

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

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President

Friday, February 13, 2026



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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



Session Objectives

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

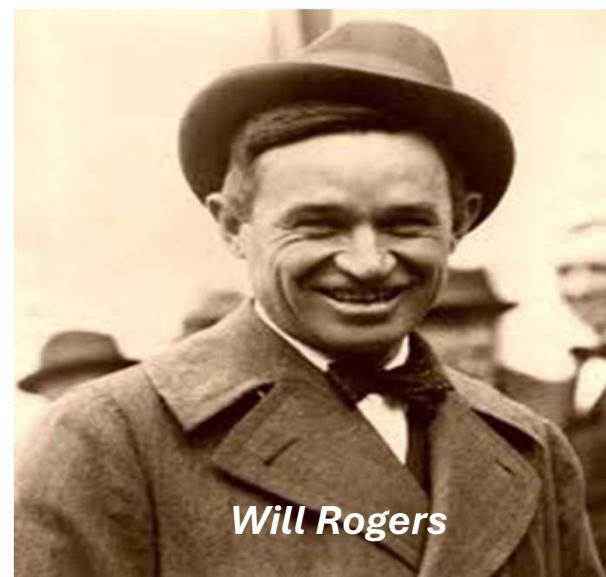
4

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



A Case Study

7

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

Community Banks

average

1,300

customers per branch

Case Study Bank

averages

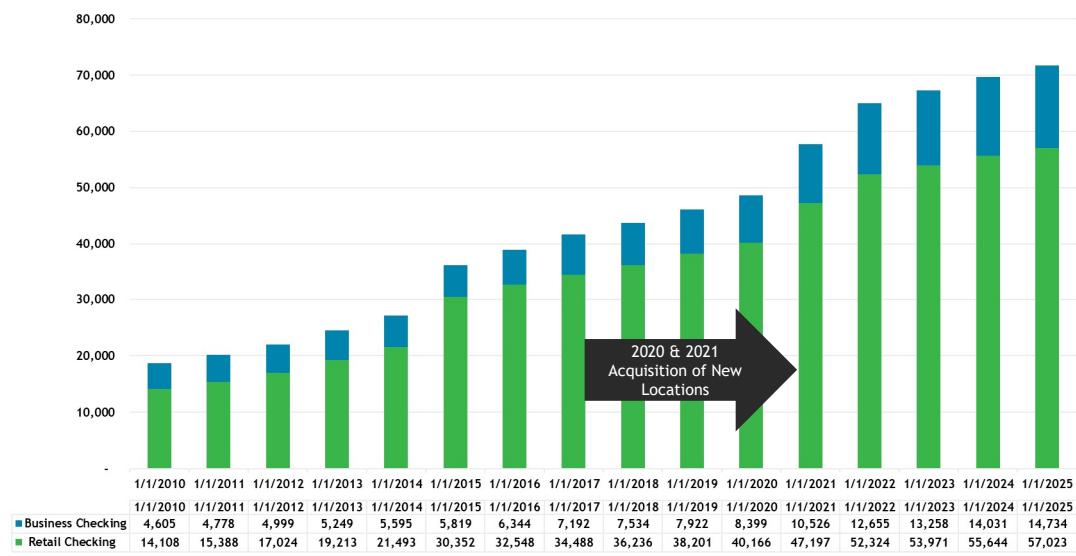
2,870

customers per branch

9

Case Study Bank

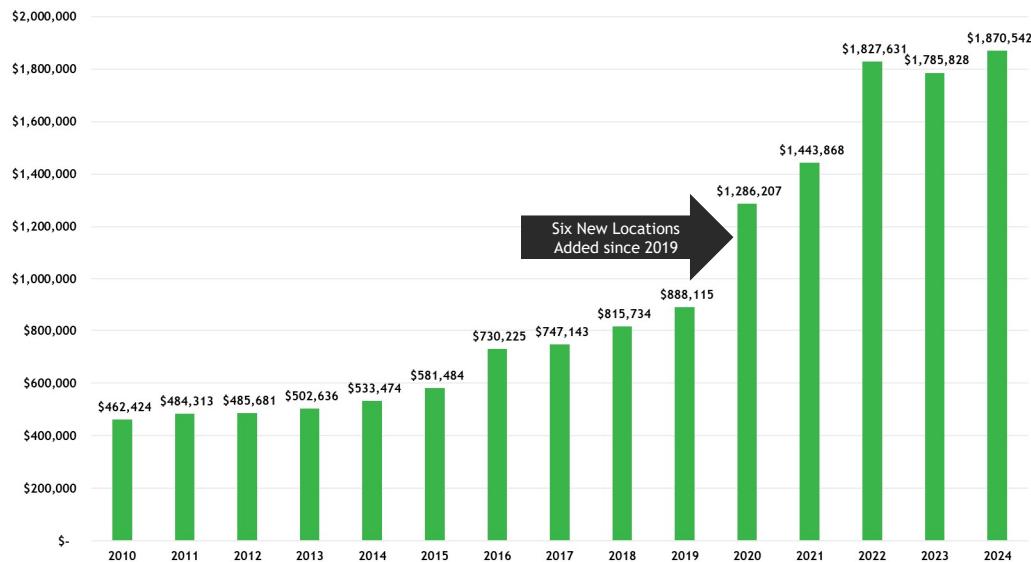
Checking Portfolio Trends



10

Case Study Bank

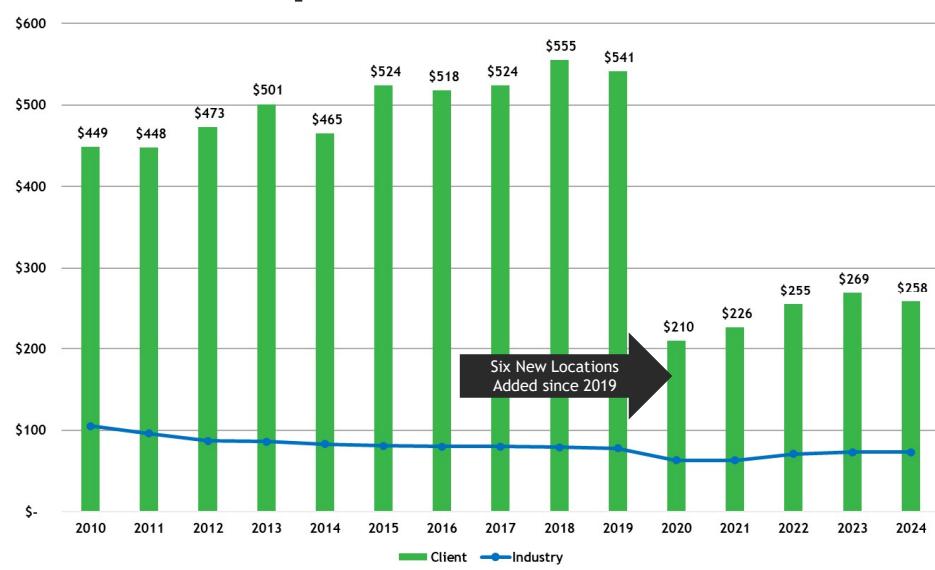
FDIC Trends – Core Deposits



11

Case Study Bank vs. The Industry

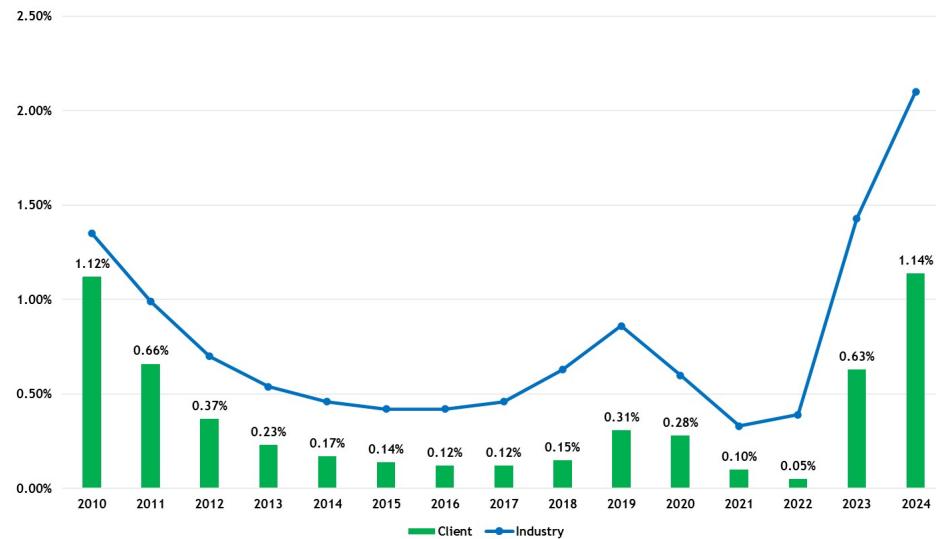
Service Income per Branch



12

Case Study Bank vs. The Industry

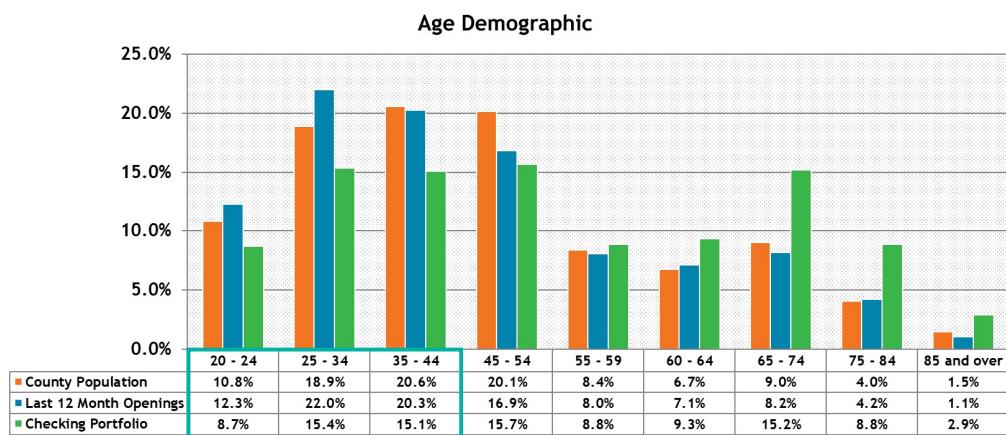
FDIC Trends: Cost of Funds



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.

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The More Things Change – The Current Environment

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)



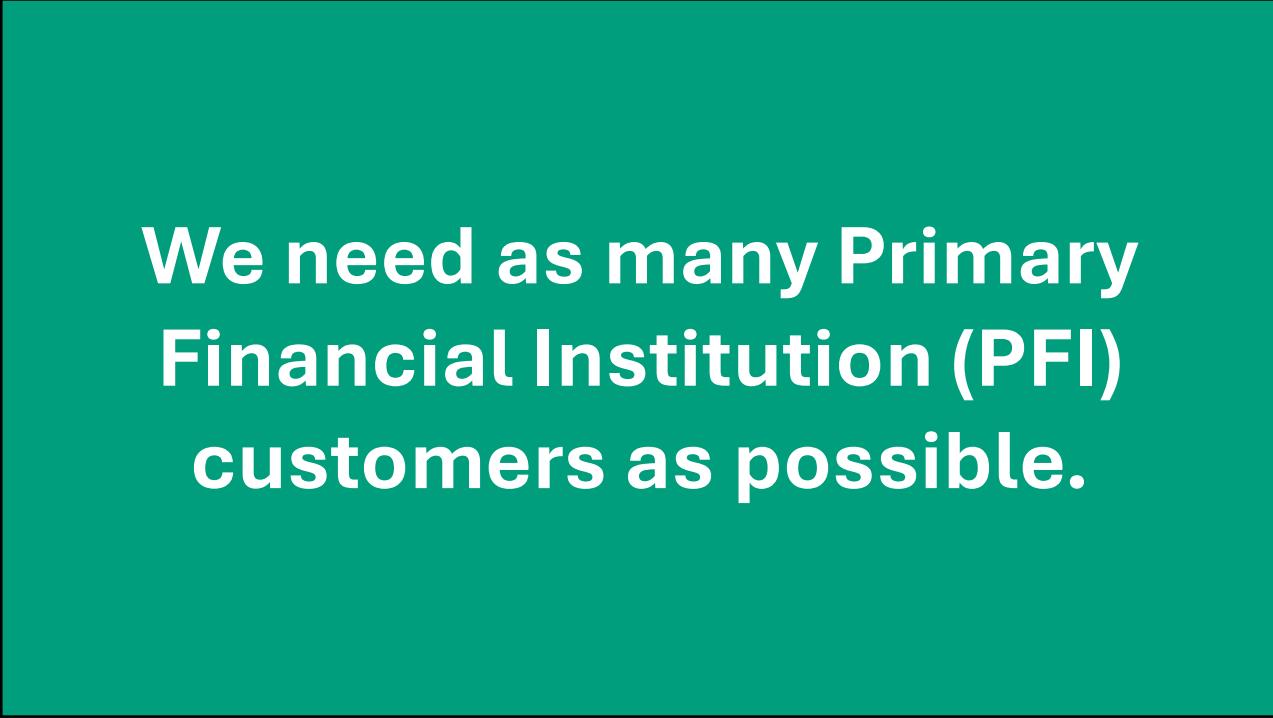
Stablecoin

16



The More They Stay the Same – Blocking and Tackling

17



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

18

When Do You Have a PFI Customer?

1

When consumers give your financial institution's name to the question: **"Where do you bank?"**

2

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

3

The primary operating checking account is the gateway to PFI status.
Most primary financial institution relationships still begin with a primary operating checking account.

4

Start with the checking account and deepen relationships by providing other products and services to make people's lives better!

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Why Checking First?



69%

First consumer product is checking



52%

First business product is business checking



28%

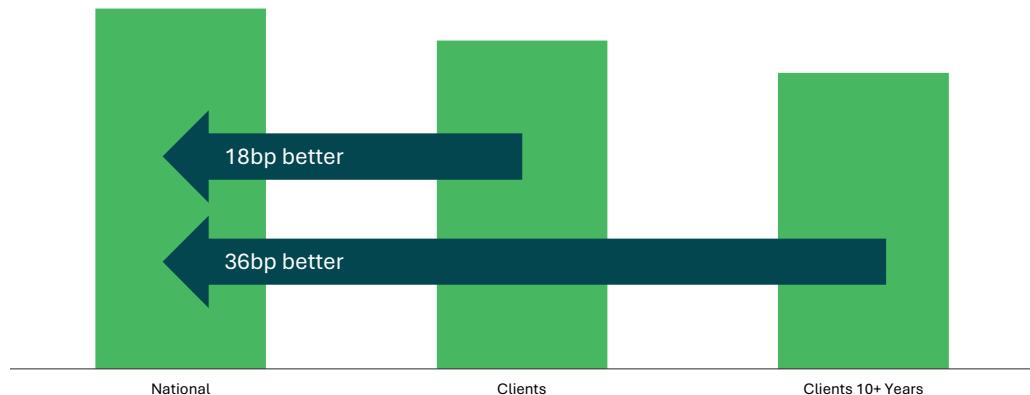
First relationship at a business household is consumer checking

Source: 2024 Client Data

20

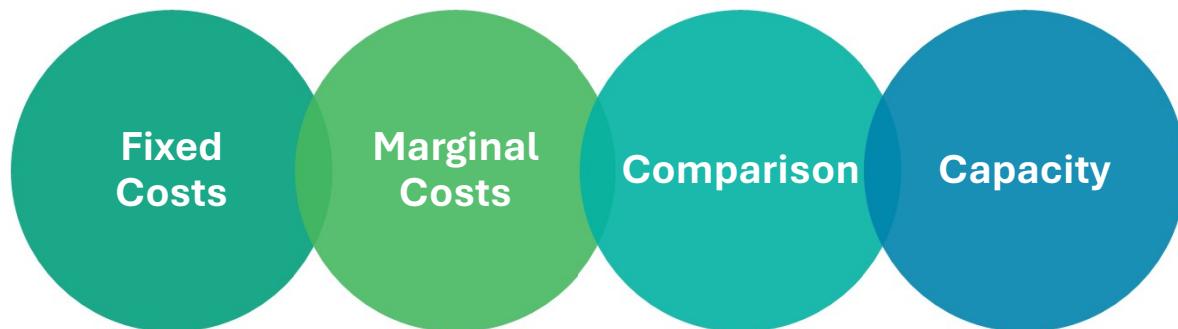
Clients vs. the Industry

Cost of Funds



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Core Beliefs



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Total Net Present Value of the Relationship

Personal Checking
9.71 years

\$2,288 Checking
\$2,676 Cross-Sale

\$4,964 NPV

Business Checking
9.43 years

\$7,342 Checking
\$11,925 Cross-Sale

\$19,268 NPV

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

23

What needs to happen to lead change and drive growth?



24

Product and Process Considerations

25

Keys to Good Product



Simple

One Pricing
Variable per
product
—easy to
understand,
easy to sell



Targeted

Accounts
designed to
meet the
needs of all
retail and
business
customer
types



Brand Name

Account
names that
identify the
target
audience and
describe the
account



Sales Process

Efficient and
simple
roadmap to
identify what
is best for the
consumer

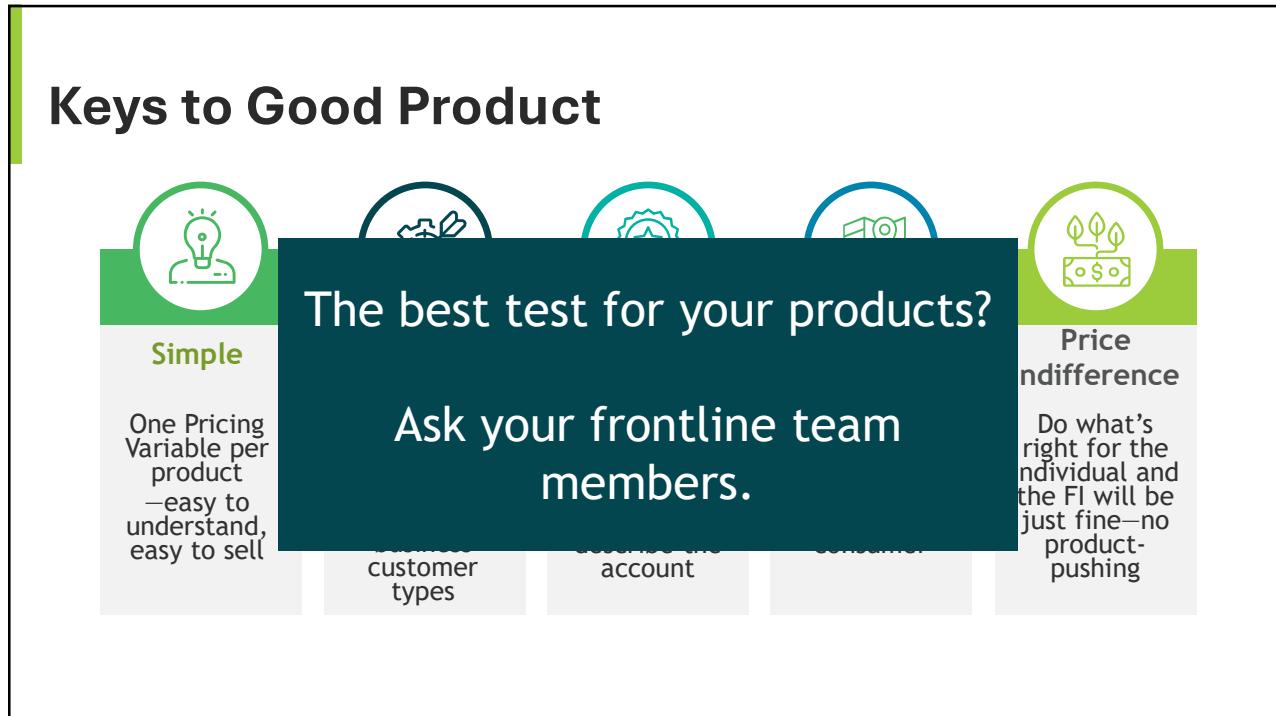


Price Indifference

Do what's
right for the
individual and
the FI will be
just fine—no
product-
pushing

26

Keys to Good Product



27

The diagram features a green box on the left with the text "Product with a defined customer engagement process utilized by your team." To the right is a flowchart titled "Welcome!" that guides users through selecting a checking account based on their needs. The flowchart includes sections for "High Interest Checking", "50+ Interest Checking", "Direct Interest Checking", and "Totally Free Checking". To the right of the flowchart is a list of services under the heading "Save time and money with these great products and services:".

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 \$100

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

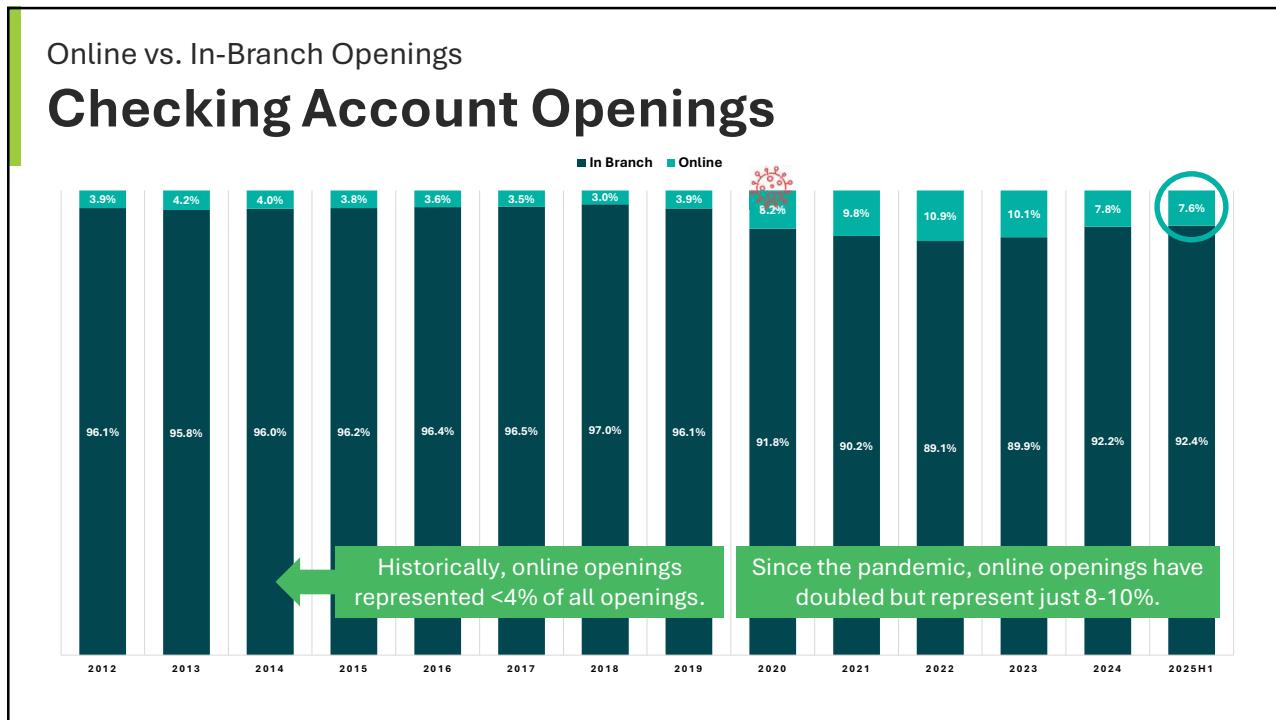
no → **Totally Free Checking**
A FREE account for everyone!
• No minimum balance
• No monthly service charge

yes → **Additional checking account**
no → Will you always keep more than \$2,500 in your savings account?
yes → **Money market account**
no → **Savings account**

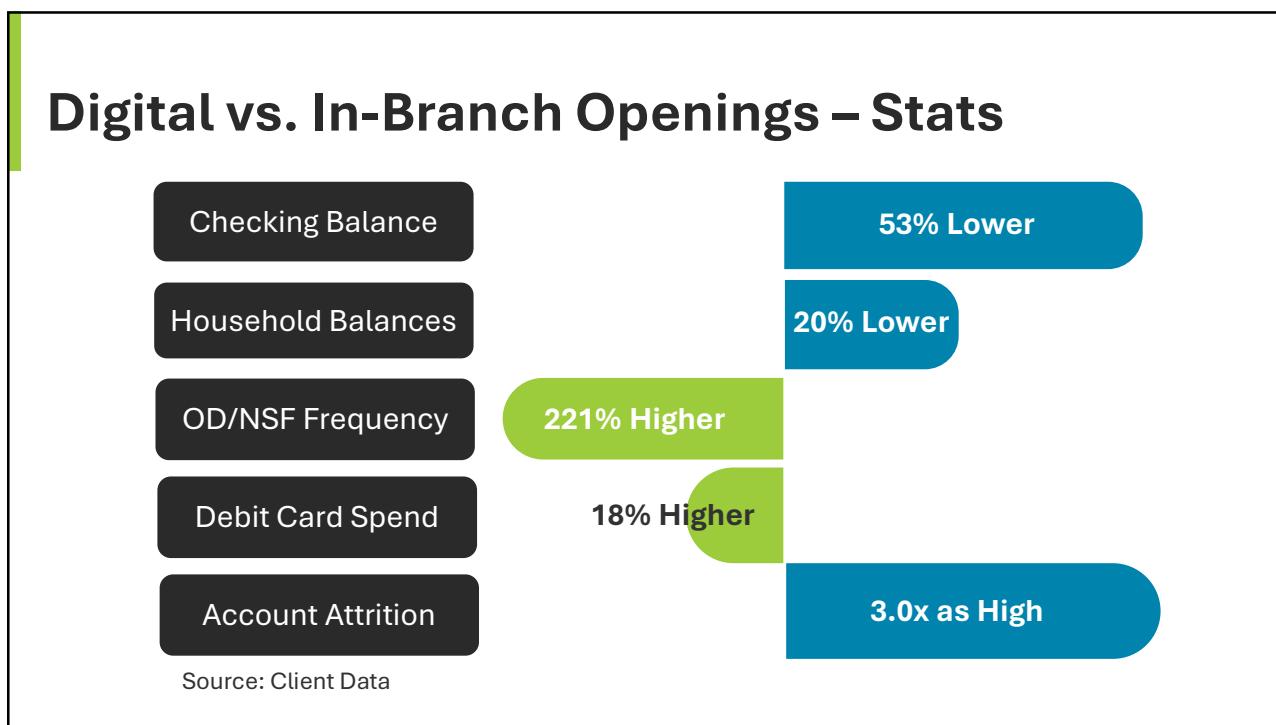
FREE debit card
 Direct deposit
 Automatic payments
 FREE online banking
 FREE bill pay
 FREE mobile banking with mobile deposit
 FREE eStatements
 FREE business checking

Other fees such as non-sufficient funds, over draft, sustained over draft, insufficient funds, or overdraft fees may apply. See complete terms and conditions. Minimum opening deposit is \$100. All accounts are subject to Bank's standard terms and conditions. FDIC insurance coverage is up to \$100,000 per depositor, per institution. Free gift provided at the time of account opening. Up to \$100 gift provided at the time of account opening. Up to \$100 gift provided at the time of account opening. The checking account cards are presented. Offer good on personal accounts only. Ask us about business accounts.

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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†

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

Santa Claus is shown holding several US dollar bills, smiling broadly. He is wearing his traditional red suit and white fur-trimmed hat. The background is a soft-focus image of a Christmas tree.

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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.**



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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

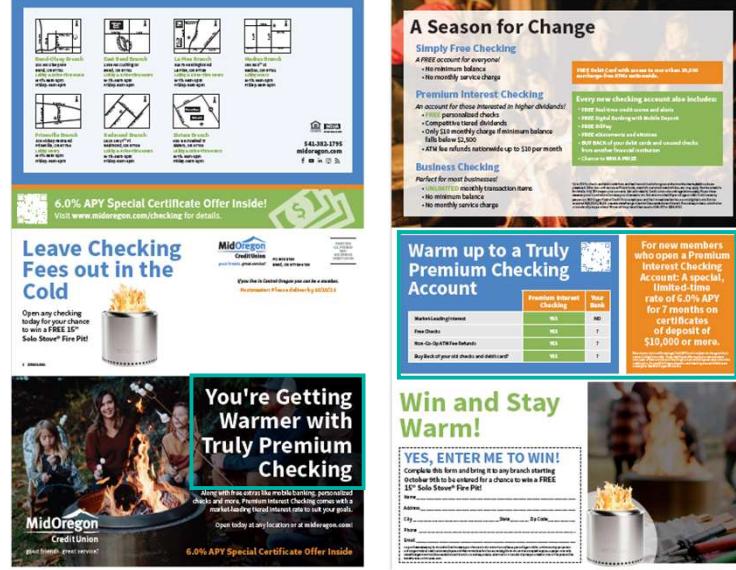
- Openings pre and post = **virtually identical**.
- Large jumps** in **total balances** and **average balances** with the offer.
- High Interest Checking account: larger percentage of openings, much higher average balances.
- 103 accounts** with more than **\$4 million in balances, matched back to the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

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Case Study Two

The Marketing Piece

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



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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
Total Difference	83	\$ 515,661
% Increase	377%	241%

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

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What Do Business Owners Want?



Simplicity



Predictable,
understandable
costs



No nuisance or
unexplained
charges

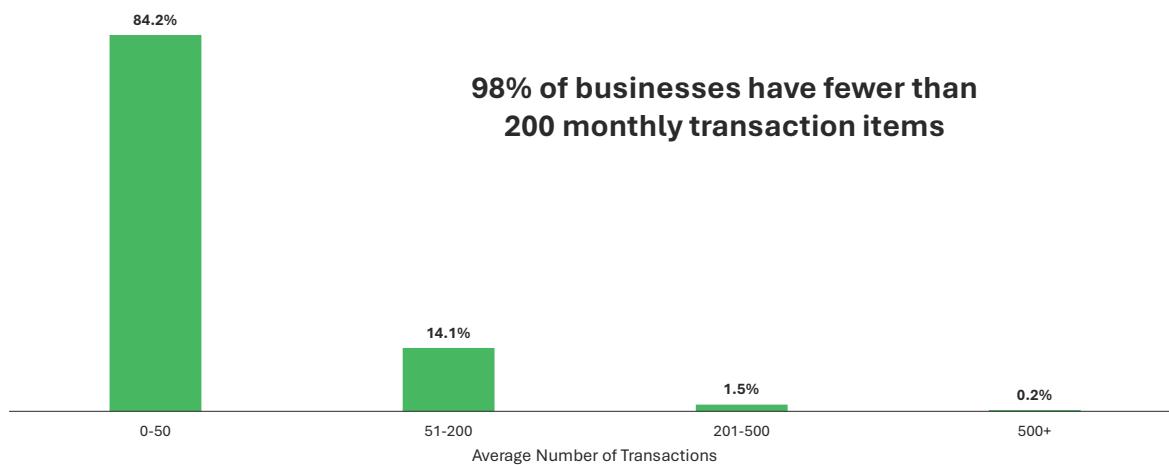


Recognition of
their value as a
customer

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Clients

Business Checking Stratification



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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

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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**

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Policy Considerations

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?

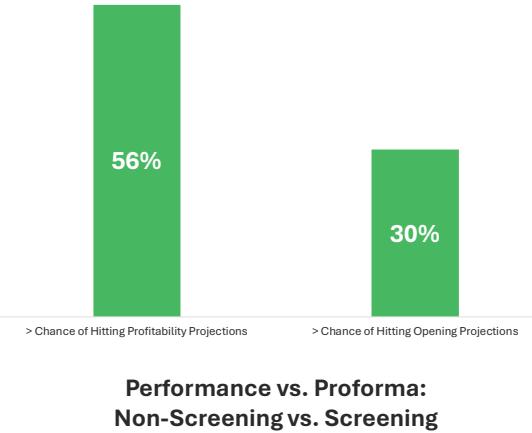
42

ChexSystems

Comparison of Clients Screening vs. Not

Impact on Year One Openings:

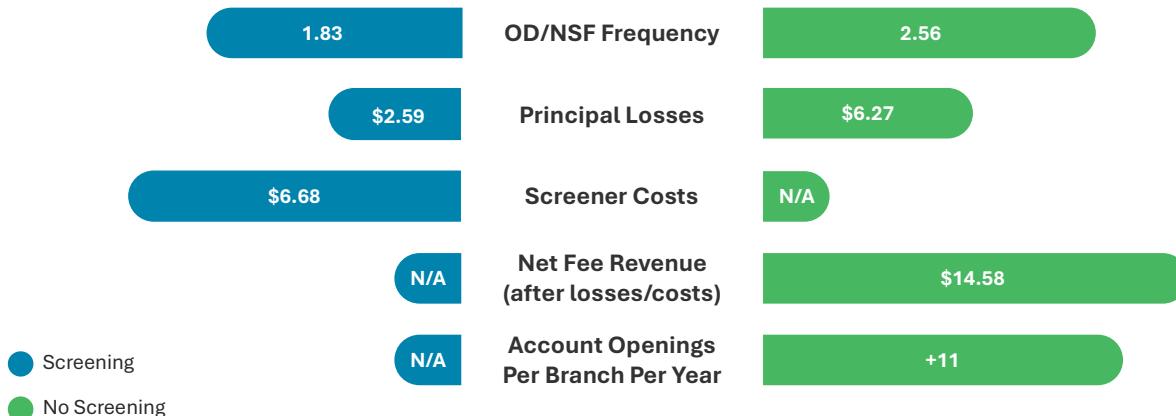
- 56% better performance vs. proforma projections
- 30% better to projected incremental accounts



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Client Data

Account Screening vs. No Account Screening



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People Considerations

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As an organization, you must have a ***strategy***.

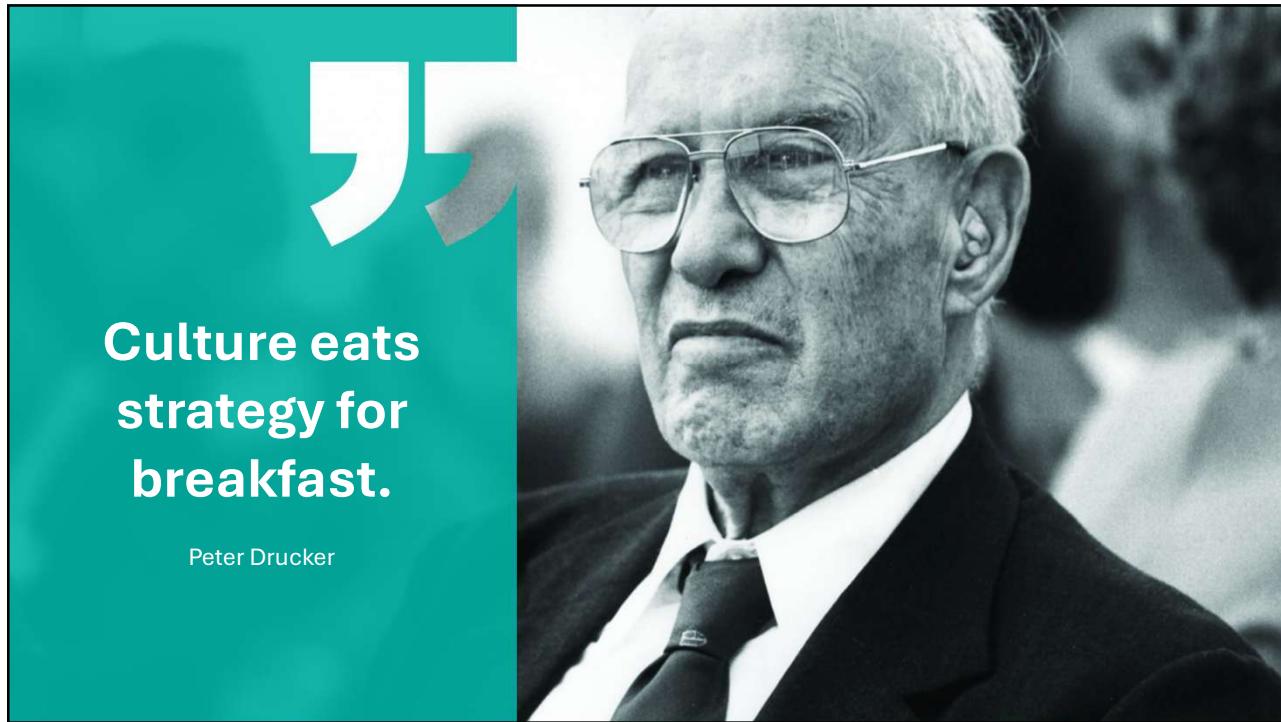


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Strategy is what we do—through our marketing, sales calls, networking, and referrals.

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

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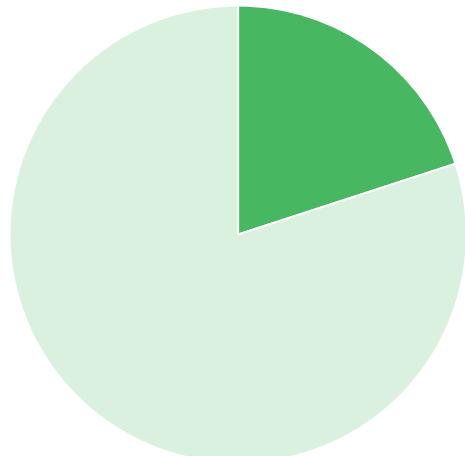
Before you can have an effective strategy, it must first become your **culture**.

50

Managers are the key, but...

80%

**Not equipped with the
skills to lead**



51

High Payoff Activities



1 WEEKLY TEAM MEETINGS

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



2 CHECK INS

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



3 SALES PRESENTATION CERTIFICATION

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



4 OBSERVATION COACHING

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



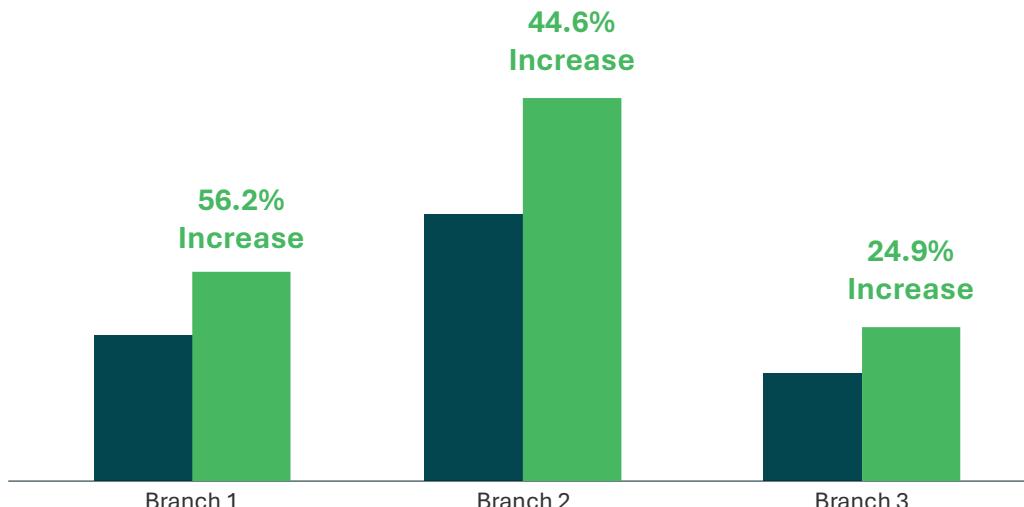
5 ONE-TO-ONE COACHING

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

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Case Study

Manager Impact on Customer Growth



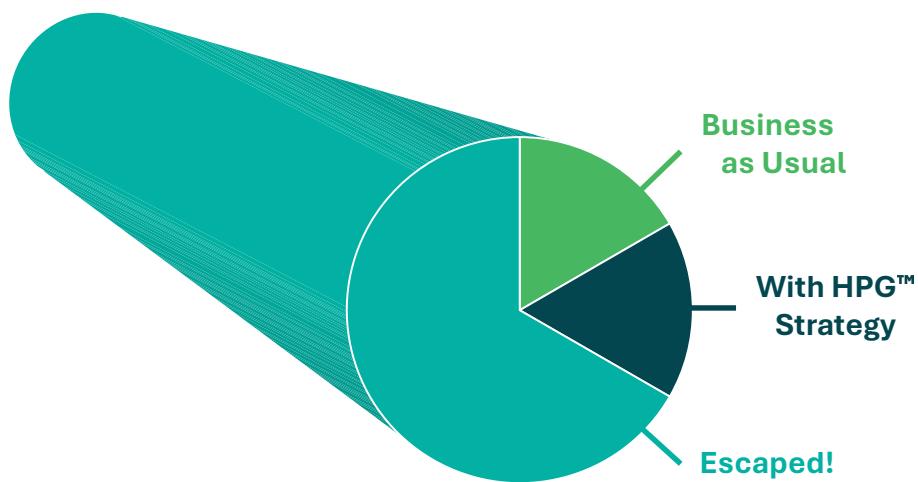
53

53

Promotion (aka, Marketing) Considerations

54

The Pipeline



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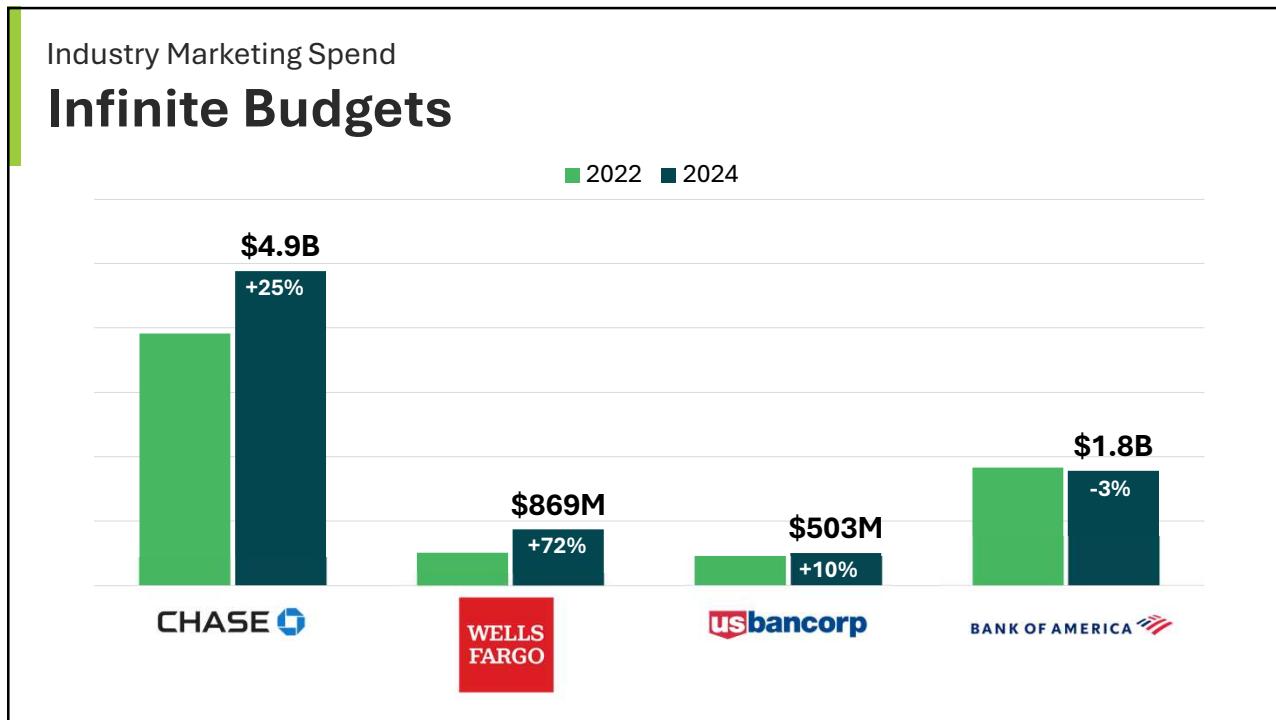
No One Wants to Switch, BUT...

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

Fixed Market Reality



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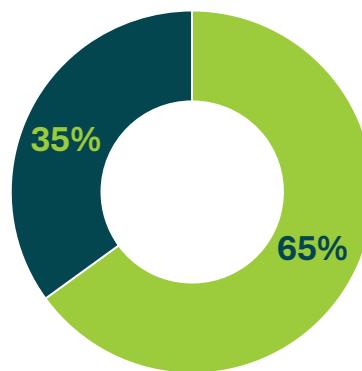
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PFI Outreach

A Different Marketing Strategy

REACTIVE

Will consider
more than two
institutions



Will consider
only one or two
institutions

PROACTIVE

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

Source: The Financial Brand

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Strategically Growing PFI Customers

Use the
Right Media

Print & Digital

Use the
Right Frequency

Every 6 – 7 Weeks

Have the
Right Message

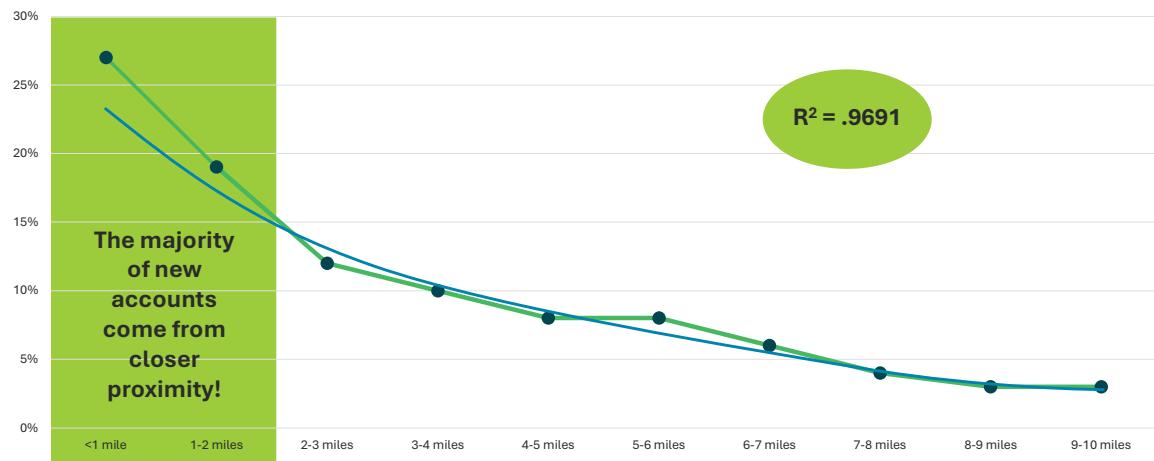
Your Offer

All of this is directed to the right audience!

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Account Openings by Proximity

Convenience Is Important



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Chase – Marketing AND Adding Locations



Lincoln, NE



New York, NY

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Defining Convenience

Demonstrated Convenience

They are the neighbors or businesses next to the customers who already bank with you.

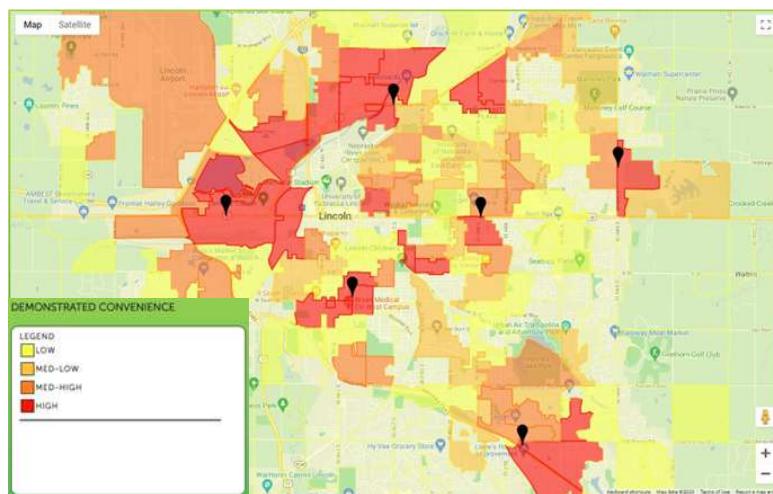
They live around or have businesses near your branches.



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Driving More Traffic

Demonstrated Convenience



64

Defining Convenience

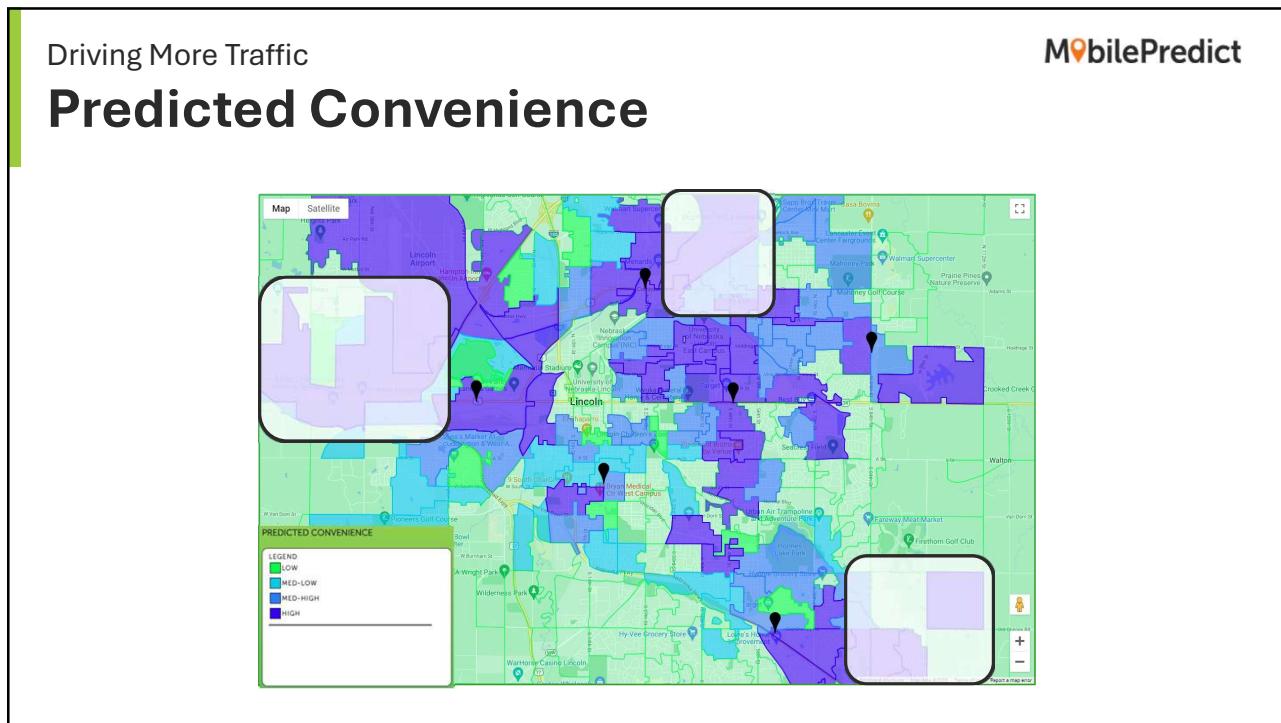
Predicted Convenience

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



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 Alumnae Road
Indiangapolis, IN 46250
ATM: drive-up

Geist
11750 N. Meridian, Suite 100
Indiangapolis, IN 46238
ATM: drive-up

Greenwood
201 N. Meridian
Greenwood, IN 46243
ATM: drive-up

Lawrence
7101 E. 56th Street
Indiangapolis, IN 46226
ATM: walk-up

Kokomo
1935 S. Dixie Road
Kokomo, IN 46902
ATM: walk-up

Step 11
1301 E. 30th 11 Road
Indiangapolis, IN 46227
ATM: drive-up

Park 100
1001 N. Meridian Street
Indiangapolis, IN 46258
ATM: walk-up



In branch, online or on your device!
800.473.2328
www.fclcu.com

The South Shore's Best

Does your bank...

	Coastal Heritage Bank	Your Bank
Offer a FREE checking account with no string attached?	YES	?
Offer you a FREE gift when you open a new checking account?	YES	?
Buy back your debit card and unused checks from your old bank?	YES	?
Offer a FREE business checking account for your business or non-profit 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

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
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Showcase Technology

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Lawrence
1935 S. Dixie Road
Lawrence, IN 46902
ATM: drive-up

Step 11
1301 E. 30th 11 Road
Lawrence, IN 46902
ATM: drive-up

Park 100
1001 N. Meridian Street
Lawrence, IN 46902
ATM: walk-up



The South Shore's Best

Does your bank...

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

Dr. Martin Block

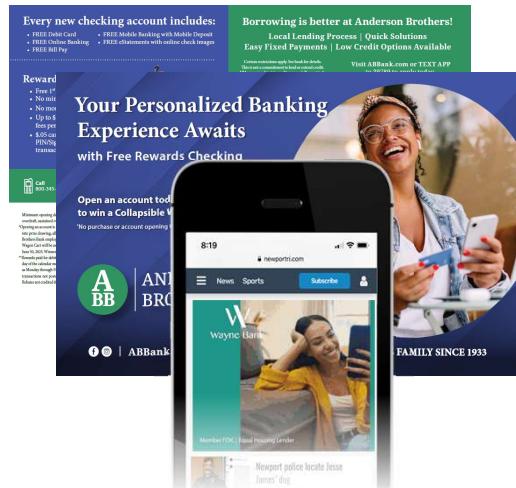
Great Products & Better Pricing

Financial Brand, June 2024

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Omnichannel Marketing

Proactively Reaching Prospects



Reactive
35%
will consider
more than two
institutions

Proactive
65%
will consider one or two
institutions

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The Next Step – Persona Messaging

Member FDIC  NMLS # 416695

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

Nº11

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

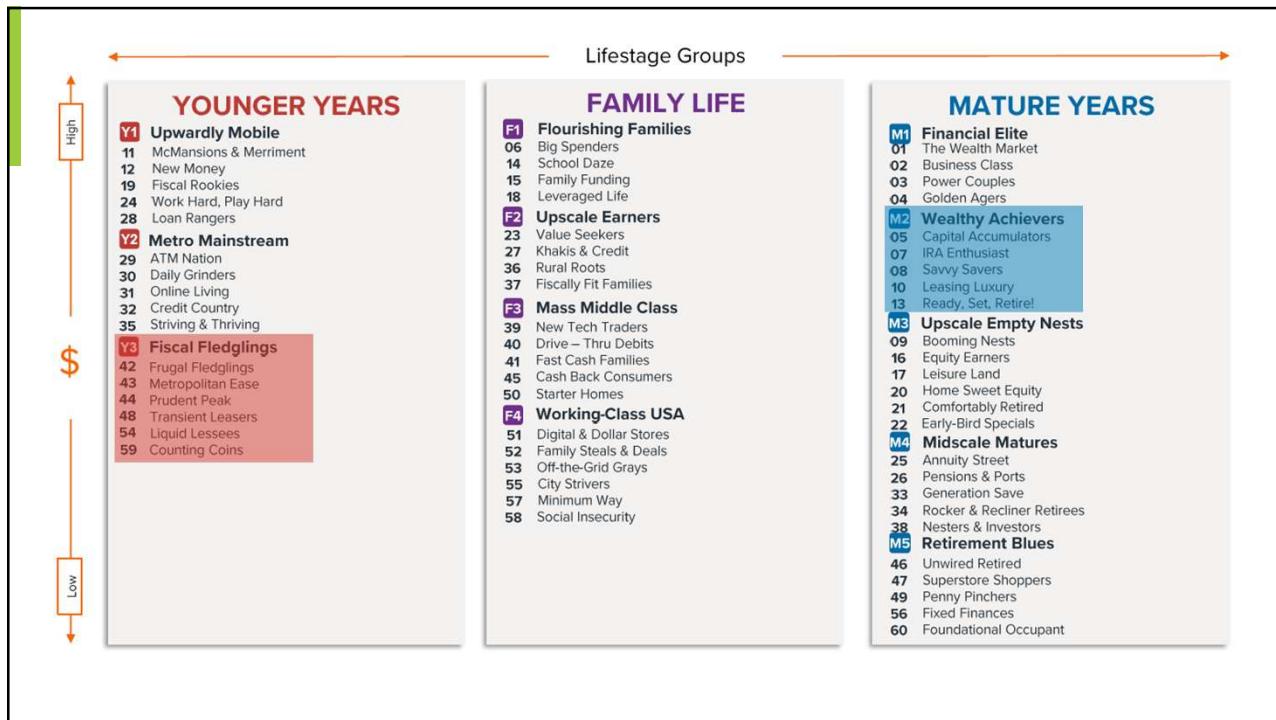
 **FREE** Debit Card or Business Debit Card  And More!

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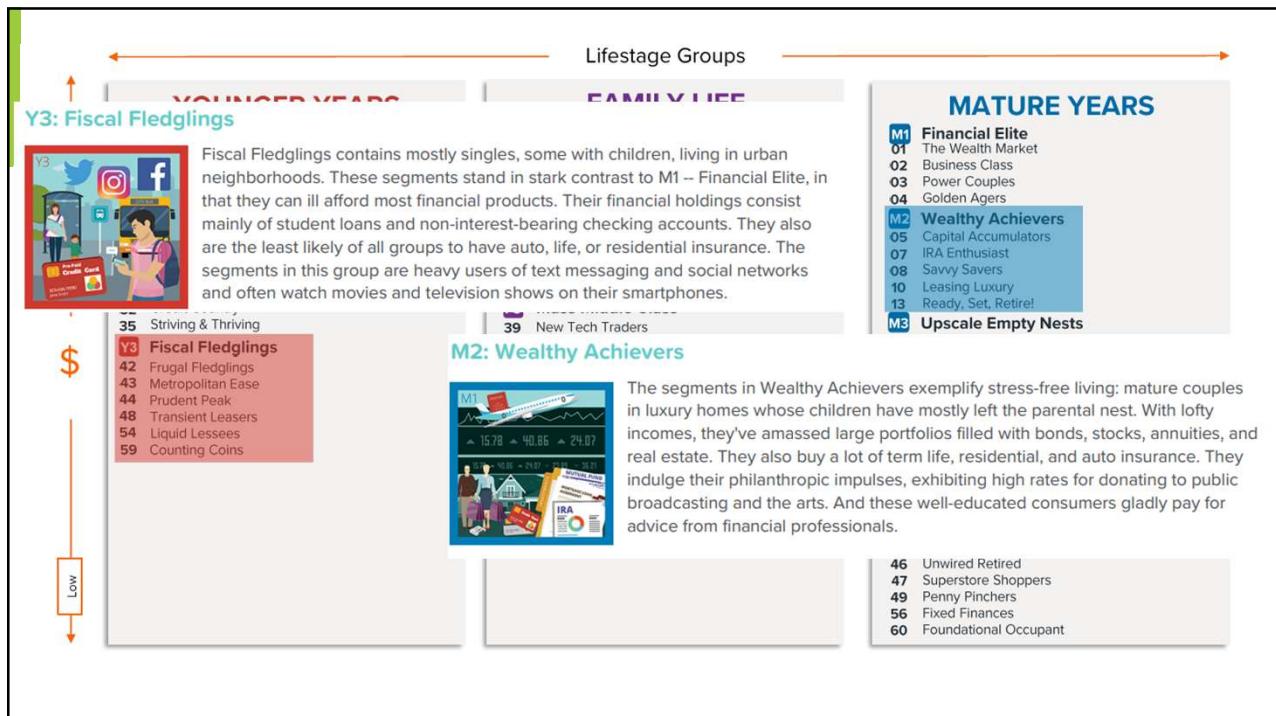
400 W Oak St or 2430 W University Dr - Denton
University Dr Open Saturdays, 9 to 1 p.m.

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 debit and credits. If the Business Freedom or Business Interest account exceeds 1,000 free monthly transactions, a fee of \$3.50 per item over 1,000 may be charged. If the Business Freedom or Business Interest account exceeds \$10,000 in monthly, atm 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.

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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. See banker for details, bank rules and regulations apply. Other fees such as non-sufficient funds, overdraft, sustained overdraft fees, etc. may apply. See the schedule for complete details.

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Leverage Big Data for Messaging

Persona Precision

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CHECKING TO FIT YOUR NEEDS

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[Open a Checking Account Now](#)

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A FREE account for everyone

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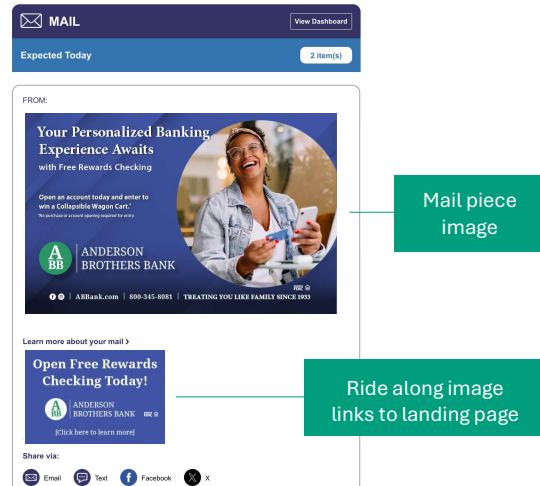
Member FDIC. Minimum opening deposit is \$50. See banker for details, bank rules and regulations apply. Other fees such as non-sufficient funds, overdraft, sustained overdraft fees, etc. may apply. See the schedule for complete details.

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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%



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)

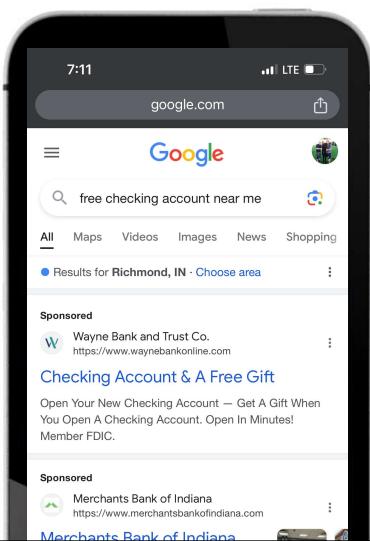
Unique Selling Proposition

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

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Omnichannel Marketing - Search Ads

Reactively Reaching Prospects



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Stack Rank

Households and Businesses in Your Markets

Demonstrated Convenience

Opening Activity Score

Predicted Convenience
Mobile Predict™ Score

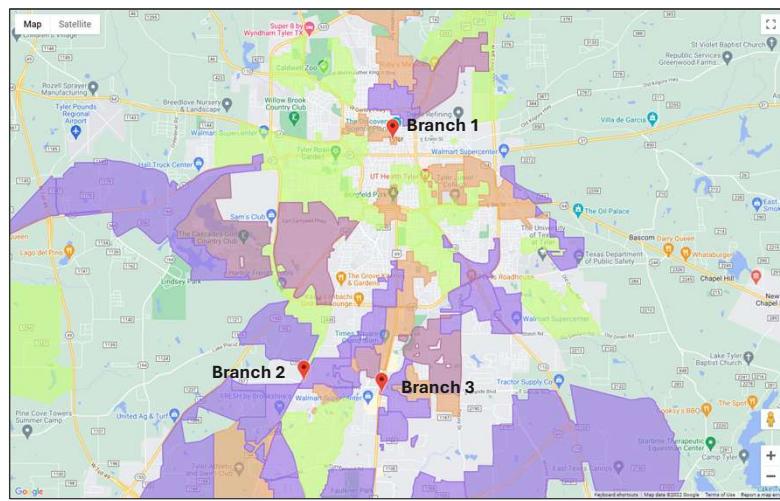
	0	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	501	23,042	2,327	7,508	2,100	2,203	1,093	360	848	255	400	365	82	41,084
1		27,162	9,247	961	174									37,544
2		16,262	13,007	5,064	1,541									36,314
3	1,525	14,270	10,003	11,412	1,936	578								39,724
4		11,914	12,622	7,712	1,509	713	827							35,297
5		8,283	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

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Dynamic Shift of Prospect Targets

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



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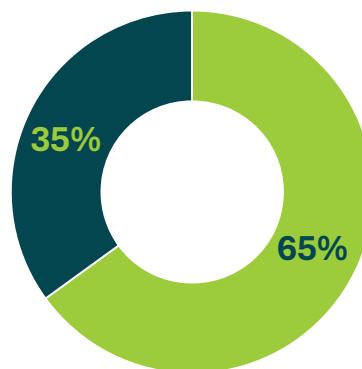
PFI Outreach

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

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

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



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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

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