

# The Future of Banking: The More Things Change, The More They Stay The Same

Sean C. Payant, Ph.D.  
President

Friday, February 13, 2026



1

## Purpose

Understand what it will take to **grow** your bank and **succeed** at the highest level **regardless** of the political, economic, or technological environment.

2



3

## Session Objectives

1. Understand how to navigate economic, regulatory, technological changes, and uncertainty
2. Explore strategies for aligning organizational structure and cultural initiatives with organizational priorities
3. Identify holistic approaches to building resilient, future-ready institutions

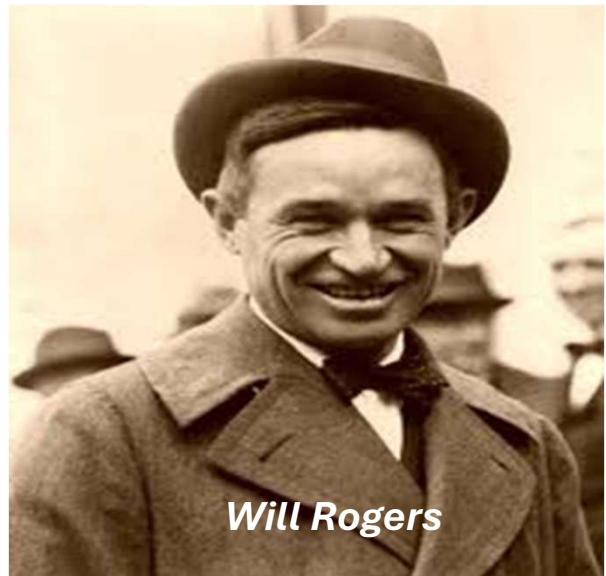
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## Some Beginning Wisdom

5

**It isn't what we don't  
know that gives us  
trouble...**

**it's what we think  
we know that just  
ain't so.**



*Will Rogers*

6



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What is the Impact?

## Strategic Customer Growth and Overall Performance

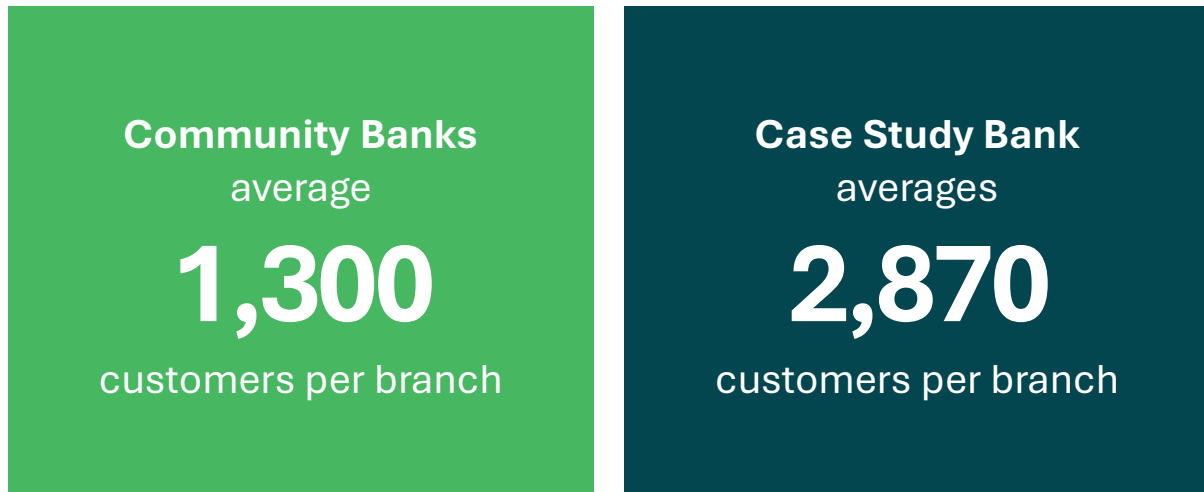
**Case Study Bank**

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.

8

Case Study Bank

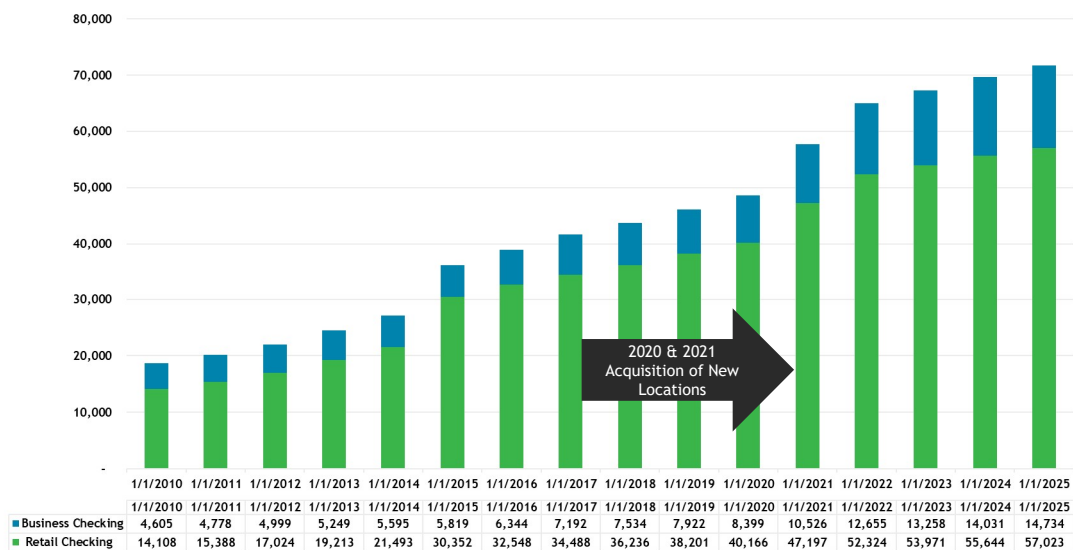
## Average Checking Customers Per Branch



9

Case Study Bank

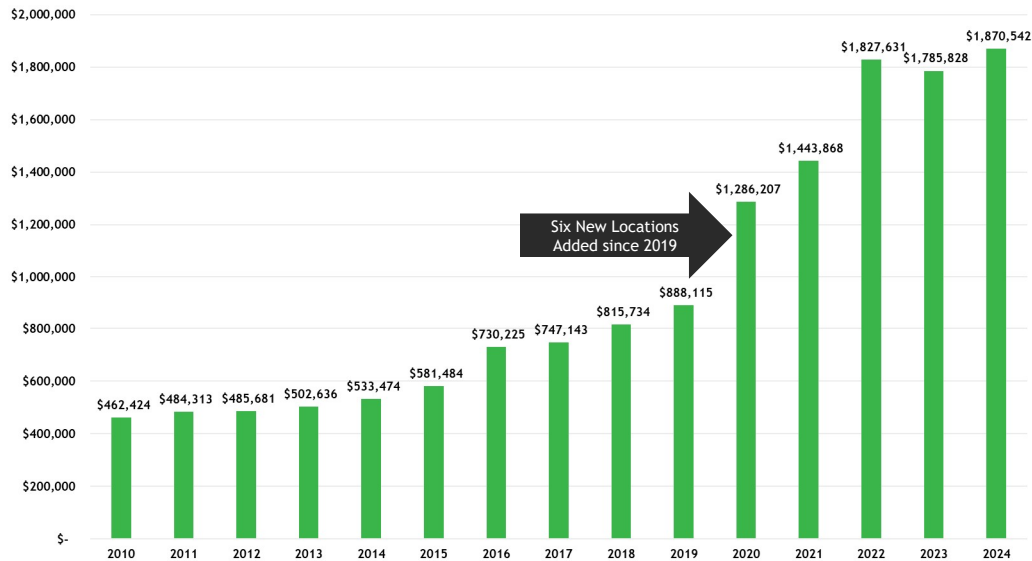
## Checking Portfolio Trends



10

## Case Study Bank

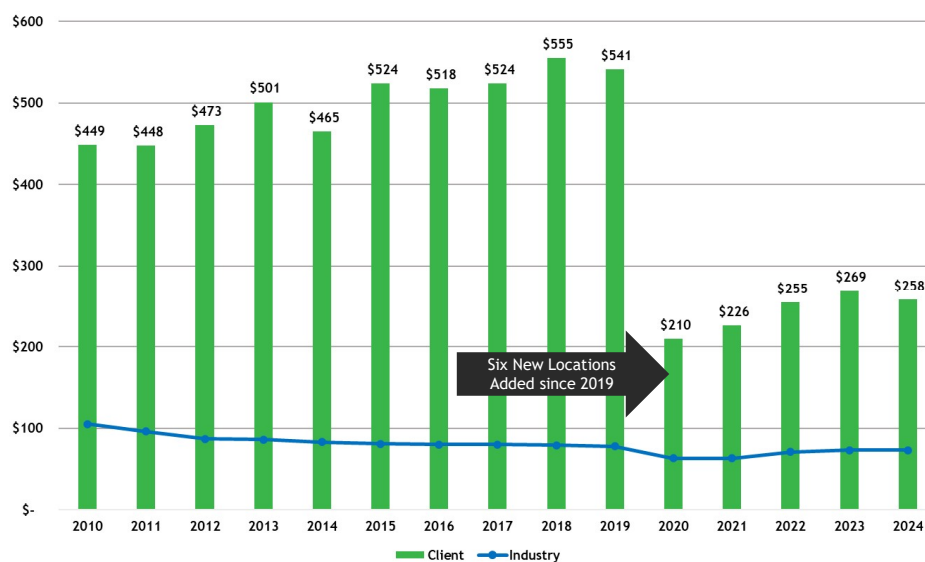
# FDIC Trends – Core Deposits



11

## Case Study Bank vs. The Industry

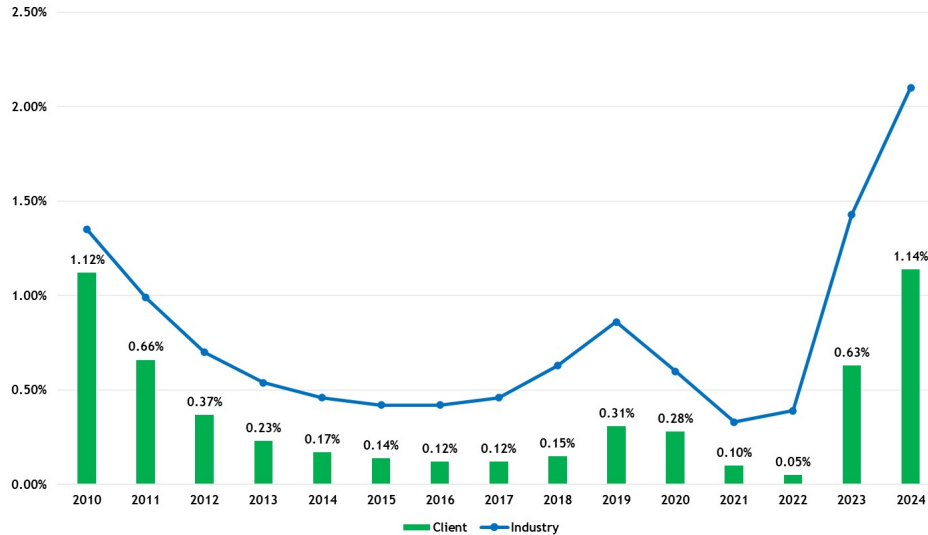
# Service Income per Branch



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## Case Study Bank vs. The Industry

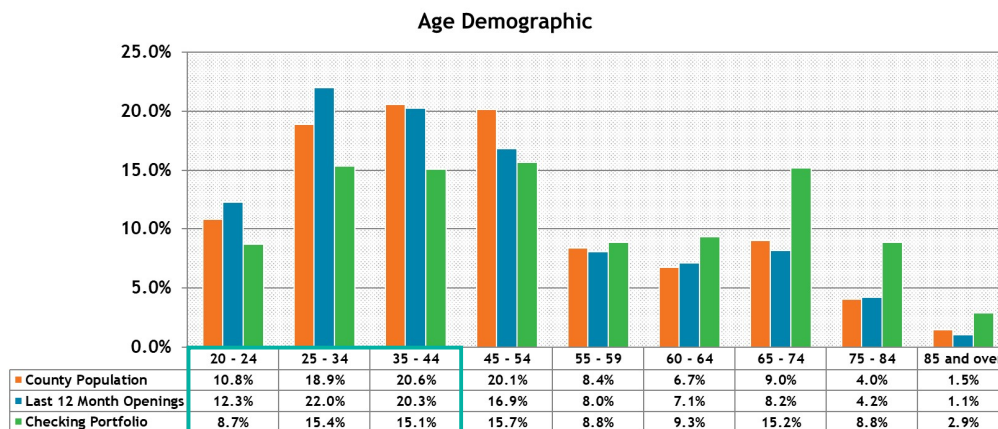
# FDIC Trends: Cost of Funds



13

## Case Study Bank

# Retail Checking Age Demographics



54.6% of openings in previous 12 months are under age 44.  
That compares to 39.2% of portfolio and 50.3% of the county population in that age segment.

14





15

Today's Reality = Uncertainty

## What is Most Pressing?

1. Net interest margin pressures and deposit competition
2. Cybersecurity and fraud risk
3. AI and technology modernization costs
4. Talent shortages
5. Regulatory and policy uncertainty
6. Digital currency expansion (stablecoins/crypto)

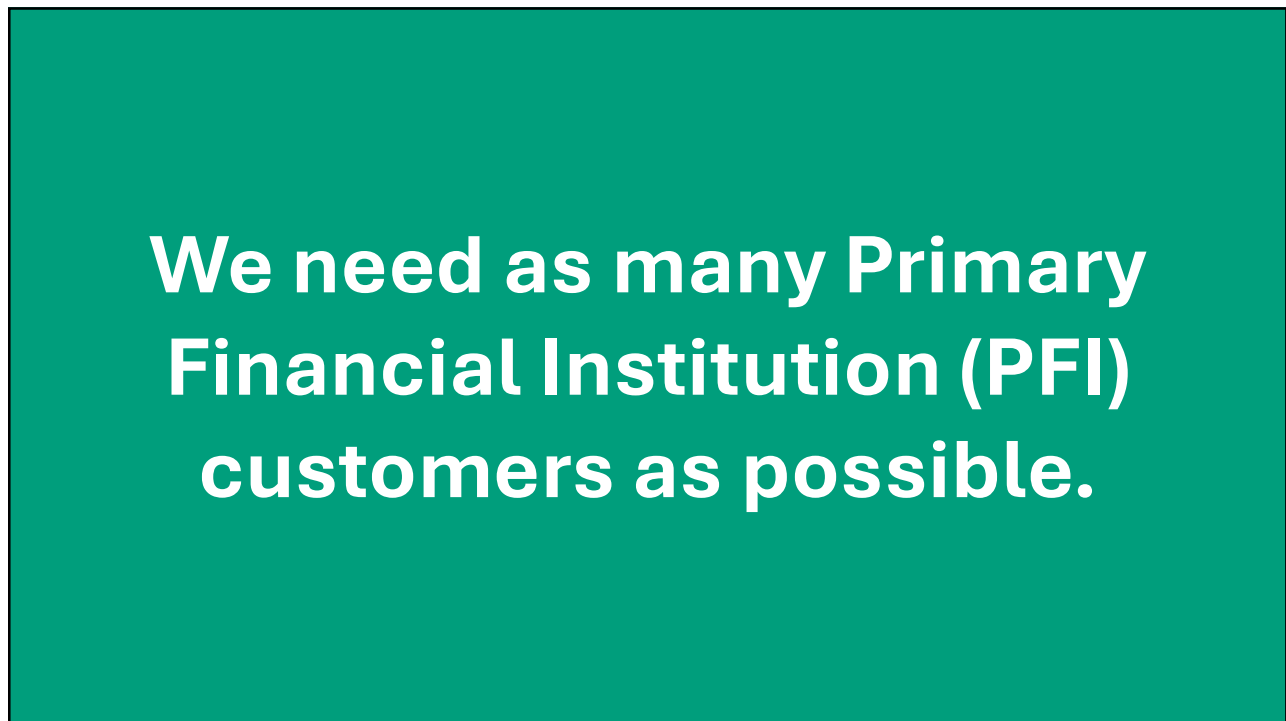


16



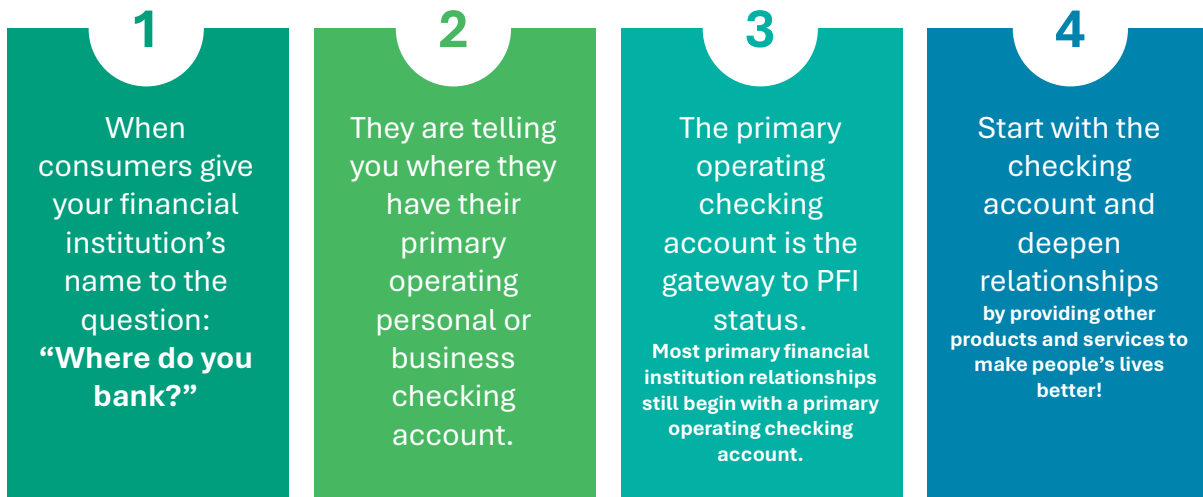


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18

## When Do You Have a PFI Customer?



19

## Why Checking First?



**69%**

First consumer product is checking



**52%**

First business product is business checking



**28%**

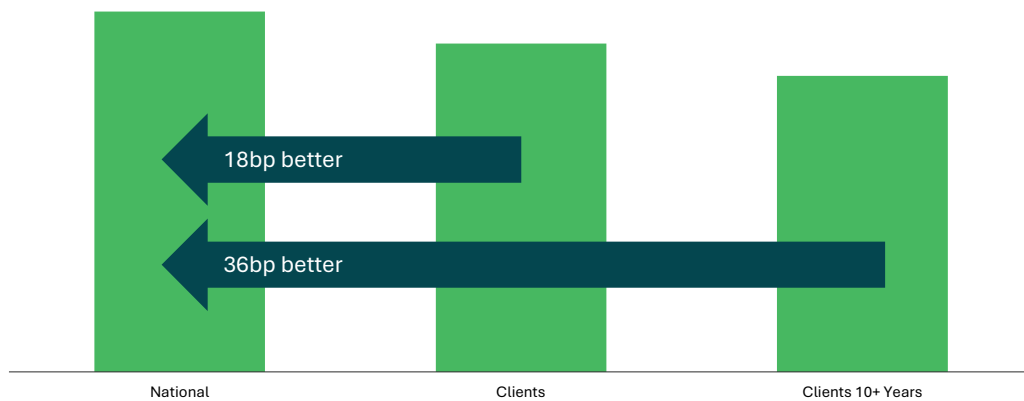
First relationship at a business household is consumer checking

*Source: 2024 Client Data*

20

Clients vs. the Industry

## Cost of Funds



21

## Core Beliefs



22

## Total Net Present Value of the Relationship



Source: Cross-Sell is Client Data – 2024 reported in 2025

23

What needs to happen to lead change and drive growth?



24

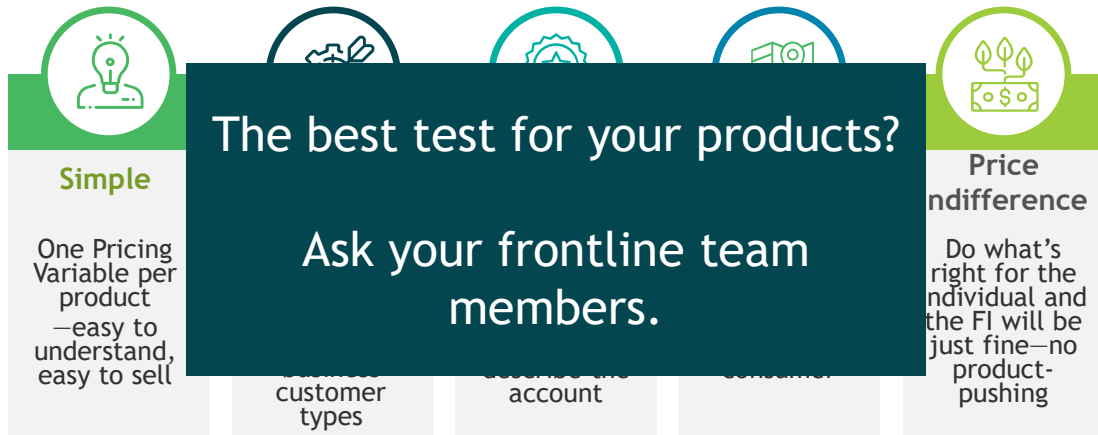


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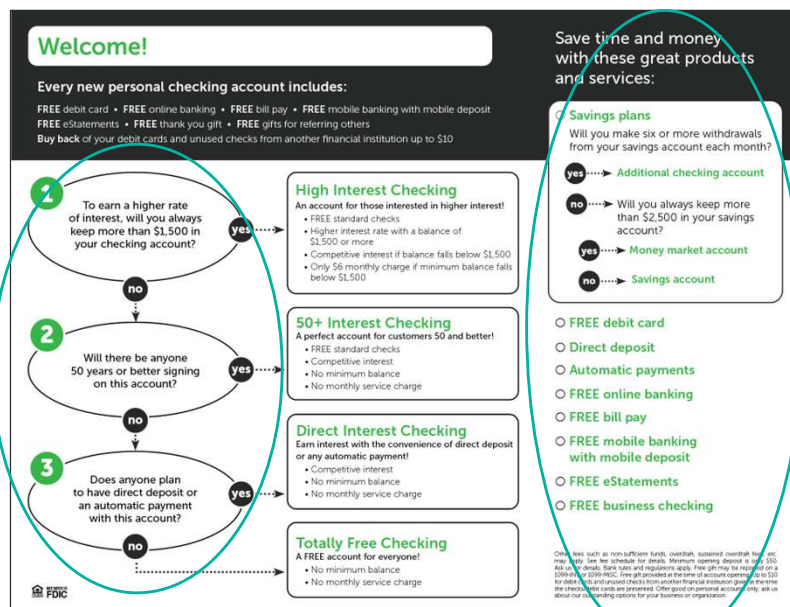
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## Keys to Good Product

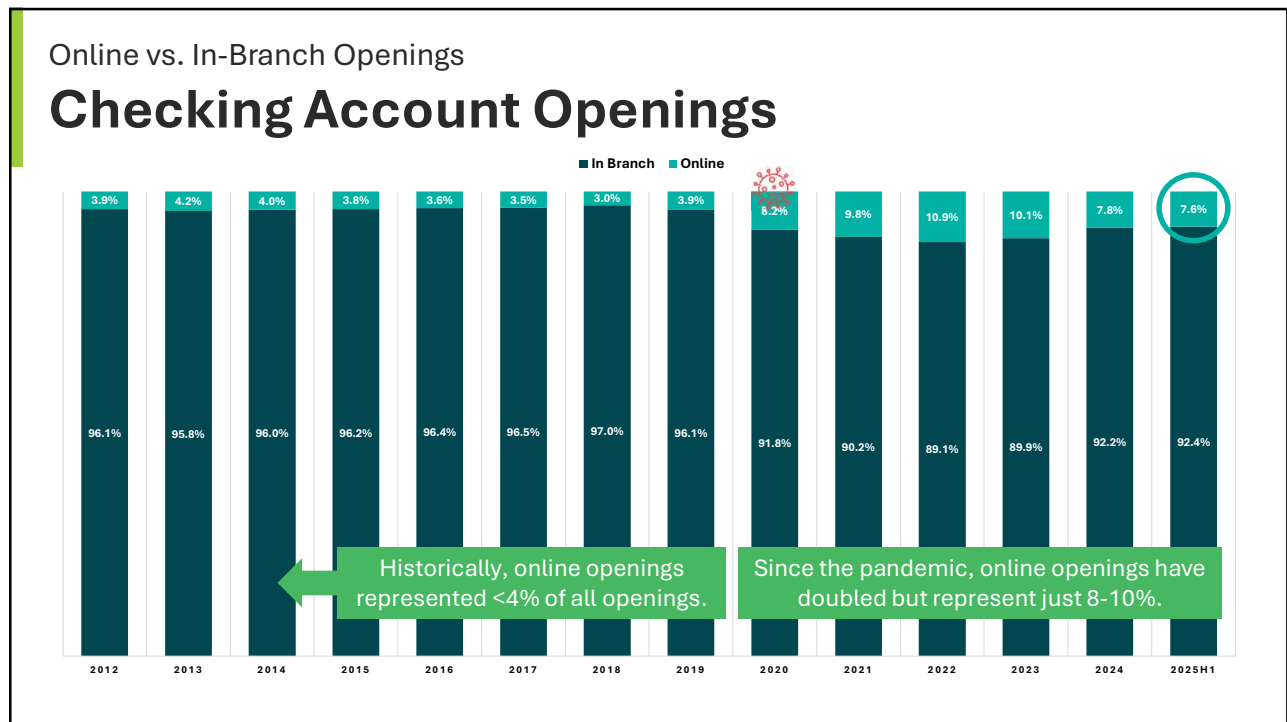


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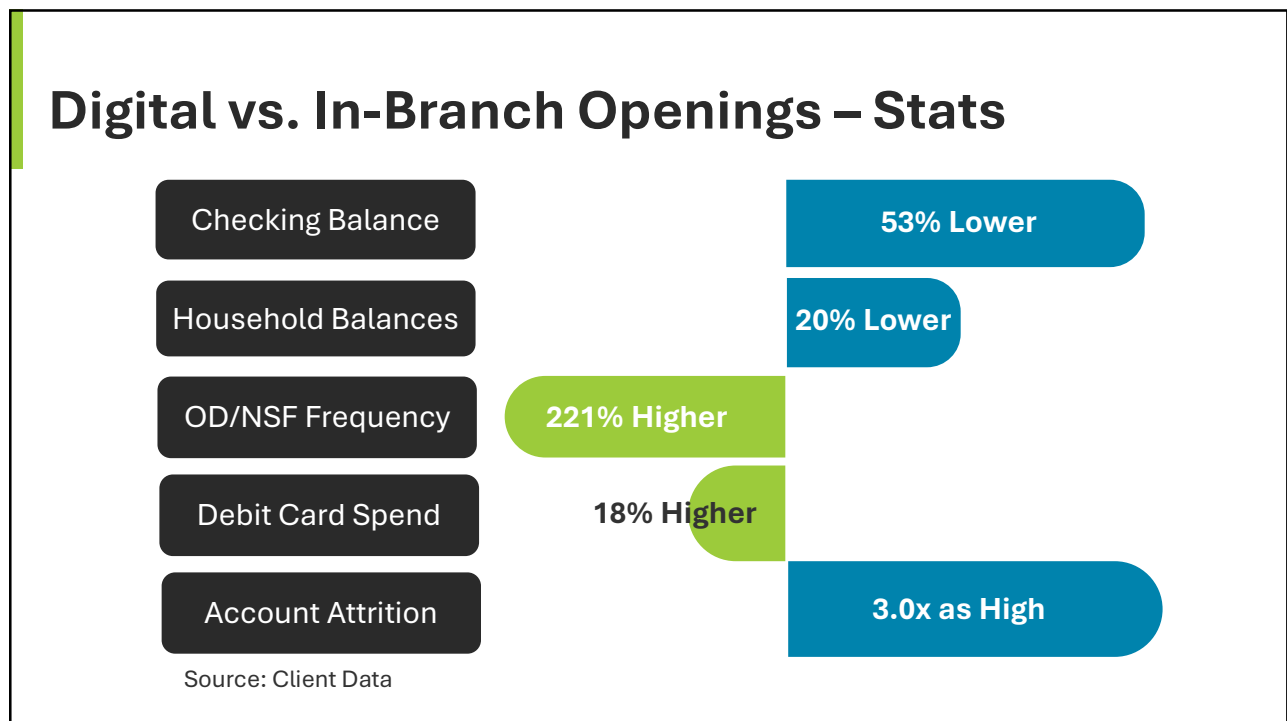
## Product with a defined customer engagement process utilized by your team.



28



29



30



# Creative Approaches to Growth

31

## Case Study One

### The Marketing Piece – Interest Rate Strategy

Earn more green in your stocking  
with our Premium Interest Checking!

**2.27% APY<sup>†</sup>**

This holiday season, we're putting your money to work with Premium Interest Checking. Giving you all the great features and paying you a competitive APY just because.

**TWO RIVERS**  
Bank & Trust  
Member FDIC

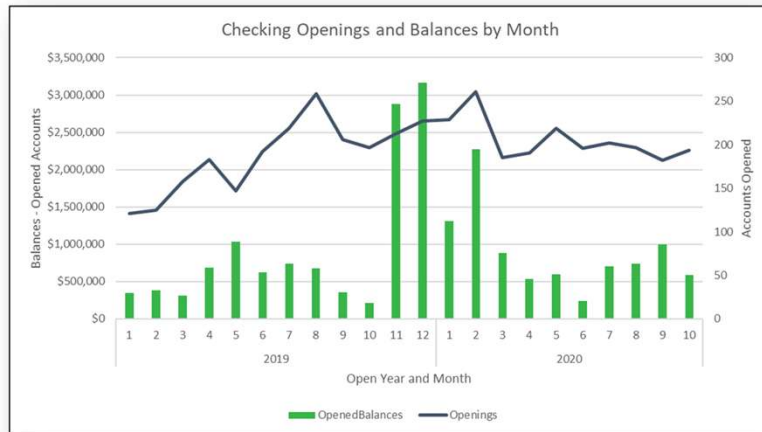
The advertisement features a festive theme with a background of a yellow-to-blue gradient. On the right, a close-up of Santa Claus's face is shown, wearing his traditional red suit and white beard, holding several US dollar bills in his white-gloved hands. The text on the left is white and yellow, providing details about the bank's Premium Interest Checking account and its 2.27% APY. The Two Rivers Bank & Trust logo is at the bottom left, including the Member FDIC designation.

32

## Case Study One

# Openings Trends

- Marketing dropped in November 2019.
- Significant jump in balances** for November – February.
- Openings for August – October were essentially equivalent to openings from November – January.
- Take-Away: **A no strings attached offer can drive deposit growth.**



33

## Case Study One

# Openings Trends Continued

Time Frame	Total Openings	Total Balances	Avg Balance	High Interest Opens	High Interest Avg Bal	High Interest % of Opens
3-months pre	662	\$1,245,339	\$1,881	31	\$12,260	4.7%
3-months post	669	\$7,359,581	\$11,001	114	\$54,772	17.0%
% Change	1.1%	491.0%	484.8%	267.7%	346.8%	263.9%

\* Pre = August, September, October

\* Post = November, December, January

- Openings pre and post = **virtually identical**.
- Large jumps in total balances** and **average balances** with the offer.
- High Interest Checking account: larger percentage of openings, much higher average balances.
- 103 accounts** with more than **\$4 million in balances, matched back to the mailers**.
- Started lowering the rate in Q4 of 2020 – 92 of those accounts, representing \$3.8 million in balances, were still open.

34

## Case Study Two

# The Marketing Piece

Note the focus on the Premium Interest Checking account and the special rate offer for new CDs.



35

## Case Study Two

# Openings Trends

- Same-timeframe analysis shows a **377% increase in openings** and a **241% increase in deposits** in the Premium Interest checking account.
- 334 CDs were opened** in Premium Interest households between 10/9 and 12/31. Of these, 129 were opened in a household where the Premium Interest account opened after 10/9.

	Premium Interest Openings	Premium Interest Deposits
10/9/2023-12/3/2023	105	\$ 729,717
8/14/2023-10/8/2023	22	\$ 214,057
<b>Total Difference</b>	<b>83</b>	<b>\$ 515,661</b>
<b>% Increase</b>	<b>377%</b>	<b>241%</b>

CD Openings after 10/9 in Premium Interest Accounts (10/9/23 - 12/31/23)		
Match	TotalOpen	TotalAvgBal
In All Premium Interest Accounts	334	20,468,065.50
In Premium Interest Accounts Opened after 10/9	129	9,159,190.56

36

## What Do Business Owners Want?



Simplicity



Predictable,  
understandable  
costs



No nuisance or  
unexplained  
charges

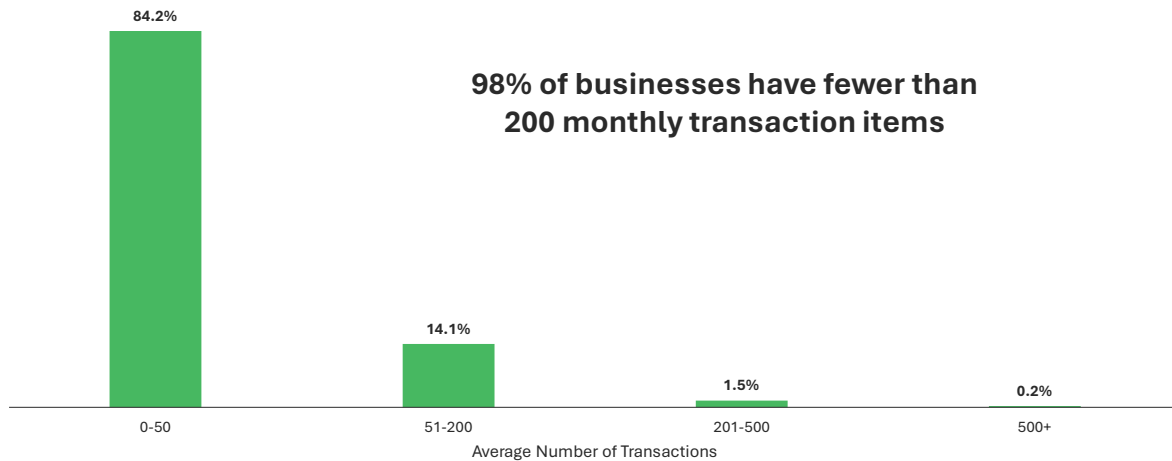


Recognition of  
their value as a  
customer

37

Clients

## Business Checking Stratification



38

Clients

## Business Checking Stratification

Average # of Transactions	Average Balance	Net Interest Income at 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

39

Case Study

## Business Product Changes

- In 2024, a **larger bank with a significant portfolio** of business customers decided to **change business product** with the goal of enhancing Treasury Management product sales
- Prior to the product changes, the bank **offered more than 1,000 free monthly transaction items**; this **number was significantly reduced**
- Following the changes, new business checking openings **dropped by 10% in 2025**
- Overall **balances** in the accounts **were also 3.9% less** than in the prior year
- Conclusion = **Product matters**

40



41

## Remove Barriers

- Do your policies create or remove barriers?
  - “Does my spouse need to be here?”
  - “What forms of ID do I need?”
- Do you pre-screen customers in order to qualify for an account?

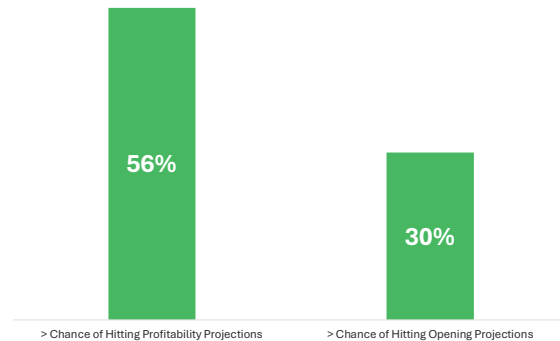
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ChexSystems

## Comparison of Clients Screening vs. Not

### Impact on Year One Openings:

- 56% better performance vs. proforma projections
- 30% better to projected incremental accounts

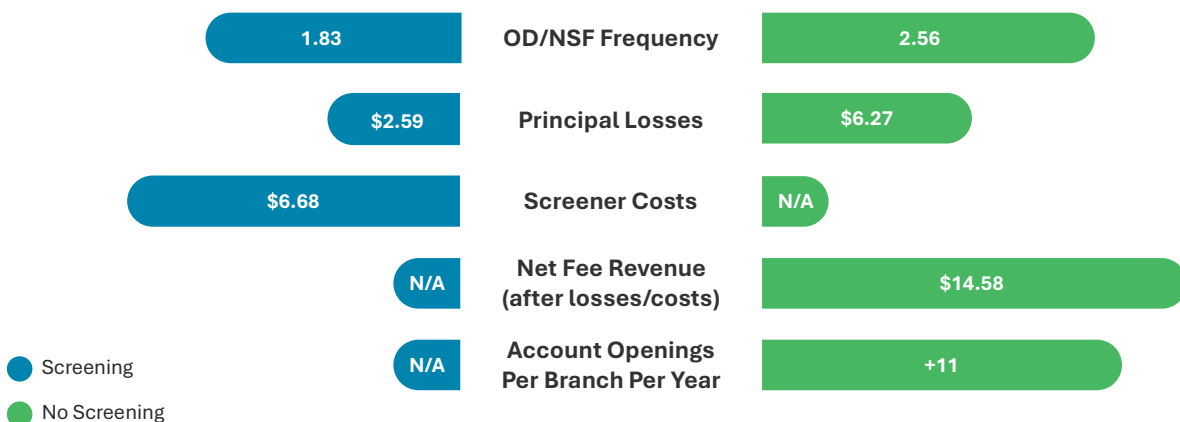


Performance vs. Proforma:  
Non-Screening vs. Screening

43

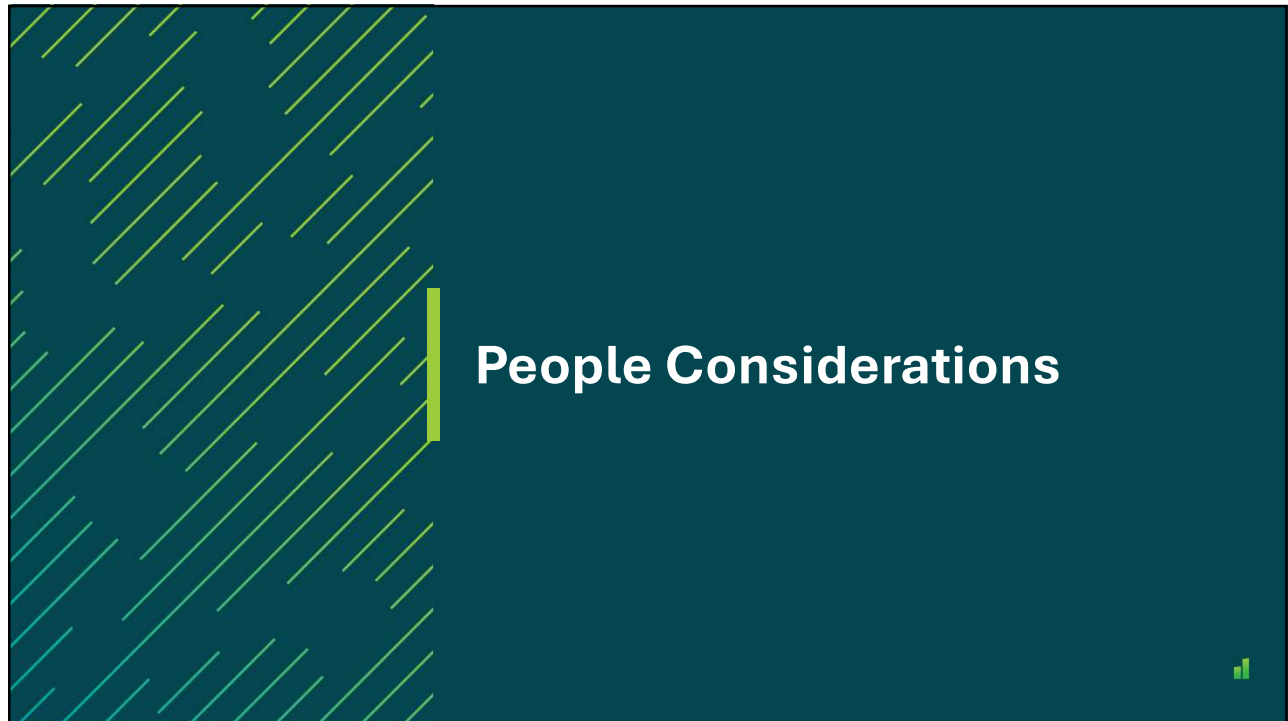
Client Data

## Account Screening vs. No Account Screening



44





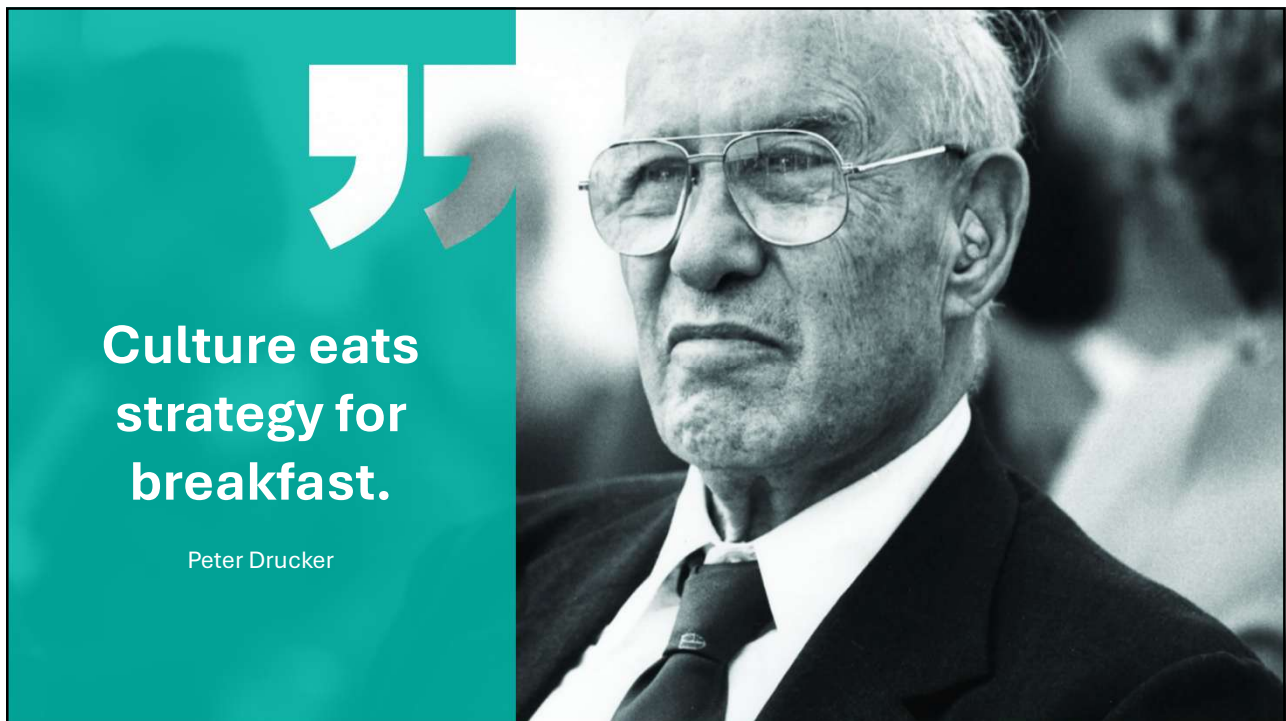
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46



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48



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

49



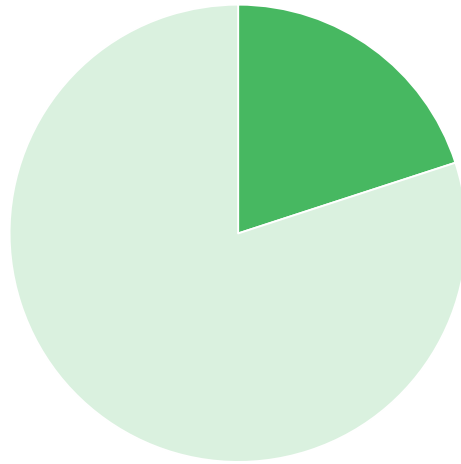
Before you can have an effective strategy, it must first become your **culture.**

50

## Managers are the key, but...

**80%**

**Not equipped with the  
skills to lead**



51

## High Payoff Activities



### WEEKLY TEAM MEETINGS

Weekly meetings drive Team Member recognition, education, communication and motivation.



### CHECK INS

10-15 minute monthly meeting between Team Leaders and Team Members individual meetings to enhance Team Member's growth, relationships and motivation.



### SALES PRESENTATION CERTIFICATION

Every month Team Leaders provide immediate feedback and guidance regarding sales presentations.



### OBSERVATION COACHING

Coaching "in the moment" is designed to reinforce previous training and refine skill development of Team Members.



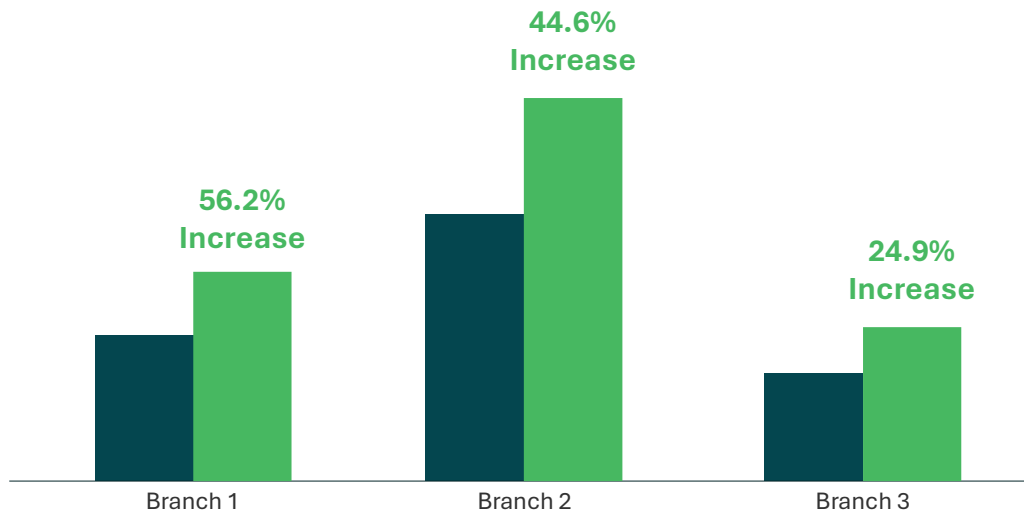
### ONE-TO-ONE COACHING

Quarterly, planned meetings between Team Leaders and Team Members designed to focus on growth opportunities and uncovering additional potential.

52

Case Study

## Manager Impact on Customer Growth



53

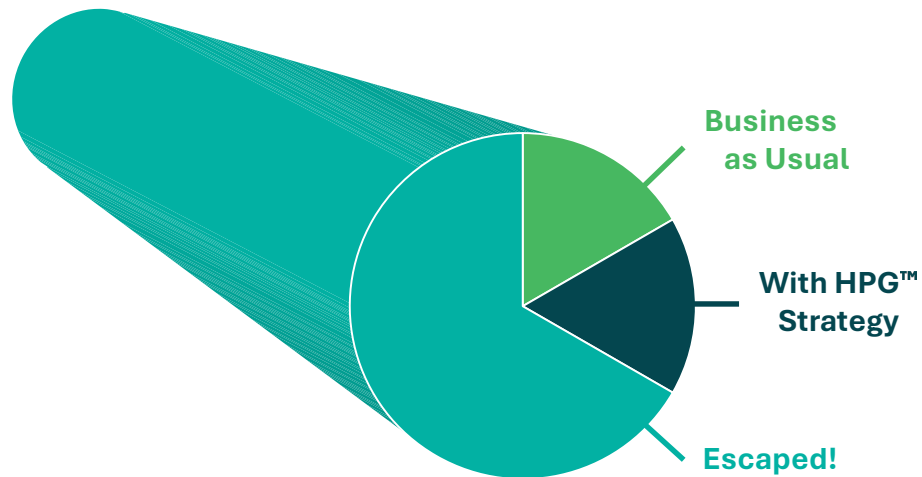
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## Promotion (aka, Marketing) Considerations



54

## The Pipeline

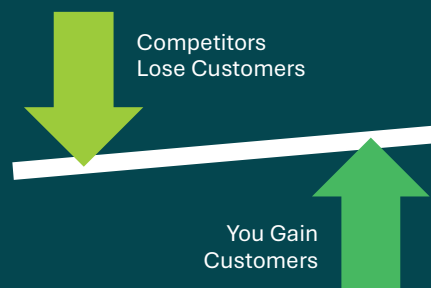


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## No One Wants to Switch, BUT...

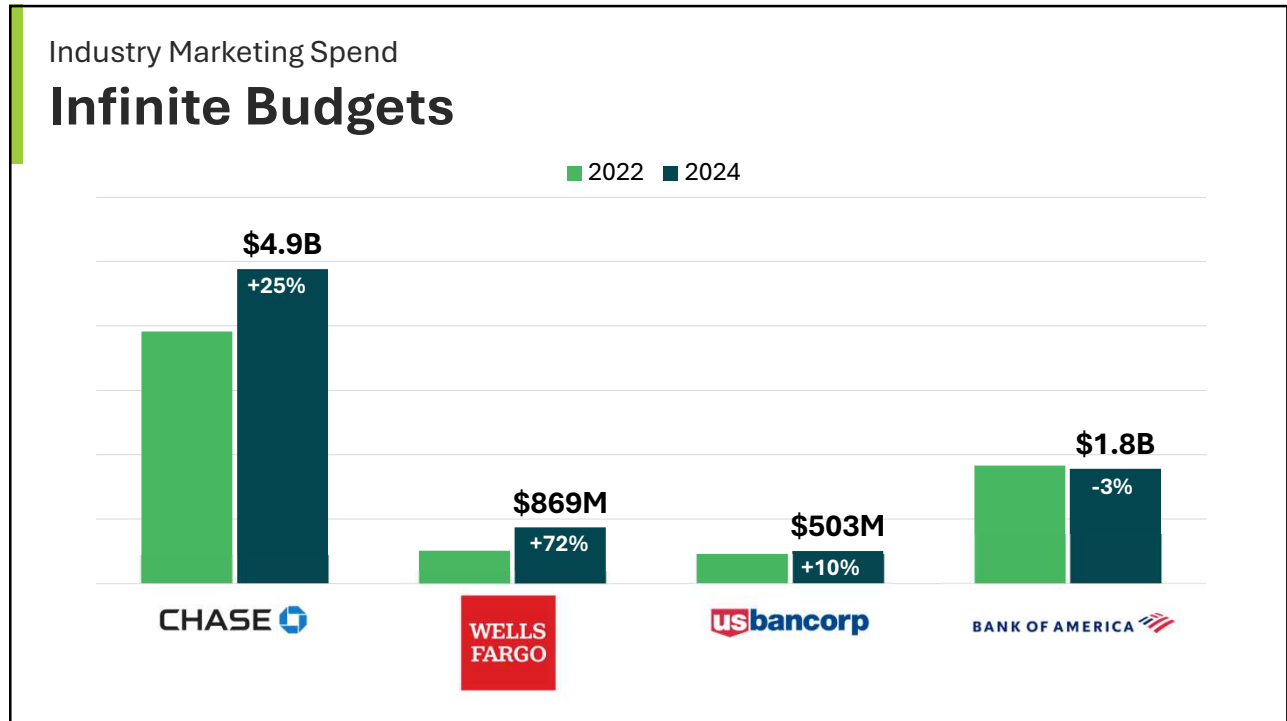
In a given year, about  
**8%-12%**  
of households and  
businesses change banks.

### Fixed Market Reality



56





57

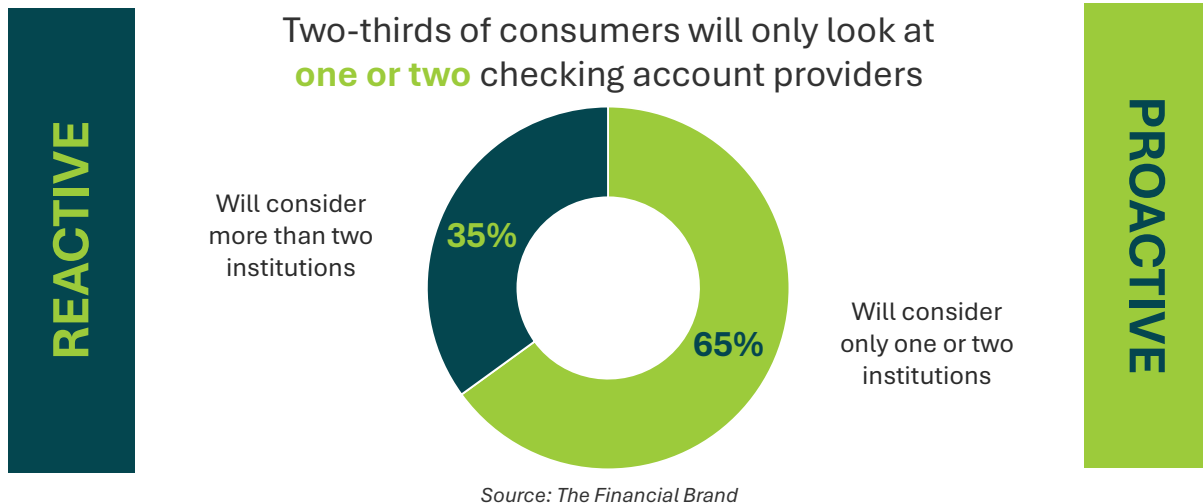


58



PFI Outreach

## A Different Marketing Strategy



59

## Strategically Growing PFI Customers

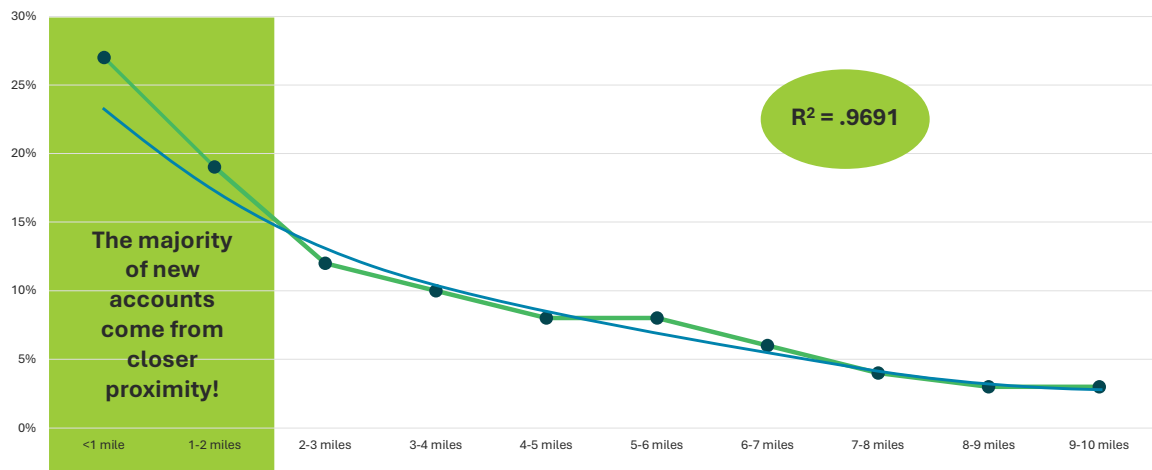


**All of this is directed to the right audience!**

60

## Account Openings by Proximity

# Convenience Is Important



61

## Chase – Marketing AND Adding Locations



Lincoln, NE




New York, NY

62

## Defining Convenience

# Demonstrated Convenience

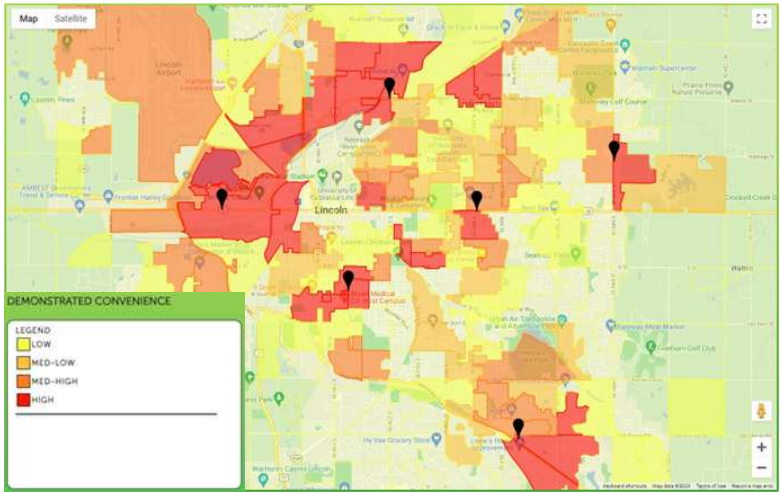
They are the neighbors or businesses next to the customers who already bank with you.  
They live around or have businesses near your branches.



63

### Driving More Traffic

## Demonstrated Convenience




64

Defining Convenience

# Predicted Convenience

Includes market penetration and competitor analysis plus GPS data for people who work around, walk, shop, eat or drive by your branches with regularity.

**MobilePredict**

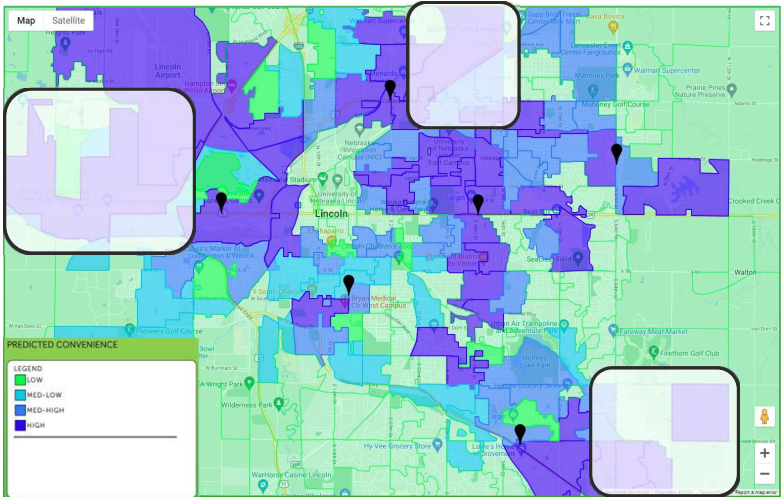


65

Driving More Traffic

**Predicted Convenience**

**MobilePredict**



66

## Convenient Locations

We're in your neighborhood.

Local banking for where we live, work, and play.

Open your account today!

(800) 971-4671  
FirstCommunityBank.com  
Stop by your nearest branch today!



## Showcase Technology

Convenient and Free at every location

**Castleton**  
6245 Alameda Road  
Indianapolis, IN 46250  
ATM: drive-up

**Geist**  
11715 Fox Road, Suite 100  
Indianapolis, IN 46026  
ATM: drive-up

**Greenwood**  
2011 Emerson Avenue  
Greenwood, IN 46043  
ATM: drive-up

**Lawrence**  
7101 E. 86th Street  
Indianapolis, IN 46226  
ATM: walk-up

**Lawrence**  
(located within Major General Emmett J. Bean Building)  
Check website for current hours of operation due to COVID-19  
ATM: within the building

**Kokomo**  
1925 S. Dixon Road  
Kokomo, IN 46902

**Stop 11**  
1301 E. Stop 11 Road  
Indianapolis, IN 46227  
ATM: drive-up

**Park 100**  
5501 W. 86th Street  
Indianapolis, IN 46226  
ATM: walk-up

In branch, online or on your device!

800.473.2326  
www.fcba.com



### The South Shore's Best

Does your bank...

	Coastal Heritage Bank	Your Bank
Offer a <b>FREE</b> checking account with no opening deposit?	YES	?
Offer your <b>FREE</b> gift when you open a new checking account?	YES	?
Buy back your debit card and avoid charges from your old bank?	YES	?
Offer a <b>FREE</b> business checking account for your business or retirement organization?	YES	?

If you answered NO to any of these questions, it's time to switch to Coastal Heritage Bank!



## Great Products & Better Pricing

67

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ATM: walk-up

In branch, online or on your device!

800.473.2326  
www.fcba.com



## Consumer Study:

- **72%** regularly read or look at ads in the mail
- Spend **1.6 minutes** with direct mail ad vs 1.1 minutes for digital ad
- **58%** find direct mail trustworthy; **67%** in terms of privacy concerns
- **60%** say direct mail is easy to remember when making a purchase (vs. 44% for digital ads)

“What gives print ads their edge...is they are more effective at leaving a lasting impression.”

Dr. Martin Block

Financial Brand, June 2024

### The South Shore's Best

Does your bank...

	Coastal Heritage Bank	Your Bank
Offer a <b>FREE</b> checking account with no opening deposit?	YES	?
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## Great Products & Better Pricing

68



## Omnichannel Marketing

# Proactively Reaching Prospects

Every new checking account includes:

- FREE Debit Card
- FREE Online Banking
- FREE Mobile Banking with Mobile Deposit
- FREE eStatements with online bill transfer
- FREE Bill Pay

Borrowing is better at Anderson Brothers!

- Local Lending Process | Quick Solutions
- Easy Fixed Payments | Low Credit Options Available

Visit ABBank.com or TEXT APP

Your Personalized Banking Experience Awaits with Free Rewards Checking

- Free 1st
- No min
- Up to \$5
- Free gas
- \$100 cash bonus

Open an account today to win a Collapsible V...

Member FDIC | Equal Housing Lender

FAMILY SINCE 1933

Reactive 35% will consider more than two institutions

Proactive 65% will consider one or two institutions

69

## The Next Step – Persona Messaging

Member FDIC 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

**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

**FREE** Debit Card or Business Debit Card And More!

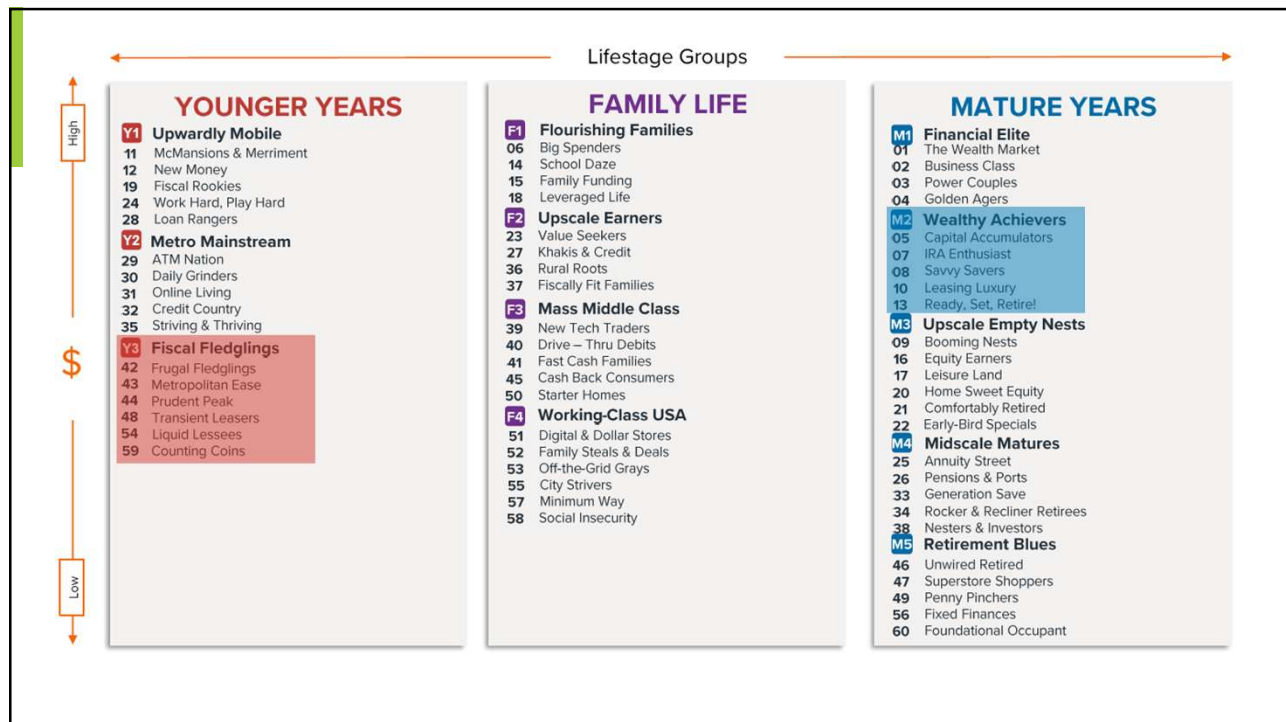
Open Online at **FirstState.Bank** or

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

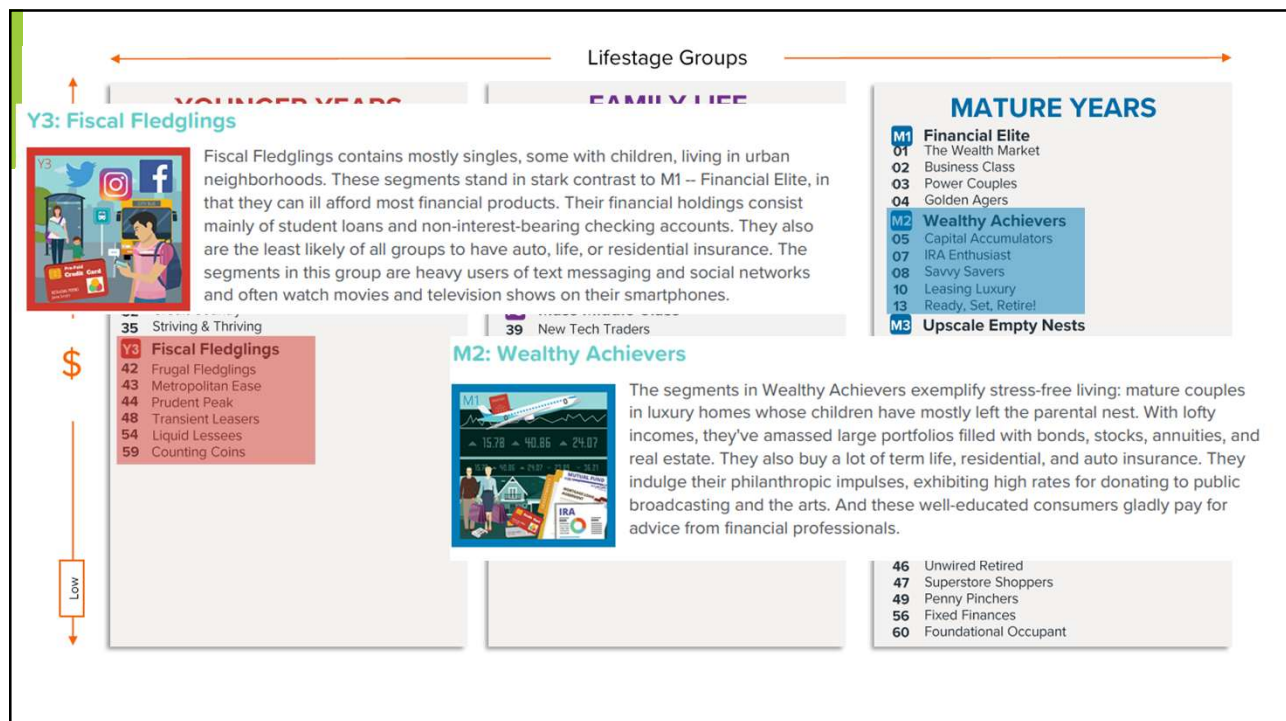
First State Bank.

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 a other checking product. Minor 13-17 Joint Ownership of parent or guardian required. Opening online available for personal accounts only.

70



71



72




Leverage Big Data for Messaging

## Persona Precision

*Segment existing households to better understand what messaging will resonate with prospects*


- High Yield Checking = Wealthy Achiever
- Totally Free Checking = Fiscal Fledglings



**CHECKING TO FIT YOUR NEEDS**

**Totally Free Checking**  
A FREE account for everyone

- No minimum balance
- No monthly service charge

 **Open a Checking Account Now**

**Direct Interest Checking**  
An interest-earning account with the convenience of direct deposit or any automatic payment

- Competitive interest
- No minimum balance
- No monthly service charge

**50+ Interest Checking**  
A perfect account for customers age 50 and better

- FREE standard checks - one box annually
- Competitive interest
- No minimum balance
- No monthly service charge

**High Yield Checking**  
An account for those interested in higher interest

- Unlimited FREE standard checks
- Higher interest rate with a balance of \$1,500 or more
- Competitive interest if balance falls below \$1,500
- Only \$10 monthly charge if minimum balance falls below \$1,500

Member FDIC. Minimum opening deposit is \$50. Ask banker for details. Bank rules and regulations apply. Other fees such as non-sufficient funds, overdraft, sustained overdraft fees, etc. may apply. See fee schedule for complete details.


73

Leverage Big Data for Messaging

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A FREE account for everyone

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- No monthly service charge

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A perfect account for customers age 50 and better

- FREE standard checks - one box annually
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**Direct Interest Checking**  
An interest-earning account with the convenience of direct deposit or any automatic payment

- Competitive interest
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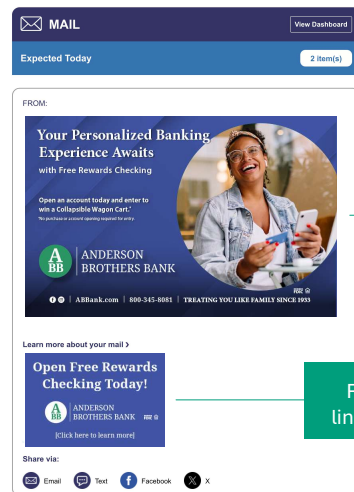
Member FDIC. Minimum opening deposit is \$50. Ask banker for details. Bank rules and regulations apply. Other fees such as non-sufficient funds, overdraft, sustained overdraft fees, etc. may apply. See fee schedule for complete details.

74

## Informed Delivery

- Basic service provided by USPS with almost 75+ million users
- Residential consumers receive an email preview of incoming mail
- Enhanced through full-color images; achieves priority positioning

Year	Emails Sent	Emails Opened	Email Open Rate
2024	321,798	194,491	60.44%
2025	181,435	109,618	60.42%



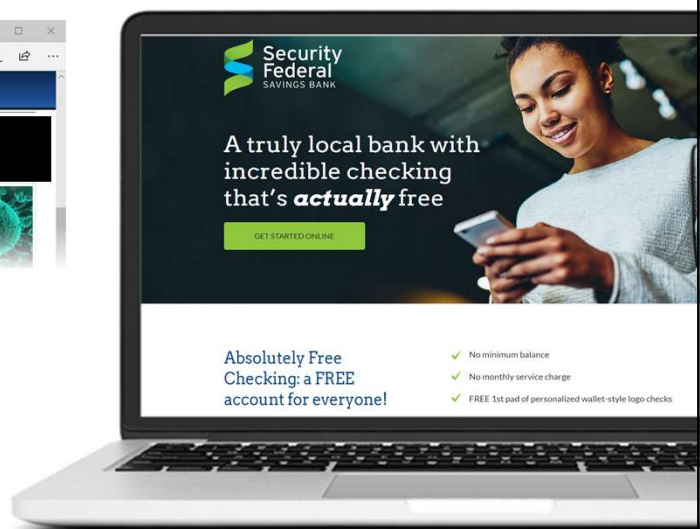
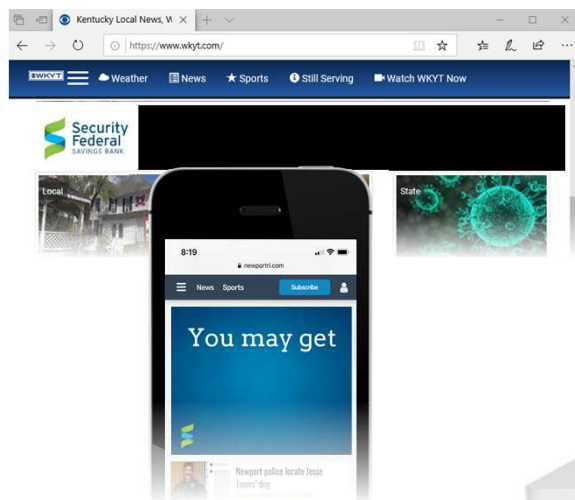
Mail piece image

Ride along image links to landing page

75

## Digital Marketing

### Animated Display



76

## Display Ad Types



### Product

Promote a specific compelling product  
(e.g., Free Checking)

### Brand

Build awareness and name recognition  
(e.g., Serving your community for 80+ years)

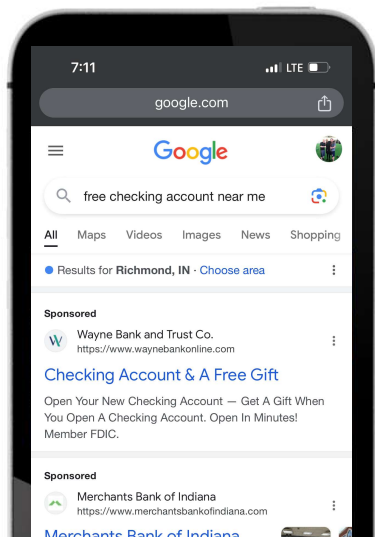
### Unique Selling Proposition

Highlight what makes you special  
(e.g., Great mobile app)

77

## Omnichannel Marketing - Search Ads

## Reactively Reaching Prospects



Reactive  
**35%**  
will consider  
more than two  
institutions

Proactive  
**65%**  
will consider one or two  
institutions

78

Stack Rank

## Households and Businesses in Your Markets

### Demonstrated Convenience Opening Activity Score

Predicted Convenience  
Mobile Predict™ Score

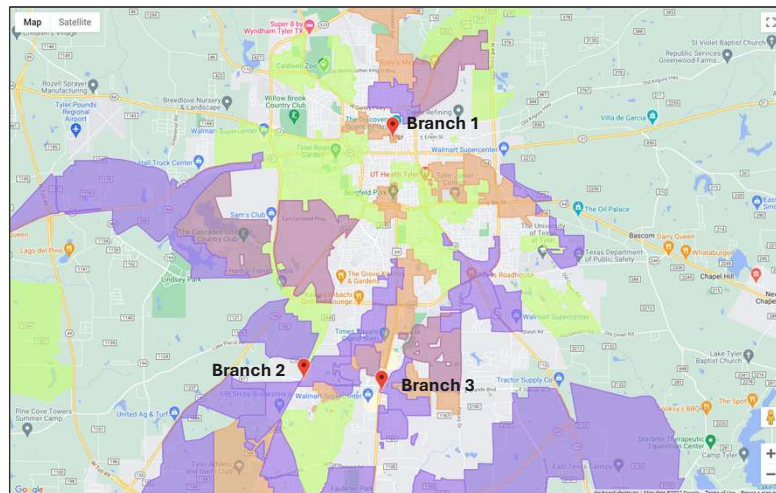
	0	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	501	23,042	2,327	7,508	2,100	2,203	1,093	360	848	255	400	365	82	41,084
1		27,162	9,247	961	174									37,544
2		16,262	13,007	5,064	1,541					440				36,314
3	1,525	14,270	10,003	11,412	1,936	578								39,724
4		11,914	12,622	7,712	1,509	713	827							35,297
5		8,283	11,726	10,394	1,925	1,155		345						33,828
6		5,836	10,661	12,556	1,332	1,060		98						31,543
7	648	3,275	14,652	4,597	3,850	979	2,239	568	710	304	484			32,306
8	660	8,138	5,725	5,584	3,837	2,256	2,289	487	490	394	495			30,355
9	711	5,326	7,779	6,633	3,055	1,178	2,577	890	443	591		425		29,608
10		5,970	3,785	7,792	568	1,897	3,936	1,344	1,164	918	419			27,793
11		2,863	5,109	4,122	398	3,258	3,426	1,284	1,968	2,534	202	439		25,603
12		1,958	4,830	1,484	1,890	3,052	3,157	516	1,181	129	623	1,103		19,923
Total	4,045	134,299	111,473	85,819	24,115	18,329	19,544	5,892	6,804	5,565	2,623	2,332	82	420,922

Sample Client: 170,000+ Prospects in High-Performing Neighborhoods

79

## Dynamic Shift of Prospect Targets

- Demonstrated and Mobile Predict™ Convenience
- Demonstrated Convenience
- Mobile Predict™ Convenience
- Marketing Paused



80

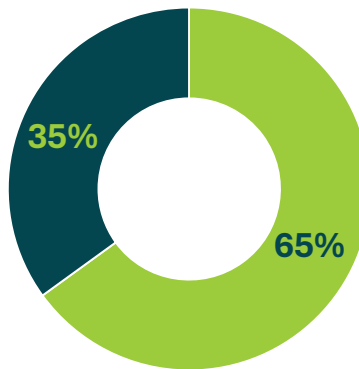
PFI Outreach

## A Different Marketing Strategy

REACTIVE

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

Will consider  
more than two  
institutions



Will consider  
only one or two  
institutions

PROACTIVE

Source: The Financial Brand

81

It isn't what we don't  
know that gives us  
trouble...

it's what we think we  
know that just ain't so!



82

## Put Today's Session to Work

### ❑ Products & Processes

- ❑ **Gather Frontline Feedback** on product usability and customer perception
- ❑ **Consider Unique Product** offerings to drive deposit growth

### ❑ Policies

- ❑ **Review CIP** procedures to reduce friction
- ❑ **Evaluate Screening Denials** to identify opportunities

### ❑ People

- ❑ **Assess Organizational Alignment** between team activities and strategic goals
- ❑ **Audit Management Effectiveness** by measuring leadership coaching frequency and quality

### ❑ Promotion

- ❑ **Utilize Data Analytics** to ensure targeting is precise and effective
- ❑ **Test and Refine Messaging** to confirm relevance and resonance

## Your 90-Day Action Plan

83



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84