

Grow Deposits AND Lending in 2020

March 4, 2020

NAFCU's Strategic Growth Conference



1

Agenda

1. Market Landscape
2. Growth Challenges
3. Growth Strategies



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2

Consider This...

Why are we chasing loans for such low yield?

How are you pursuing new growth opportunities?

Why are loan to share ratios not as low/high as we would like?

Why is finding sticky deposits so difficult? Cost of doing so?

Why do we chase deposits and not loans at the same time?

What are the risks of using old tactics (mail) versus the newest methods (digital) to hunt for the deposits/loans we need?

3

2020 Credit Union Landscape

- Potential economic downturn on horizon
- Evolving member banking wants, expectations, and habits
- Digital **everything**
- Regulatory challenges
- Evolving competition

4

2020 Growth Challenges

Consumers are going elsewhere to find what they want:

- Simplicity/Convenience
- Value/Return
- Affordability/Pricing

Bottom-line is taking a hit:

- High loan-to-share ratios
- Tighter balance sheet liquidity
- Slowing revenue, yield, and ROI
- Bankruptcy & mergers

5

2020 Strategic Objectives

To remain competitive CUs must:

1. Simplify Service (Digital & Mobile Tools)
2. Provide Relevant Interactions (Data & Marketing Tools)
3. Offer Valuable Products (Loan & Deposit Solutions)
4. Build Brand Trust (Protection & Education)

6

2020 Growth Strategies

To achieve these strategic growth objectives, CUs must:

1. Diversify Lending
2. Expand Deposits
3. Leverage Digital & Data

7

1. Diversify Lending

- Adopt practices to drive loans for both current & new members
- Drive loan diversification, yield, **participation**
- Offer non-traditional loans, like residual based financing and student loans
- Extend offers to larger pool of borrowers (i.e. near-prime Millennials and Gen Zers still building credit)

8

2. Expand Deposits

- Drive loans & deposits TOGETHER
- Diversify deposit program options to attract more accounts
- Alt pricing structures to prevent attrition & retain revenue

9

3. Leverage Digital & Data

- **To build a house, you must first build the foundation**
- Enhanced member experiences thru digital service approach
- Data to gain insights into members' preferences
- Increased revenue thru relevant, digital marketing
- Targeted on-site education to drive trust, new traffic, and cross-sell opportunities

10

Want to Learn More?

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11

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Register at:
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12

A Partner You Can Count On

We approach every challenge from your perspective. Focusing on the actions and outcomes that are most important to you.

By organizing our solutions with 5 important business goals in mind, we're able to point to the best approach for you.



13

Solution Highlights

Auto Deductible Reimbursement (ADR)
Auto Loan Default Protection
Balloon Note Financing
Digital Pre-Approval & Rate Reset Solutions
Loan Origination Systems
SmartVideo
Text Solutions
Electronic Payment Processing
Checking Account Solutions
Reward Checking



 Allied Solutions

14