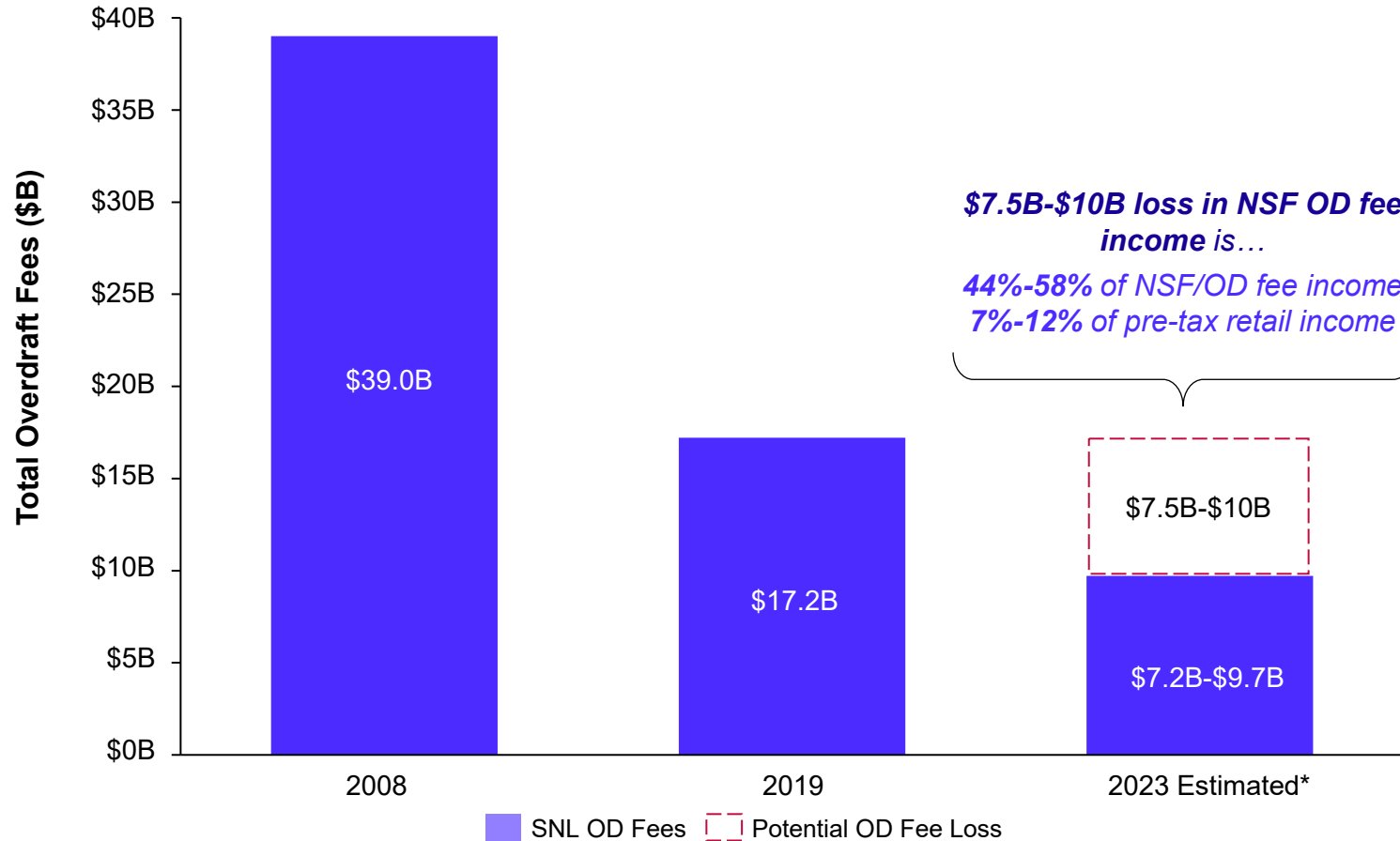


NSF/OD changes will reduce industry revenues considerably

Banking Industry NSF/OD Fees



This is equivalent to:



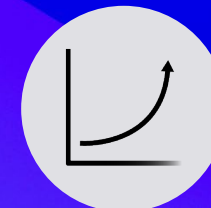
15k -20k in branch consolidations
(18% - 24% of bank branches)



Triple or quadruple Checking maintenance fees



5-6% reduction in Beta (relative to 40% TTC beta last time)



15-20% increase in Mortgage revenue (vs. expectation of 50% reduction as rates rise)

Note: 2018 OD Fee Income is SNL SCDA adjusted for OD Fees; OD Fee Income = \$15B (adjusted for COVID impact); Excluded banks with <= \$1B in total assets; Pre-Tax Income defined as retail income, incl. interest income from deposits and consumer loans
 Source: SNL (2021, 2020), Curinos Benchmarks, Curinos BranchScape (2021), Call Reports as of 12/31/21

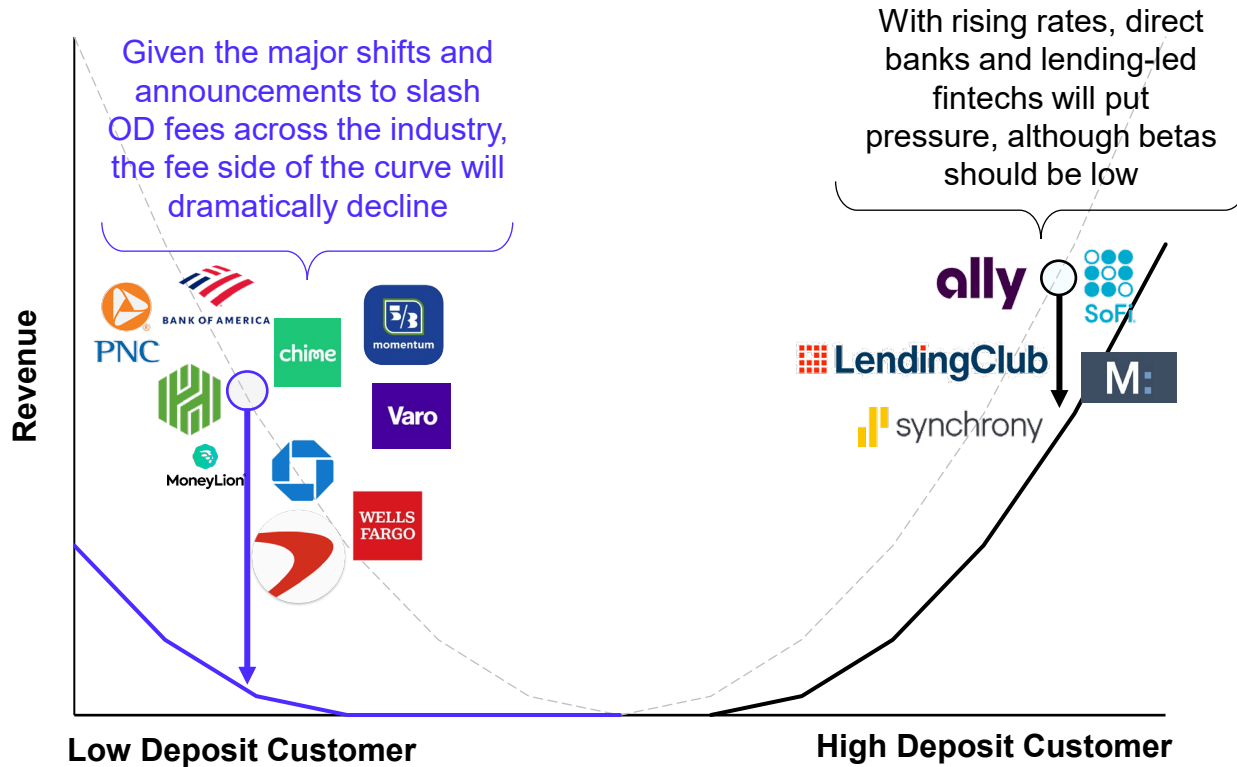
Rising rates and lower deposit betas may temporarily mask that the fundamental economic model of retail banking is breaking

The U-Curve of revenue is being disrupted...

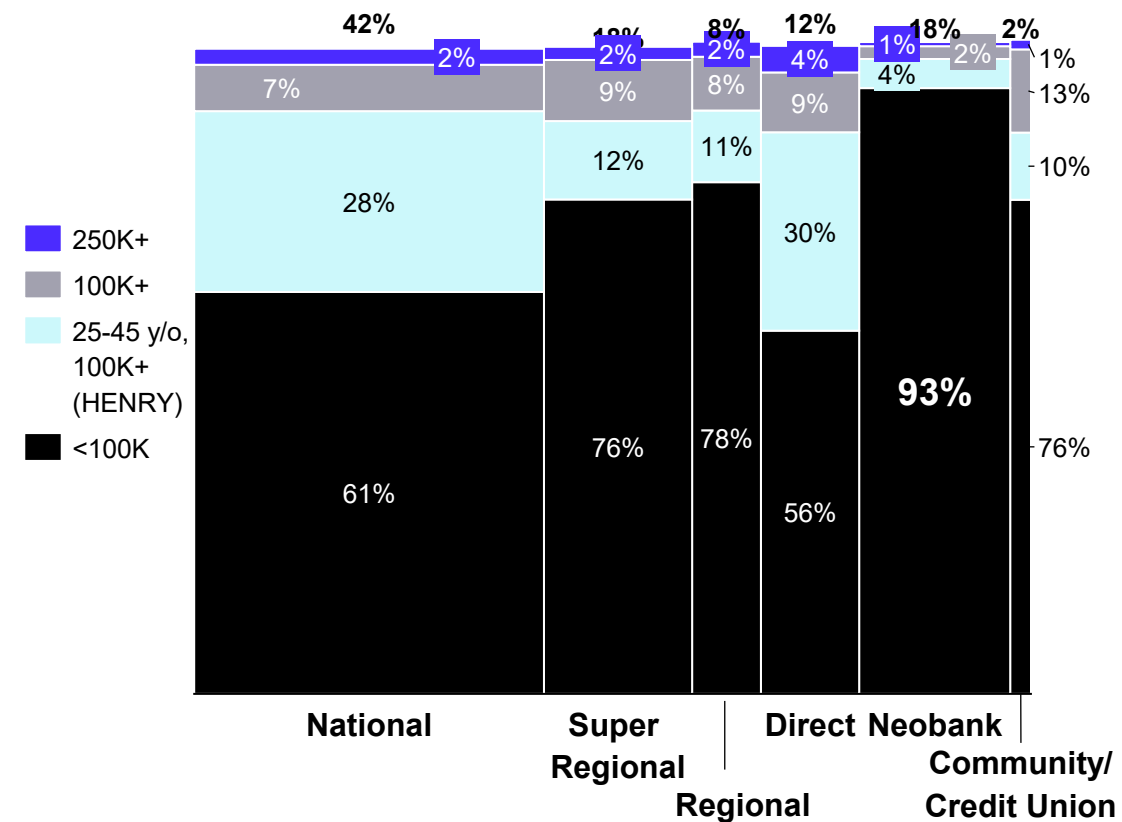
...with all banks having high dependence on the mass market

Illustrative

U-Curve in Revenue



2021 Acquisition Share and Mix



Don't let rising rates delay transformation.

We see five levers to replace the revenue.

curinos

Lever	Plays	Success Metrics
1. Re-Structure the Mass Market; target the forgotten 'Middle'	<ul style="list-style-type: none">• Re-imagine the cash management product set and mass market economics; potentially target the 'middle of the U-curve'	<ul style="list-style-type: none">• Re-capture of 10-20% of lost fees• Regional bank 'power ratios' of customer acquisition go from 50% to 75%
2. Optimize Margins and Pricing	<ul style="list-style-type: none">• Pricing playbooks and price optimization across deposits and loans• Customer-targeted pricing (end of mass marketed promotions?)	<ul style="list-style-type: none">• Reduction in portfolio betas by 2-5%• 5-10 bp improvement in loan margins
3. Accelerate Omnichannel Transformation	<ul style="list-style-type: none">• Transform branch operating model• Continued branch consolidations• Increase DAO quantity <i>and</i> quality (through improved opening/onboarding processes)	<ul style="list-style-type: none">• Take out 5-10% of branch capacity in 3 years• DAO goes from 30 to 60+%; improve quality by at least half
4. Lending Growth	<ul style="list-style-type: none">• Double down on Home Equity and Unsecured• Relationship credit to widen the 'buy box'	<ul style="list-style-type: none">• 25-35% increase in Home Equity production• Expand consumer credit approvals by 10-20%
5. Double Down on Affluent and Small Business	<ul style="list-style-type: none">• Value proposition and digital innovation	<ul style="list-style-type: none">• 30-40% increase in small business and affluent customer acquisition