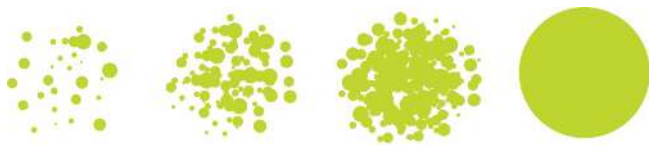


**Tech Talk 3:**  
**Banking Has Changed.**  
**Grow Earnings Today**

**Mac Thompson**

*White Clay*

#FXT24



**WHITE CLAY**

**Banking has Changed,  
Grow Earnings Today**

May 14, 2024



# About White Clay

## 17 years



18,000+ active bankers



23+ Million accounts managed



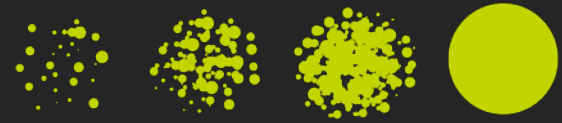
Banks from \$600MM – \$200B  
use our solution daily.



AMERICAN BANKER.

**2023 Best Places to  
Work in Fintech**

#10 White Clay



**Banks can ensure  
shareholder return for  
each client's use of the  
bank's liquidity and capital.**

# The Business of Banking has Changed

## Banking 2009 - Yesterday

- Fed Funds was near 0%
- Deposits were free.
- Capital was cheap at 10%
- Net Charge Offs were low.
- Banks grew earnings by originating loans and adding fees.
- Banks cut costs by automating and delivering digital channels.

## Banking Today

- Fed Funds is at 5.50%
- The Cost of Deposits is Growing
- The Cost of Capital is Growing.
- Net Charge Offs will grow.
- Loan Growth is Flat.
- Banks will need to optimize their return on liquidity and capital to grow earnings.

# How Banks Win Today

- Understand Your Relationships with Transparency, Intelligence, Simplicity, and Insight.
- Execute an Intelligence-Driven Balance Sheet Strategy.
- Deepen Client Relationships to Grow Deposits, Increase Revenue, and Improve Retention.
- Ensure Shareholder Return on Liquidity & Capital Through a Disciplined Pricing Process.

# 6 Questions We Answer to Grow Shareholder Return

- 1 Do we have the client's primary transacting accounts?
- 2 Do we have the client's deposit, wealth, and investment balances?
- 3 Does the client have the optimal Treasury Management services?
- 4 Are the client's loans & lines priced and sized appropriately for the relationship and their risk profile?
- 5 Do we have Business Clients' personal accounts?
- 6 Who is consuming liquidity and capital and are we being paid a return?

# Curated Vertically Integrated Solutions



## Curated Data Integration of Disparate Data Sources

Combining every account and transaction across banking silos into one version of the truth with curated metadata and intelligence to understand client relationships.



## Embedding Advanced Intelligence

Providing profitability, transaction intelligence, client depth, segmentation, customer lifetime value, behavioral insights, and bank channel utilization intelligence at client level.



## Facilitating Intelligence into Action

Deliver an environment directly to Bankers to realize opportunities through execution, accountability, and coaching.

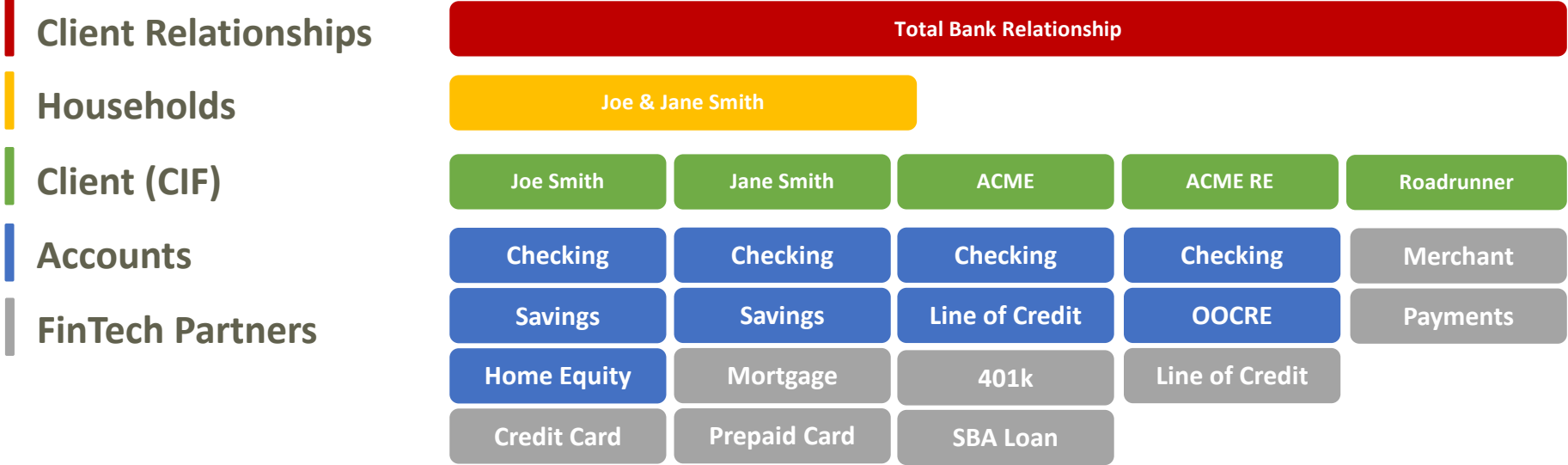


## Guiding the Bank to Maximize Return

Ongoing relationship with the bank to help prioritize and align banker efforts to bank strategies and maximize return.

# Build Client Relationships

White Clay builds a full client relationship across platforms to understand relationship primacy, deepening opportunities, and profitability.





# White Clay's Ecosystem of Software Solutions



## Sales Management

Lead and coach your market teams with combined information and focused reporting.

- Combine Pipelines
- Manage & Coach Sales Activities
- Facilitate Referrals
- Simplify Sales Reporting
- Intelligence to empower coaching



## Client Management

Provide market teams with data and tools to understand and enhance client relationships.

- Holistic Client View
- Intelligence to Deepen Relationships
- Drive Primary Relationships
- Relationship Reviews
- Behavior Segmentation
- Credit Behavior Tracking
- Supports Cross LOB Teams



## Performance Management

Optimize market teams by using accurate, focused information to measure, inspect, and coach.

- Provide Stack Ranking
  - Pricing
  - Relationship Depth
  - Treasury Management
  - Portfolio Performance
  - Credit Behaviors
- Incorporate performance targets/goals by role
- Intelligence to optimize banking teams and markets



## Relationship Profitability

Understand and optimize each client's contribution to shareholder value.

- Includes all bank products & transactions
- Reconciles to GL
- Configurable calculations to match Bank methods
- Built at account level to aggregate in many ways
- Opportunity Analysis



## Relationship Pricing

Ensure both clients and shareholders receive value from the relationship.

- Relationship Pricing Tool
- TM Pricing Tool
- Market Pricing
- Pricing Approval Process
- Pricing Review
- Stack Ranked Pricing Performance by Banker
- Opportunity Analysis



## Banker Incentive

Align banker reward with shareholder return with automated, reconciled, easy to use information.

- Utilizes profitability information to align with shareholder value
- Automatically updated from core data
- Delivered in interactive scorecards drillable to client information
- Supports all Lines of Business

# Profitability Approach & Methodology

## Approach

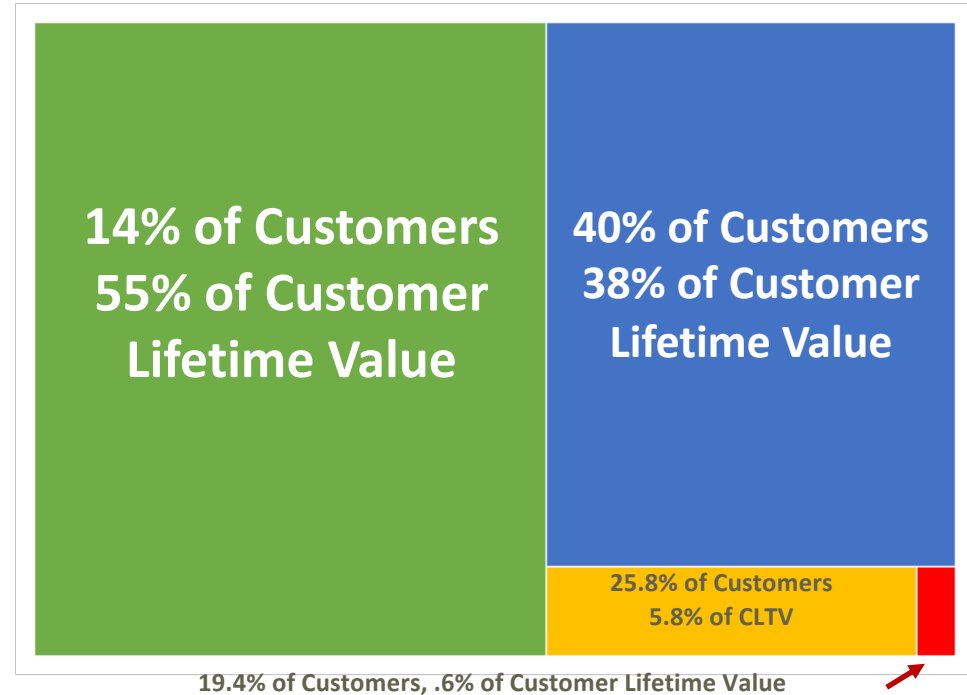
- Profitability Calculations are table driven and can be configured to Bank
- Account Level Calculations
- Aggregated to CIF (Tax ID), Relationship, Book of Business, Team, Market, Region, Line of Business, & Total
- Methods can be consumed or calculated with our engines
- Calculated Weekly and Monthly
- Product & Line of Business Optimization

## Profitability Engines

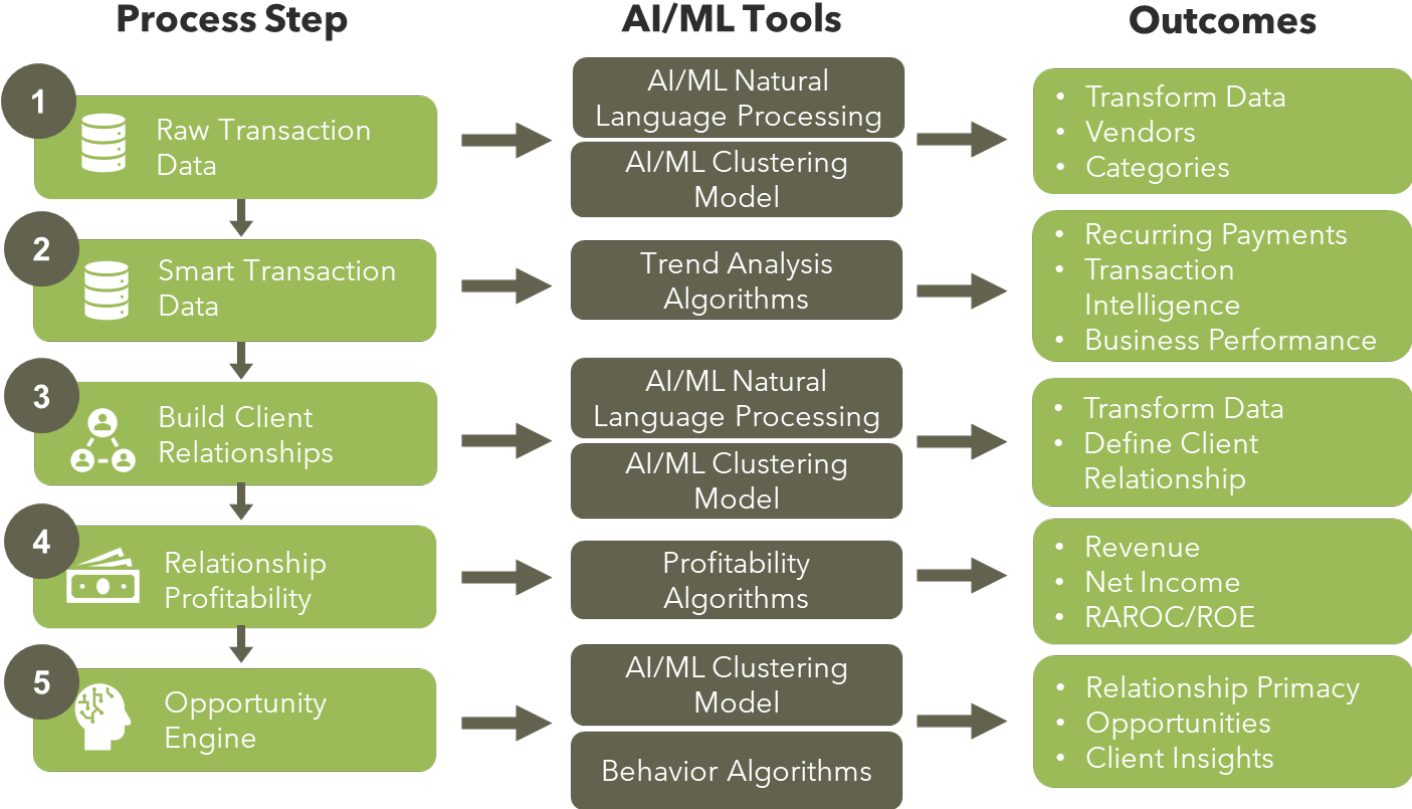
- Interest Income/Expense
- Funds Transfer Pricing
- FASB 91: Origination Fees & Costs
- Equity Credit
- Fees
- Expected Loss
- Expense Allocation
- Economic/Regulatory Capital

# Use Segmentation to Grow Customer Lifetime Value

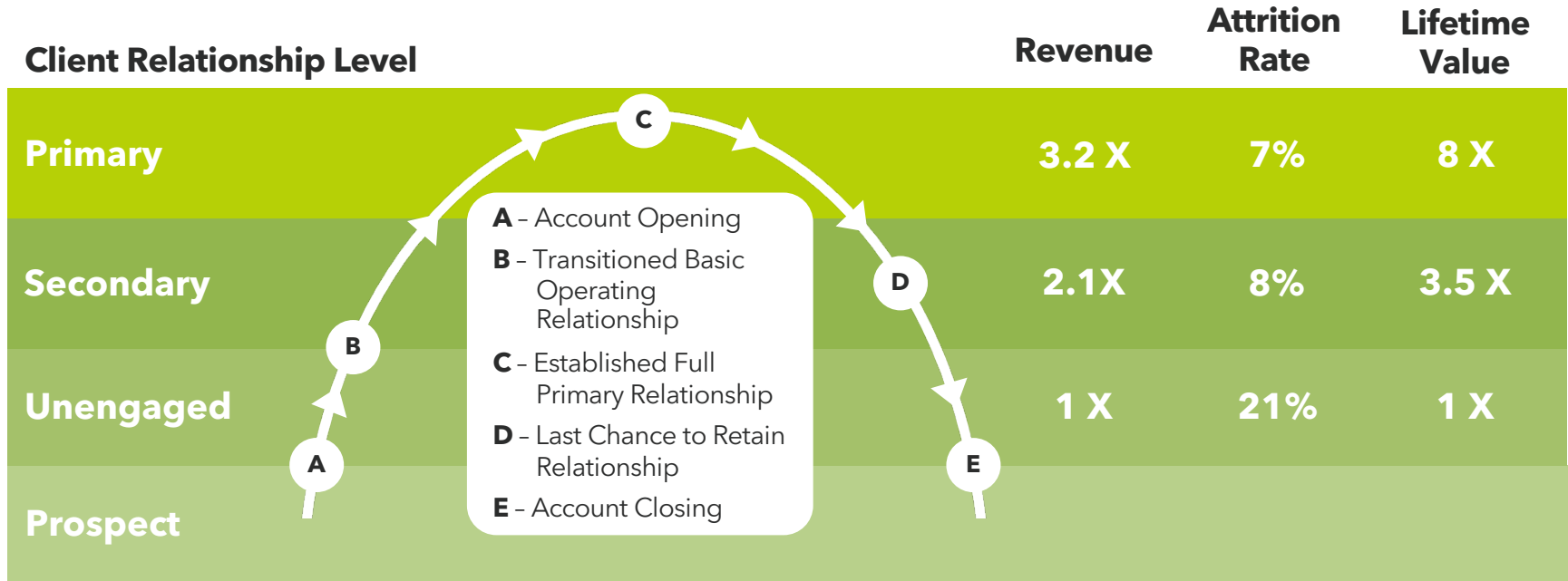
- 14.5% of Consumer Relationships Drive 39% of Revenue, 78% of Deposits, & 55% of CLTV.
- 12% of Small Business Relationships Drive 31% of Revenue, 50% of Deposits, and 42% of CLTV.
- 53% of Relationships Have Primary Transacting Accounts.



# Use AI to Unlock Your Transaction Goldmine



# Understand Primary Relationship Curve



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# Identify and Realize Deepening Opportunities

**Product**

OOCRE Loan

Merchant Services

Line of Credit

Purchase Card

Cash Management

**Provider**

**WELLS FARGO**

**BankCard USA**  
MERCHANT SERVICES | SINCE 1993

New



New

**Size**

\$600,000  
Loan Amount

\$1,500,000  
Annual Sales

\$200,000  
Credit Line

\$550,000  
Annual Spend

\$3MM Cash  
& Check

Annual Impact

**Revenue**

\$15,000

\$30,000

\$3,000

\$5,500

\$2,000

**Income**

\$6,000

\$9,000

\$1,000

\$3,500

\$1,000

# Identify & Retain At-Risk Deposits

## Monthly Spend

Using transaction data to determine the average monthly spend over the last 12 months

## Operating Reserve

A two-month operating cushion for operating expenses

## At-Risk Deposit Balances

What deposit balances are at-risk of being deployed elsewhere for a higher interest rate?

## Customer Example

Financials													Accounts		Transactions		Group Clients		Opportunities		Appointments		Scenarios		Notes (1)		Profile		Metrics <span>▼</span>	
Product	Open Date	Maturity Date	Exposure	EOM	Interest Rate	FTP Rate	Spread	Fees (Last 12)	Revenue (Last 12)	Origination Fees	PD	LGD	Term (Mo)	Marg RAROC %																
<a href="#">SBA - PPP</a>	5/4/20	5/4/25	\$93,227	\$93,227	1.00%	0.83%	0.17%	\$0	\$1,400	\$0	1		54	134.3%																
<a href="#">Line of Credit</a>	2/15/19	1/1/99	\$600,000	\$0	7.50%	4.49%	3.01%	\$100	\$124	\$0	1		12	(72.3%)																
<a href="#">Business Checking</a>	3/12/20			\$50,000	0.00%	2.24%	2.24%	\$0	\$1,404					190.7%																
<a href="#">Business Checking</a>	4/9/20			\$49,283	0.00%	2.24%	2.24%	\$389	\$3,004					199.4%																
<a href="#">Business Checking</a>	4/9/20			\$2,668,994	0.00%	2.24%	2.24%	\$1,078	\$49,427					200.4%																

### CHK/SAV EOM

\$2,768,277

### Monthly Spend

\$407,092

### Reserve

\$814,185

### At-Risk Balance

\$1,547,000

# Pricing Management is more than a Pricing Model

## Bank Process



### Client Acquisition

#### Description

Transparency, accountability, and governance throughout the pricing process tied to the sales pipeline.

#### Pricing Tools

- Salesforce Pipeline Integration
- Relationship Pricing Model/Scenarios
- Pricing Approval Process
- Market Data
- Bank's Internal Data



### Client Onboarding

Ensure the client transitions the entire relationship included in your pricing scenario to your bank.

- Pricing Review
- New Loan & Deposit Pricing
- New Relationship Monitoring



### Client Management

Proactively manage and execute pricing discipline throughout the client's relationship with the bank.

- Pricing Review
- Renewals
- Pricing Scenarios
- Client Profitability
- Low RAROC/ROE Clients
- Relationship Deepening
- Operating Relationships/TM



### Measure & Coach

Transparency, accountability, performance management, and coaching of the entire banking team.

- Pricing Approval Process
- Pricing Workflow
- New Loan Pricing
- Pricing Review
- Low RAROC/ROE Clients
- Leaderboards
- Explorer



# TM Relationship Deepening with Pricing & Proforma

Drive Treasury Management revenue growth by knowing which of your bank clients use TM, who to deepen, how to price optimally on the full bank relationship, and how to understand TM performance.

## TM Sales Officer Book of Business

- Identify Bank clients that should be using TM
- Understand TM penetration %, waive %, discount %, and portfolio performance
- Track TM Revenue

Client	TM	Waive	Discount	Revenue	Revenue	Revenue	Revenue
Bank of America	100%	0%	0%	\$1,234,567	\$1,234,567	\$1,234,567	\$1,234,567
Wells Fargo	85%	15%	0%	\$987,654	\$838,909	\$838,909	\$838,909
JP Morgan Chase	70%	30%	0%	\$765,432	\$535,782	\$535,782	\$535,782
Citigroup	60%	40%	0%	\$654,321	\$392,593	\$392,593	\$392,593
Bank of Montreal	50%	50%	0%	\$543,210	\$271,605	\$271,605	\$271,605
TD Bank	40%	60%	0%	\$432,109	\$162,844	\$162,844	\$162,844
Capital One	30%	70%	0%	\$321,098	\$90,328	\$90,328	\$90,328
US Bank	20%	80%	0%	\$210,987	\$42,197	\$42,197	\$42,197
Summit Bank	10%	90%	0%	\$109,876	\$10,988	\$10,988	\$10,988
<b>TOTL</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>	<b>\$5,000,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>

## Relationship Pricing and Proforma

- Scenario tool loads existing relationship at service code.
- Provides standard and recommended pricing
- Generates Client Proforma and Ops information.

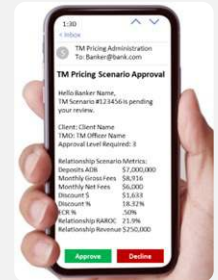
Item	Description	Rate	Product	APR %	APR %
1	Overnight Cash Sweep	0.0000	Overnight	0.0000	0.0000
2	30 Day Cash Sweep	0.0000	30 Day	0.0000	0.0000
3	90 Day Cash Sweep	0.0000	90 Day	0.0000	0.0000
4	12 Month Cash Sweep	0.0000	12 Month	0.0000	0.0000
5	30 Day Cash Sweep	0.0000	30 Day	0.0000	0.0000
6	90 Day Cash Sweep	0.0000	90 Day	0.0000	0.0000
7	12 Month Cash Sweep	0.0000	12 Month	0.0000	0.0000
8	30 Day Cash Sweep	0.0000	30 Day	0.0000	0.0000
9	90 Day Cash Sweep	0.0000	90 Day	0.0000	0.0000
10	12 Month Cash Sweep	0.0000	12 Month	0.0000	0.0000

## Intelligent Pricing Approval Process

The application provides an Internal workflow for:

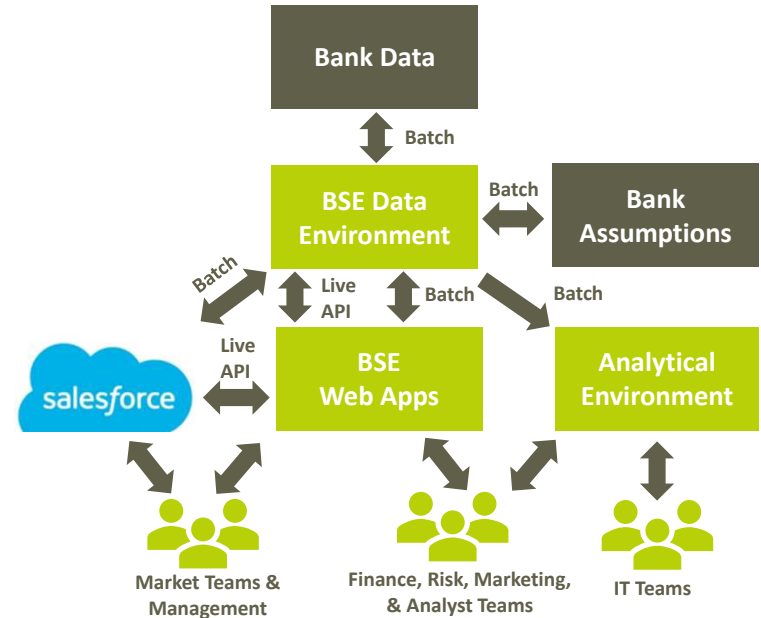
- scenarios in process
- scenarios awaiting approval
- scenarios to approve

The workflow includes email updates to communicate changes



# Perfect Compliment to Salesforce

- BSE performs all complex calculations, intelligence transformation, behavioral analysis, and financial modeling.
- Uses a live API connection to read and write information directly with Salesforce without any reentry by the bankers.
- Delivers summary client profitability and behavior metrics to the Salesforce via batch integration.
- Provides seamless navigation between BSE and Salesforce using SAML 2.0 single sign on.

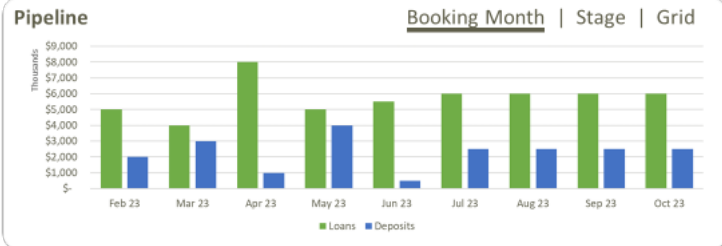


- Overview
- Relationships
- Pipeline
- Activities
  - Opportunities 39
  - Triggers 27
  - Insights 24
  - Onboarding 12
- Prospects
- Portfolio
- Leaderboards
- Explorer

- Reports
- Support
- Documents

Total > Markets > Central Region > Commercial > Commercial Banker

Show Year to Date

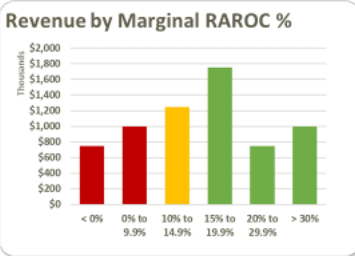
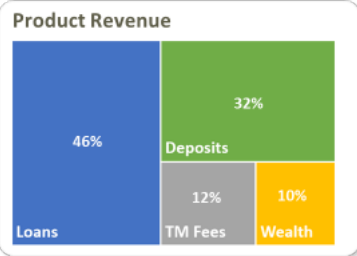
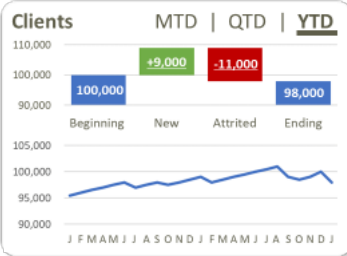
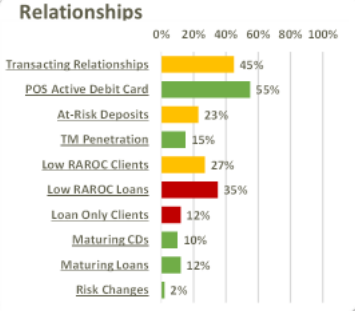


**Onboarding**

Metrics	< 3 Months	3-6 Months	> 6 Months	Total
# Clients	99,999	99,999	99,999	99,999
Deposit ADB (\$M)	\$999.0	\$999.0	\$999.0	\$999.0
Loan EOM (\$M)	\$999.0	\$999.0	\$999.0	\$999.0
% Checking	70.0%	75.0%	80.0%	60.0%
% Transacting	25.0%	50.0%	60.0%	60.0%
% TM	20.0%	40.0%	55.0%	60.0%
% Loan Only	20.0%	15.0%	10.0%	60.0%
RAROC %	30.0%	45.0%	60.0%	60.0%

**Sales Behaviors** This Week | Trend

This Week	Scheduled	Complete	%	To Go	YTD	AVG
Pipeline Adds	999,999	999,999	999.0%	999,999	999,999	999,999
Pipeline Moves	0	0	0%	0	0	0
Prospect	0	0	0%	0	0	0
Deepening	0	0	0%	0	0	0
Relationship Reviews	0	0	0%	0	0	0
COI	0	0	0%	0	0	0
Onboarding	0	0	0%	0	0	0
Client Reviews	0	0	0%	0	0	0
Portfolio Mgt	0	0	0%	0	0	0
Campaigns	0	0	0%	0	0	0



- Overview
- Relationships
- Pricing
- Portfolio Mgt
  - Opportunities 39
  - Triggers 27
  - Insights 24
  - Onboarding 12
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- Support
- Documents

Total > Commercial Banking > Alabama > Birmingham > Banker Name

Show Year to Date

**Revenue** +\$953,000 ↑

\$6,500,000  
+14.7%

**Marginal RAROC** - 3.5% ↓

39.1%  
-3.5%

**Loan EOM** +\$8.9M

\$106.5M  
+3.4%

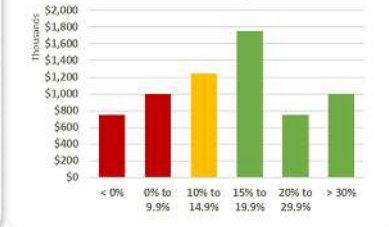
**Deposit ADB** +\$181.0M ↑

\$309.8M  
+37.6%

### Working Scenarios

Scenario	Approval	Last Modified	Exposure (000's)	Deposits (000's)	Revenue (000's)	Opportunity RAROC %	Relationship RAROC %	Primary Bank
<a href="#">HILTON HEAD CHRISTIAN ACADEMY</a>	<input type="checkbox"/>	2 Days	\$999,999,999	\$999,999,999	\$999,999,999	39.8%	39.8%	<input type="checkbox"/>
<a href="#">THOMAS W NEARY</a>	<input checked="" type="checkbox"/>	4 Days	\$1,451,500	\$2,880	\$2,880	30.8%	30.8%	<input checked="" type="checkbox"/>
<a href="#">RLDZ BLUE LAND, INC.</a>	<input type="checkbox"/>	2 Days	\$960,328	\$1,048	\$1,048	10.9%	10.9%	<input type="checkbox"/>
<a href="#">SKF HOLDINGS LLC</a>	<input checked="" type="checkbox"/>	4 Days	\$722,314	\$2,638	\$2,638	41.2%	41.2%	<input checked="" type="checkbox"/>
<a href="#">JENKINS ISLAND REALTY CORP.</a>	<input type="checkbox"/>	2 Days	\$685,922	\$1,092	\$1,092	16.1%	16.1%	<input type="checkbox"/>
<a href="#">Jeff Maine</a>	<input checked="" type="checkbox"/>	4 Days	\$575,000	\$226	\$226	(0.2%)	(0.2%)	<input checked="" type="checkbox"/>
<a href="#">WILLIAM SHEPARD ROSE, III</a>	<input type="checkbox"/>	2 Days	\$504,000	\$1,888	\$1,888	41.1%	41.1%	<input type="checkbox"/>
<a href="#">ROLLING DOUGLII LLC</a>	<input checked="" type="checkbox"/>	4 Days	\$444,025	\$1,508	\$1,508	18.3%	18.3%	<input checked="" type="checkbox"/>
<a href="#">DONALD F SIGMON</a>	<input type="checkbox"/>	2 Days	\$425,000	\$573	\$573	11.4%	11.4%	<input type="checkbox"/>
<a href="#">AL WESTER</a>	<input checked="" type="checkbox"/>	4 Days	\$403,648	\$959	\$959	26.3%	26.3%	<input checked="" type="checkbox"/>

### Scenario Revenue by RAROC %



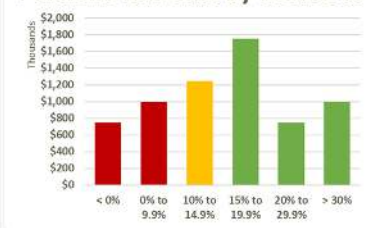
### Opportunities

Categories	Available	Working	Closed	Exposure (000's)	Deposits (000's)	Fees (000's)	Revenue (000's)	Benefit (000's)
<a href="#">External Deposits</a>	999,999	999,999	999,999	\$999,999,999	\$999,999,999	\$999,999,999	\$999,999,999	\$999,999,999
<a href="#">New TM Clients</a>	999,999	999,999	999,999	\$1,451,500	\$2,880	\$2,880	\$2,880	\$2,880
<a href="#">Deepening TM Clients</a>	999,999	999,999	999,999	\$960,328	\$1,048	\$1,048	\$1,048	\$1,048
<a href="#">External Loans</a>	999,999	999,999	999,999	\$722,314	\$2,638	\$2,638	\$2,638	\$2,638
<a href="#">Operating Accounts</a>	999,999	999,999	999,999	\$685,922	\$1,092	\$1,092	\$1,092	\$1,092
<a href="#">Loan Consolidation</a>	999,999	999,999	999,999	\$575,000	\$226	\$226	\$226	\$226
<a href="#">Operating Lines of Credit</a>	999,999	999,999	999,999	\$504,000	\$1,888	\$1,888	\$1,888	\$1,888
<a href="#">Wealth</a>	999,999	999,999	999,999	\$444,025	\$1,508	\$1,508	\$1,508	\$1,508
<a href="#">Purchase Card</a>	999,999	999,999	999,999	\$425,000	\$573	\$573	\$573	\$573
<a href="#">Merchant</a>	999,999	999,999	999,999	\$403,648	\$959	\$959	\$959	\$959

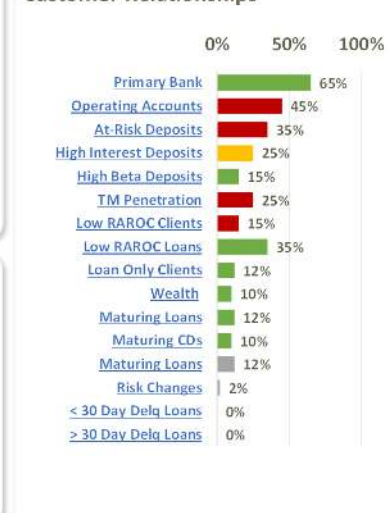
### Product Revenue



### Portfolio Revenue by RAROC %

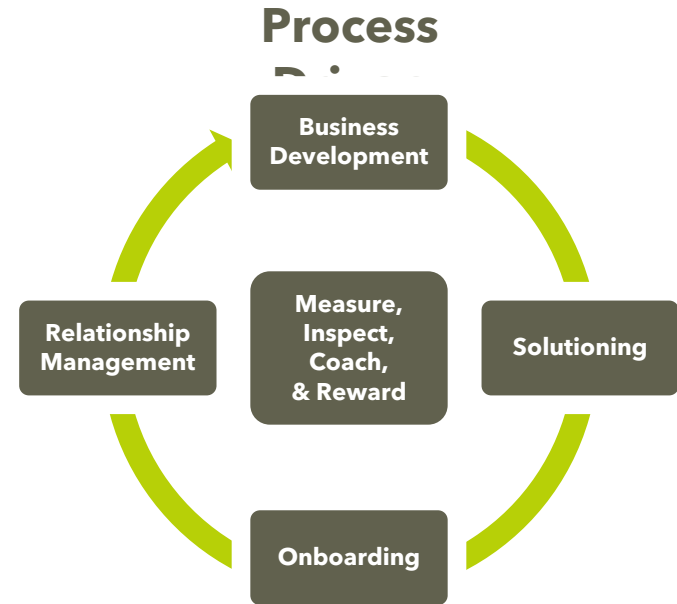


### Customer Relationships



# Empowering the Sales Process with Intelligence

- White Clay is built to align with the Bank's Sales Process and Culture
- The language, process steps, and metrics can be configured to match the Bank's organization.
- Information is delivered in the format to measure, inspect, and coach your team.
- Insights and triggers can be prioritized and focused for maximum impact.



# Return on Investment – Client Examples

- Improved Relationships with Operating Accounts from 45% to 65%.
- Identified & Retained At-Risk-Deposits (20% of Deposits).
- Improved TM penetration by 25% and reduced discounts by 40%.
- Improved Net Interest Margin by 10+ bps.
- Improved Banker Sales by 30% and Reduced Expense by 15%.
- Improved Run-Rate Income by \$12MM by Identifying Low Return on Capital Relationships and Worked with Bankers to Improve

# Do You Want to Grow Shareholder Earnings?

**Mac Thompson**  
Founder & CEO

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[mac@whiteclay.com](mailto:mac@whiteclay.com)

AMERICAN BANKER

**2023** Best Places to  
Work in Fintech

#10 White Clay



**WHITE CLAY**

