


Presentation materials and video replay will be provided within one week.

Have questions? Use the chat panel  – we'll field them as we go and during the Q&A recap at the end of the call.



The Latest on New Household Acquisition

July 27, 2016



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Senior Strategy Director

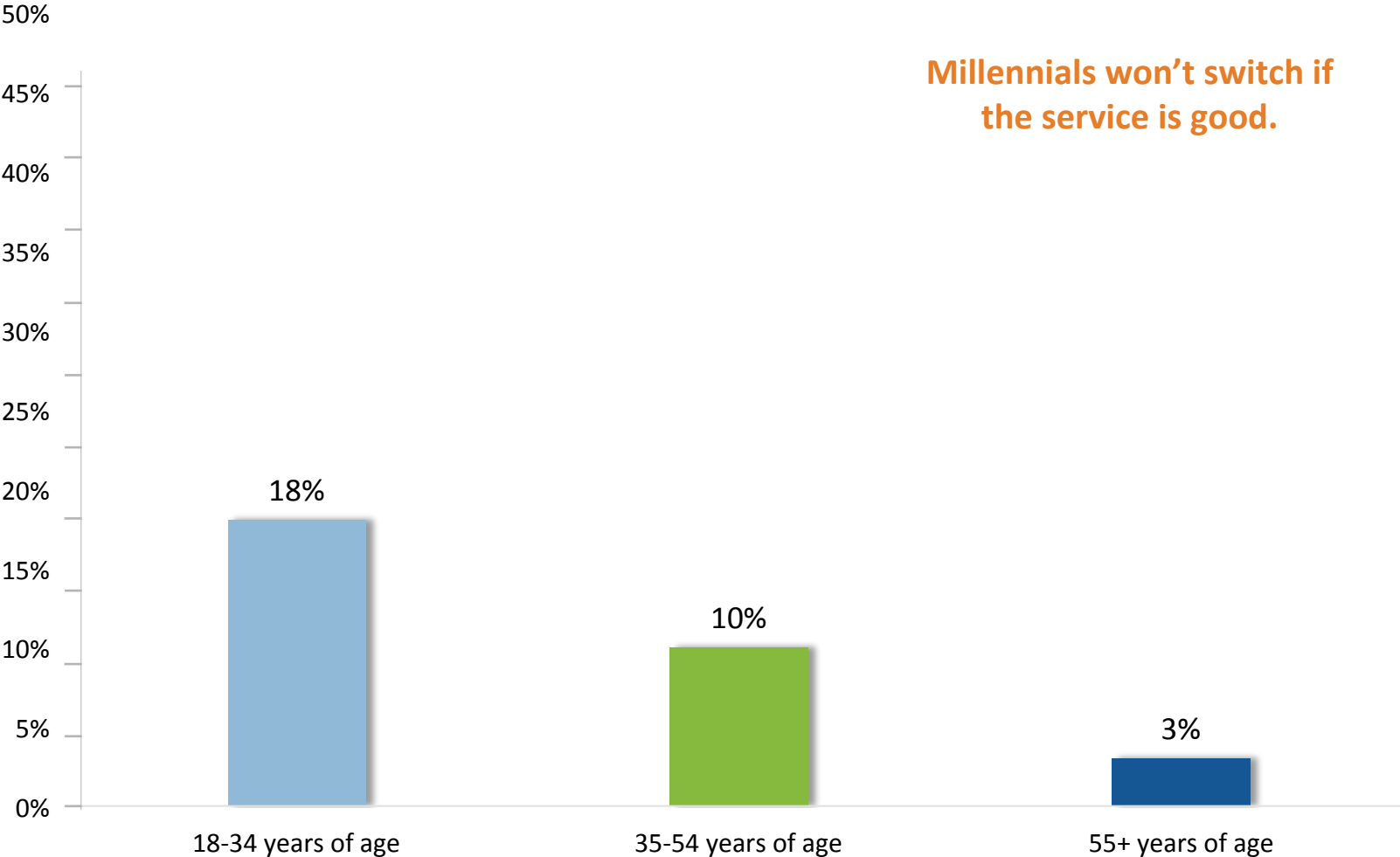
30 years experience, including senior executive at financial institutions in New York, California and Massachusetts

Topics We'll Cover

- Market snapshot
- Consumer decision process and pricing
- Relationship strategies and product innovations
- Key takeaways

Market Snapshot > > >

Who Is Switching Their Primary Financial Institution?

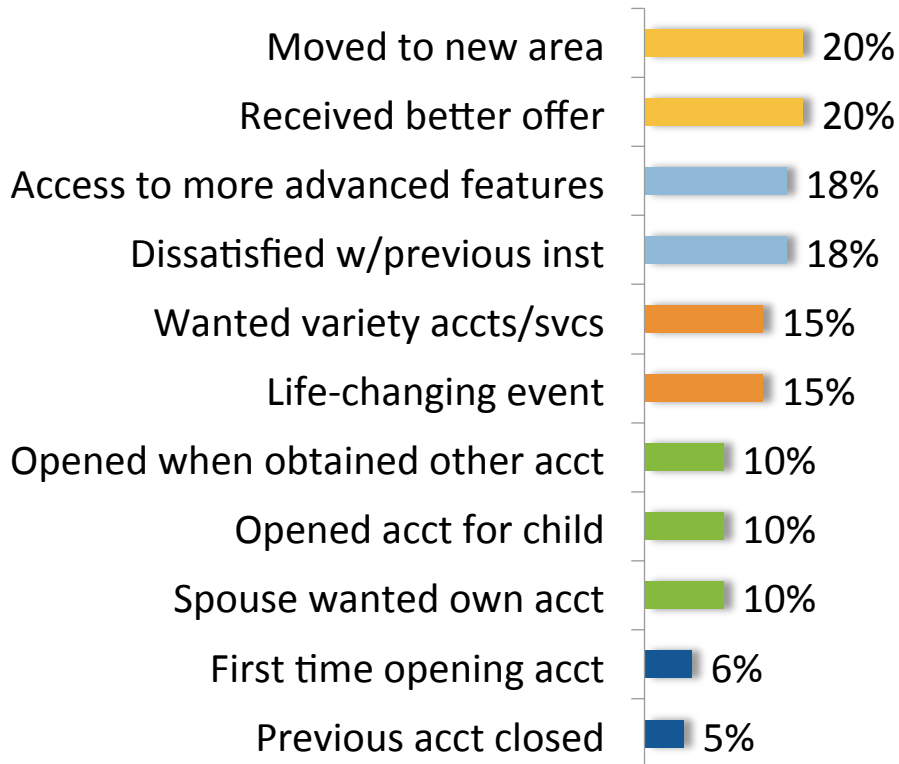


Checking Drives Revenue

Benchmark	Performance
Percentage of profitable accounts	65%
Percentage of unprofitable accounts	35%
Average checking account balance	\$6,367
Average deposit balance per checking account holder	\$10,081
Average loan balance per checking account holder	\$9,563
Annual checking account service charges	\$8.92
Annual NSF fees	\$81
Annual miscellaneous fees	\$7.26
Average estimated debit card interchange income	\$50
Average monthly debit card swipes	12
Single product households	32%
Average age of checking account holder	51
Percent of checking account holders over age 50	51%

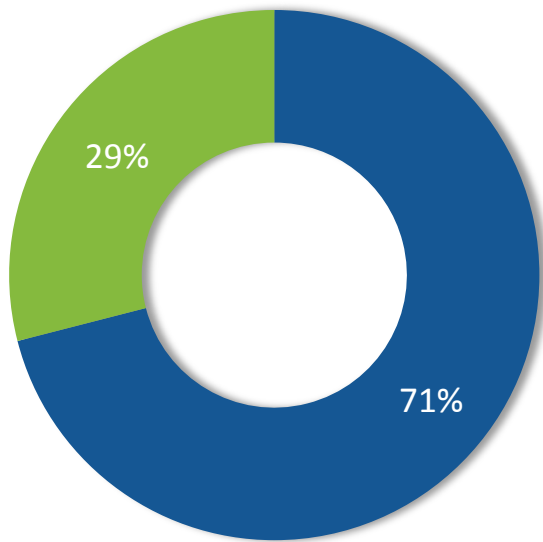
Why the Need for a New Checking Account?

Reasons for Opening a New Checking Account at Time of Most Recent Opening



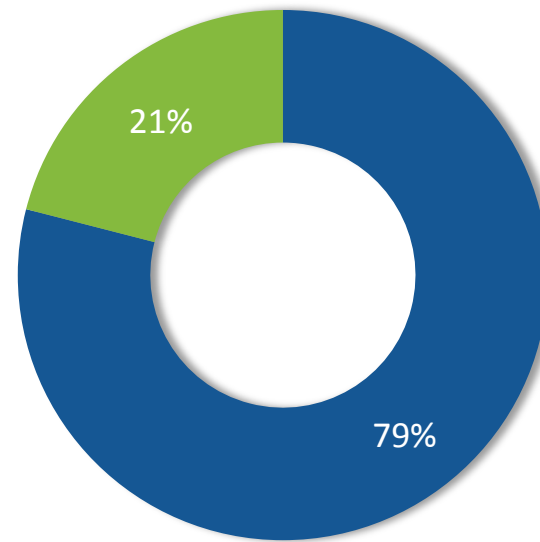
How Do Consumers Characterize the Relationship With Their Financial Institution?

2014



■ Transactional ■ Advice Driven

2015

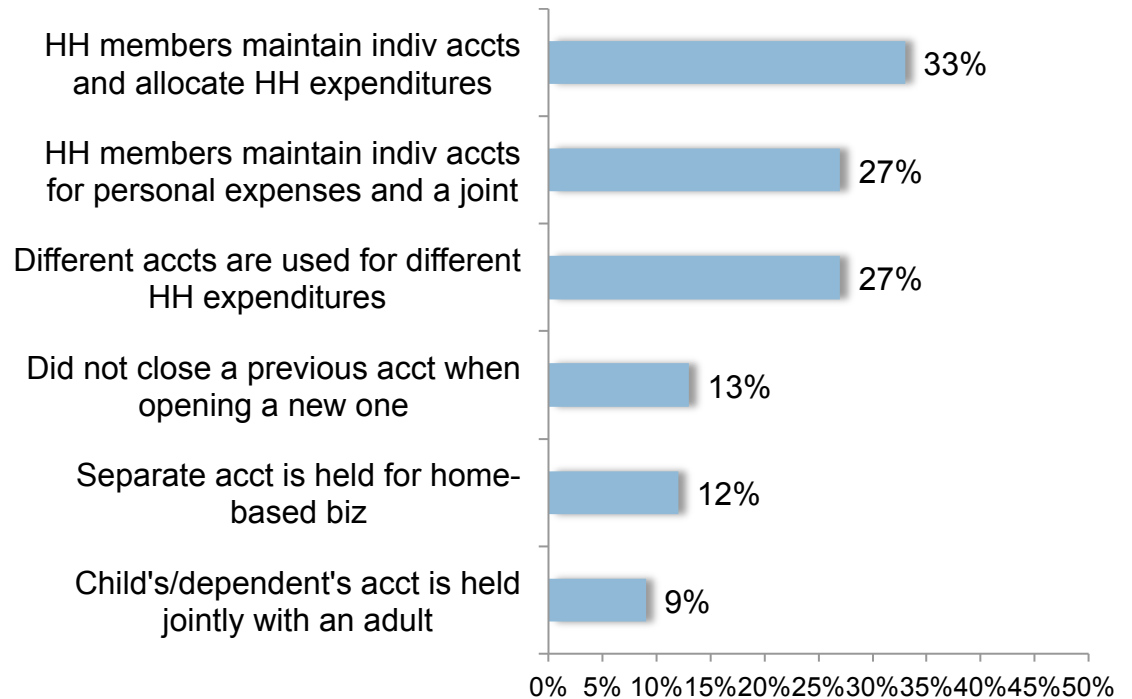
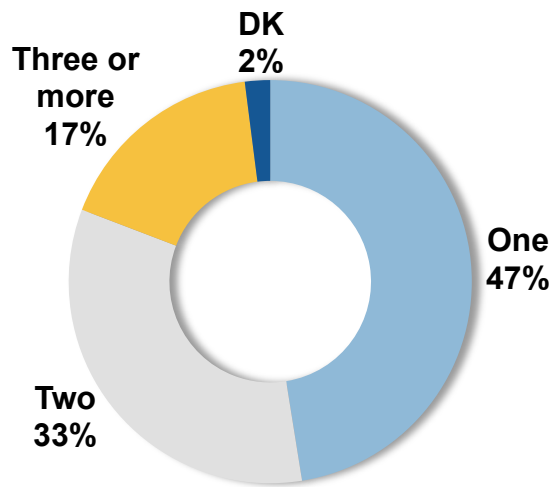


■ Transactional ■ Advice Driven

Consumers are buying low-margin products from their primary financial institutions and shopping around for high-margin products.

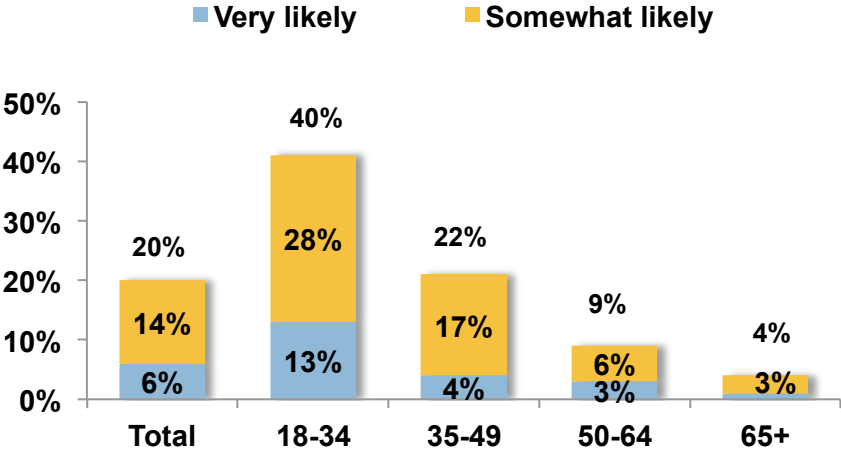
Multiple Checking Accounts — How Many and Why

Number of Checking Accounts Held by Households Reasons for Having Multiple Checking Accounts

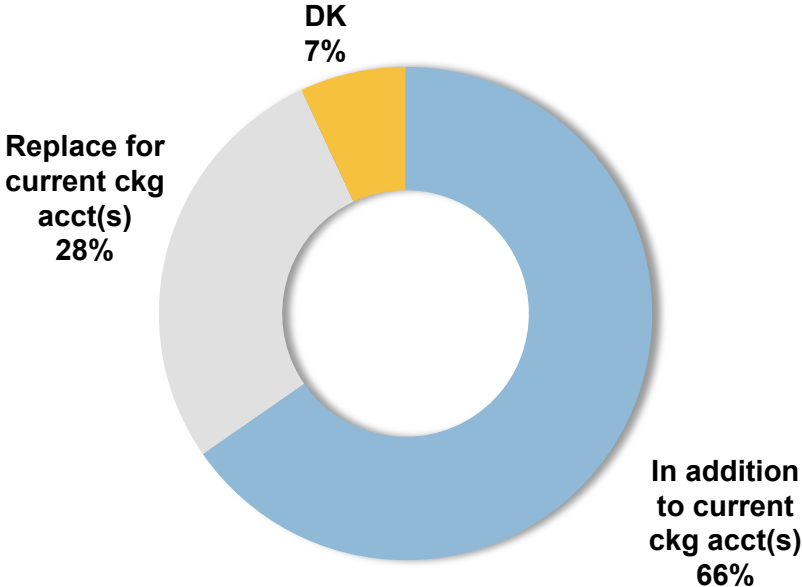


An Opportunity to Expand the Relationship

Intent to Obtain Another Checking Account in the Next Year (by Age)



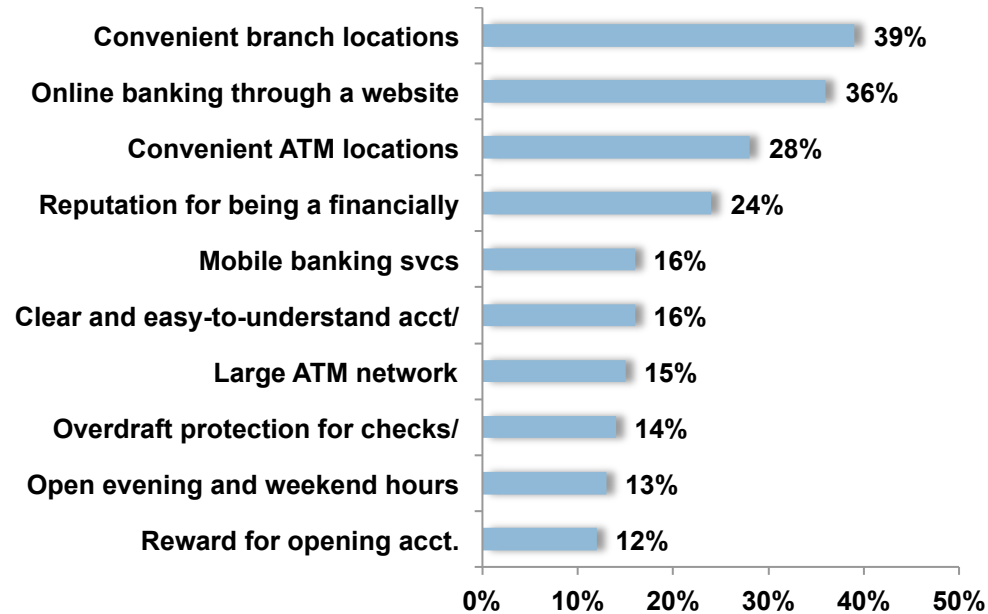
Position of New Checking Accounts



Consumer Decision Process and Pricing > > >

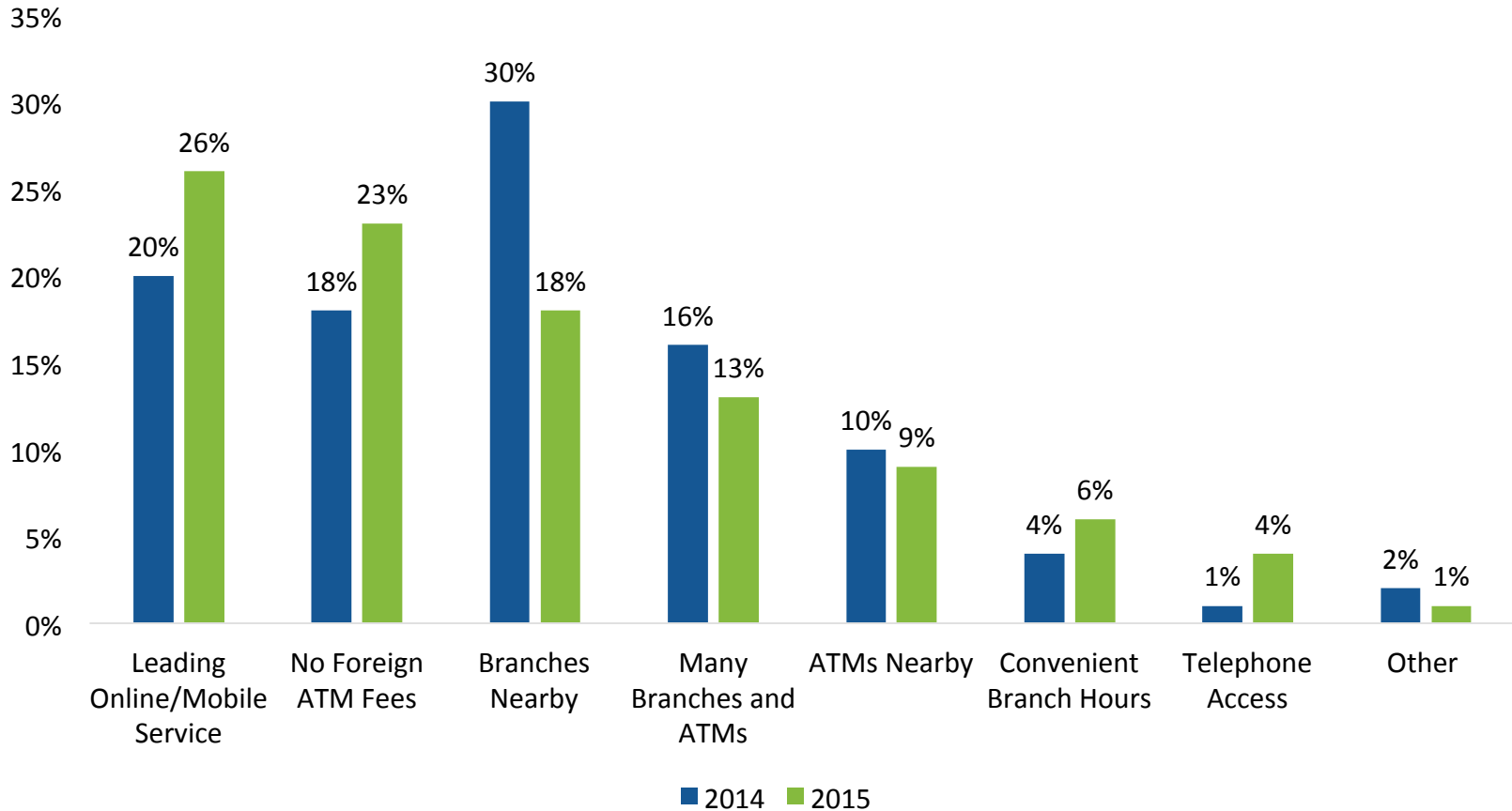
Deciding to Switch: Convenience Is Key

“This is why I went to the financial institution to open a checking account ...”



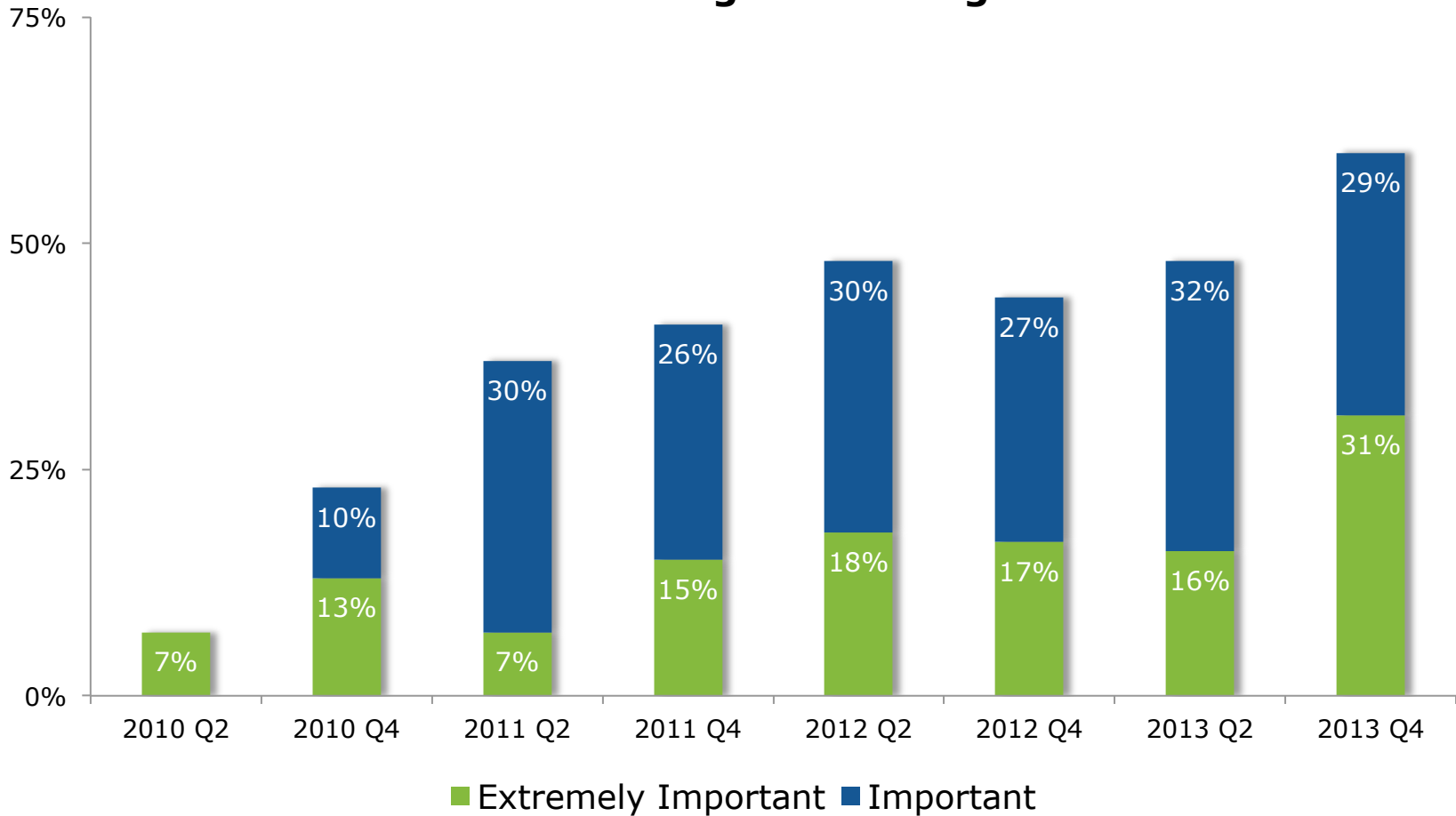
Deciding to Switch: Convenience Redefined

What Makes My Financial Institution Convenient?

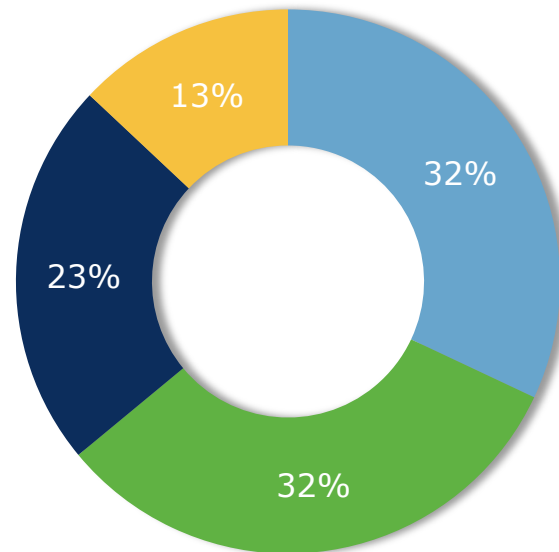


Mobile Banking Has Become Increasingly Important

Role of Mobile Banking in Deciding to Switch



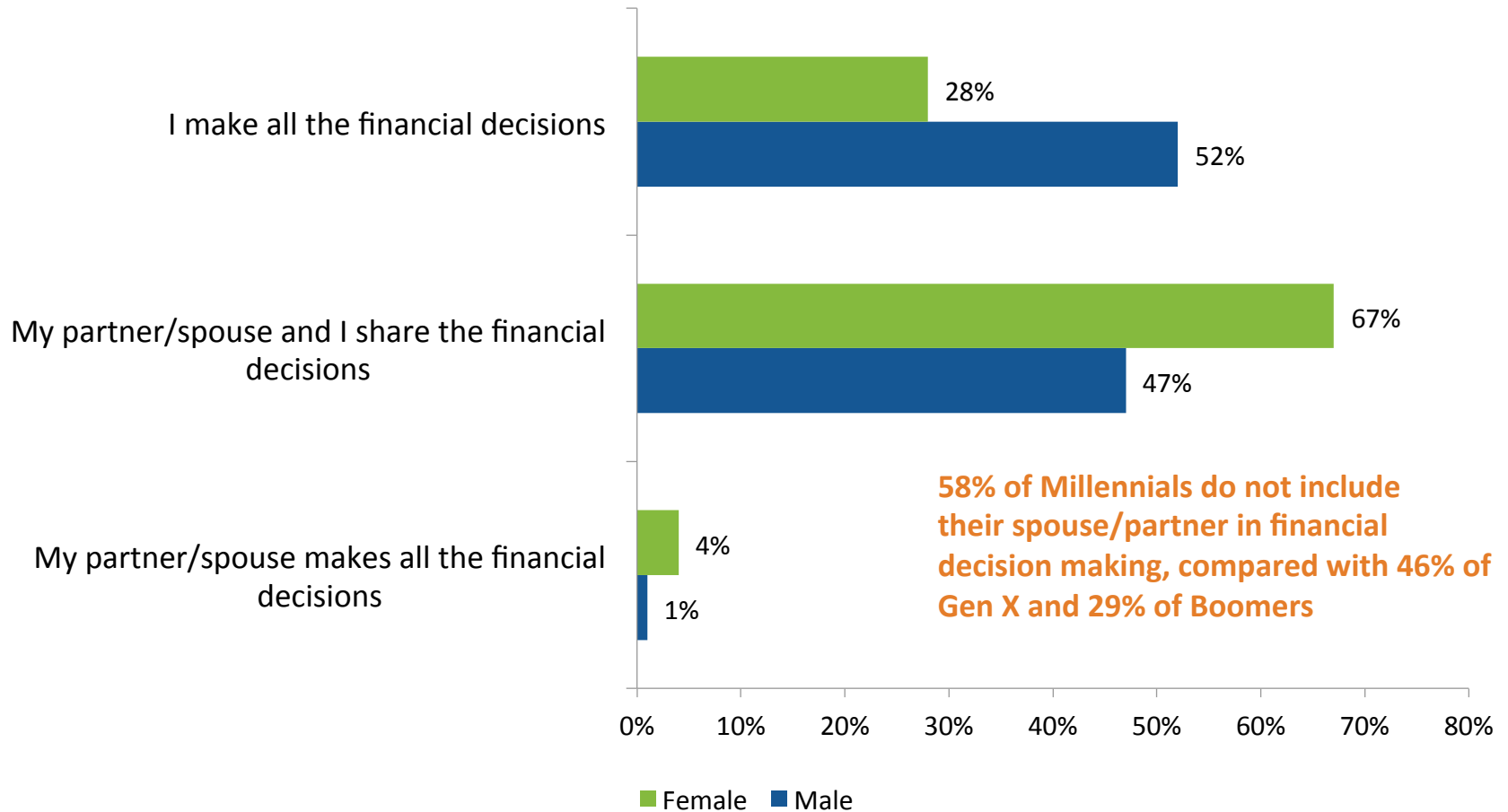
What Was Your Mindset Prior to Switching Checking Account Providers?



- Knew exactly which FI
- Had a few Fis in mind

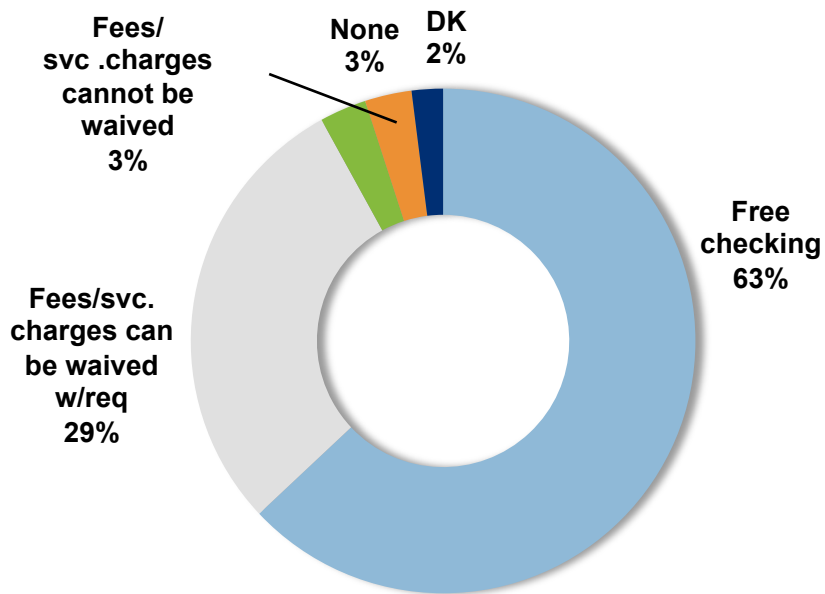
- Had one FI in mind
- Wasn't sure which FI

Who Makes the Household Financial Decisions?

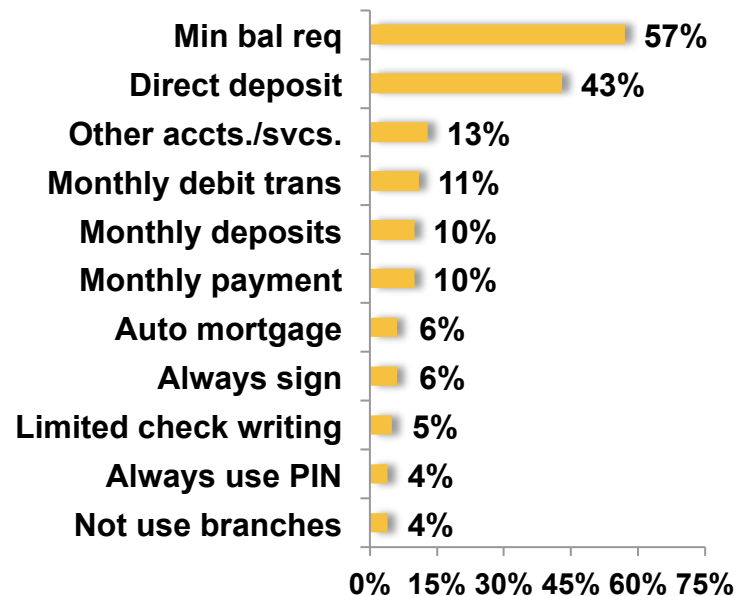


Free Checking?

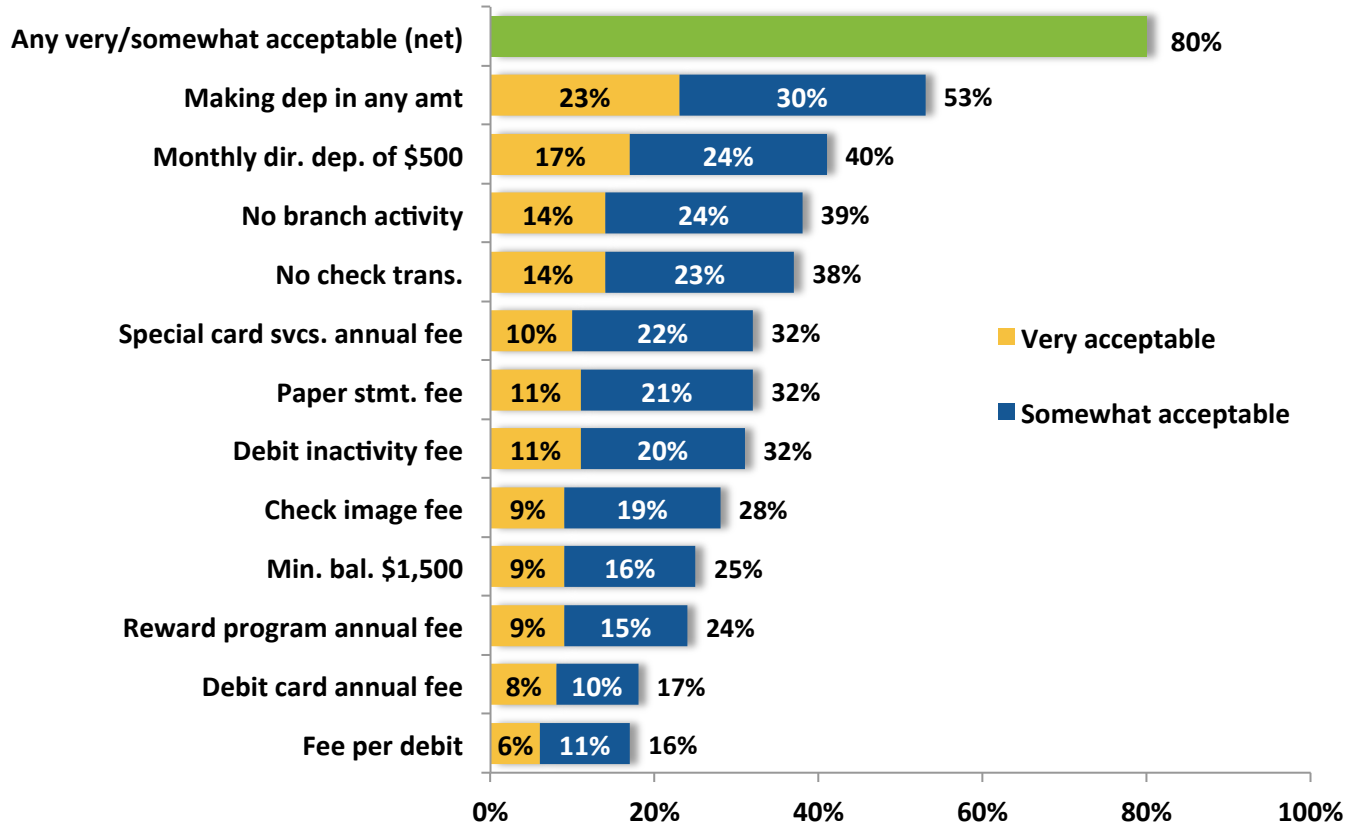
Pricing on Main Checking Account



Requirements to Avoid Monthly Service Charges or Fees



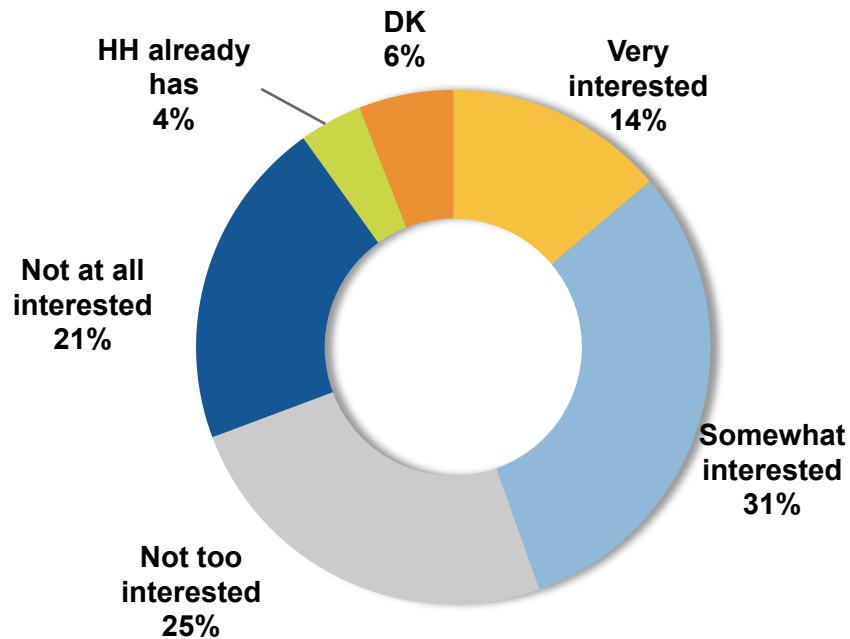
Let's Talk Fees — How Acceptable Are They?



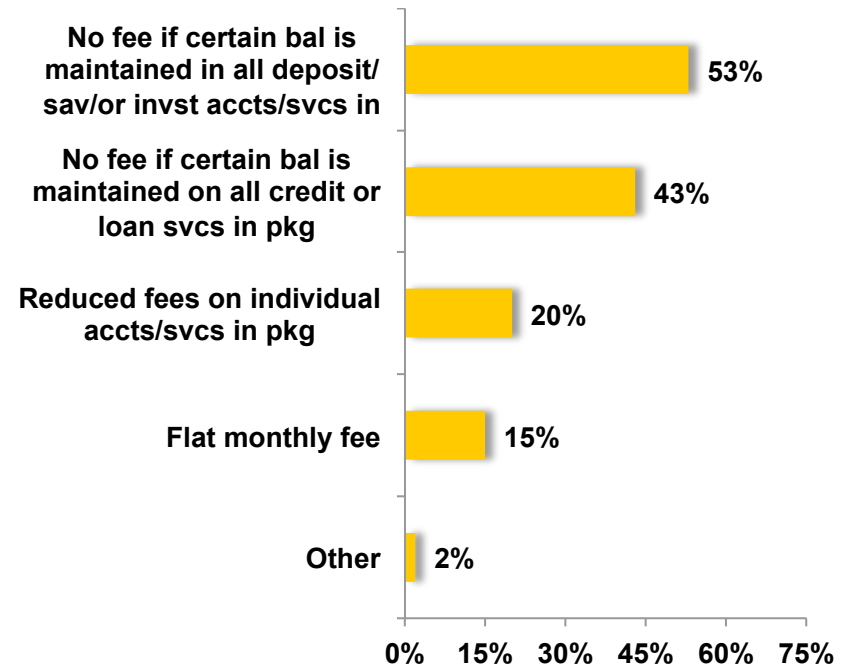
Relationship Strategies > > >

Maximize Cross-selling Opportunities

Financial Packages – Usage and Potential

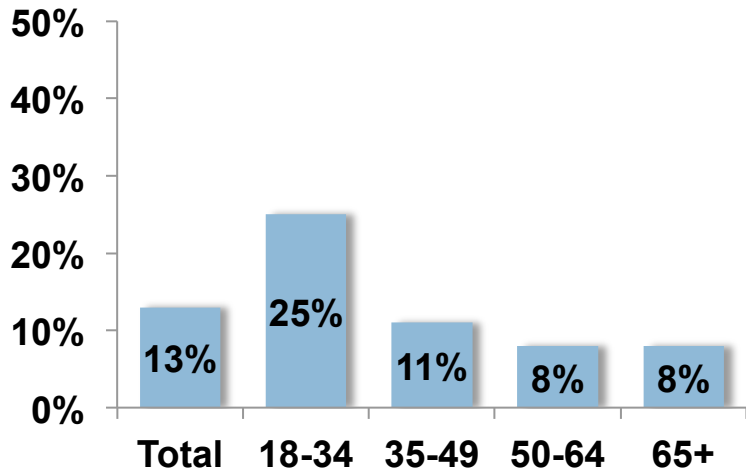


Acceptable Pricing Arrangement for Package

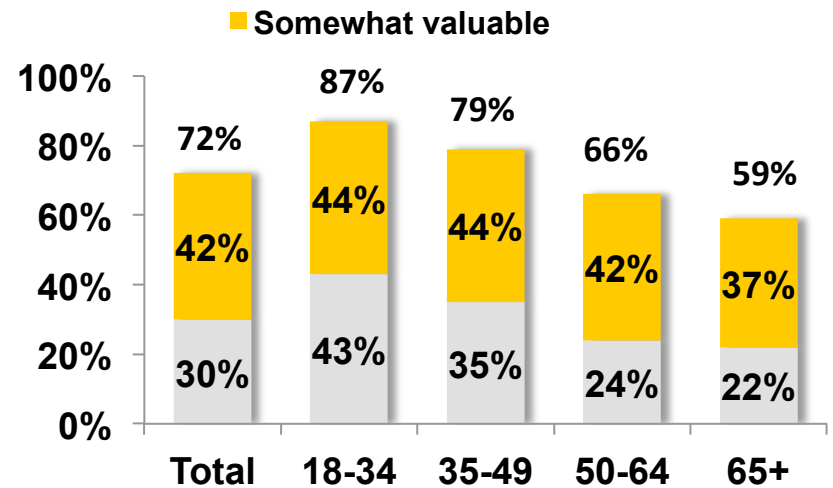


Consider the Economics of Rewards Programs

Participation in Relationship Rewards Programs (by Age)



Value of Relationship Rewards Among Non-users (by Age)



Key Takeaways > > >

Key Takeaways

- Checking account relationships are both stable and volatile
- Opportunities to acquire multiple checking accounts are strong
- There is high satisfaction with accounts overall and specific features
- Consider a multichannel approach for marketing checking accounts, using the branch as focal point
- Onboarding, packaging, and cross-selling are key relationship strategies
- Relationship rewards have a positive effect on relationships

Q&A

Type your question in the chat panel 

Stephen Nikitas

Senior Strategy Director

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Thank You!

