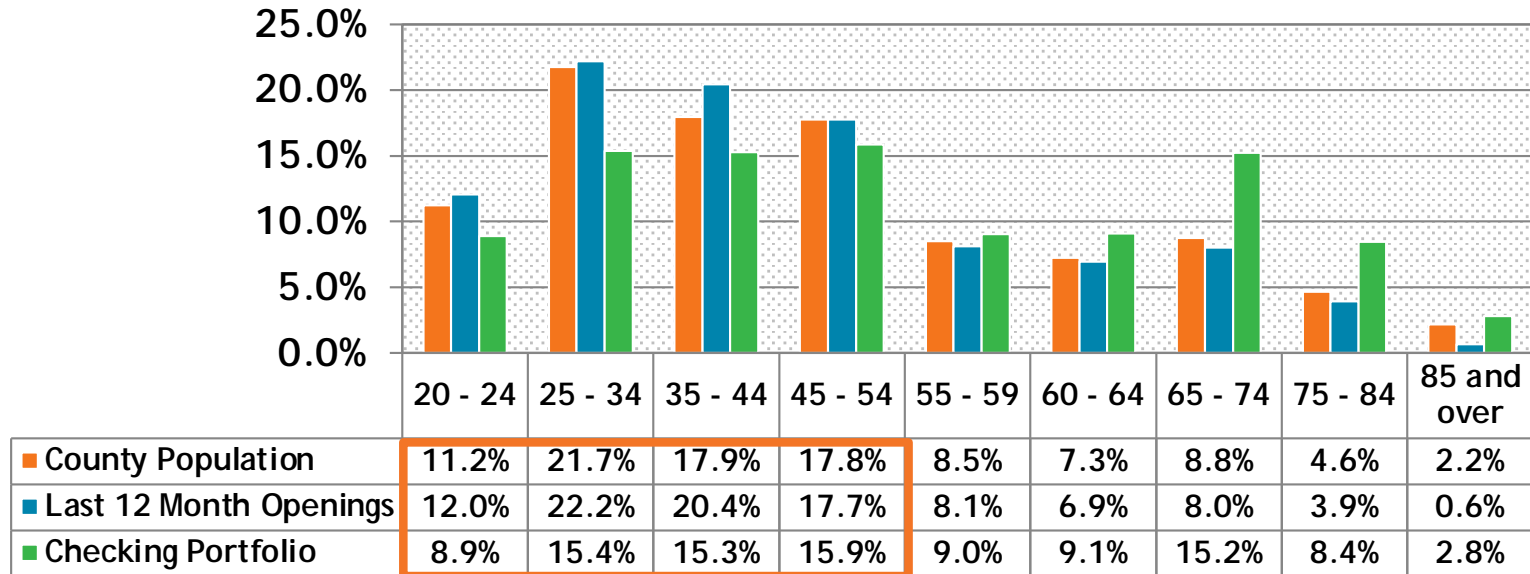


Case Study Bank vs. The Industry FDIC Trends: Cost of Funds



Case Study Bank: Retail Checking Age Demographics

Age Demographics



55% of Openings in Last 12 Months are under age 44.
That compares to 40% of portfolio and 51% of the county population in that age segment.

Marketing Strategies to Drive Growth

Your Ideas

Discussion Topic:

How have you developed your bank's marketing strategy AND how often is it reviewed/evaluated?



Big Banks are trying to tip the scale.

YOU ALREADY HAVE OUR CARD IN YOUR WALLET

Next, open the savings account that can help take your future to new heights.

3.30%

AMERICAN EXPRESS

NO MONTHLY FEES | NO MINIMUM BALANCE | FDIC INSURED | AMEX SERVICE

Welcome to the neighborhood.

Virtual WalletSM is Checking and Savings. Together.

Earn a **\$400** cash reward when you open and use a new Virtual Wallet with Performance SelectSM

Earn a **\$200** cash reward when you open and use a new Virtual Wallet with Performance SpendSM

*New with Live Cash ModeSM in the PNC Mobile app! We believe how your funds eventually should be in your control, not just your bank's.

VirtualWallet

CHASE

Enjoy up to **\$900**

See details inside

CHASE for BUSINESSSM

Earn up to **\$750**

when you open a Chase Business Complete CheckingSM account with qualifying activities.

See inside for bonus offer amount and other important information.

Open a checking account that can do more for your business

WE MAKE IT EASY

With Free Checking that's actually free.

haberfeld bank

Capital One

Earn up to a **\$1,500** bonus for a limited time

Enjoy **\$225**

CHASE

See details inside

New Wells Fargo checking customers can get **\$325***

*See message for details.

Use your bonus offer code to open a new eligible Wells Fargo checking account by September 22, 2023 and receive \$325 or more in qualifying electronic deposits within 90 days of account opening. \$75 minimum opening deposit required.

After the 90 days, if the bonus requirements are met, we'll deposit the bonus into your new account within 30 days.

Your bonus offer code is **8YM3C8**

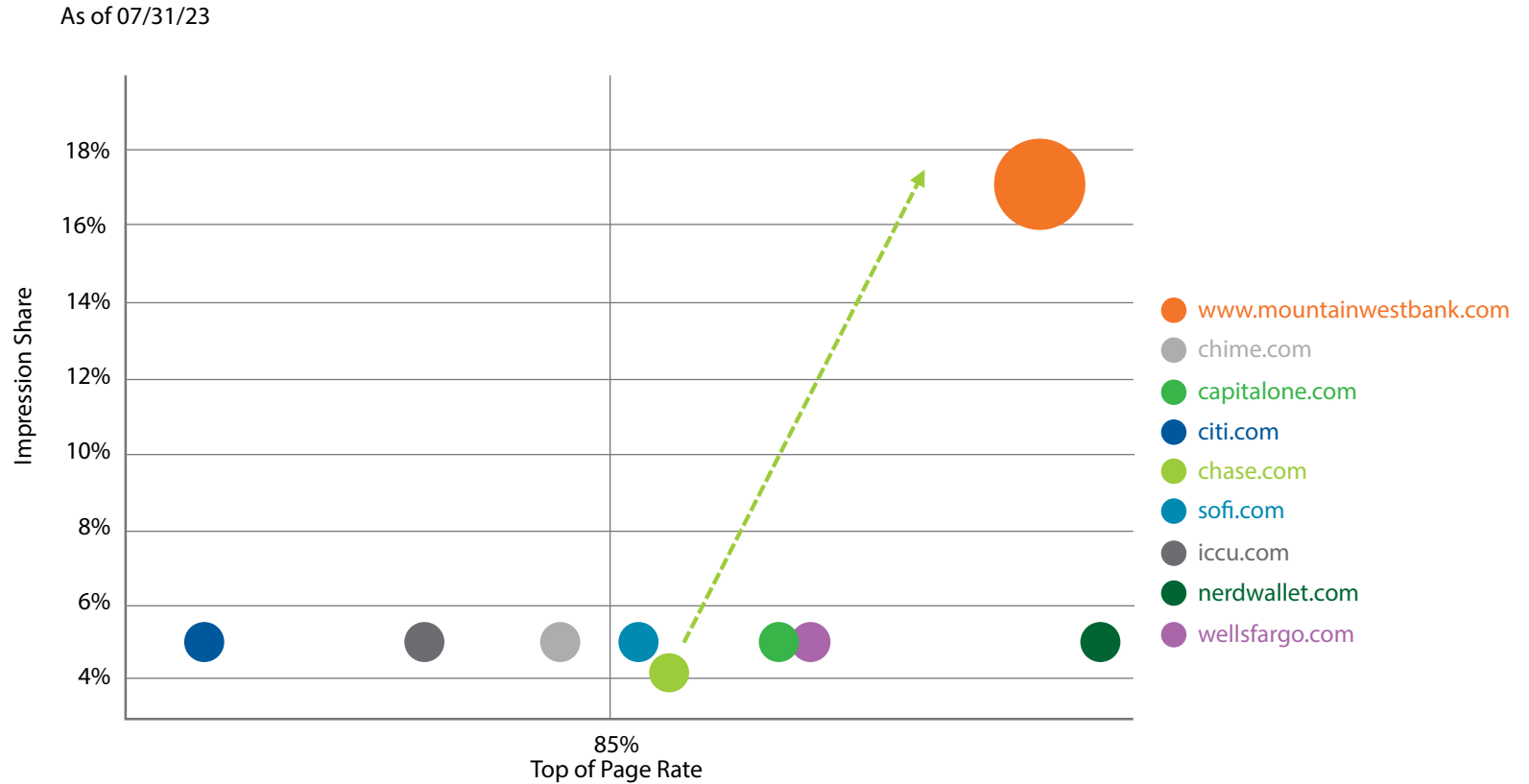
Limit one bonus per household.

Schedule a branch visit at wellsfargo.com/appointments. Branch appointments are encouraged ahead of time.

OR Scan the QR code to open an account online through the offer webpage: wellsfargo.com/newwells

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Sample Client – July 2023



Core Beliefs That Should Inform Strategic Decisions



FIXED COSTS

We are in a business of high fixed costs...

Build expensive "factories" that we call branches.



MARGINAL COSTS

Modest marginal costs...

What does it cost you at the margin to service one more core customer or member?



COMPARISON

High marginal revenues compared to marginal costs...

What does your average customer or member produce in revenues per year - \$200? \$300? \$500?



CAPACITY

Tremendous excess capacity.

The majority of financial institutions could handle many more customers or members.

Core Beliefs That Should Inform Strategic Decisions

We need as many Primary Financial Institution (PFI) customers or members as possible.

When Do You Have a Primary Financial Institution (PFI) Customer or Member?



1

When consumers give your financial institution's name in response to the question:

"Where do you bank?"



2

They are telling you where they have their primary operating checking account.



3

The primary operating checking account is the gateway to PFI status:
PFI relationships begin with a primary operating personal or business checking account!



4

Start with the checking account and deepen relationships by providing other product and service solutions to make people's lives better!

Why Checking First?



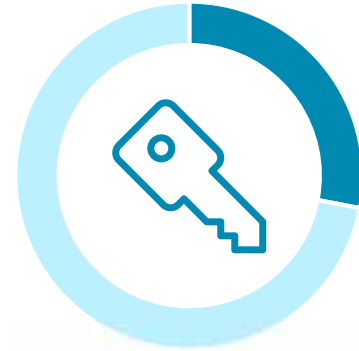
68%

First consumer product is checking



51%

First business product is business checking




28%

First relationship at a business household is consumer checking

Source: 2022 Client Data

More Customers = More Profits

Customer Revenue Streams (Banks)



Deposits - Checking

- \$6,900+ per consumer account
- \$32,000+ per business account



Household Balances

- Consumer: \$27,000+ in deposits and \$13,000+ in loans
- Business: \$84,000+ in deposits and \$120,000+ in loans



Fee Income

- \$157+ per consumer and \$136+ business account
- Largest components are interchange and overdraft income




Cross Serve - Relationship

- More than 6 products and services per household/business

More Members = More Profits

Member Revenue Streams (Credit Unions)



Deposits - Checking

- \$2,500+ per consumer account
- \$7,000+ per business account



Household Balances

- Consumer: \$13,100+ in deposits and \$15,700+ in loans
- Business: \$14,800+ in deposits and \$9,000+ in loans



Fee Income

- \$153 per consumer and \$137 business account
- Largest components are interchange and overdraft income

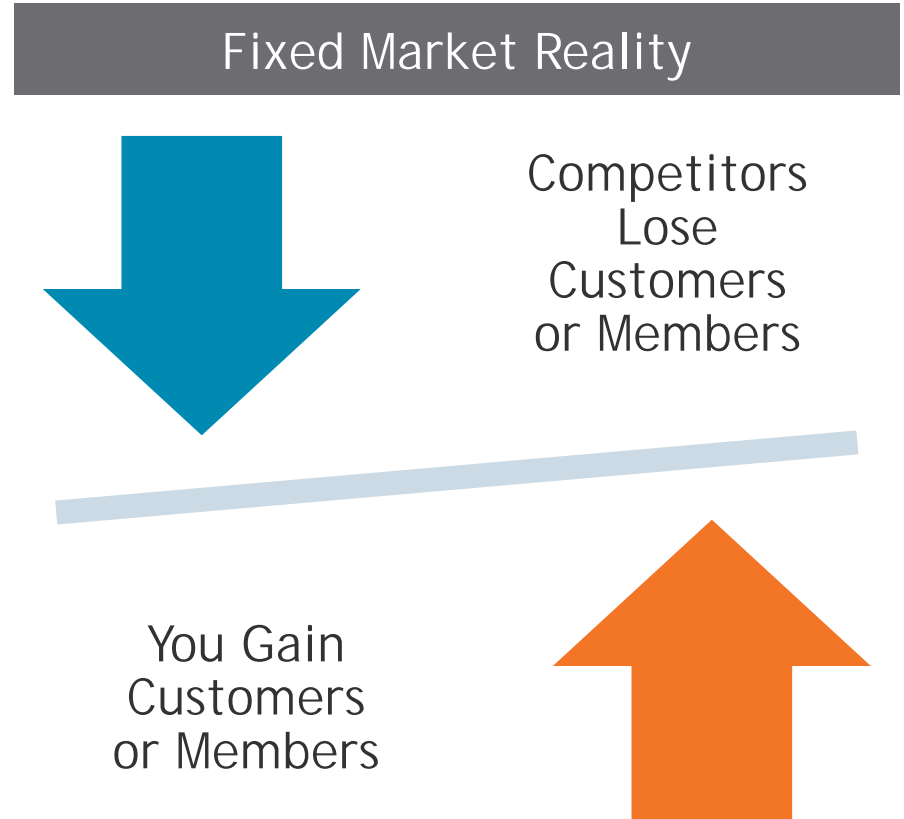


Cross Serve - Relationship

- More than 7 products and services per household/business

No One Wants To Switch, BUT...

In a given year, about
8% - 12%
of the households and
businesses “change
banks.”



Realities of Community Banking



Excess Capacity in
Your “Factories”



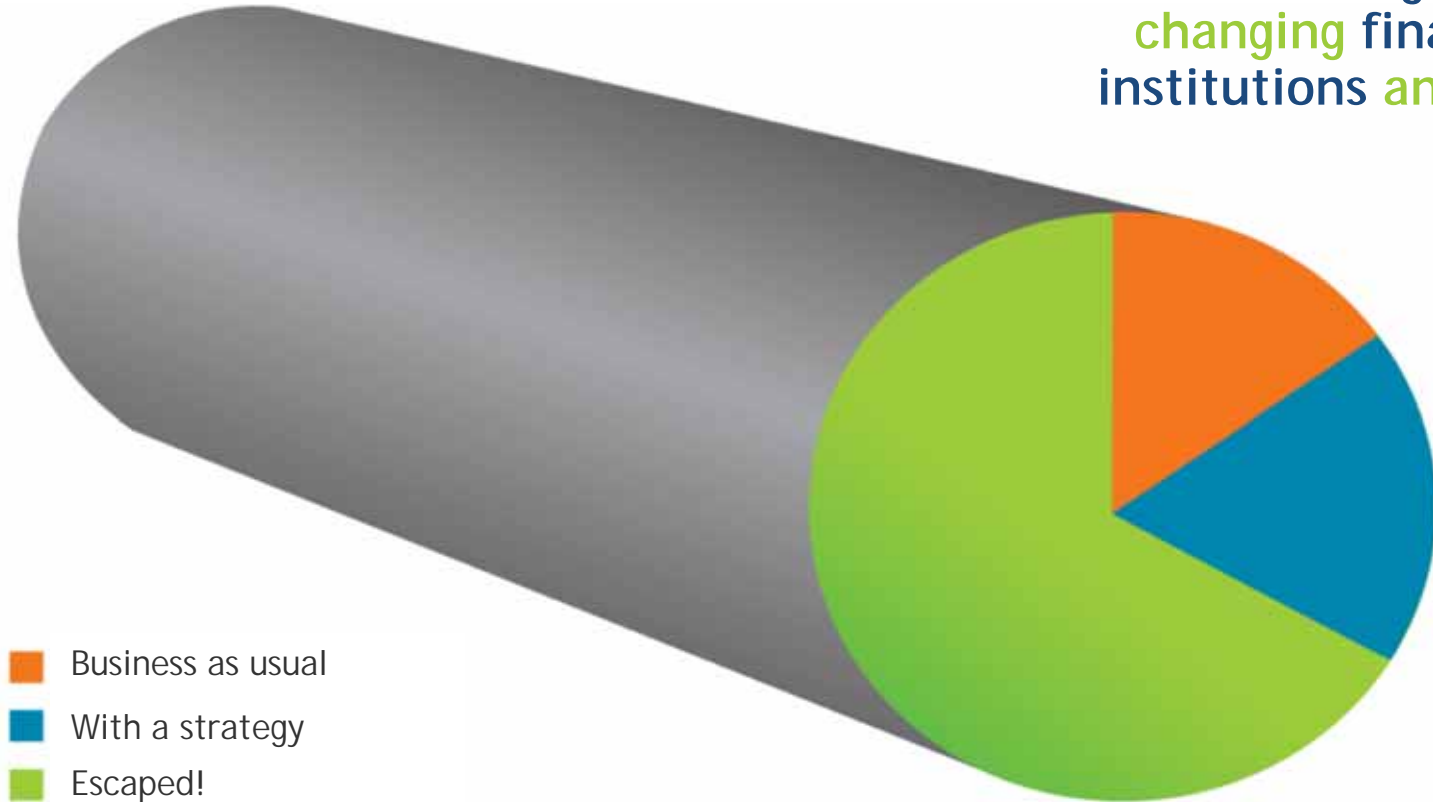
Checking Account =
PFI Status



Marginal Revenues
Exceed Marginal Costs

The Good News!

There is an infinite
“pipeline” of opportunity
with an average of **10%**
changing financial
institutions **annually!**



- Business as usual
- With a strategy
- Escaped!

Age Demographics: Portfolio vs. One-Year Growth Strategy

Portfolio				
Age	Institution Branch Count			
	1 to 10	11 to 100	100 +	Haberfeld
20 - 24	7.0%	7.4%	6.2%	7.0%
25 - 34	13.7%	14.1%	13.0%	13.8%
35 - 44	14.7%	15.1%	13.5%	14.6%
45 - 54	15.4%	15.4%	14.8%	15.3%
55 - 59	9.1%	8.9%	9.4%	9.0%
60 - 64	9.7%	9.6%	10.3%	9.7%
65 - 74	17.5%	16.6%	18.2%	17.3%
75 - 84	9.3%	9.7%	10.0%	9.6%
85 and over	3.7%	3.3%	4.5%	3.5%

One-Year Openings				
Age	Institution Branch Count			
	1 to 10	11 to 100	100 +	Haberfeld
20 - 24	10.3%	11.4%	10.6%	10.6%
25 - 34	20.3%	20.6%	20.1%	20.5%
35 - 44	18.6%	19.2%	18.7%	18.9%
45 - 54	16.9%	16.6%	16.9%	16.8%
55 - 59	8.2%	8.2%	8.4%	8.2%
60 - 64	8.1%	8.0%	8.1%	8.0%
65 - 74	11.6%	10.4%	11.0%	11.2%
75 - 84	4.8%	4.6%	4.8%	4.6%
85 and over	1.3%	1.1%	1.5%	1.2%

- Portfolio demographic trends tend to be similar across FI size. For each bucket, approximately 35% of accounts are owned by individuals 20-44 years of age.
- One-year openings tend to trend younger as approximately 50% of accounts fall into the 20-44 age range, regardless of FI size.

Age Demographics by County

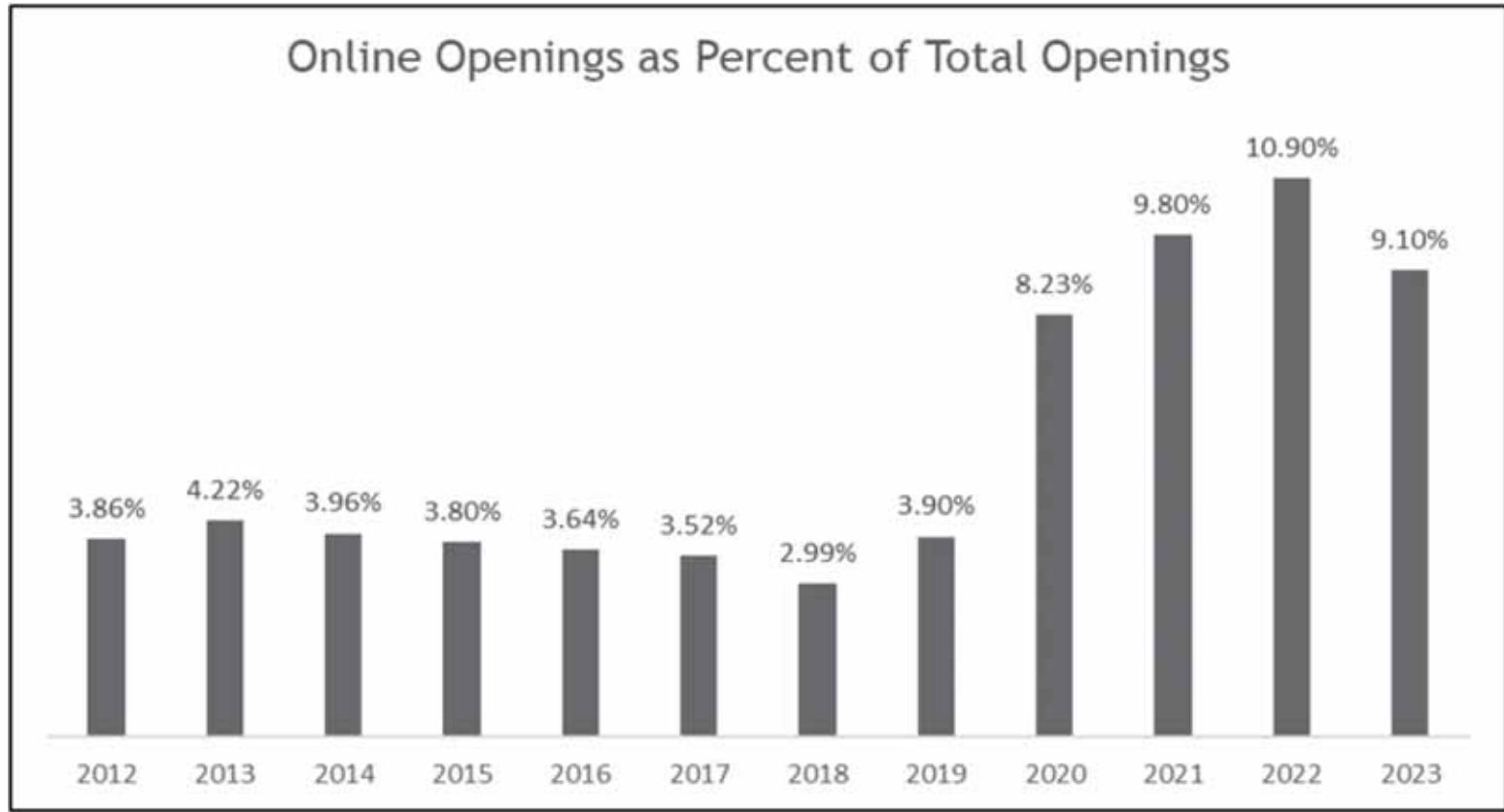
Portfolio

Retail Checking Portfolio To County Averages		
Age Range	Percentage of Accounts	Percentage of Population
20 - 24	8.63 %	8.02 %
25 - 34	14.61 %	18.39 %
35 - 44	15.08 %	17.09 %
45 - 54	14.99 %	18.43 %
55 - 59	9.43 %	10.62 %
60 - 64	10.52 %	8.97 %
65 - 74	15.77 %	11.17 %
75 - 84	7.51 %	5.25 %
85 and over	3.47 %	2.06 %

Last 12 Month Openings

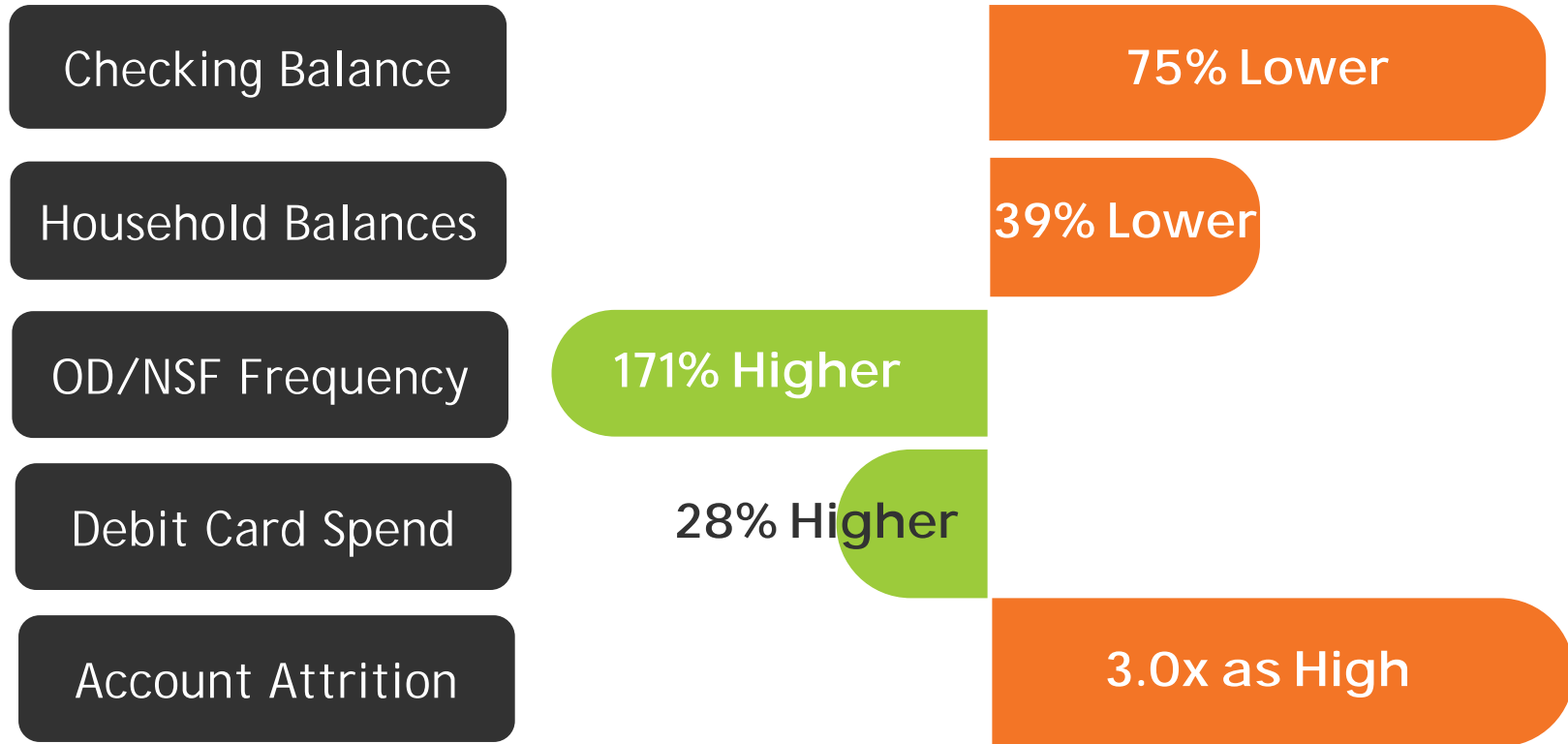
Retail Checking Openings To County Averages		
Age Range	Percentage of 12 Month Openings	Percentage of Population
20 - 24	16.12 %	8.02 %
25 - 34	25.80 %	18.39 %
35 - 44	19.06 %	17.09 %
45 - 54	15.05 %	18.43 %
55 - 59	6.64 %	10.62 %
60 - 64	6.21 %	8.97 %
65 - 74	7.44 %	11.17 %
75 - 84	2.70 %	5.25 %
85 and over	0.97 %	2.06 %

Digital Account Openings - The Community FI Reality



Source: Client Data

Digital vs. In-Branch Openings - Stats

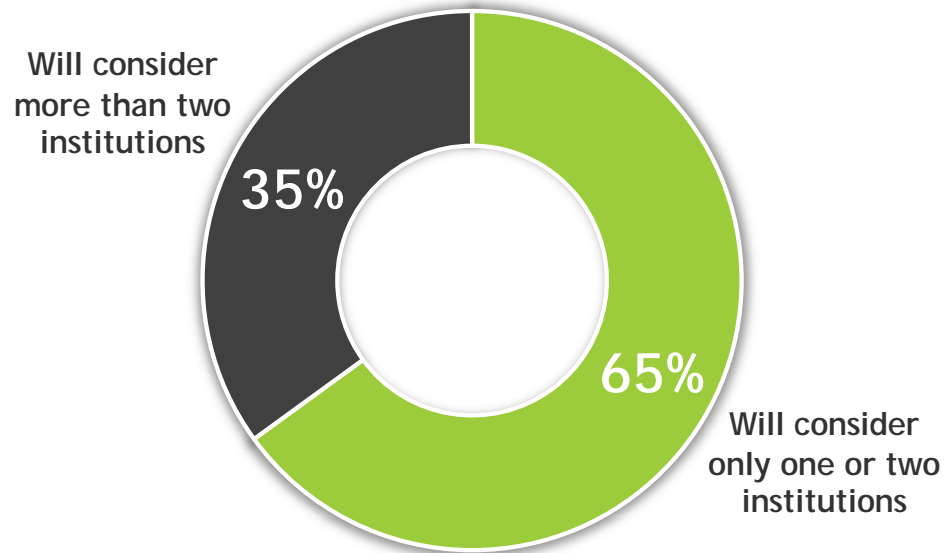


Source: Client Data

PFI Outreach - A Different Marketing Strategy

Reactive

Two-thirds of consumers will only look at **one or two** checking account providers



Proactive

Source: The Financial Brand

Guiding Strategic Principles of Marketing

MEASURE & TRACK

Dynamically shift marketing areas and spend in order of Return-on-Investment rank.

RIGHT FREQUENCY

Build and maintain “top of mind” status.



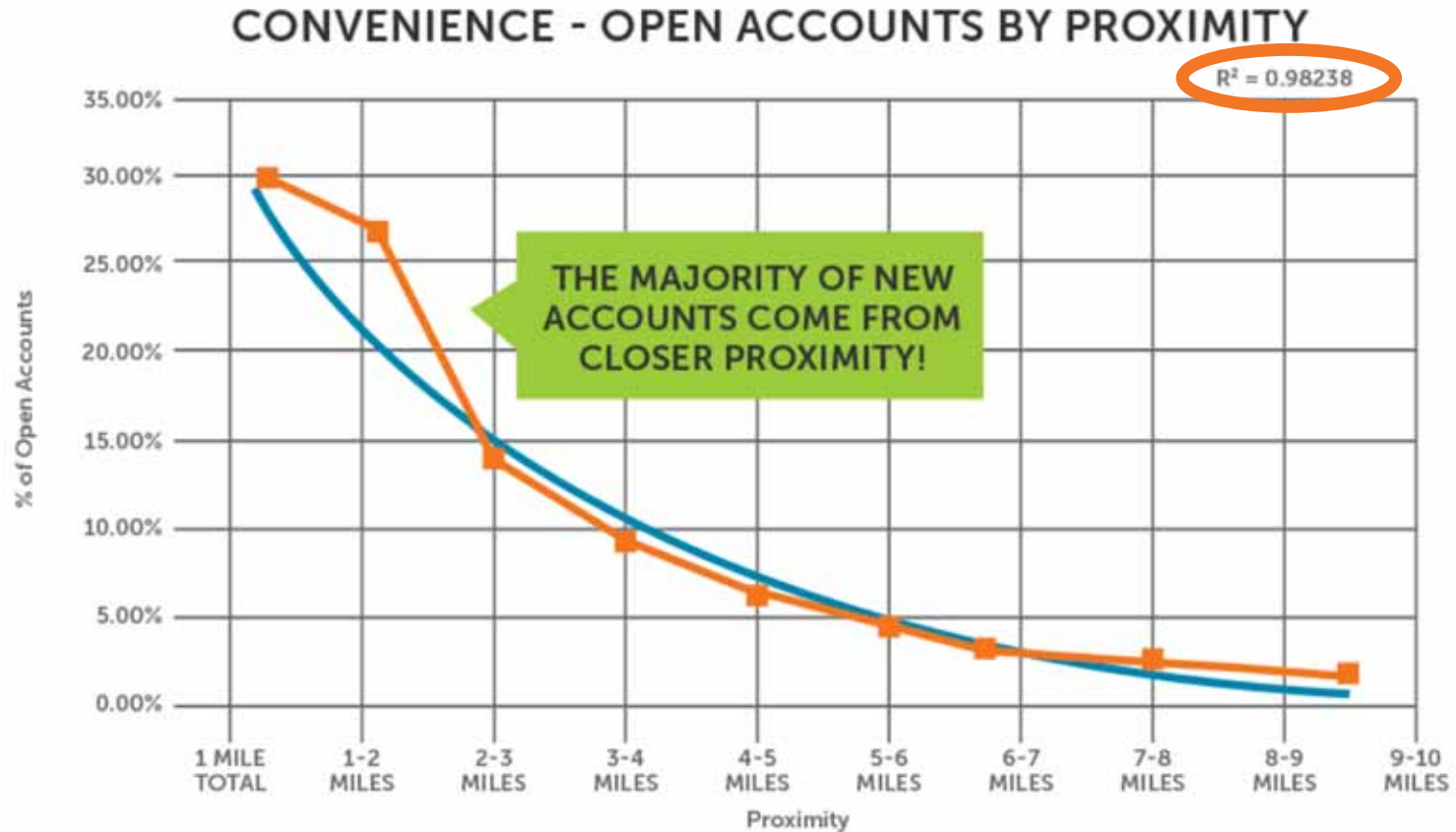
TARGETED

Leverage data to understand who finds you most convenient.

RIGHT MEDIA & MESSAGE

Mix of omnichannel marketing focused on new relationships.

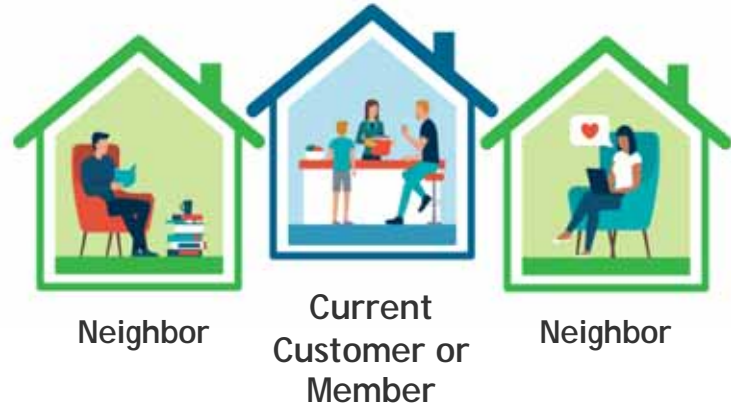
Convenience is Important



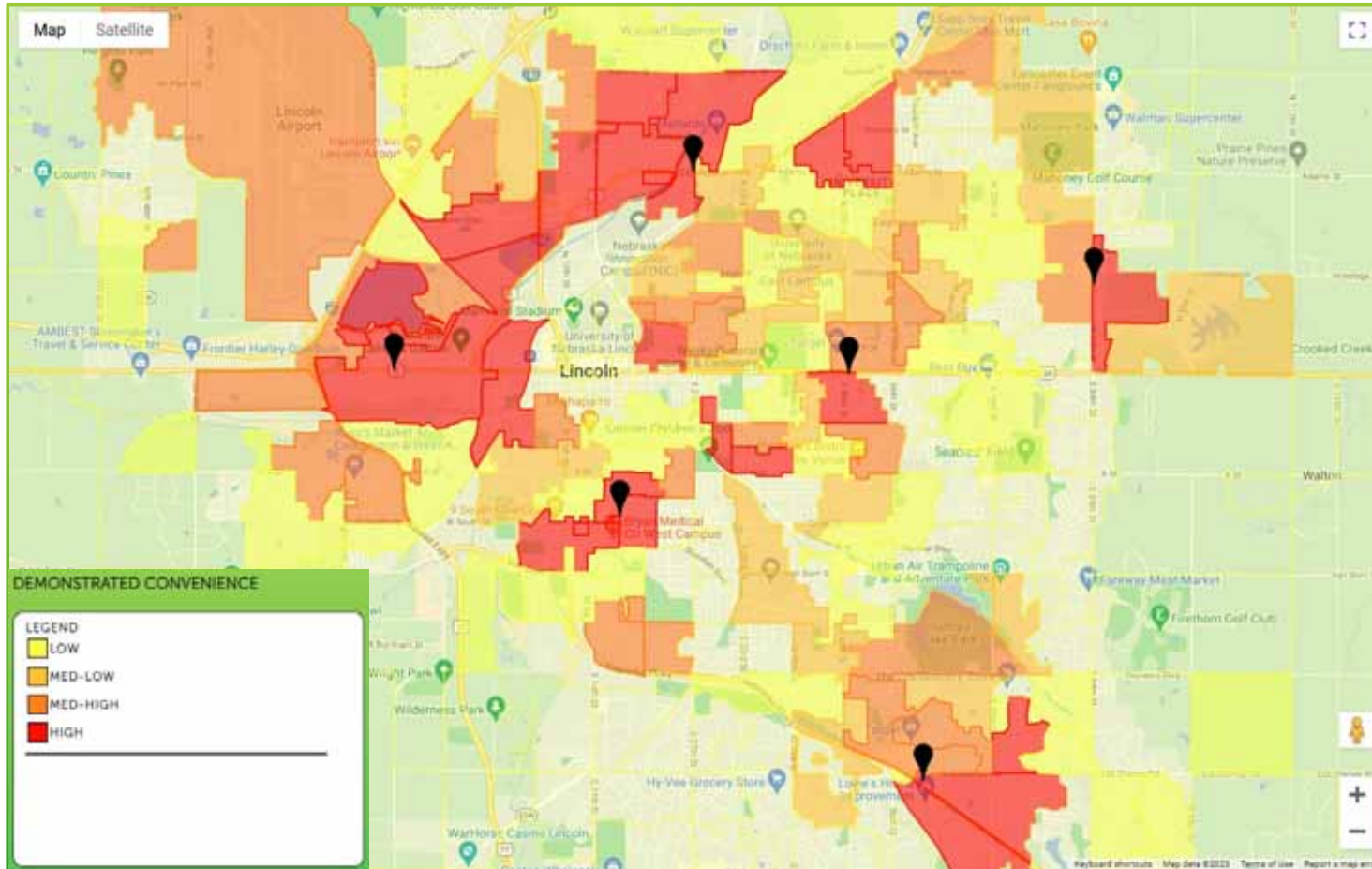
Strategically Defining Convenience

DEMONSTRATED CONVENIENCE

They are the neighbors or businesses next to the customers or members who already bank with you. They live around or have businesses near your branches.



Driving More Traffic: Demonstrated Convenience



Strategically Defining Convenience

DEMONSTRATED CONVENIENCE

They are the neighbors or businesses next to the customers or members who already bank with you. They live around or have businesses near your branches.



Neighbor

Current
Customer or
Member

Neighbor



MobilePredict
by Haberfeld

PREDICTED CONVENIENCE

They work around your branches.
They walk, shop, or eat nearby your branches with regularity.
They drive by your branches.

Predicted Convenience Using Big Data For Mobility

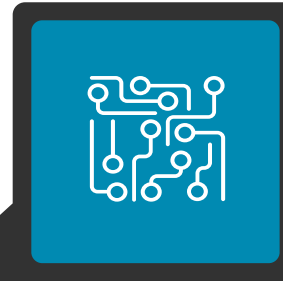
Billion+ Trips Monthly

We analyzes mobility data on billions of trips across the continental U.S.



Data Science

Using highly accurate statistical models, we correlates travel patterns from households within USPS carrier routes to branch locations.



MobilePredict
by Haberfeld

Trip Frequency

MobilePredict™ gets trip frequency within 400 meters of all branch locations.

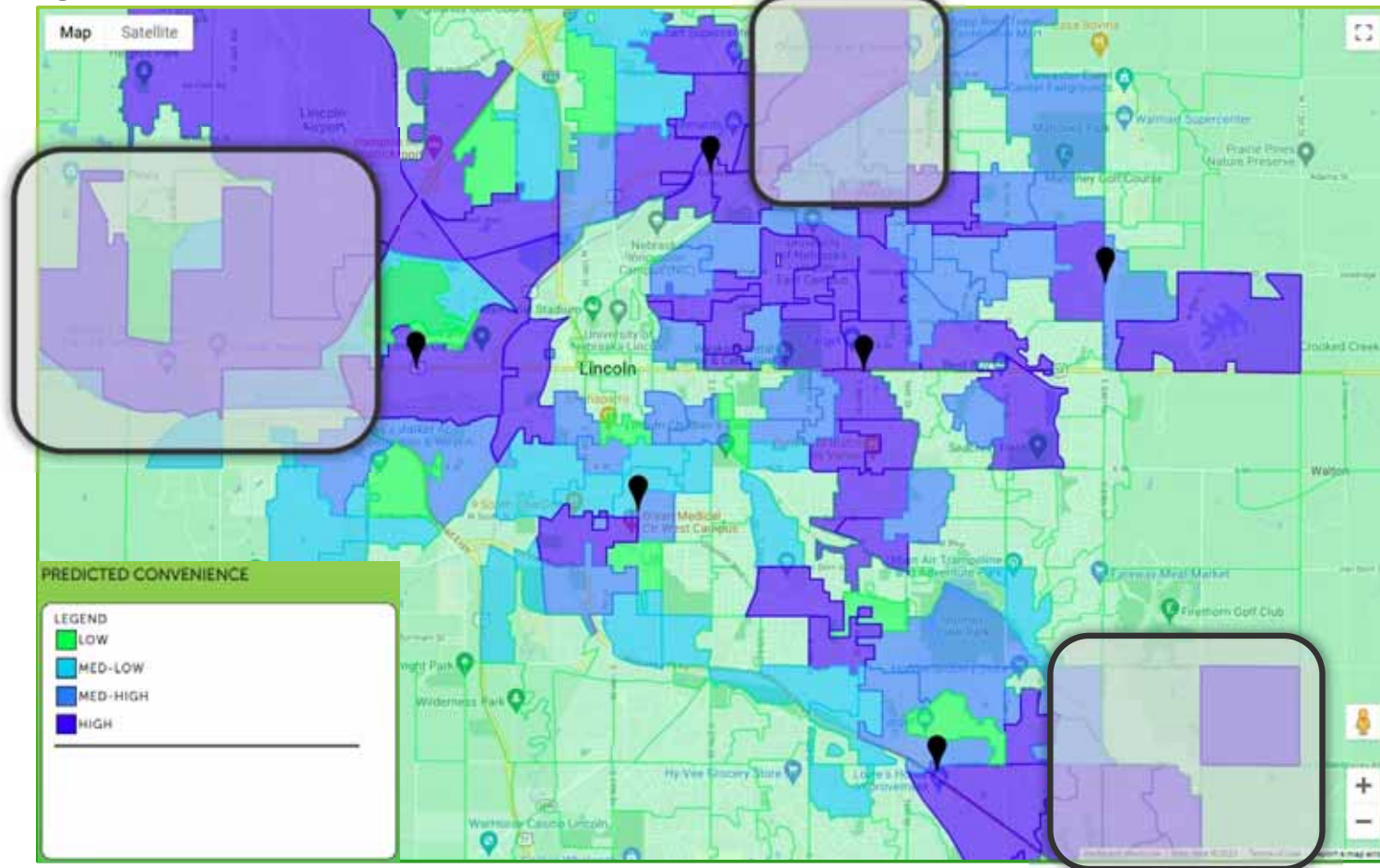


Predicted Convenience

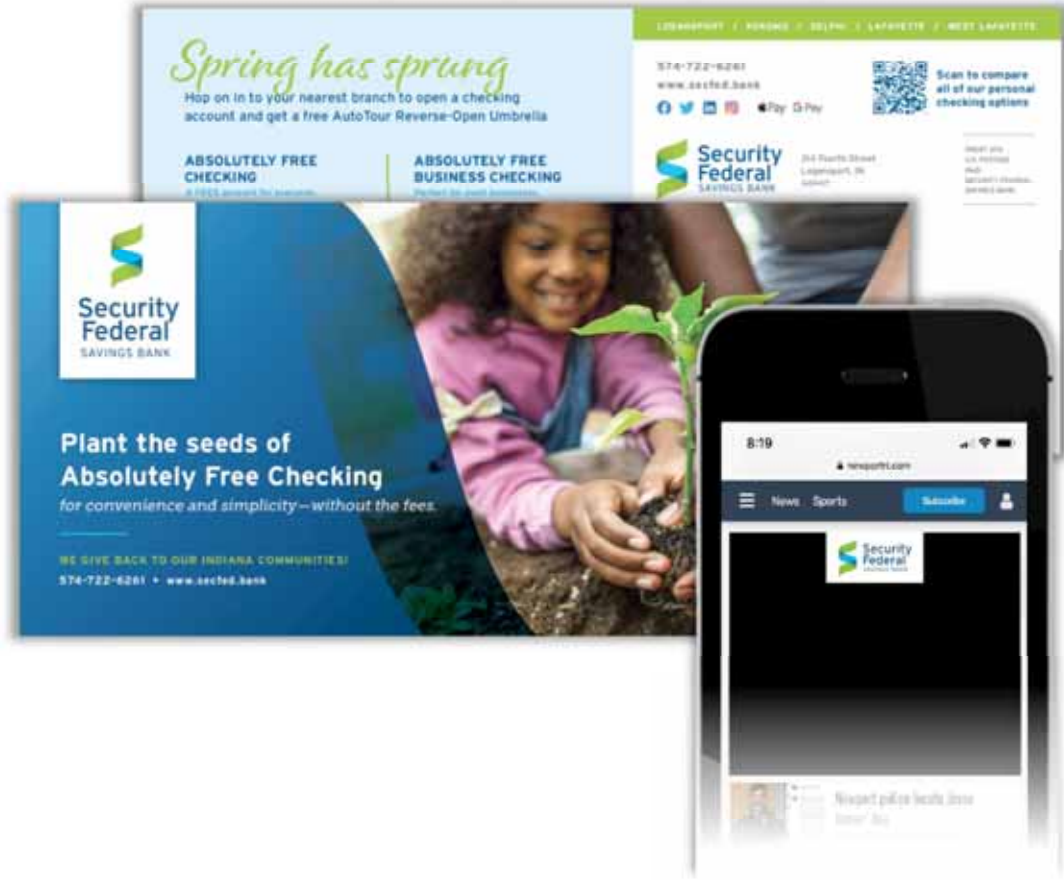
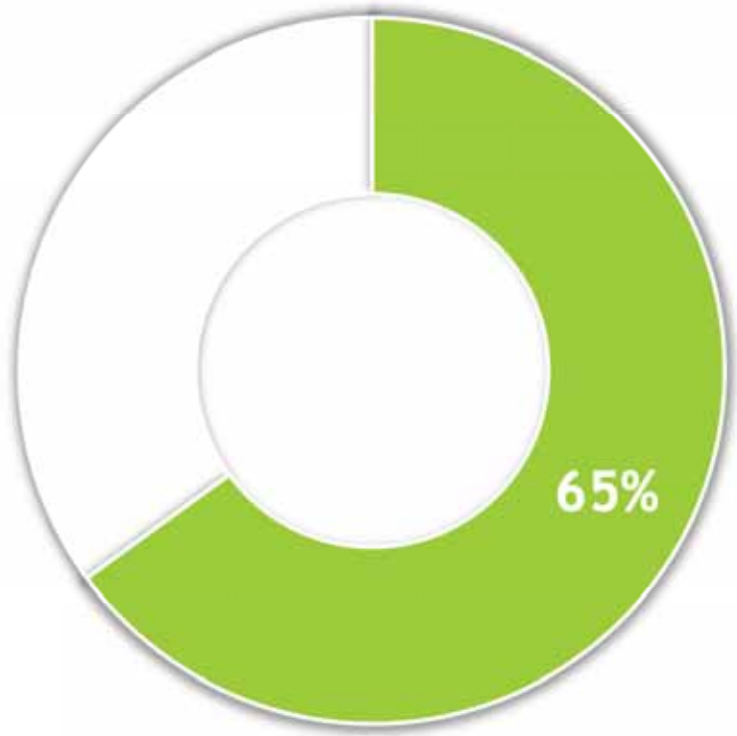
Analyzing where potential customers or members regularly travel near branch locations whether working, shopping, eating, etc.



Driving More Traffic: Predicted Convenience



Omnichannel Marketing - Proactively Reaching Prospects



Will consider only one or two institutions

The Next Step - Variable Data Printing

Member **FDIC**  **EQUAL HOUSING LENDER** NMLS# 416695

Nº11

Freedom Checking

An account for customers 13 years and older!

- No minimum balance • No monthly maintenance fee
- FREE eStatements

Business Freedom Checking

Perfect for most businesses!

- 1,000 FREE monthly transaction items
- No minimum balance • No monthly maintenance fee
- Up to \$10,000 in cash & coin services included per month



Enjoy all the benefits of a
Freedom Checking account!



FREE Online Banking
with Bill Pay



FREE Mobile Banking
with Mobile Deposit



FREE Debit Card or
Business Debit Card



And More!

Open Online at **FirstState.Bank** or

Visit Your Closest Branch at
400 W Oak St or 2430 W University Dr - Denton
University Dr Open Saturdays, 9 to 1 p.m.

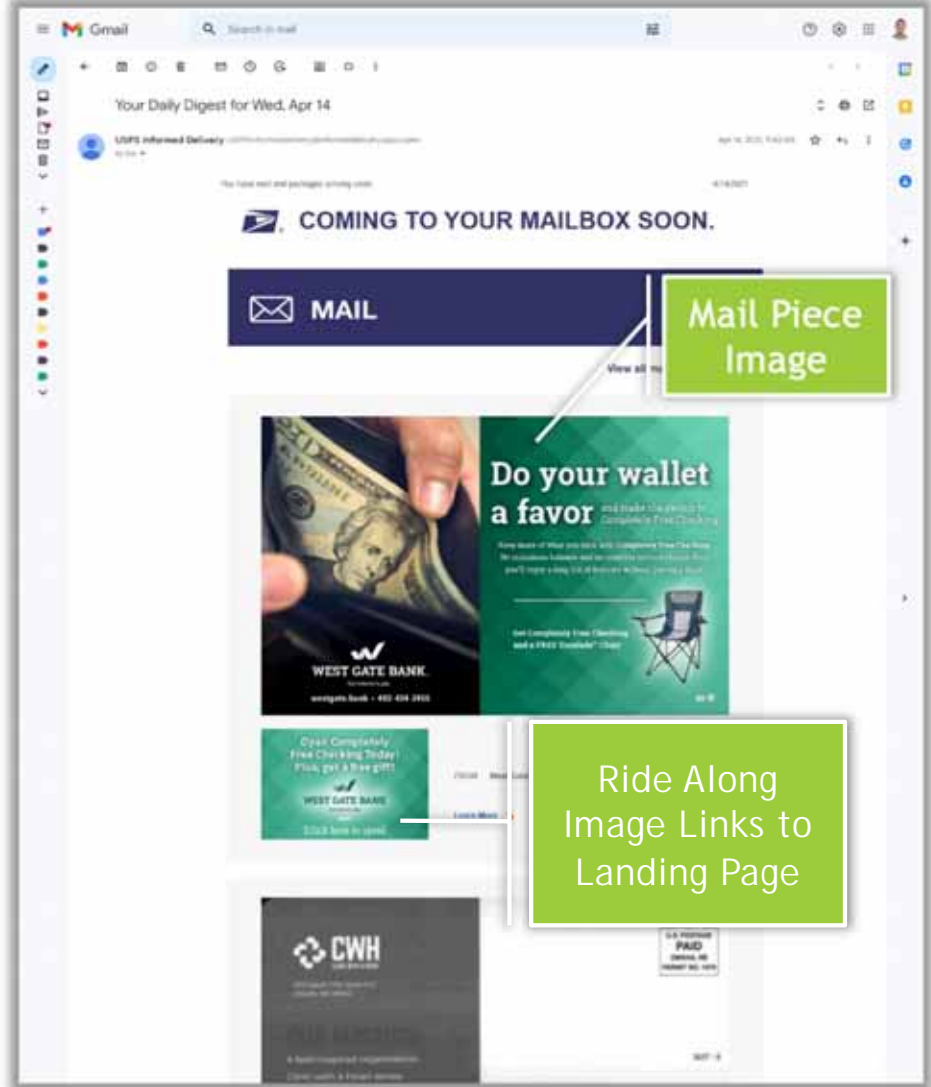
Other fees such as non-sufficient funds, overdraft, etc. may apply. See fee schedule for details. Minimum opening deposit is only \$50. Ask us for details. First State Bank rules and regulations apply. Transaction items include all debits and credits. If the Business Freedom or Business Interest account exceeds 1,000 free monthly transactions, a fee of \$35 per item over 1,000 may be charged. If the Business Freedom or Business Interest account exceeds \$10,000 in monthly coin and currency services, the account may be converted to another checking product. Minor 13-17 Joint Ownership of parent or guardian required. Opening online available for personal accounts only.

Informed Delivery Email

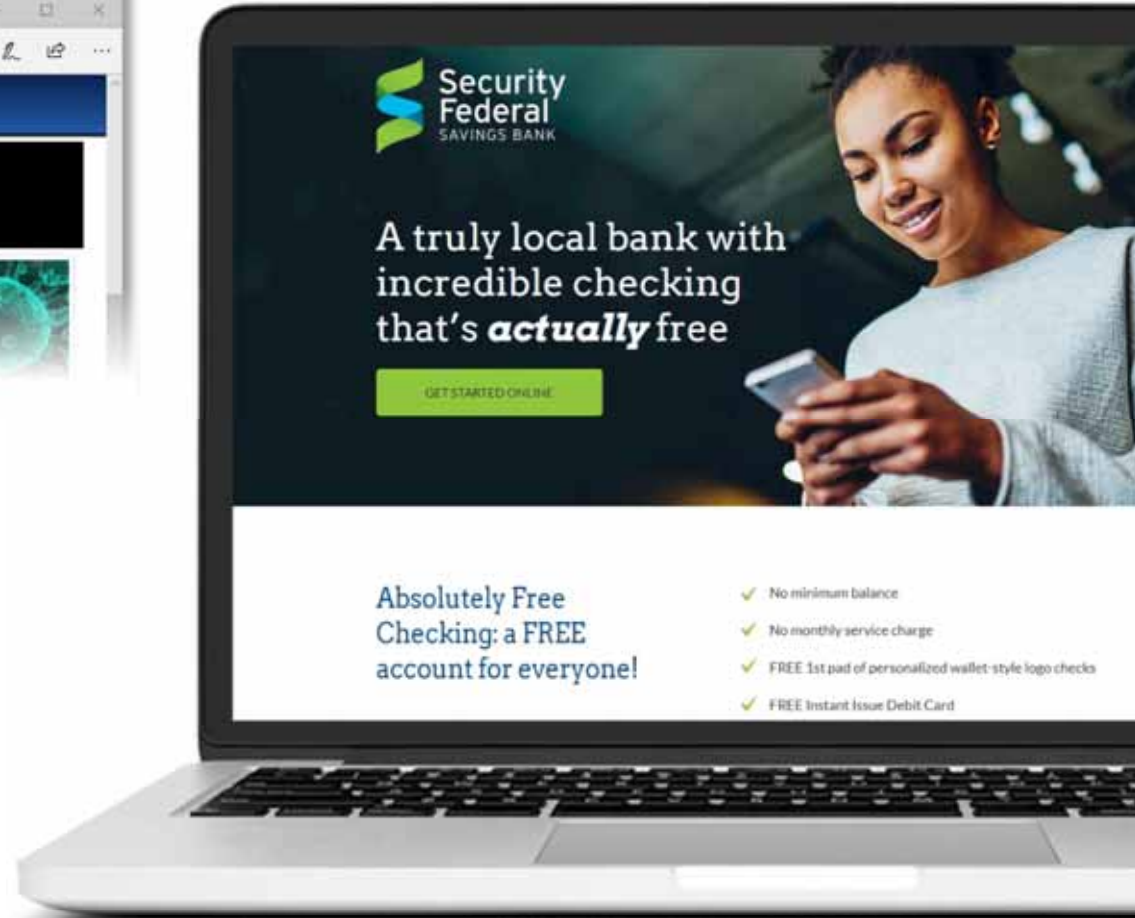
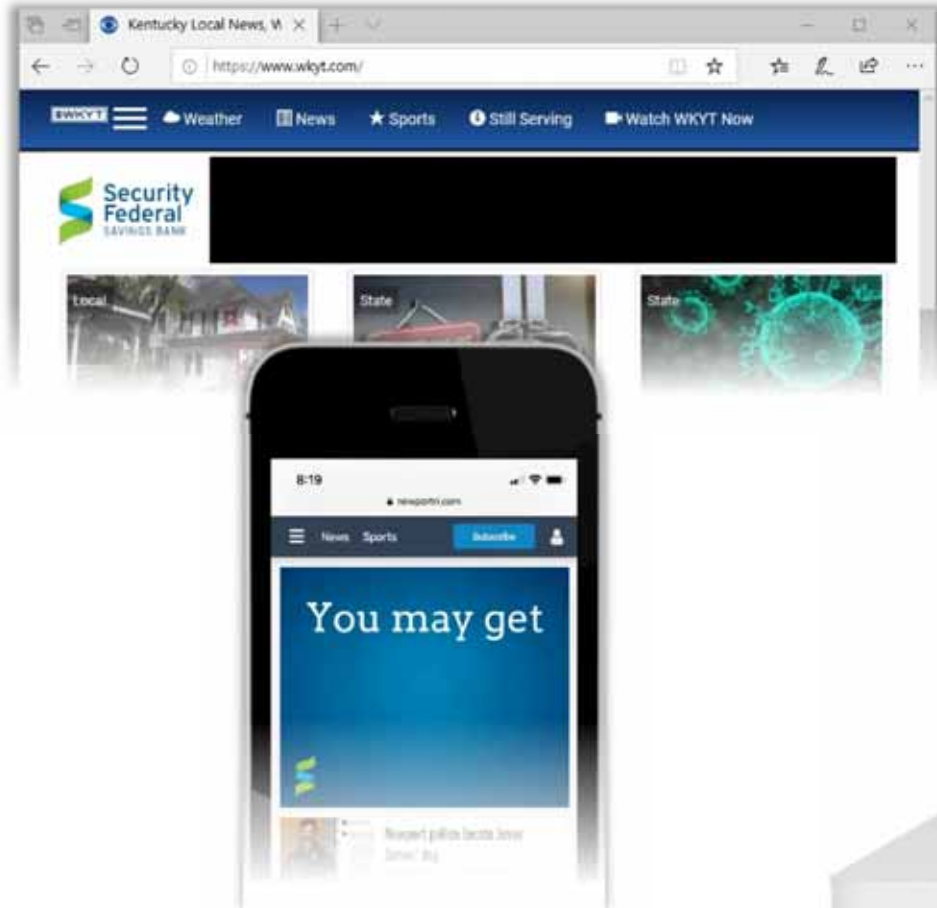
FREE service
provided by USPS
with more than 52M
users

Residential
consumers receive
an email preview of
incoming mail

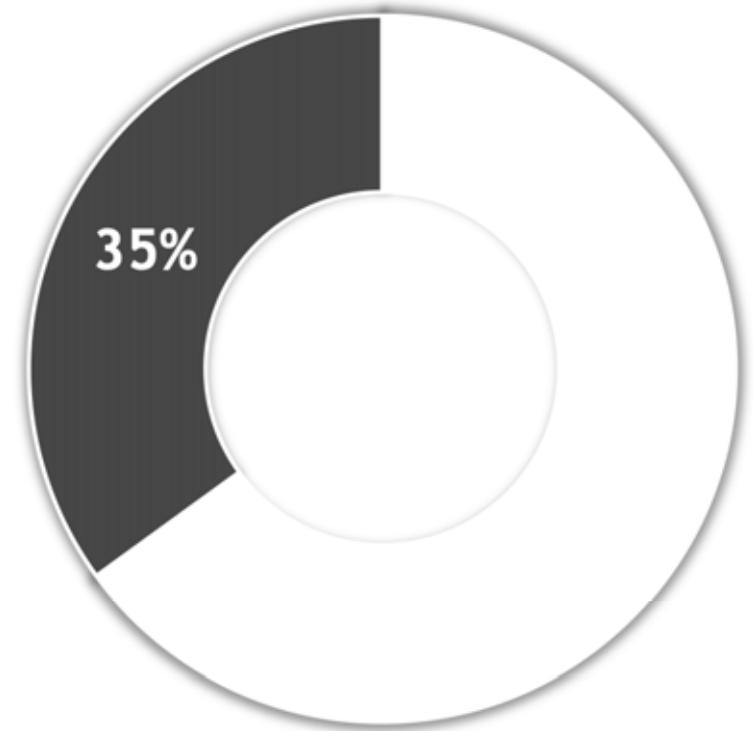
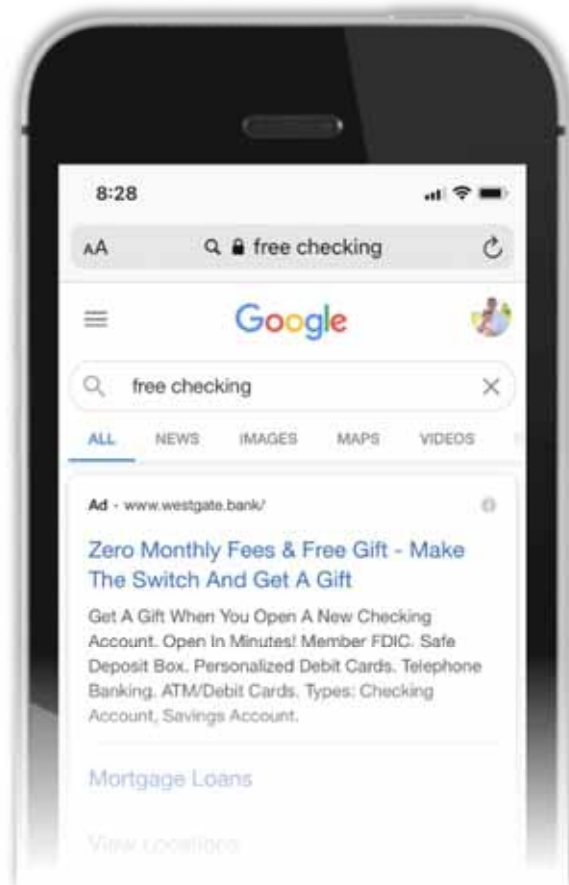
Features a full-color
image of the mail
piece as well as a
“ride along” image



Digital Journey - Animated Display



Omni-Channel Marketing - Reactively Reaching Prospects

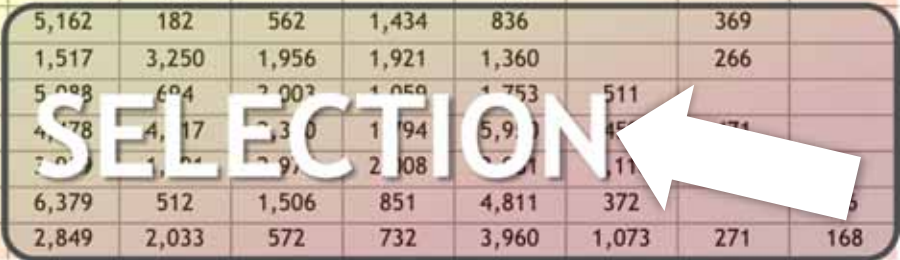


Will consider more than two institutions

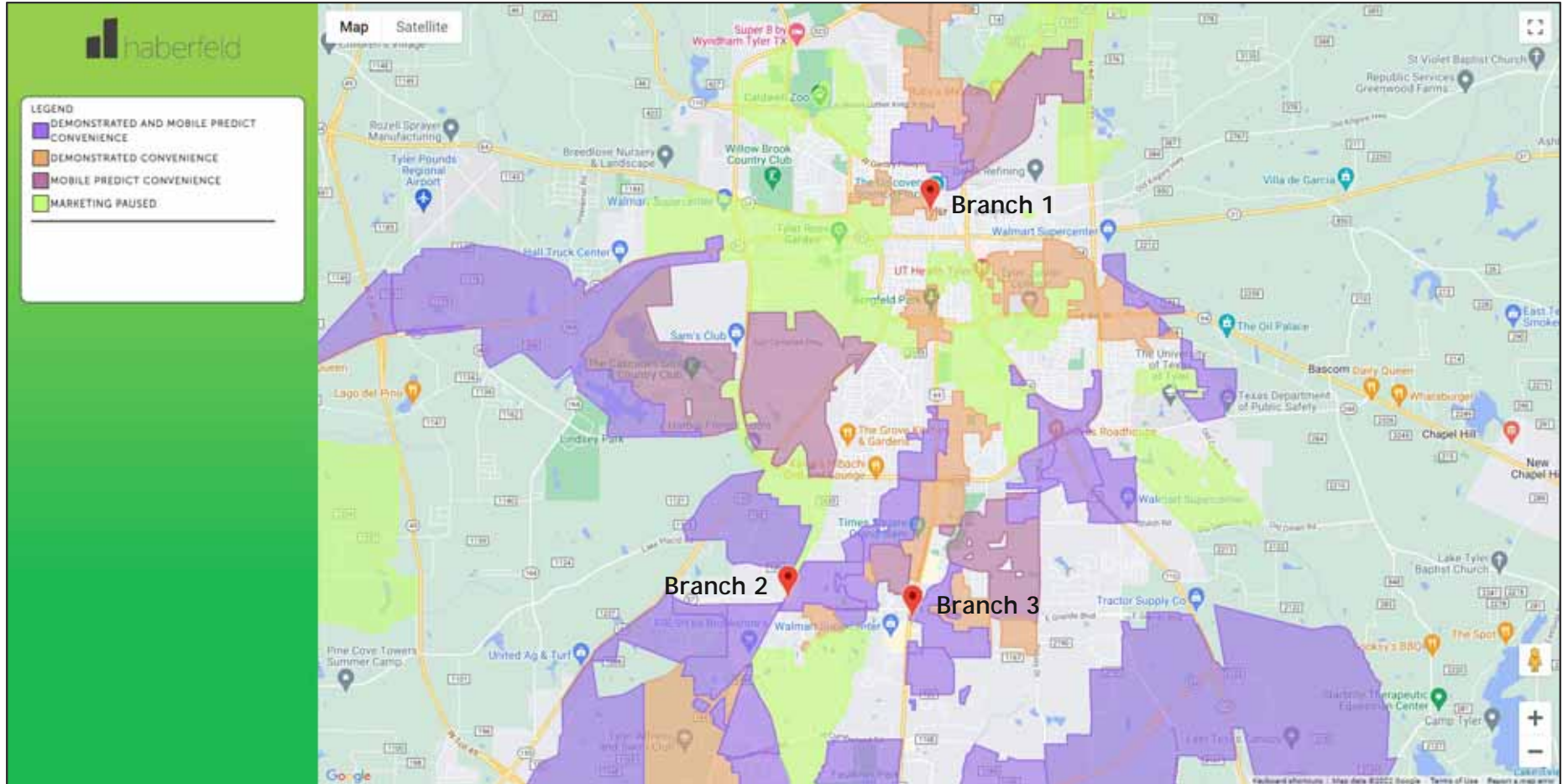
DYNAMIC SCORING PROSPECT TARGETS

Stack Rank Every Household & Business In Your Markets

		Opening Activity Score <i>Demonstrated Convenience</i>												Total	
		0	1	2	3	4	5	6	7	8	9	10	11		12
MobilePredict™ Score Predicted Convenience	0		37,751	2,176	1,441	553		99	67	564	226	142	443	51	43,513
	1		42,215	8,889			131								51,235
	2		31,721	8,908	1,535	663		911							43,738
	3		29,295	9,236	3,125	522	388		138						42,704
	4		21,989	6,868	6,541	4,005	1,633	931	477						42,444
	5		14,275	12,003	7,370	5,495		1,518			161				40,822
	6		11,293	8,293	10,005	4,195	5,162	182	562	1,434	836		369		42,331
	7		7,726	6,837	8,159	9,279	1,517	3,250	1,956	1,921	1,360		266		42,271
	8		6,479	8,771	9,004	6,045	5,088	694	2,903	1,059	1,753	511			41,407
	9	600	5,721	2,388	7,050	4,536	4,878	4,117	2,300	1,194	5,900	450	71		40,194
	10	560	2,476	4,981	7,177	7,663	2,900	1,504	2,900	2,108	2,501	111			37,455
	11		3,925	8,322	7,757	3,101	6,379	512	1,506	851	4,811	372			37,632
	12		526	2,170	3,411	7,678	4,277	2,849	2,033	572	732	3,960	1,073	271	168
Total		1,686	217,036	91,083	76,842	50,334	31,564	15,938	12,585	10,363	22,138	3,673	1,909	315	535,466



Dynamic Shift of Prospect Targets



Consider CRA and LMI When Developing Your Strategy

 Community Bank

Enjoy the summer with
Carefree CheckingSM and a
no closing cost mortgage.¹

Spend time doing what matters most. With
simplified checking or a mortgage for your
new home, we can help get you there.

cbna.com



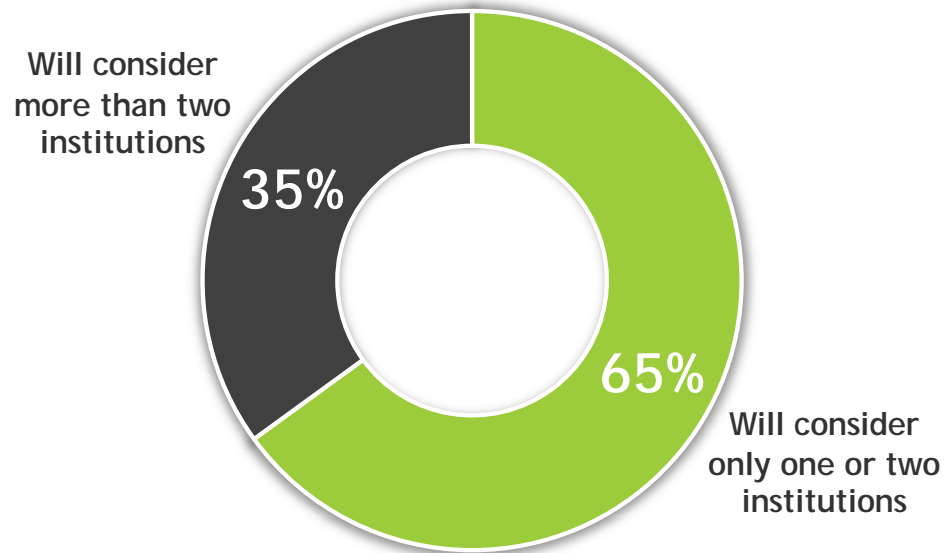
FREE GIFT

Get a free cut & carve board when you open a personal
Carefree CheckingSM account in branch, or your choice
of gift card when you open an account online.

PFI Outreach - A Different Marketing Strategy

Reactive

Two-thirds of consumers will only look at **one or two** checking account providers



Proactive

Source: The Financial Brand

Strategically Consider Expanded Digital Engagement Opportunities

Heatmapping

A heat map is a graphical representation of data on your landing page that show user interactions, details on their experience, and “hot” and “cold” spots. The user behavior is aggregated to facilitate the data and immediately understand the clicks, scrolls and what may be ignored.



Spanish Ads and Landing Page

Utilizing digital advertising in Spanish is a great means of hitting bilingual and non-English speakers. It's important for FIs to recognize the significance of this untapped market and to make connections with this audience as these multigenerational households continue to grow.

Security Federal Credit Union

Benefits Checking presenta beneficios para ahorrar dinero que van mucho más allá de la banca

Valor extraordinario en una sola cuenta

- Acceso a más de 100 cajeros automáticos
- Tarjetas de crédito y débito
- Depositos en línea
- Pagos en línea
- Transferencias
- Depositos en efectivo
- Depositos en cheque
- Depositos en efectivo
- Depositos en cheque
- Depositos en efectivo
- Depositos en cheque

Empiece en línea o abra su cuenta de cheques en su sucursal cercana

- Transferencias
- Depositos
- Pagos
- Depositos en efectivo
- Depositos en cheque
- Depositos en efectivo
- Depositos en cheque
- Depositos en efectivo
- Depositos en cheque

Security Federal Credit Union

Weather Triggered Ads

Targeting by weather conditions and temperature enabling automation to boost relevance and performance when layered with regular campaigns. They automatically trigger an ad creative that matches when the desired conditions are present, which delivers a hyper-personalized message to the right audiences.

Combine local weather conditions:

- Clear (Sunny)
- Clouds
- Drizzle
- Light Rain
- Freezing Rain
- Heavy Rain
- Thunderstorm
- Snow
- Tornado

With weather elements such as:

- Air Quality
- Humidity
- Rain Precipitation
- Snow Precipitation
- Wind
- Ultraviolet Radiation (UV Index)
- Temperature
 - Min. -50 °C/-58 °F
 - Max. 50 °C/122 °F

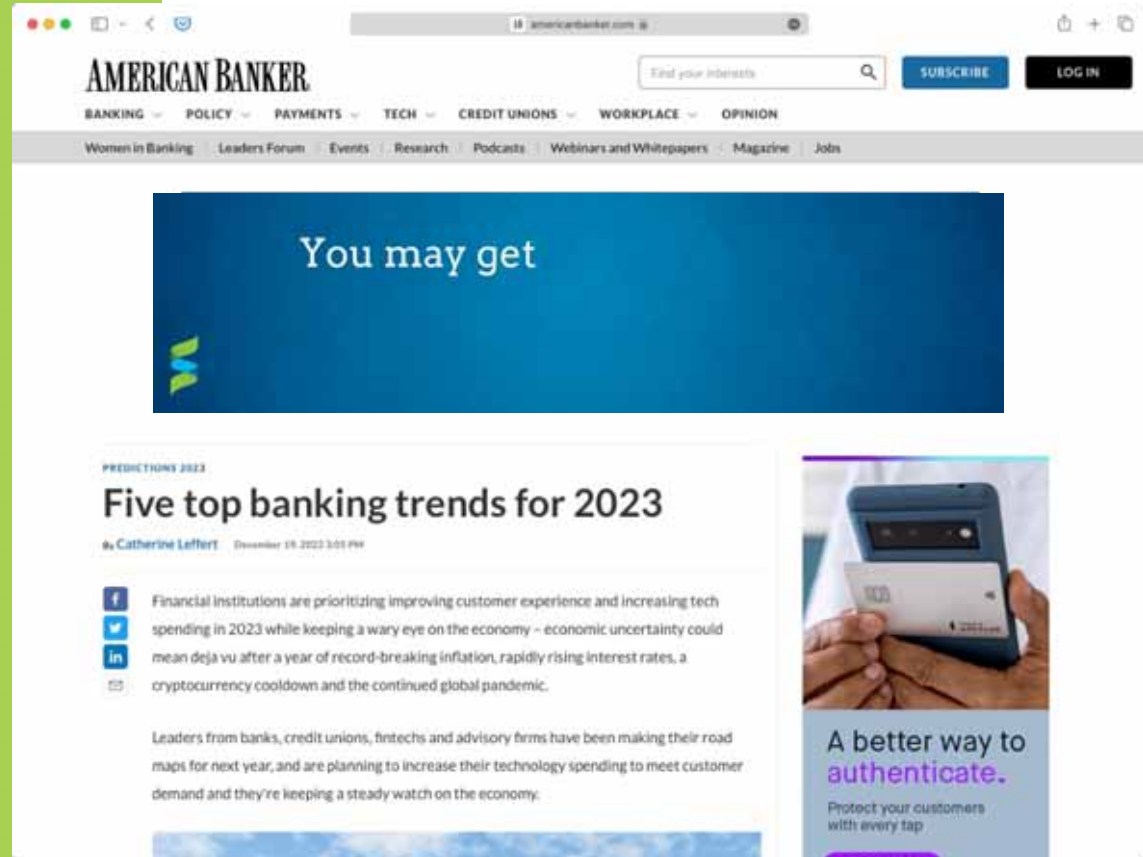
Geofencing Advertising

Geofencing Advertising uses geographic technology to create virtual boundaries, allowing targeting of digital audiences when a device enters or leaves the area.



Contextual Advertising


Contextual targeting is the practice of displaying ads based on a website's content. Think: Placing an ad for a checking product on a website that produces relevant content to banking. It's similar to the digital version of placing a print ad in a niche magazine.






The screenshot shows the American Banker website interface. At the top, there is a navigation bar with the logo and a search bar. Below the navigation bar, there is a section titled "You may get" with a blue background and the American Banker logo. The main content area features an article titled "Five top banking trends for 2023" by Catherine Leffert, dated December 19, 2022. The article text discusses financial institutions prioritizing customer experience and tech spending in 2023. To the right of the article, there is a contextual advertisement for mobile banking authentication, featuring a hand holding a smartphone and a card, with the text "A better way to authenticate. Protect your customers with every tap."

Branch Locator Ads


Leverage your branch location data and user location to display brick and mortar branch locations in an interactive display ad. Paired with data modeling, it's possible to demonstrate how conveniently located the branches are to the prospect. The ad displays the distance to the nearest branch of the user's current location.



Mountain West Bank
Today. Tomorrow. Together.
MountainWestBank.com   

Bank for Locals
Find us here

▼



Address	Distance	
433 N 16th St, Boise, ID 83702	1m	Directions
121 N 9th St, Boise, ID 83702	2m	Directions
7186 1st St, Bonners Ferry, ID 83805	3m	Directions

Audio Streaming

Audio streaming is a unique tactic to engage listeners through the power of audio through major audio publishers. It is an immersive experience that helps command a listener's attention and an alternative means to connect a message when listeners are having screen-free moments.

pandora®



Your Ideas

Discussion Topic:

How does your strategic plan address business prospect calling initiatives?

What advice to you have for other executives?

“You can observe a lot
just by watching.”

-Yogi Berra

Accountability Success Factors

Your Ideas

Discussion Topic:

How do you achieve internal accountability for strategic planning initiatives to drive results?

What internal reporting methods have been effective?

Accountability Success Factors

One

Commitment
from
the top.

Two

Measuring,
reporting and
rewarding.

A Favorite Accountability System



Retail Checking - Strategic Reporting

Retail Portfolio Cross-Sell

Product Type	Client Ratios	Client Balances
Checking	1.635	\$7,488
Savings	0.480	\$11,337
Money Market	0.039	\$86,894
CD	0.052	\$34,624
IRA	0.024	\$21,846
HSA	0.020	\$3,111
Consumer Loan	0.075	\$13,379
Line of Credit	0.014	\$7,373
HELOC	0.036	\$40,474
Mortgage	0.075	\$144,604
Business Checking	0.131	\$30,812
Total (Products) Relationships	2.580	
Total Deposits		\$27,442
Total Loan Volume		\$13,434

Plus Services

Products	Ratio
Products	2.580
Services	
Debit Card	0.825
Bill Pay	0.105
Online Banking	0.788
Mobile Banking	0.555
eStatements	0.276
ACH	0.536
Direct Deposit	0.577
	6.242

Measurement - Retail Reporting

Client 2022 Average
(reported in 2023)

OD/NSF Frequency (new accounts)	_____	2.89
OD/NSF Frequency (new portfolio)	_____	2.50
OD/NSF Frequency (all checking accounts portfolio)	_____	2.46
Interchange Income	_____	\$67.55
Attrition Rate	_____	10.17%
Card Take Rate	_____	82.50%
Loss of Principal per Account	_____	\$5.01
Collection Ratio	_____	89.87%
OD Pay Ratio	_____	90.16%
Sustained OD per Account	_____	\$6.74
TAF Redemption	_____	0.26%

Business Checking - Strategic Reporting

Business Portfolio Cross-Sell

Cross-Sell Product Ratios	Ratio	Average Balance
Business Checking	1.574	\$45,461
Business Savings	0.072	\$29,648
Business Money Market	0.041	\$224,225
Business CD	0.017	\$82,823
Business Loan	0.167	\$160,750
Business Line of Credit	0.058	\$84,798
Business Mortgage	0.162	\$549,807

And They Bring Their Personal Products Too...

Cross-Sell Product Ratios	Ratio	Average Balance
Checking	0.897	\$14,720
Savings	0.391	\$14,947
Money Market	0.054	\$115,193
CD	0.056	\$53,023
IRA	0.021	\$17,821
HSA	0.023	\$3,718
Consumer Loan	0.066	\$18,662
Line of Credit	0.025	\$11,740
HELOC	0.040	\$49,027
Mortgage	0.095	\$160,759
Total Relationships	3.757	

Generally Higher Personal Cross-Sell Balances

Personal Product	All Personal Customers	Business Customers with a Personal Account	Multiple
Checking	\$7,488	\$14,720	1.97
Savings	\$11,337	\$14,947	1.32
Money Market	\$86,894	\$115,193	1.33
CD	\$34,624	\$53,023	1.53
IRA	\$21,846	\$17,821	0.82
HSA	\$3,111	\$3,718	1.20
Consumer Loan	\$13,379	\$18,662	1.39
Line of Credit	\$7,373	\$11,740	1.59
HELOC	\$40,474	\$49,027	1.21
Mortgage	\$144,604	\$160,759	1.11

Measurement - Business Reporting

Client 2022 Average
(reported in 2023)

OD/NSF Frequency (new accounts)	_____	2.03
OD/NSF Frequency (new portfolio)	_____	1.89
OD/NSF Frequency (all business checking accounts portfolio)	_____	1.87
Interchange Income	_____	\$61.89
Attrition Rate	_____	10.48%
Card Take Rate	_____	53.51%
Collection Ratio	_____	89.88%
OD Pay Ratio	_____	89.65%

Total Net Present Value of the Relationship

Personal Checking - 9.83 years

2,335 Checking

2,339 Cross-Sell

\$4,674 NPV

Business Checking - 9.54 years

7,250 Checking

9,752 Cross-Sell

\$17,001 NPV

Source: Client Data - 2022 reported in 2023

Strategically Approaching Onboarding to Drive Growth

Your Ideas

Discussion Topic:

What strategies does your bank utilize to engage potential customers or members in your branches (aka, strangers)?

The Five Secrets to Good Product



01

GOOD FOR THE
CUSTOMER OR
MEMBER



02

SIMPLE &
LOGICAL



03

EASY TO SELL,
EASIER TO BUY



04

MAKES MONEY
FOR THE BANK



05

ONE PRICING
VARIABLE PER
PRODUCT

Sample Personal Checking Brochure -

How are you
strategically
approaching
this process?

Welcome!

Every new personal checking account includes:
FREE Debit Card • FREE Online Banking • FREE Bill Pay • FREE Mobile Banking with Mobile Deposit
FREE eStatements • FREE Thank You Gift • FREE gifts for referring others
Buy back of your debit cards and unused checks from another financial institution up to \$10

1 To earn a higher rate of interest, will you always keep more than \$1,500 in your checking account?

- yes → **High Interest Checking**
An account for those interested in higher interest!
• FREE standard checks
• Higher interest rate with a balance of \$1,500 or more
• Competitive interest if balance falls below \$1,500
• Only \$6 monthly charge if minimum balance falls below \$1,500
- no →

2 Will there be anyone 50 years or better signing on this account?

- yes → **50+ Interest Checking**
A perfect account for customers 50 and better!
• FREE standard checks
• Competitive interest
• No minimum balance
• No monthly service charge
- no →

3 Does anyone plan to have direct deposit or an automatic payment with this account?

- yes → **Direct Interest Checking**
Earn interest with the convenience of direct deposit or any automatic payment!
• Competitive interest
• No minimum balance
• No monthly service charge
- no → **Totally Free Checking**
A FREE account for everyone!
• No minimum balance
• No monthly service charge

© 2014 FDIC

Save time and money with these great products and services:

- Savings Plans**
Will you make six or more withdrawals from your savings account each month?
 - yes → **Additional Checking Account**
 - no → Will you always keep more than \$2,500 in your savings account?
 - yes → **Money Market Account**
 - no → **Savings Account**
- FREE Debit Card**
- Direct Deposit**
- Automatic Payments**
- FREE Online Banking**
- FREE Bill Pay**
- FREE Mobile Banking with Mobile Deposit**
- FREE eStatements**
- FREE Business Checking**

Other fees such as non-sufficient funds, overdraft, sustained overdraft fees, etc. may apply. See fee schedule for details. Minimum opening deposit is only \$25. Not all for debit. Bank rules and regulations apply. Free gift may be reported on a 2014-15 1099-INT. Free gift provided at the time of account opening. Up to \$10 for debit cards and unused checks from another financial institution given at the time the checks/debit cards are presented. Offer good on personal accounts only. Ask us about our outstanding options for your business or organization.



NETFLIX

COST



A

**EXCHANGE
OF VALUE**

B



PERCEIVED VALUE

Non-Interest Income Strategy - Value-Added Product

Welcome!

Every new personal checking account includes:

- FREE Debit Card • FREE Online Banking • FREE Bill Pay • FREE Mobile Banking with Mobile Deposit
- FREE eStatements with online check images • FREE Thank You Gift • FREE Gifts for referring others
- Buy back of your debit cards and unused checks from another financial institution up to \$10



Competition information was obtained directly from website or their website during the week of 12/06/2021. Terms, conditions may have changed. Interest additional may be waiving monthly service fee.
 \$10,000 Accidental Death and Dismemberment Insurance Coverage is provided at no additional charge. 100% coverage to be evenly paying all charges except as indicated on this account opening application card. Insurance products are not products of FDIC insured. Not insured by any federal government agency, not guaranteed by the bank.
 Offer free back as non-sufficient funds, overdraft, overdraft coverage, overdraft protection, etc. may apply. See fee schedule for details. Minimum opening deposit is only \$10. Ask us for details. Third party and regulations apply. Payment may be rounded up to 1,000. INT is 100% ADIC. Free gift is provided for time of account opening up to \$10 for debit cards and unused checks from another financial institution up to \$10. The bank has no obligation to cash any checks or offer good or general accounting, and no obligation to maintain balances for your business or organization.

BENEFITS CHECKING

You could save up to \$240 on ID resolution and cell phone insurance alone!



Cell Phone Protection

- Fast 5 lines listed on cell phone bill covered
- \$600 coverage per claim - \$1,200 annual limit
- Only \$50 co-pay per claim



CyberScout® Identity Theft Resolution

- A personal advocate who works with you one-on-one, start to finish to restore your identity
- Includes immediate household family members
- Systematic notification of credit bureaus, creditors and collectors, government agencies and all other relevant parties



Roadside Assistance

- Roadside service
- Lockout service
- Battery service



Accidental Death & Dismemberment Insurance

- Up to \$10,000 coverage
- Does not reduce 50% at age 70
- Includes comprehensive travel assistance services
- Seatbelt (10% additional) and airbag benefit (\$5,000 additional)

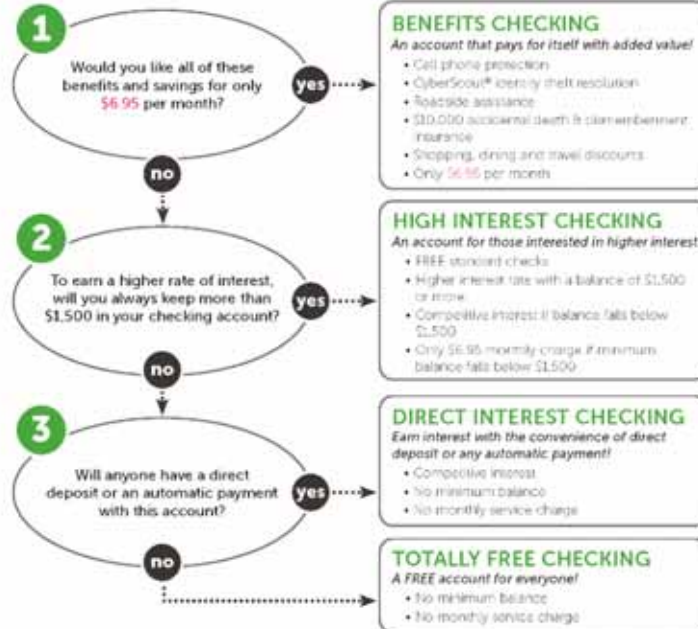


Shopping, Travel & Entertainment Discounts

- Retail & restaurant savings
- Grocery coupons
- Travel discounts and 10% savings on select hotels

Save up to \$304 per year or more

	Benefits Checking	Verizon Protect (through insurance)	LinLock™ Standard Membership (30 days free trial)	AAA (Basic Assistance)
Cell Phone Protection	✓	✓		
CyberScout® ID Resolution Service	✓			
Roadside Assistance	✓			✓
Accidental Death & Dismemberment Insurance	✓			
Shopping, Travel & Entertainment Discounts	✓			
TOTAL Cost Per Year	\$65.40	\$304	\$370	\$61



What Do Business Owners Want?

Simplicity

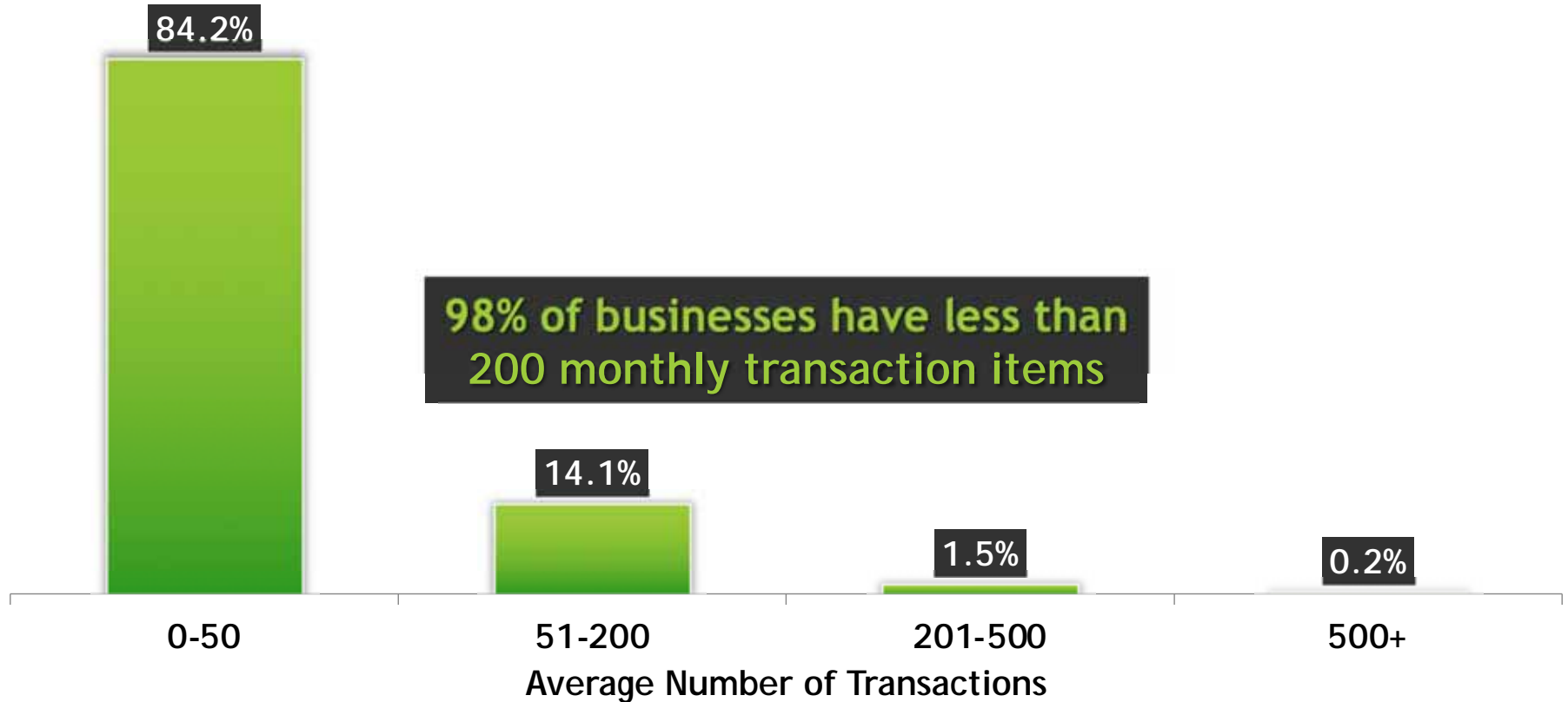
No nuisance or unexplained charges

Predictable, understandable costs

Recognition of their value



Client Business Checking Stratification



Client Business Checking Stratification

Average # of Transactions	Average Balance	Net Interest Income @ 300 bps	Cross-Sell Relationships
0-50	\$28,746	\$862	3.7
51-200	\$74,262	\$2,228	4.7
201-500	\$250,109	\$7,503	7.2
500+	\$671,475	\$20,144	13.6

Sample Business Checking Brochure -

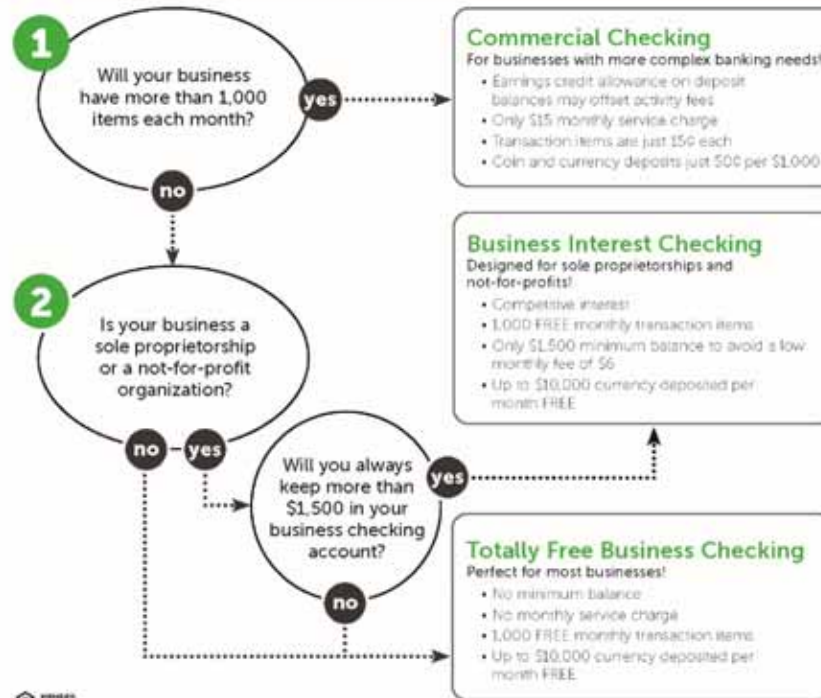
How are you strategically approaching this process?

Welcome!

Every new business checking account includes:

FREE Business Debit Card • FREE Online Banking • FREE Bill Pay • FREE Mobile Banking with Mobile Deposit
FREE eStatements • FREE Thank You Gift • FREE gifts for referring others

Buy back of your debit cards and unused checks from another financial institution of \$10



Save time and money with these great products and services:

○ Savings Plans

Will you always keep more than \$2,500 in your business savings account?

yes → Money Market Account

no → Savings Account

○ FREE Business Debit Card

○ FREE Online Banking

○ FREE Bill Pay

○ FREE Mobile Banking with Mobile Deposit

○ FREE eStatements

○ Cash Management

○ Merchant Services

○ FREE Personal Checking

Other fees such as non-sufficient funds, overdraft, sustained overdraft fees, etc. may apply. See fee schedule for details. Minimum opening deposit is only \$50. Ask us for details. Bank rules and regulations apply. Free gift may be reported on a 209-INT or 209-MSC. Free gift provided at the time of account opening. \$10 for debit cards and unused checks from another financial institution given at the time the checks/debit cards are presented. Transaction items include all debits and credits. If the Totally Free Business or Business Interest account exceeds 1,000 free monthly transactions, the account may be converted to another checking product. If the Totally Free Business or Business Interest account exceeds \$10,000 in monthly coin and currency deposits, the account may be converted to another checking product.

We Want them ALL

We want to remove barriers while remaining in Compliance:

- USA Patriot Act
- ChexSystems/QualiFile
- Credit Score
- Proof of address
- Multiple ID's
- Others?



Account Screening - Client Data

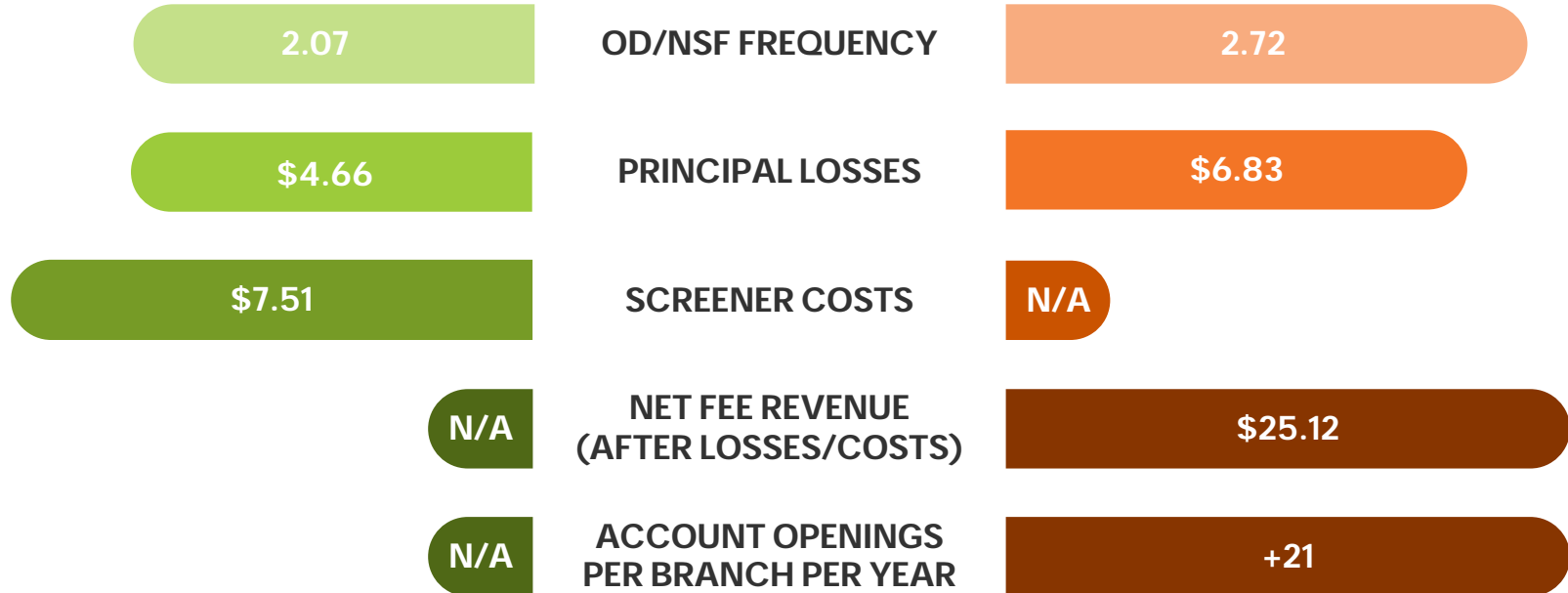
**ACCOUNT
SCREENING**



VS



**NO ACCOUNT
SCREENING**



Increase Product Usage Example

Use Your Data for eStatement Campaigns – Emails

Opting in to eStatements is all plusses: you'll help the planet, simplify your banking, reduce clutter, and more—all for free and in less than one minute.

Sign up instructions:

1. Log in to Online Banking at
2. Go to "Services" and select "eStatements"
3. Complete name and email fields
4. Select notification preference
5. Check term agreement button and "Finish"

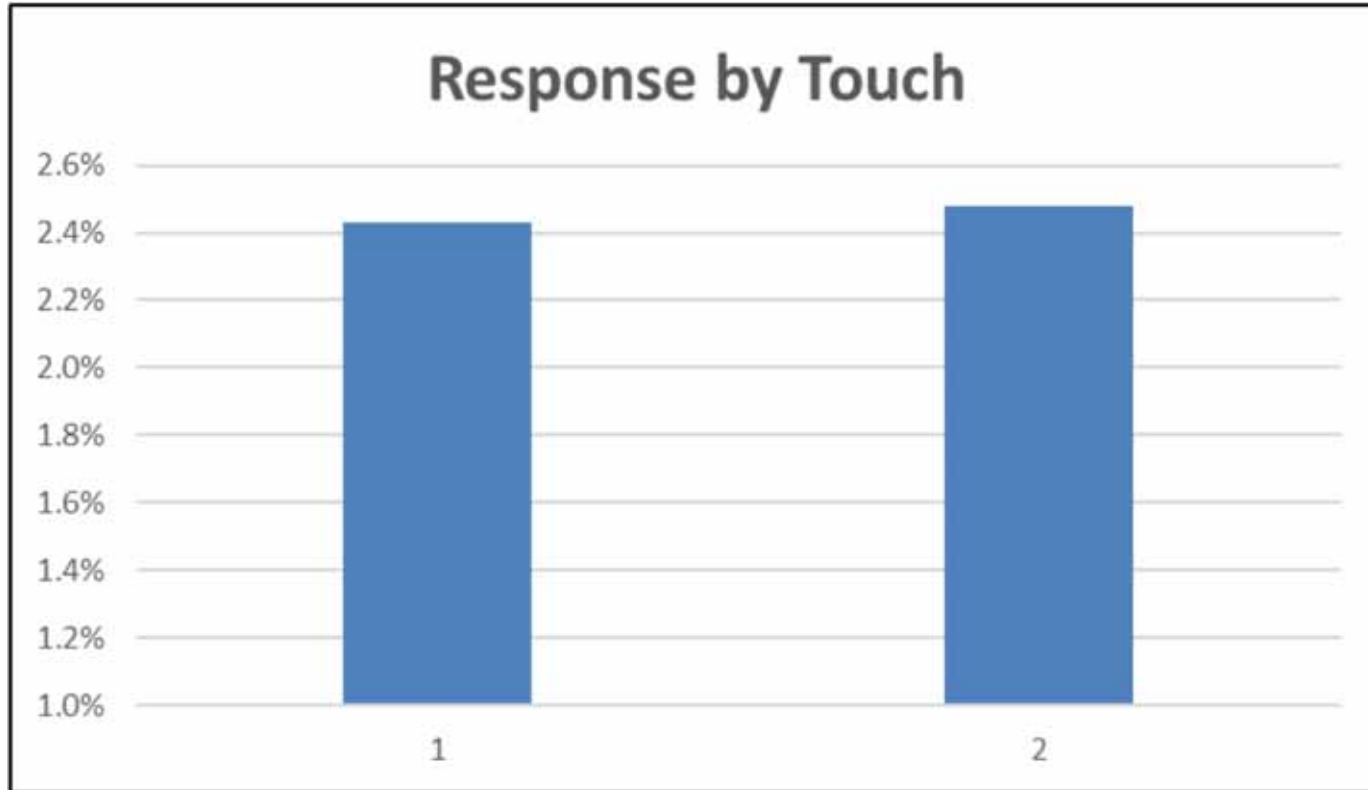
[SIGN UP FOR ESTATEMENTS](#)

NCUA FDIC
© 1967-2018 Bank of America

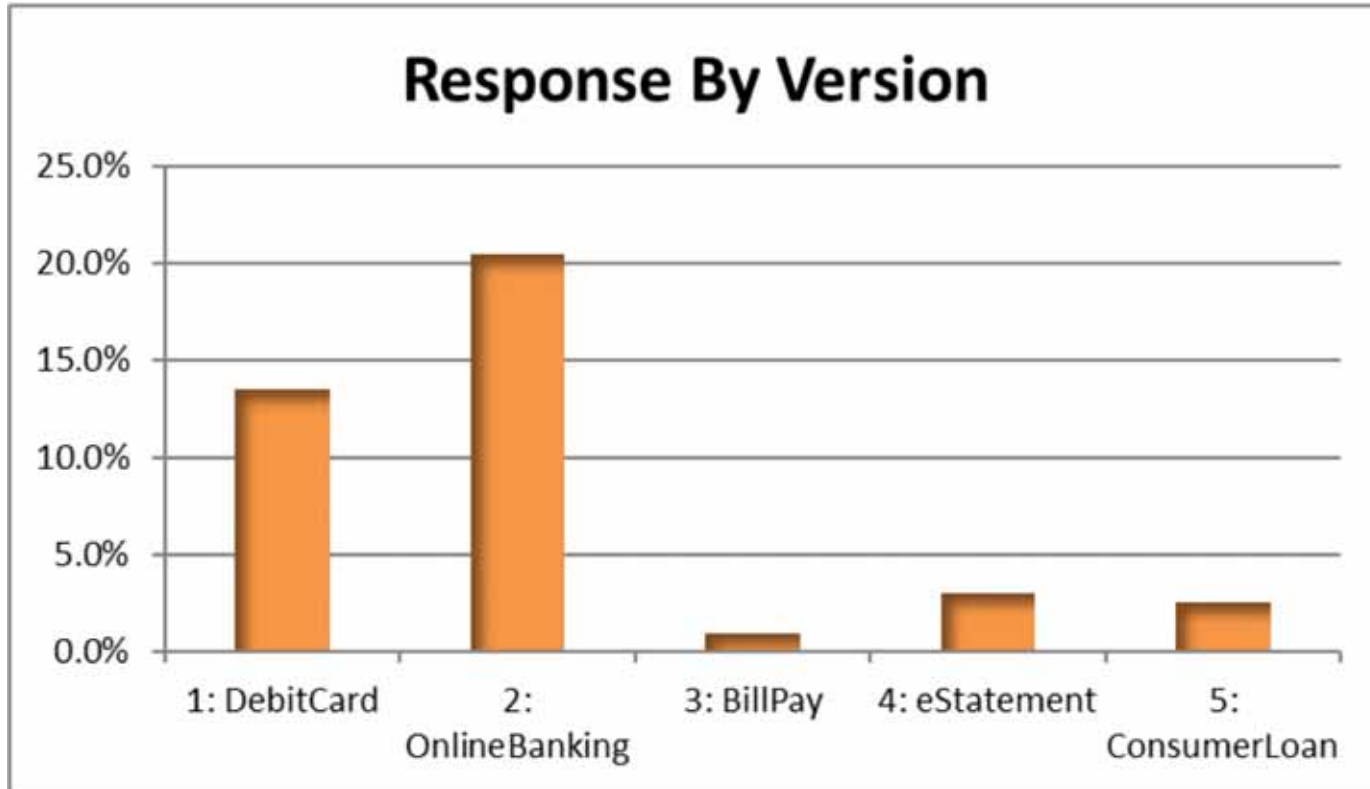
[f](#) [@](#) [in](#)

[Unsubscribe](#)

Email Campaign Touches (Over Two Months)



Email Campaign Results (Two Months)



Increase Debit Card Usage Postcard Example

Every time you use your FREE Peoples Bank VISA® Debit Card in August, you'll be entered to **win some Benjamins**—five, to be exact.

Need a new card?
Call or stop by your nearest branch to get your FREE VISA® Debit Card and take advantage of this offer.



(806) 794-0044 www.PeoplesBankTexas.com

Stop by your nearest branch today!
We have a location near you: Lorenzo, Lubbock, Nazareth, Post, Shallowater and Slalom.



PEOPLES BANK
5820 82nd Street
Lubbock, TX 79424

POST TO:
U.S. POSTAGE
NO
PEOPLES BANK

No purchase necessary to enter. You are automatically entered for the prize each time you use your Peoples Bank VISA® Debit Card for a point-of-sale purchase in the month of August 2019. ONLY transactions are included. All point-of-sale purchases are subject to a dollar limit as set by Peoples Bank. This offer ends August 31st, 2019. The drawing is subject to all federal, state and local laws and regulations. Peoples Bank employees and members of their households are not eligible to win the prize. By participating in the drawing, entrants agree to be bound by these Official Rules. Drawing is open to Peoples Bank customers 18 years of age or older and on a legal U.S. address. Prizes will be drawn by random September 30, 2019. There will be two \$500 winners. The citizenship will be established into the winner's Peoples Bank checking account or given in the form of a cashier's check. Peoples Bank elects to be final in all matters relating to this drawing. The odds of winning will depend upon the total number of debit card swipes by Peoples Bank customers and cards processed. The winners may receive an IRS Form 1099 from Peoples Bank for the value of the prize. There is no charge for obtaining a Peoples Bank debit card. See a Peoples Bank teller and look for an orange sign at participating locations. 1-800-660-5544



**Shop, Swipe,
Win \$500**

Every time you use your FREE Peoples Bank VISA® Debit Card in August, you'll be entered to win some Benjamins—five, to be exact.

No purchase necessary. See back for details.

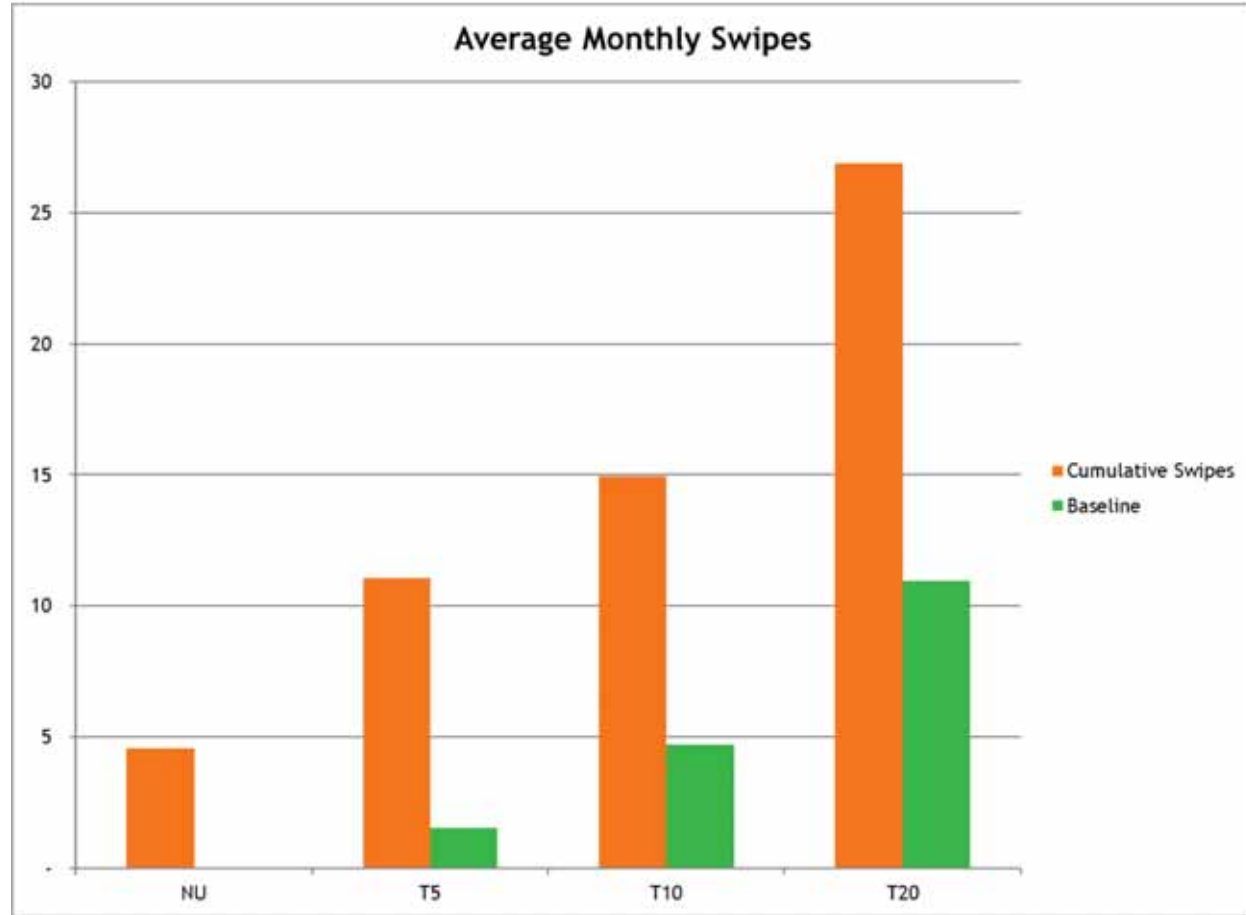


Henry M. Cantor
Secretary of the Treasury.

FRANKLIN D. ROOSEVELT

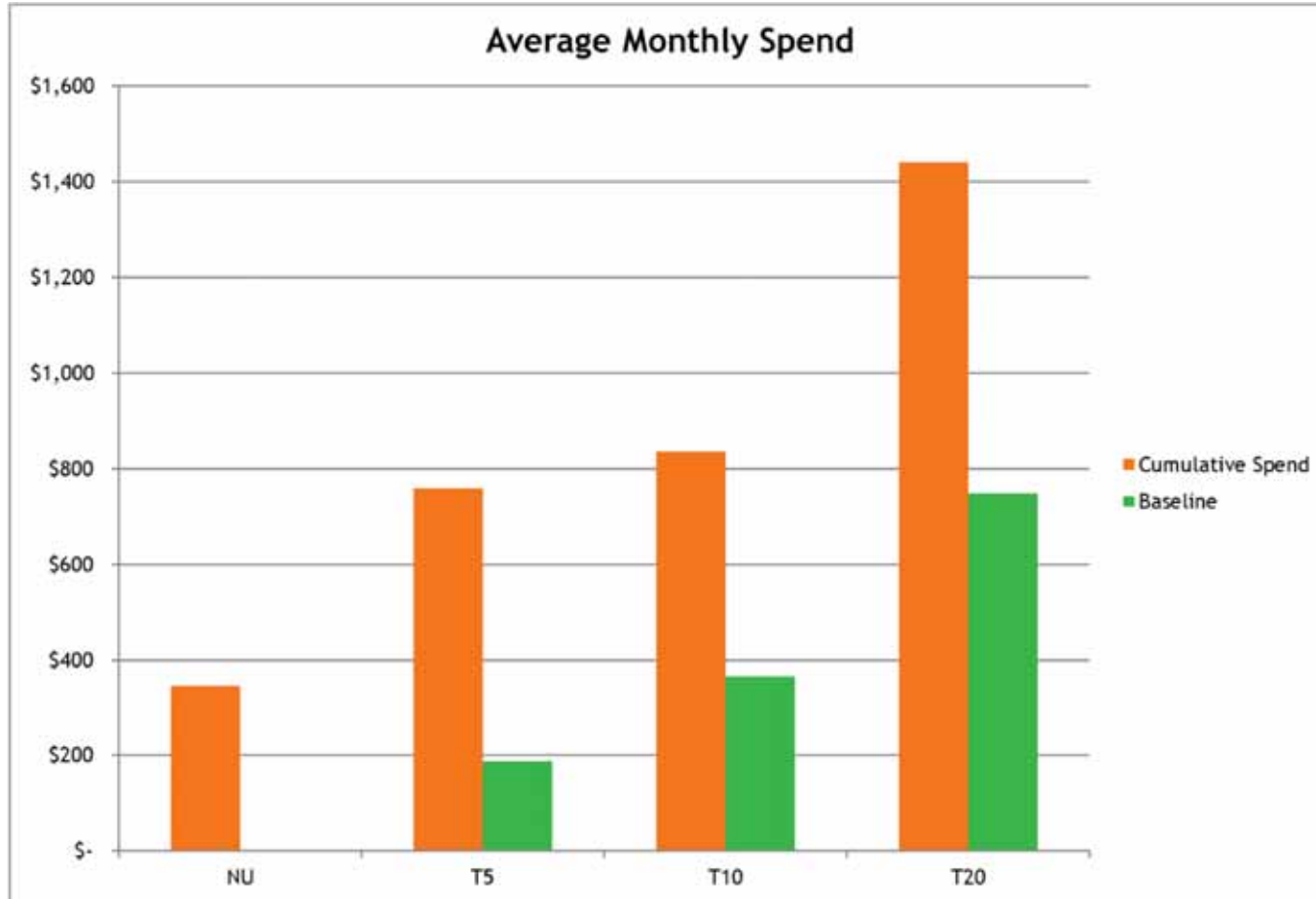
ONE HUNDRED DOLLARS

Case Study Bank: Impact on Average Monthly Swipes



NU = Non-Users
T5 = <5 per month
T10 = <10 per month
T20 = <20 per month

Case Study Bank: Impact on Average Monthly Spend



NU = Non-Users
T5 = <5 per month
T10 = <10 per month
T20 = <20 per month

Case Study Bank: Debit Card Usage Campaign Trends

Campaign Date	Total Marketing & Fulfillment Cost	Households Fulfilled %	6-Month Cumulative Interchange Revenue Increase	Breakeven in Months
Mar-18	\$14,314	17%	\$24,754	3.47
Jul-18	\$14,630	14%	\$39,817	2.20
Sep-18	\$12,432	12%	\$26,964	2.77
Mar-19	\$14,933	15%	\$24,491	3.66
Jul-19	\$16,141	16%	\$39,394	2.46
Sep-19	\$15,094	14%	\$46,245	1.96
Mar-20	\$15,813	11%	\$38,091	2.49
Sep-20	\$18,139	15%	\$34,819	3.13
Mar-21	\$20,882	18%	\$66,857	1.87
Jul-21	\$19,280	16%	\$41,767	2.77

Other Onboarding Considerations

1. Have a convenient process for joint account requests with one signer present
2. Onboarding Recommendations:
 - a. Welcome letter or Thank You card
 - b. Contact customers at early intervals (2x2x2)
 - c. Verify accuracy of checks, receipt of direct deposit, termination of old ACH

Note: You can do onboarding via email, but relationships are not built that way.

“Profit in business comes from repeat customers, customers that boast about your product or service, and that bring a friend with them.”

- W. Edwards Deming

Strategies to Win the Referral Game

i.e., Word of Mouth

- *Everybody* talks about their **bad experiences**
- *Nobody* talks about the **average service** they received
- *Only* **exceptional experiences** generate word-of-mouth advertising

At a Minimum Invest in Tell-A-Friend Coupons or Cards



Tell a friend
about **Completely Free Checking** from
West Gate Bank and get this **FREE**
Toastmaster® Electric Griddle!


WEST GATE BANK.
Our interest is you

Refer your friends and family
online at ReferWestGateBank.com/

Tell-A-Friend
and you'll both get a free gift!



**Toastmaster®
Electric Griddle**
Available 1/5 – 2/15



Xtreme® Power Bank
Available 2/16 – 4/5



**Coleman®
Mesh Chair**
Available 4/6 – 5/24

Earning your free gift is easy:

1. Print your name and address on this form and give it to a friend to bring in when they open a new checking account – OR – make your referral online at ReferWestGateBank.com.
2. Look for a gift notification email or this validated form to be mailed to you.
3. Get your free gift!

Don't wait, Tell-A-Friend today!
We reserve the right to substitute a gift of similar value.


WEST GATE BANK.

westgate.bank
402-434-3456


MEMBER
FDIC


EQUAL
HOUSING
LENDER

1948201-C-TAP-PM 1

Name _____
Address _____
City _____ State _____ Zip Code _____
Email Address _____
REDEEMING BR#: _____

Leverage Referrals

Consider a Turnkey Strategy for Branch and Online Referrals

PLUSONE



Strategically Approaching Retention to Drive Growth

Your Ideas

Discussion Topic (if time allows):

What retention strategies have been effective as it relates to reducing overall attrition?

“Take calculated risks. That is quite different from being rash.”

- George Patton

Honoring Overdraft Items on Day One

	Allows OD on Day One	30-day wait	Difference
Accounts with an OD in month 1 remaining after 7 months	64%	49%	131%
Remaining accounts that still OD	79%	39%	203%

Allow at least some overdraft amount on day one.

NOTE: If you ask for the Debit Card POS/ATM decision at account opening, but won't honor an OD until 30 days - *if they qualify: **You are asking them to say "yes" to something you won't actually provide.*** Regulators don't like this!

Account Screening: eFunds (ChexSystems)

A Recent Client Experience:

Flagged as "Would not have been opened with eFunds"		
Accounts opened	202	
Accounts still active	157	78%
Accounts with chargeoff	21	10%

Fee Income Analysis 7 Months	
Gross OD Income	\$15,600
Debit Card Interchange	\$4,100
Chargeoff	(\$4,612)
Net Impact	\$15,088

Does not include savings from
cessation of eFunds inquiries

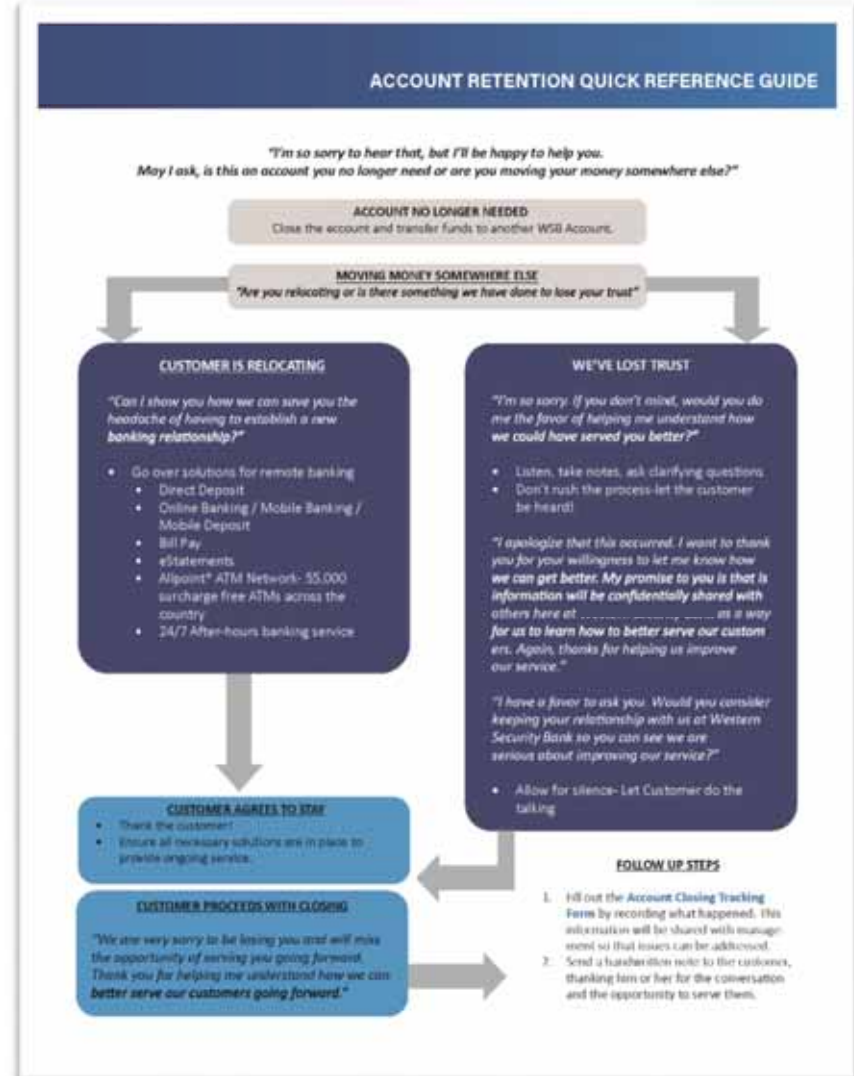
Deposits and Transactions by Overdraft Bucket



- Deposits are a proxy for income.
- Higher overdraft users have more deposits.
- They also have significantly more transactions.
- They deposit 24% more money, but also spend it faster.

Consider Adding Branch Retention Specialists

1. Is account no longer needed or is the money being moved somewhere else?
2. If moving, determine why?
 - a. Relocating
 - b. Lost Trust



Anything Else?

CONTACT:

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Chief Strategy Officer and
Sr. Executive Vice President



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- sean@haberfeld.com
- www.haberfeld.com

Thank you for your active
participation in our session today!