Increase Customer Engagement

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Financials, Value Scores and Life Stages...let’s tie it all together...
MARKETING WITH FINANCIALS

What does this mean?

Recognize KPIs to drive growth: Balances, Profitability, Relationship Change.
Risk new account holders will leave within the next 12 months

- 1 Product: 50%
- 2 Products: 25%
- 3 Products: 15%
- 4+ Products: 5%
Are You Marketing proactively or reactively?
Marketing KPIs vs. Changing the relationship within the household.
Pre-Campaign Analytics

<table>
<thead>
<tr>
<th>Accounts</th>
<th>New Mortgage</th>
<th>New Checking</th>
<th>New Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Profit</td>
<td>$596</td>
<td>($70)</td>
<td>$46</td>
</tr>
<tr>
<td>Average Balance</td>
<td>$97k</td>
<td>$2k</td>
<td>$13k</td>
</tr>
</tbody>
</table>
## Pre-Campaign Analytics

<table>
<thead>
<tr>
<th>Households</th>
<th>Mortgage HH</th>
<th>Checking HH</th>
<th>Average HH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products/HH</td>
<td>2.70</td>
<td>2.44</td>
<td>2.04</td>
</tr>
<tr>
<td>Products &amp; Services/HH</td>
<td>4.43</td>
<td>5.01</td>
<td>3.77</td>
</tr>
<tr>
<td>Average Deposit Balance</td>
<td>$12k</td>
<td>$19k</td>
<td>$15k</td>
</tr>
<tr>
<td>Average Loan Balance</td>
<td>$78k</td>
<td>$9k</td>
<td>$10k</td>
</tr>
<tr>
<td>Average Balance</td>
<td>$69k</td>
<td>$6k</td>
<td>$25k</td>
</tr>
</tbody>
</table>
Level of engagement correlates with profitability of checking accounts.

- **INACTIVE**
  - Annual loss of $66

- **ACTIVELY ENGAGED**
  - Annual profit of $14

- **FULLY ENGAGED**
  - Annual profit of $146
“Customer satisfaction is worthless. Customer loyalty is priceless.”

Jeffrey Gitomer
American author
Data Sources
Segmentation
Targeting
Treat the customer as an individual by using data to tailor the message.
THE LINK BETWEEN PROFITABILITY AND MARKETING COMMUNICATION

• $1,461 Average Profit of Most Valuable Households
• ($47) Average Profit of the Other Households
• Average of 5 FIs executing most-valuable strategy
So...
How do we apply this to a campaign?
Value Scoring & Lifestage

Gold

- Business or Retail Type Flag equals 'R' and
- Total Balance Percentile is greater than or equal to 80 and
- (Profit Amount Percentile is greater than or equal to 80 and
  Household # Unique Products and Services is greater than or equal to 5) or
- (Total Balance Percentile is greater than or equal to 80 and
  Household # Unique Products and Services is greater than or equal to 5) and
- HH Bankruptcy Flag is false and
- HH Charge Off Flag is false and
- HH Deceased Flag is false and
- HH Foreign Customer Flag is false and
- Tenure is greater than or equal to 1.000

Platinum

- Business or Retail Type Flag equals 'R' and
- Total Balance Percentile is greater than or equal to 90 and
- (Profit Amount Percentile is greater than or equal to 90 and
  Household # Unique Products and Services is greater than or equal to 5) or
- (Total Balance Percentile is greater than or equal to 90 and
  Household # Unique Products and Services is greater than or equal to 5) and
- HH Bankruptcy Flag is false and
- HH Charge Off Flag is false and
- HH Deceased Flag is false and
- HH Foreign Customer Flag is false and
- Tenure is greater than or equal to 1.000
We identified the following trends:

- 71% have a net worth of $50,000 or more
- 53% fall into three PSYCLE groups:
  - Upscale Earners
  - Mass Middle Class
  - Midscale Matures
Value Scoring & Lifestage Product Usage

Higher-than-average levels for:

- Savings (68%)
- Checking (87%)
- Mortgage (35%)
- Home Equity (21%)
Value Scoring & Lifestage Service Usage

Higher-than-average levels for:
• Check Card (55%)
• Direct Deposit (59%)
• Online Banking (47%)
• Mobile App (30%)
• E-Statement (33%)
Value Scoring & Lifestage

This segment will be targeted with the following offers, depending on their ability to meet product-specific criteria...

Checking:
- HH falls within top 50% scores for having a checking propensity AND...
- HH does not have a checking account at the bank

Mortgage:
- HH falls within top 50% scores for having a mortgage propensity AND...
- HH does not have a mortgage at the bank
We believe BANKING SHOULD BE EASY

CHECKING ACCOUNTS DESIGNED TO FIT YOU.

Our online and mobile tools make managing your money easy:
- Free checking
- Mobile deposit
- Instant balance
- Bill pay
- Apple & Google Pay
- Much more

FREE CHECKING
Our most popular checking account with no minimum balance requirements or monthly maintenance fees.

CLASSIC CHECKING
The perfect account for those age 62+ with no minimum balance required, no monthly maintenance fees and FREE basic checks.

FREE CHECKING PLUS INTEREST
Earn interest on your entire balance, simply by taking advantage of convenient direct deposit.

HIGH PERFORMANCE CHECKING
This account rewards you with tiered interest rates. It’s free as long as you maintain a balance of at least $2,500.

Our Checking Accounts Designed to Fit You.

Greeting,

You’re unique, and so is the way you manage your money. That’s why we provide checking accounts designed for you. So whether you’re looking for a truly free account or something more, we’ve got you covered.

FREE CHECKING
Our most popular checking account with no minimum balance requirements or monthly maintenance fees.

CLASSIC CHECKING
The perfect account for those age 62+, with no minimum balance required, no monthly maintenance fees and FREE basic checks.

FREE CHECKING PLUS INTEREST
Earn interest on your entire balance, simply by taking advantage of convenient direct deposit.

HIGH PERFORMANCE CHECKING
This account rewards you with tiered interest rates. It’s free as long as you maintain a balance of at least $2,500.

Sincerely,

First Bank of Berne
Call us at (800) 589-7948 or stop by your nearest branch to open a new account, or visit FirstBankofBerne.com to learn more.

Member FDIC
FIRSTBANKOFBERNE.COM

To view this email as a web page, go here
Dear Greeting,

When it’s time for a new vehicle, be sure to make Skyward Credit Union your first stop. After all, your membership opens the door for low-rate auto loans, with flexible terms to fit your budget.

Skyward makes the process easy.
As your credit union, we’re here to help you get the vehicle you want, with payments you can afford. Benefits of our auto loans include:

- Rates as low as X.XX% APR*
- Flexible terms available to meet your needs
- Refinancing available for loans from other financial institutions

Pre-approval puts you in control.
Get pre-approved today! Arrive at the dealership with your pre-approval letter in hand to make your car buying experience quick and easy.

You can start today. Call 833.759.1941, visit skywardcu.com or stop by any branch to apply.

Rates as low as

X.XX %
APR*

Contact us for pre-approval
before you shop!

Dear Greeting,

When it’s time for a new vehicle, be sure to make Skyward Credit Union your first stop. After all, your membership opens the door for low-rate auto loans, with flexible terms to fit your budget.

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APR*

Contact us for pre-approval
before you shop!
Good listeners make good lenders. First Bank of Berne is with you every step of the way.

Greeting.

If you're buying your first home, moving up to a larger home or downsizing for savings and simplicity, make First Bank of Berne your very first choice.

LOCAL SERVICE MAKES A BIG DIFFERENCE.
Our mortgage experts live right here in the community and understand the local market. With friendly, local service, you can rest assured that you're getting the right loan for your particular situation.

OUR MORTGAGES OFFER:
• Competitive rates
• Wide variety of terms
• Helpful online resource center
• Easy application process

We'll be happy to answer any questions you might have. Call us at (800) 589-7848, visit FirstBankofBerne.com or stop by your nearest branch to learn more about our home loan options.

Sincerely,

First Bank of Berne
200 Heritage Ave | Berne, IN 46711

FIRSTBANKOFBERNE.COM

Our home loans are designed with you in mind.

We believe LOCAL LENDERS MAKE FOR A BETTER COMMUNITY.

UPSIZE, DOWNSIZE OR RESIZE, WE ARE HERE TO HELP.

Checking
Find the perfect mortgage right here.

You can do it. We can help.

Dear [GREETING],

Buying a home is a big decision. That's why it's important to turn to a lender you trust. At Community 1st Credit Union, we'll help you find a loan that truly fits your needs.

It's good to have choices.
We offer a wide selection of mortgage products, including:
- Fixed- or adjustable-rate loans
- First Time Homebuyers Program
- Construction loans
- Up to 100% financing available

It's great to have friendly, local service.
Our loan experts will take the time to talk with you and learn about your needs and goals. We are right here in your community, so you know exactly where to turn for help.

Call 866.360.3570, stop by your nearest branch or visit c1stcu.com to contact a mortgage loan officer in your area.

Sincerely,
[Signature]
[Name]
President & CEO

Your Community 1st Benefits!

- Excellent rates
- Apply online in minutes
- Quick turnaround times

What's on your wish list?

Use your home's equity to get it all done!

Dear [GREETING],

If you'd like to remodel your home, pay off bills or help your child pay for college, your home's equity may hold the key.

Cash out some equity at Community 1st Credit Union.
We offer fixed-rate Home Equity Loans and a Flexible Home Equity Line of Credit. Either way, you can enjoy:
- Low rates
- Generous credit limits
- Cash for whatever you need
- Friendly, local service

It's a smart solution.
In most cases, you can get more cash at a lower rate, compared to other forms of borrowing. Plus, you're not limited to home-related expenses, so you could use funds to pay for a wedding or even plan a special vacation.

Call 866.360.5270, email memberservice@c1stcu.com, stop by your nearest branch or visit c1stcu.com to explore your options.

Home Equity Line of Credit
As low as:
XX.XX% APR
6-month Intro Rate

Home Equity Line of Credit
As low as:
XX.XX% APR
Variable Rate for remainder of terms

APPLY ONLINE

c1stcu.com / 866.360.5270

This credit union is regulated by the National Credit Union Administration.
TRIGGERPRO
Marketing Automation

WEBTRAX
Visitor ID and Response

COMMLINK
Front Line Awareness

CALLTRAX NEXT
Enhanced Communication
So...
What are the results?
# Marquis Campaign Averages

<table>
<thead>
<tr>
<th>Campaigns</th>
<th>Direct Response Rate</th>
<th>Direct Return on Investment (ROI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onboarding</td>
<td>14.4%</td>
<td>822%</td>
</tr>
<tr>
<td>Reboarding</td>
<td>6.2%</td>
<td>1196%</td>
</tr>
<tr>
<td>Daily Triggers</td>
<td>5.4%</td>
<td>1967%</td>
</tr>
<tr>
<td>New Product Triggers</td>
<td>4.6%</td>
<td>2100%</td>
</tr>
<tr>
<td>Loan Runoff</td>
<td>3.0%</td>
<td>212%</td>
</tr>
<tr>
<td>Invitation to Apply</td>
<td>0.7%</td>
<td>69%</td>
</tr>
<tr>
<td>Bill Pay &amp; ACH Modeling</td>
<td>3.7%</td>
<td>252%</td>
</tr>
<tr>
<td>Auto Value</td>
<td>6.3%</td>
<td>627%</td>
</tr>
<tr>
<td>Credit Triggers</td>
<td>2.9%</td>
<td>161%</td>
</tr>
<tr>
<td>Value Statement</td>
<td>6.2%</td>
<td>537%</td>
</tr>
<tr>
<td>One Off</td>
<td>2.2%</td>
<td>349%</td>
</tr>
<tr>
<td>Good Manners</td>
<td>4.5%</td>
<td>576%</td>
</tr>
<tr>
<td>Average of all campaigns</td>
<td>5.0%</td>
<td>739%</td>
</tr>
</tbody>
</table>
# Results from Checking Acquisition Campaigns

<table>
<thead>
<tr>
<th>Households</th>
<th>2019-01</th>
<th>2019-09</th>
<th>Current</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Ratio % (Products)</strong></td>
<td>1.83</td>
<td>1.87</td>
<td>1.88</td>
<td>0.04</td>
<td>2.36%</td>
</tr>
<tr>
<td><strong>Product Ratio % (Products and Services)</strong></td>
<td>3.02</td>
<td>3.43</td>
<td>3.42</td>
<td>0.40</td>
<td>13.09%</td>
</tr>
<tr>
<td><strong>Average Deposit Balance</strong></td>
<td>$3k</td>
<td>$5k</td>
<td>$4k</td>
<td>$2k</td>
<td>62%</td>
</tr>
<tr>
<td><strong>Average Loan Balance</strong></td>
<td>$2k</td>
<td>$4k</td>
<td>$4k</td>
<td>$2k</td>
<td>81%</td>
</tr>
</tbody>
</table>
In Closing
What we know is...