

BYE BYE PRIMARY FI?

LIVE WEBINAR

Wednesday, Sept 28, 2022 2pm ET

strategycorps 

Bye
Bye
Bye



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NOPE



Primacy or Die

Exhibit 2
Percentage of New Accounts Acquired
from Primary Checking Provider*



*New accounts defined as those opened in the past two years



Defining Primacy

"A checking account + a debit card + 8 swipes a month."

Renasant Bank



Defining Primacy

“Checking account + DD > \$499 + 1 Bill Pay.”

First Citizens Bank



Defining Primacy

“Checking account + debit card > 28 swipes a month.”

City National Bank



Defining Primacy

“Checking account + online or mobile banking + debit card.”

USAA



Defining Primacy

“Checking account + active digital engagement.”

Bank of America



DIGITAL CLIENT ACTIVITY



65%

Clients fully paperless

up from 59% in 2020



~764,000

Appointments booked

up 20% YoY



3.3 million

Private Bank digital logins

up 6% YoY



26%

Small Business sales
from digital

nearly 3X pre-2020 levels



\$384 billion

Payment approvals on the
CashPro App

up 119% YoY in volume
(rolling 12 months)



75%

Merrill households enrolled
in eDelivery

up from 70% in 2020



523.5 million

Digital payments and transfers

up 14% YoY



\$6.2 billion

Total spend via digital wallet

up 71% YoY



49.2 million

Digital check deposits

up 9% YoY

BANK OF AMERICA 



Defining Primacy

“Checking account + active Chase debit card + active Chase Credit Card.”

Chase



We remain focused on a consistent set of strategic priorities to drive shareholder value now and in the future

■ **Acquire, deepen** and retain customer relationships by offering compelling value propositions



■ Drive **engagement** through **omni-channel, customer-centered experiences**


■ Improve productivity, agility, and customer experience through **data, analytics**, and **technology**

■ **Manage expenses** and **simplify our business** while continuing to **invest** for the future

■ Operate a **disciplined risk and control environment**, **protect** the Firm's systems, and **safeguard** customer and employee privacy

■ Attract, develop, and retain the **best talent** for today and the future, harnessing the power of diversity

It's Working!

	CHASE 	Typical Community Bank
Percentage of Checking Account Households that are primary	75%	65%
Retention rate of primary households	95%	85%



Our Take on Primacy

“Primacy is how much annual revenue is generated by a householded relationship that includes a checking account.”



Community FIs



The Haves

98% of your household relationship dollars come from **60%** of your checking account customers.



The Haves and Have Nots

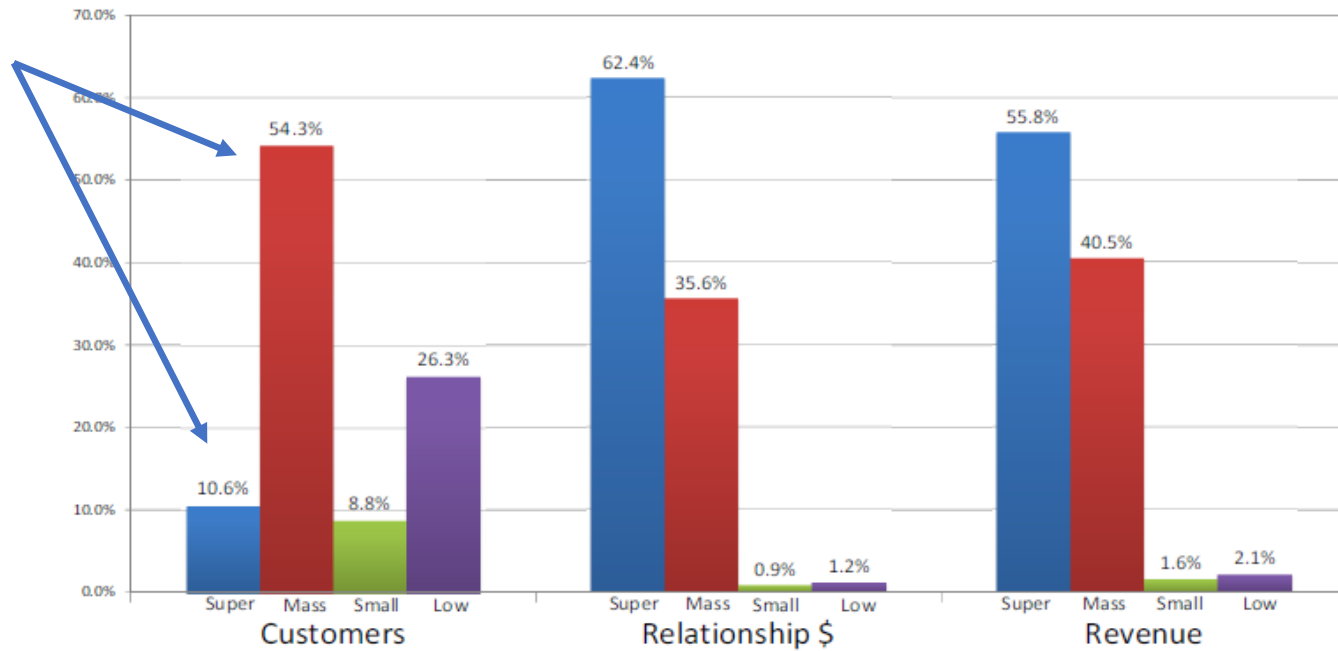
98% of your household relationships come from **60%** of your checking account customers.

40% of your checking account customers have less than **2%** of your household deposits and loans.



Relationships Not Created Equal

PRIMARY

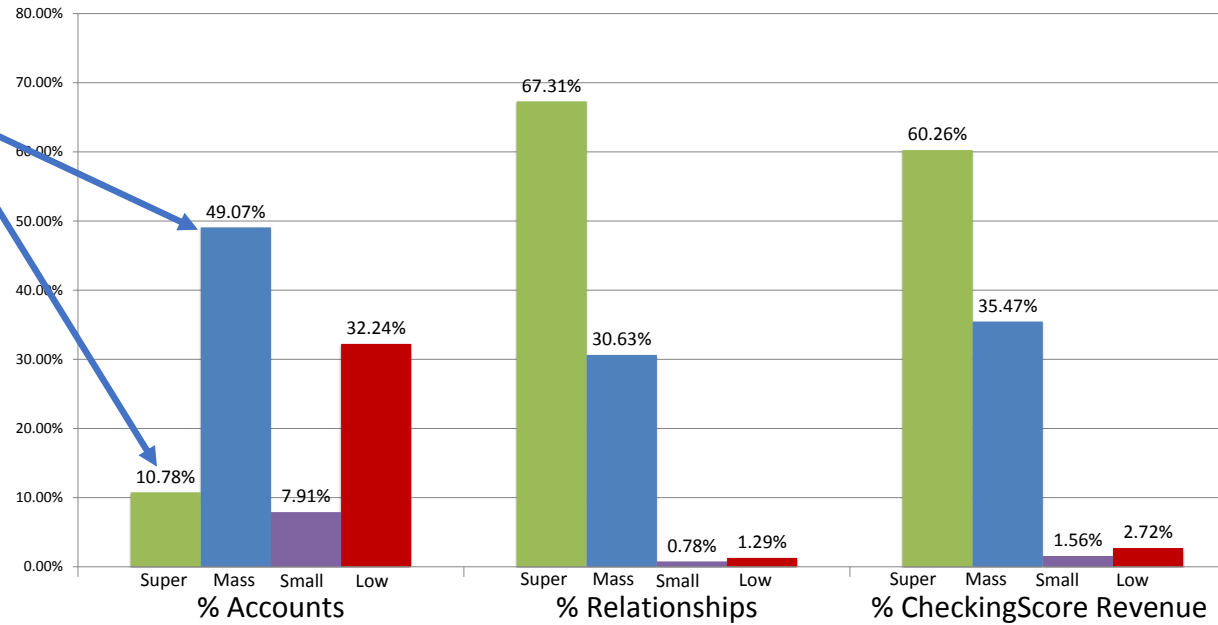


Segment	Percentage of Customers	Percentage of Relationship \$	Percentage of Revenue
Super > \$5000	10.6%	62.4%	55.8%
Mass \$350-\$5000	54.3%	35.6%	40.5%
Small \$250-\$350	8.8%	0.9%	1.6%
Low < \$250	26.3%	1.2%	2.1%
Totals	100.00%	100.00%	100.00%



A1 - Relationship Spotlight

PRIMARY

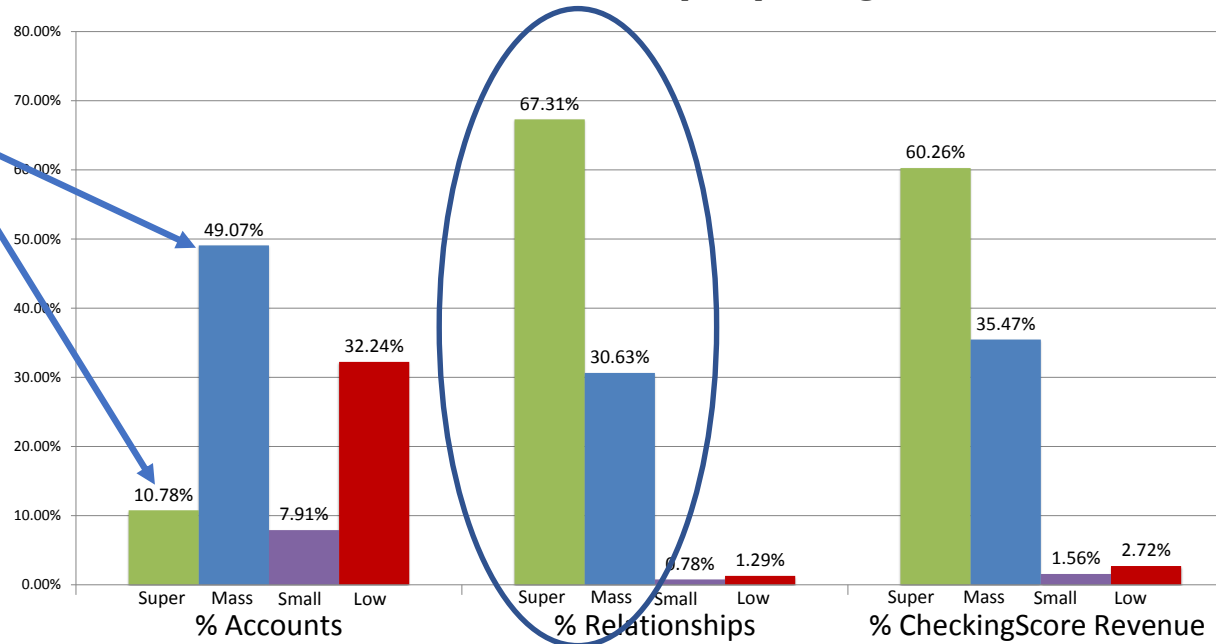


Column #	1	2	3	4	5	6	7	8	9
Segment	# Accounts	% Accounts	Peer Comparison	\$ Relationships	% Relationships	Peer Comparison	\$ CheckingScore Revenue	% CheckingScore Revenue	Peer Comparison
Super	24,123	10.78%	10.61%	\$3,291,903,418	67.31%	62.37%	\$144,845,584	60.26%	55.77%
Mass	109,835	49.07%	54.29%	\$1,498,141,661	30.63%	35.59%	\$85,242,394	35.47%	40.51%
Small	17,702	7.91%	8.83%	\$38,099,408	0.78%	0.86%	\$3,741,119	1.56%	1.58%
Low	72,157	32.24%	26.27%	\$62,851,148	1.29%	1.17%	\$6,527,041	2.72%	2.15%
Totals	223,817	100.00%	100.00%	\$4,890,995,635	100.00%	100.00%	\$240,356,139	100.00%	100.00%



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PRIMARY

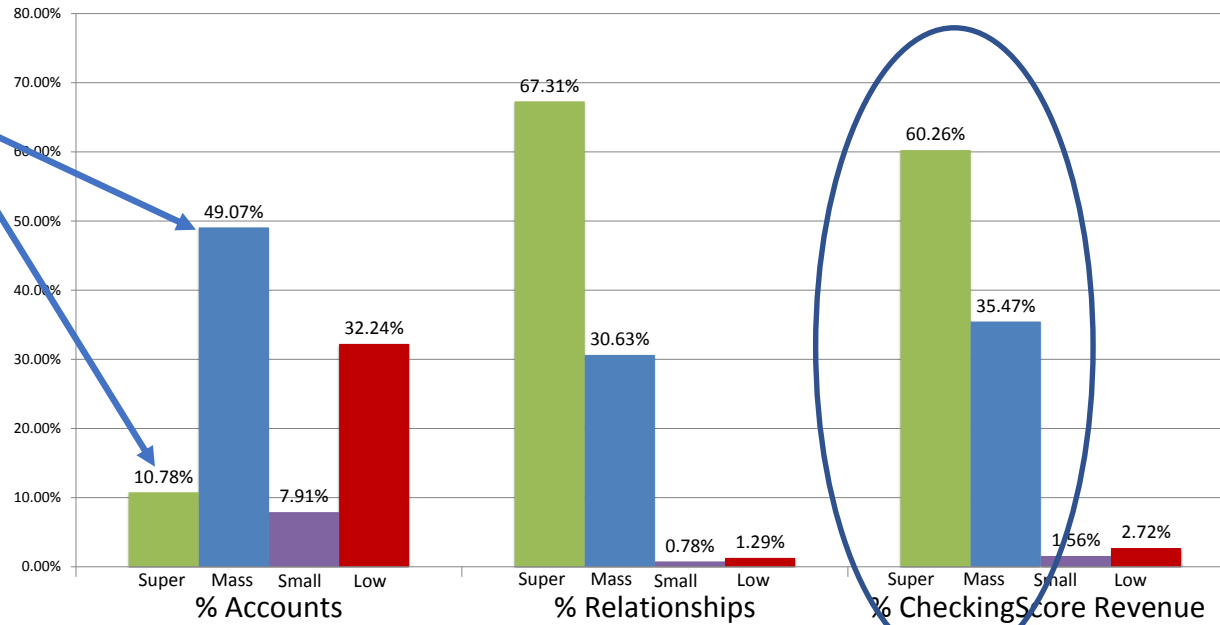


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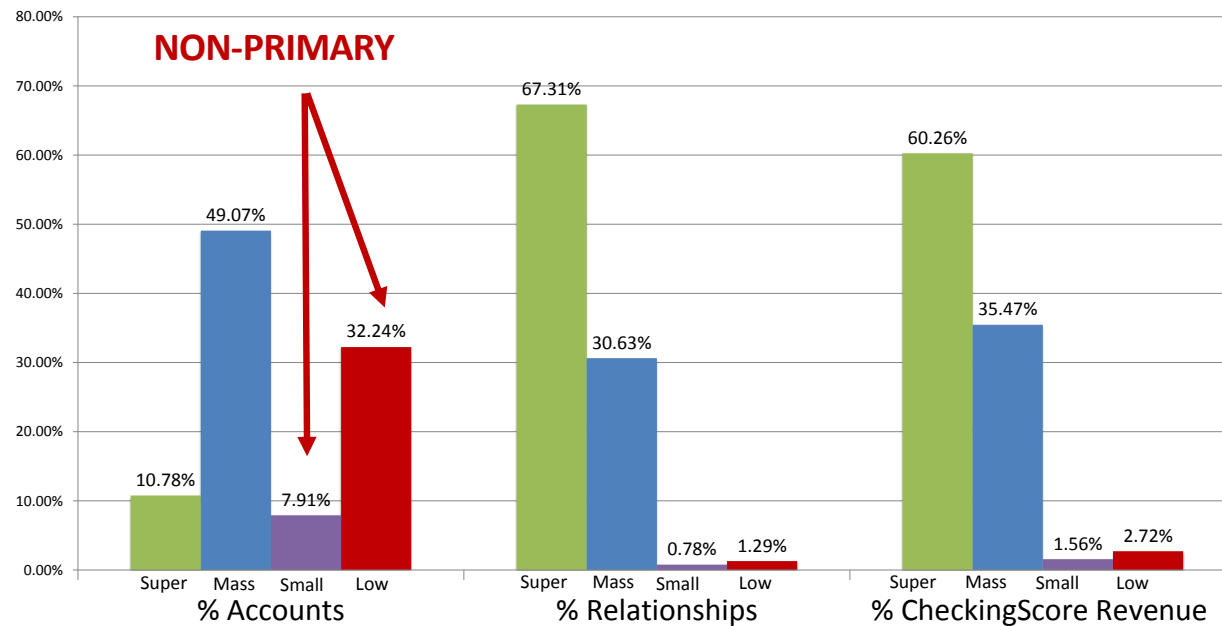
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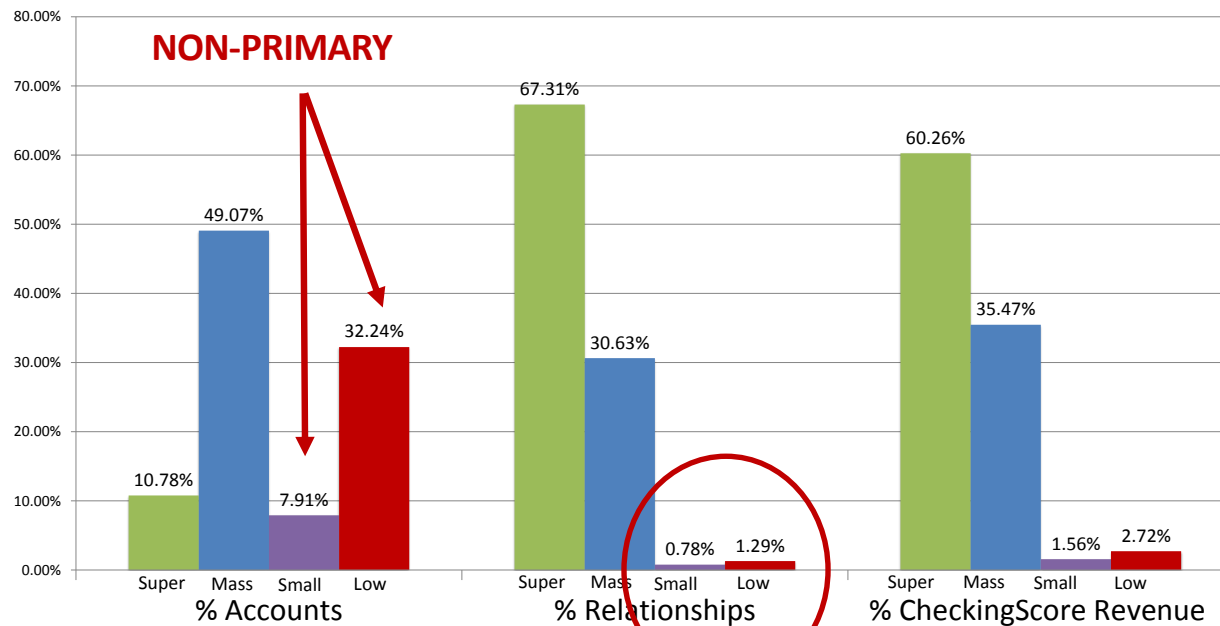
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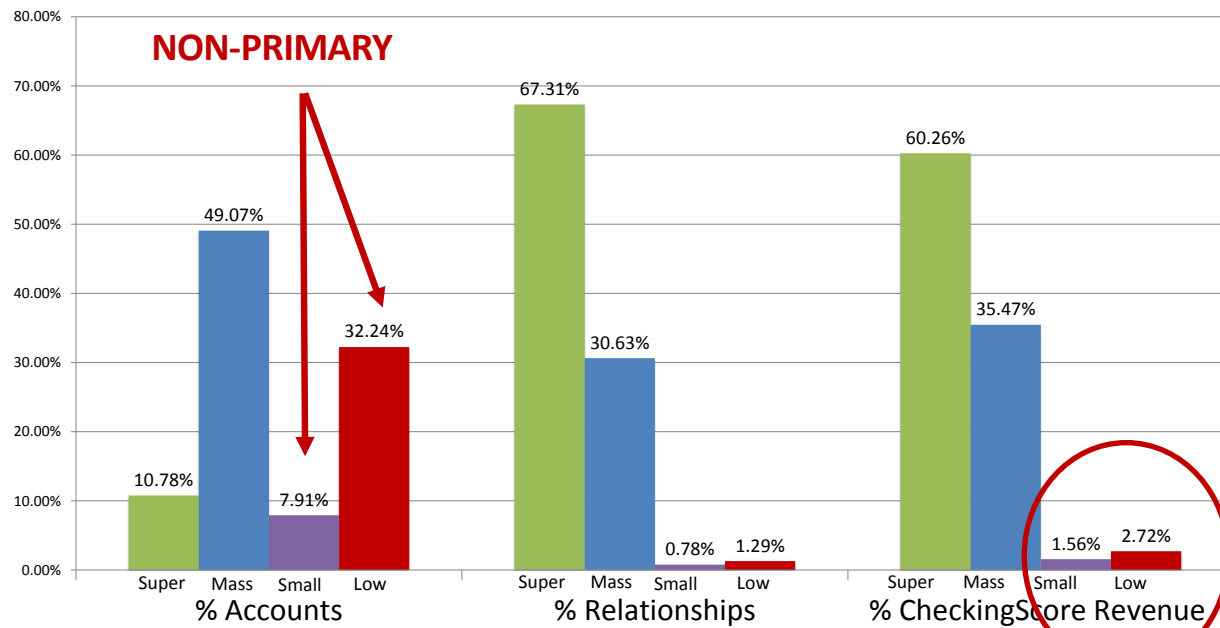
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A2 - Relationship Segment Spotlight

Row		Super		Mass		Small		Low	
1	Total DDAs	24,123		109,835		17,702		72,157	
2	Relationship Statistics	Totals	Average	Totals	Average	Totals	Average	Totals	Average
3	DDA Balances	\$801,545,331	\$33,227	\$683,468,820	\$6,223	\$29,029,218	\$1,640	\$53,677,210	\$744
4	Relationship Deposits	\$1,437,626,067	\$59,596	\$474,155,721	\$4,317	\$6,662,728	\$376	\$6,893,291	\$96
5	Relationship Loans	\$1,052,732,021	\$43,640	\$340,517,120	\$3,100	\$2,407,462	\$136	\$2,280,647	\$32
6	Total Relationships	\$3,291,903,418	\$136,463	\$1,498,141,661	\$13,640	\$38,099,408	\$2,152	\$62,851,148	\$871
7	Revenue Statistics	Totals	Average	Totals	Average	Totals	Average	Totals	Average
8	Total DDA Income (NII + Fees + NSF)	\$39,503,437	\$1,638	\$50,781,733	\$462	\$3,357,450	\$190	\$6,138,984	\$85
9	Relationship Deposit NII	\$60,811,583	\$2,521	\$20,056,787	\$183	\$281,833	\$16	\$291,586	\$4
10	Relationship Loan NII	\$44,530,564	\$1,846	\$14,403,874	\$131	\$101,836	\$6	\$96,471	\$1
11	Total Income	\$144,845,584	\$6,004	\$85,242,394	\$776	\$3,741,119	\$211	\$6,527,041	\$90
12	Account Statistics	Super Profits		Mass		Small		Low	
13	Have More Than One DDA	18,935	78.49%	74,230	67.58%	8,905	50.31%	16,862	23.37%
14	Have a Debit Card	10,824	44.87%	73,803	67.19%	13,917	78.62%	49,227	68.22%
15	Have Online Banking	14,425	59.80%	71,777	65.35%	12,070	68.18%	44,881	62.20%
16	Have eStatement	12,439	51.56%	51,294	46.70%	7,801	44.07%	35,075	48.61%
17	Debit Card Trans (month)	135,103	5.60	1,143,556	10.41	229,031	12.94	487,966	6.76
18	Have a Relationship Deposit	18,470	76.57%	57,282	52.15%	5,738	32.41%	12,375	17.15%
19	Have a Relationship Loan	11,644	48.27%	26,691	24.30%	1,229	6.94%	1,857	2.57%
20	Have Both a Deposit and Loan	8,108	33.61%	15,237	13.87%	444	2.51%	501	0.69%
21	Average Age of Account		12.3		10.9		9.5		8.8
22	Avg Age of Account Holder		56.6		51.6		48.5		50.1
23	Average Checking Score		\$14,387		\$1,464		\$298		\$109



potlight

Row		Small		Low	
1	Total DDAs	17,702		72,157	
2	Relationship Statistics	Totals	Average	Totals	Average
3	DDA Balances	\$29,029,218	\$1,640	\$53,677,210	\$744
4	Relationship Deposits	\$6,662,728	\$376	\$6,893,291	\$96
5	Relationship Loans	\$2,407,462	\$136	\$2,280,647	\$32
6	Total Relationships	\$38,099,408	\$2,152	\$62,851,148	\$871
7	Revenue Statistics	Totals	Average	Totals	Average
8	Total DDA Income (NII + Fees + NSF)	\$3,357,450	\$190	\$6,138,984	\$85
9	Relationship Deposit NII	\$281,833	\$16	\$291,586	\$4
10	Relationship Loan NII	\$101,836	\$6	\$96,471	\$1
11	Total Income	\$3,741,119	\$211	\$6,527,041	\$90
12	Account Statistics	Small		Low	
13	Have More Than One DDA	8,905	50.31%	16,862	23.37%
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17	Debit Card Trans (month)	229,031	12.94	487,966	6.76
18	Have a Relationship Deposit	5,738	32.41%	12,375	17.15%
19	Have a Relationship Loan	1,229	6.94%	1,857	2.57%
20	Have Both a Deposit and Loan	444	2.51%	501	0.69%
21	Average Age of Account		9.5		8.8
22	Avg Age of Account Holder		48.5		50.1
23	Average Checking Score		\$298		\$109

DRAG ON EARNINGS

SMALL

$$\$350 - \$298 \times 17702 = \$ 920,504$$

LOW

$$\$350 - \$109 \times 72157 = \$17,389,837$$

TOTAL

$$\$18,310,341$$



Every FI Needs More Revenue

Our product strategy and merchandising formula generates new revenue streams from both existing and new checking households:

On average, \$500,000 per \$1 billion of assets per year



Wrap It Won't Ya

- Focusing on primacy must be a priority to be a high performing and engaging FI to consumers today, especially given the revenue headwinds.
- There are a number of ways to focus on being a Primary FI. The megas are winning so get educated on what they're doing.
- StrategyCorps relationship-based revenue approach is one that works every time and is applicable to nearly every FI's retail checking situation.



Thanks



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