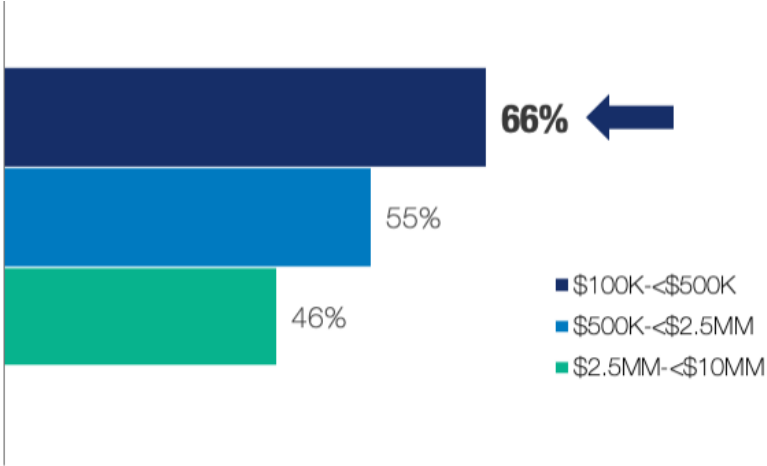


Business customers increasingly prefer do-it-yourself

63%

of small business customers prefer “do-it-yourself” banking over a “consultative banking relationship”

% Prefer “do-it-yourself” banking



B2B sales rapidly transforming

- 85% of B2B decisionmakers expect sales reps to increasingly interact with customers via digital platforms, with *occasional in-person visits*.
- Even as in-person engagement reemerged as an option, buyers made clear they prefer a cross-channel mix, choosing in-person, remote, and digital self-serve interactions in equal measure.



Effectiveness of new sales model in reaching and serving customers^{1,2,3}

% of respondents

Equally or more effective than before COVID-19	Existing customers				New customers	
	April 9, 2020	April 28, 2020	Aug 11, 2020	Feb 25, 2021	Aug 11, 2020	Feb 25, 2021
	54%	65%	75%	83%	76%	83%

¹Q: How effective is your company's new sales model at reaching and serving customers?

²Q: How effective is the new sales model in acquiring new customers (eg, those that have never purchased from your organization before)?

³Figures may not sum to 100% because of rounding.

Challenges to the relationship banking model

- ✓ Increased preference for digital engagement, self-directed banking
- ✓ Higher expectation for companies to understand unique needs of individuals/businesses
- ✓ Wide array of choices; enormous amount of competition
- ✓ Relationship banking has centered on common denominators, not individual differences
- ✓ Shortage of experienced bankers
- ✓ People-centric relationship banking models expensive
- ✓ Legacy technology integration and data analytics challenges

Four strategies leveraging fintech to energize relationship banking



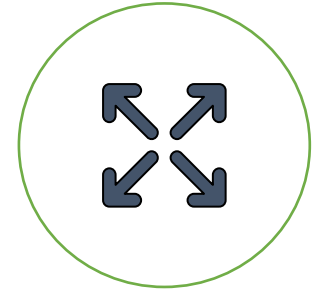
Delivering More
Personalized/
Customized
Banking



Banker as
Trusted Advisor



Ability to
Precisely &
Profitably Target



Expand Market
Reach



Precise & Profitable Targeting

CPG's digital sales optimization framework

- Data-driven digital marketing and sales programs now critical
- Takes time to build, test, optimize



Emerging strategic framework for growth

1

Community Bank Core Franchise

- Regional demographic expansion; M&A a focus for many
- Focus on the business segment; banker remains central to value delivered
- Digital/tech transformation
- New payments or non-interest income solutions a priority

2

Regional/National Expansion

- Leveraging automation to take product or segment expertise “out-of-footprint”
- Embedded finance solutions via fintech partners – keep the Bank in front of the customer
- Requires open banking platform; new tech partners and capabilities via APIs

3

BaaS Strategy

- Early days; analysts estimate 20%+ CAGR in BaaS over next several years
- Bank operates behind the scenes
- An entirely new business strategy, requiring advanced partner due diligence and compliance/risk management capabilities