

# Making the case to SWITCH...

*A proposal to purchase and implement switching solution,  
ClickSWITCH*

**Sadie Bell**

VP - DIRECTOR OF RETAIL BANKING WITH FIRST BANK & TRUST

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## Executive Summary

First Bank & Trust is a locally family and employee-owned community bank, with over \$4B in assets. Headquartered in Brookings, South Dakota, First Bank & Trust serves 17 communities throughout South Dakota and Minnesota, with 22 branch locations. At First Bank & Trust, “We believe when our customers and communities thrive, our business grows. We invest in experiences that allow our customers to both accomplish their day-to-day financial tasks easily and gain confidence in their financial well-being through expert guidance and care,” says the bank’s value proposition statement. With a rich history of proudly serving and growing in the communities that it resides in, and with a strategic initiative to grow assets to \$6B by 2026, building a case to “make the switch” to switching solution, ClickSWITCH, has never been more prudent.

ClickSWITCH provides a unique opportunity for First Bank & Trust to enhance the customer’s onboarding experience with the aid of an automated switching solution, all while opening the door to other opportunities that could be gained for the bank from each of these new relationships. ClickSWITCH is a digital switching solution that removes the inconvenience for the customer of converting to a new financial institution. In return, ClickSWITCH boasts the ability to grow deposits through increased direct deposits, gain primary deposit relationships, uncover other (internal) referral opportunities, as well as increase reoccurring payments and, therefore, revenue.

The primary motivation for this project is to build a case for leadership at First Bank & Trust to approve the purchase and implementation of switching solution, ClickSWITCH. This solution

would be introduced to consumers at account opening, during the onboarding stage, as a tool to aid in and simplify the process of switching financial institutions. That ability to launch the transition of a new account holder into a primary deposit relationship, shortly after being onboarded, brings great value to the new client, as well as the bank. Benefits that ClickSWITCH could add to the client experience at First Bank & Trust include consistent onboarding delivery at account opening, significant time savings, simplification of the switching process, and the consolidation of accounts at multiple financial institutions into one new primary deposit relationship. In turn, the value that ClickSWITCH would bring to First Bank & Trust include the collection of direct deposits at a faster pace, correlating to an increase in primary deposit relationships, and therefore, growth in deposits. In addition, First Bank & Trust would have the added benefit of building “stickier” relationships with automated payment switching, as well as growth in interchange revenue. These stronger primary deposit relationships will also allow for other unrecognized opportunities to be uncovered and met by other business lines throughout the organization, making First Bank & Trust their full-service financial institution of choice.

To confirm the need for the implementation of ClickSWITCH, existing customers were surveyed to gain an understanding of their current state switching experience to First Bank & Trust. Of those surveyed, 17.8% responded and 82.2% did not. Those that did respond indicated an overall favorable switching experience in the current state, with 70% of respondents rating their experience as very easy. Survey results suggested inconsistencies in banker assistance given during switching and delivery, with only 41% of responders stating they received help from a banker.

To better comprehend the current state of switching to First Bank & Trust and further support the need for ClickSWITCH, internal data was collected to determine the time customers currently take to switch. Results concluded that 31% of customers who had opened a deposit account within the last five years established direct deposit within the first 30 days post account opening and 29% of customers never establishing direct deposit. This leaves the other 40% of customers establishing direct deposit at some point between 30 days and five years. Results of establishing automatic payments/withdrawals are similar, with 28% establishing one in the first 30 days post account opening, while another 34% have never established an automatic payment/withdrawal. The other 38% of customers established one at some point between 30 days and five years. These results, in addition to the inconsistent delivery surfaced in the customer surveys, further support a need to implement ClickSWITCH by highlighting the opportunity that First Bank & Trust has to build a relationship with nearly 30% of existing deposit account customers. Results indicate the opportunity to assist in speeding up the transition time for the nearly 39% who take 30 days or longer to switch.

Initial cost estimates of ClickSWITCH and companion system, CardSwap, which aids in recurring debit card payment switching, include a one-time fee of \$20,000 and an ongoing annual fee of \$76,800 for the term of the contract. Return on Investment (ROI) models indicated a first-year profit with the implementation of ClickSWITCH. This yield was calculated using the 4,430 new deposit accounts opened at First Bank & Trust in 2021, the 31% current state direct deposit adoption as indicated in internal data collection, an assumption of current state customer retention of five years along with an annual value of direct deposit customers at \$1000.

Assuming a 10% increase in future state direct deposit adoption of 41% and the cost per switch

at \$22 [ $\$96,800/4,430$  (total first year cost of ClickSWITCH/total new accounts opened in 2021)], incremental revenue in year one is estimated at \$443,000.00, with an added value of \$5000 per account. In worst case scenario models, that include year one costs only breaking even, First Bank & Trust's annual deposit account opening totals would need to drop significantly to 2,500 or worse. This worst case scenario model would drastically increase the cost per switch and decrease the current state value of direct deposit customers. Although this is important to know, the scenario is highly unlikely due to the last three years averaging 3,712 new accounts per year. These forecasted models indicate a high likelihood of a first-year profit with the purchase and implementation of ClickSWITCH.

Other positive financial impacts to consider include a potential increase in interchange fees as a result of the simultaneous implementation of CardSwap, which was also included in pricing estimates and ROI models. With just a 5% increase in interchange, an additional \$266,900 would be generated in revenue. Additionally, with an increase in the collection of direct deposits correlating to the increase in primary deposit relationships, other opportunities can be uncovered to better meet the needs of clients throughout the bank across all business lines.

Based on the positive financial outcomes outlined above, the time it takes a customer to switch, and the inconsistent switching assistance from a banker, I recommend First Bank & trust recognize the value that ClickSWITCH could bring to customers and the organization and proceed with the purchase and implementation of ClickSWITCH. Although not without internal challenges, a thoughtful project timeline, training plan, and QC process developed will ensure healthy adoption and overall success while minimalizing non-financial risks. Based on the research completed, indicating a positive impact to our new and existing customer base and the

potential competitive advantage that ClickSWITCH will provide First Bank & Trust, now is the time to “make the switch”.

## Introduction / Background

What began as a check cashing station located in a general store in 1880, has now grown into South Dakota’s largest privately held company, Fishback Financial Corporation, the holding company for First Bank & Trust. Headquartered in Brookings, South Dakota, First Bank & Trust is a community bank, owned and operated by the Fishback family and over 700 employees, through an employee stock ownership plan (ESOP). In 1883, visionary Horace Fishback made the brave and wise decision to build a bank after three successful years of cashing checks in his general store. The Dakota Territory was growing through the railroad expansion, moving homesteaders and supplies further west, creating more opportunity at that time. In 1911, Horace decided to sell that bank and retire. However, in 1925 Horace was asked by community leaders to start another bank, sighting their appreciation of his community-minded banking philosophy from his earlier days in the industry. Horace agreed and announced that his newly formed bank, Security Bank, would be “old fashioned in that it will be trustworthy and dependable and carried on under true bank principals.” A local newspaper reported, “The new bank starts off with the brightest of prospects for a splendid business career, with the confidence of the entire community and the realization that it is filling a real need in Brookings.”<sup>1</sup>

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<sup>1</sup> Fishback Family History Interview

The bank was renamed in 2004 to First Bank & Trust (FBT), at which time it also became state chartered. To date, the Fishback family, now in its fourth generation, continues to lead with the same entrepreneurial spirit of founder Horace Fishback and a sustained mission: *To grow a diversified independent financial corporation that excels in delivering community banking services and providing niche products nationwide.* With 22 locations, across 17 communities in South Dakota and Minnesota, First Bank & Trust is currently valued at \$3.8B<sup>2</sup> in assets. The founding philosophy of meeting each local community's needs with integrity and innovation in banking, still holds true today.<sup>3</sup>

As a community bank, it is recognized the bank's success is directly related to the communities it serves. The bank encourages community members to utilize its facilities and other amenities. Still headquartered in Brookings, South Dakota, First Bank & Trust has four locations throughout the community. The Main branch in Brookings hosts training rooms where community classes are often held. Sioux Falls, South Dakota has the next largest presence with three locations in the community. Modern meeting rooms are available in two of the three Sioux Falls locations, where community use is encouraged, free of charge. First Bank & Trust also serves the following South Dakota communities with a branch location: Vermillion, Madison, Canton, Garretson, Watertown, Milbank, Toronto and White. First Bank & Trust also has the honor of serving communities throughout Minnesota with branch locations. These include Pipestone, Edina, Roseville, Princeton, Cambridge, East Bethel and New Prague.<sup>4</sup>

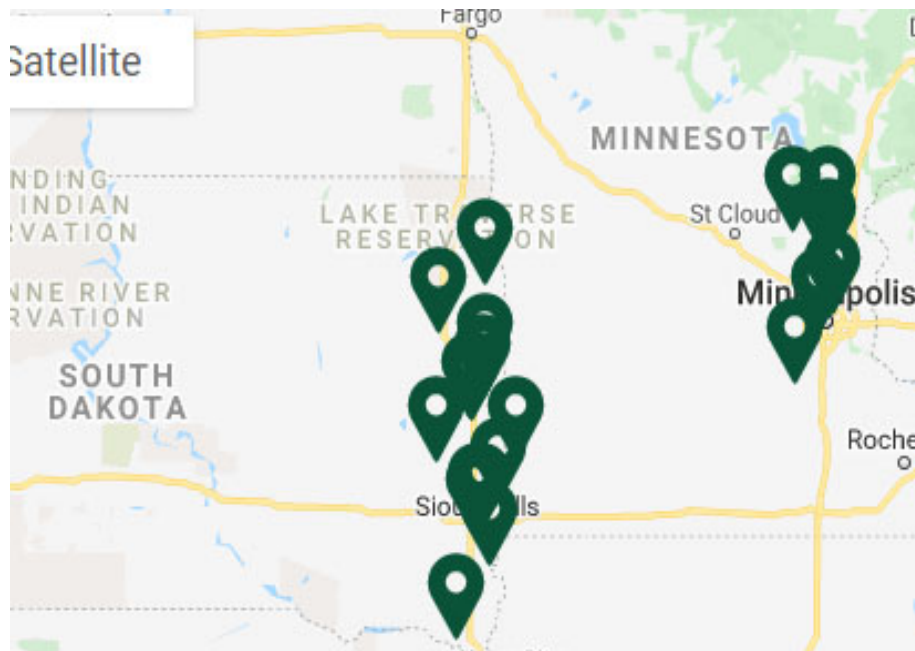
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<sup>2</sup> Fishback Financial Corporation – Statement of Condition. June 30, 2021 – Appendix A

<sup>3</sup> [Our Story | First Bank & Trust \(bankeasy.com\)](https://www.bankeasy.com/our-story)

<sup>4</sup> [Communities We Serve | First Bank & Trust \(bankeasy.com\)](https://www.bankeasy.com/communities-we-serve)





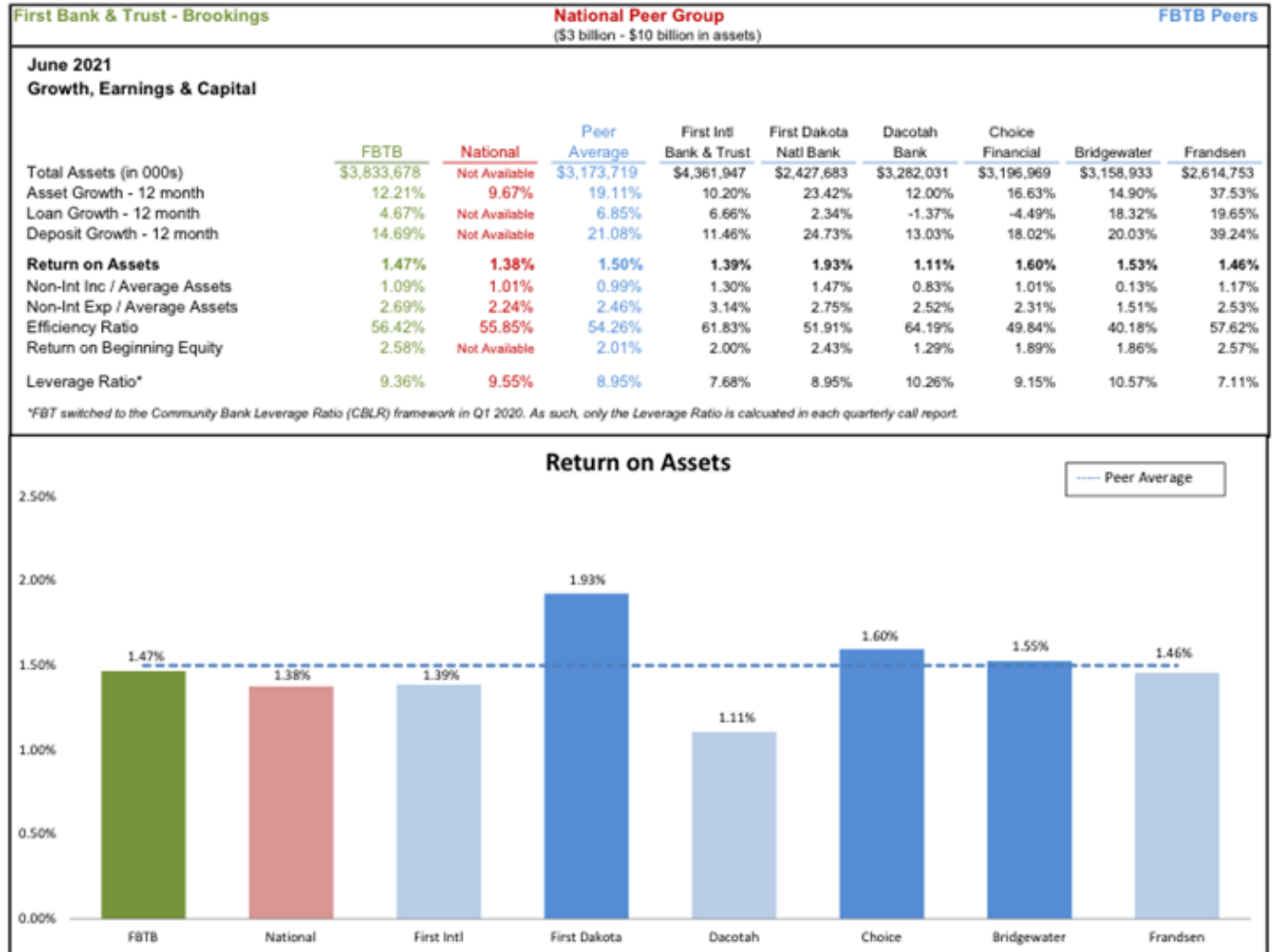
Operating from a standard community banking business model, First Bank & Trust’s strategic objectives are to excel in delivery, grow its asset base, diversify income, and invest in its people.<sup>5</sup> in place to create and support a customer experience that leaves its clients and the communities it serves in the best position. First Bank & Trust provides a full range of products and services geared toward businesses and consumers. These include a full suite of business and consumer deposit accounts, lending solutions for residential, commercial and agricultural needs, cash management, digital banking solutions, wealth management services, mortgage and insurance. In addition, the bank provides niche deposit services for the Trust Company industry, factoring and specialized financing for the trucking industry, and houses a national products division that strives to diversify the portfolio. Through all channels and delivery, the

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<sup>5</sup> First Bank & Trust’s Strategic Plan – Appendix B

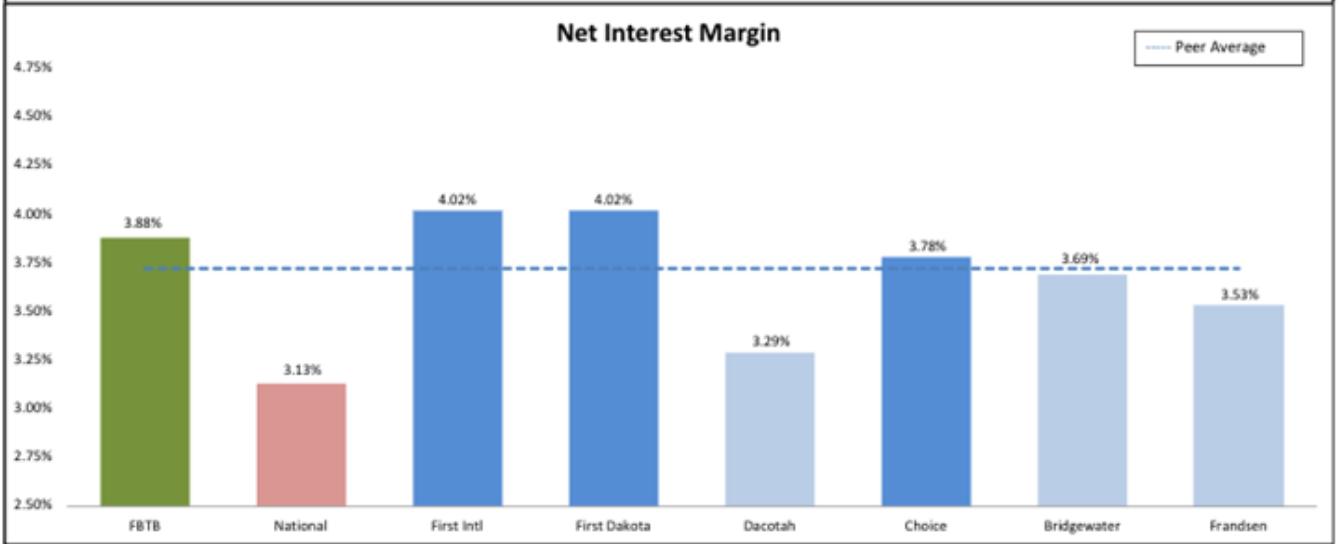
bank aims to ensure the required resources are in place to create and support a customer experience that leaves its clients and the communities it serves in the best position.

First Bank & Trust is viewed as a strong competitor in the markets it serves, as well as nationwide, as seen in the following peer group illustrations.



**June 2021**  
**Yield & Cost of Funds**

	FBTB	National	Peer Average	First Intl Bank & Trust	First Dakota Natl Bank	Dacotah Bank	Choice Financial	Bridgewater	Frandsen
Yield on loans	5.02%	4.28%	4.94%	5.43%	5.57%	4.40%	4.90%	4.61%	4.72%
Yield on investments	1.58%	1.87%	1.95%	1.97%	1.44%	1.79%	2.58%	2.65%	1.25%
Yield on bank balances	0.10%	0.11%	0.10%	0.13%	0.10%	0.07%	0.10%	0.09%	0.09%
Yield on federal funds sold	NA	0.13%	0.41%	NA	0.81%	NA	0.00%	NA	NA
Yield on earning assets	4.13%	3.39%	4.02%	4.36%	4.33%	3.54%	4.08%	4.21%	3.62%
Cost of interest bearing funds	0.35%	0.33%	0.36%	0.41%	0.34%	0.33%	0.33%	0.60%	0.14%
Effect of non-interest bearing deposits	-0.10%	-0.07%	-0.06%	-0.07%	-0.03%	-0.08%	-0.03%	-0.08%	-0.05%
Cost of funds	0.25%	0.26%	0.30%	0.34%	0.31%	0.25%	0.30%	0.52%	0.09%
<b>Net Interest Margin</b>	<b>3.88%</b>	<b>3.13%</b>	<b>3.72%</b>	<b>4.02%</b>	<b>4.02%</b>	<b>3.29%</b>	<b>3.78%</b>	<b>3.69%</b>	<b>3.53%</b>
Earning Assets to Total Assets	94.91%	94.65%	94.72%	93.85%	95.12%	93.98%	95.72%	98.28%	91.38%



First Bank & Trust’s financial performance is strong, performing near budget, year to date. This growth is directly attributed to the banks consistent loan and deposit growth over the last year, as seen below.

# First Bank & Trust

## Financial Overview - July 2021

2021 Analysis of Net Interest Margin				Net Income Recap - YTD 2021 vs 2020			
<b>Interest Income</b>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>2021</u>	<u>2020</u>	<u>Variance</u>
Loans	4.37%	4.43%	-0.06%	Net interest income	\$ 66,541,339	\$ 58,803,151	\$ 7,738,188
Investments, FFS and cash	1.51%	1.65%	-0.14%	Provision for loan losses	1,400,000	7,576,000	6,176,000
<b>Total Earning Assets</b>	<b>3.61%</b>	<b>3.77%</b>	<b>-0.16%</b>	<b>Net Interest Income after Provision</b>	<b>65,141,339</b>	<b>51,227,151</b>	<b>13,914,188</b>
<b>Interest Expense</b>				Non-interest income	38,836,822	32,793,635	6,043,187
Interest bearing funding	0.26%	0.35%	0.09%	Non-interest expense	60,241,164	54,783,995	(5,457,169)
Non-Interest bearing funding	-0.01%	-0.02%	-0.01%	<b>Income Before Taxes</b>	<b>43,736,998</b>	<b>29,236,791</b>	<b>14,500,206</b>
<b>Total Cost of Funds</b>	<b>0.25%</b>	<b>0.33%</b>	<b>0.08%</b>	Income taxes	11,035,449	6,732,467	(4,302,982)
<b>Net Interest Margin</b>	<b>3.36%</b>	<b>3.44%</b>	<b>-0.08%</b>	<b>Net Income</b>	<b>\$ 32,701,548</b>	<b>\$ 22,504,324</b>	<b>\$ 10,197,224</b>
				Return on Assets	1.50%	1.19%	0.31%
				Net Interest Margin	3.36%	3.42%	-0.06%
				Efficiency Ratio	57.17%	59.81%	-2.64%
				Net Loan to Deposit Ratio	78.60%	86.97%	-8.37%

Loan and Deposit Growth	
Millions	Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul
3,400	
3,300	
3,200	
3,100	
3,000	
2,900	
2,800	
2,700	
2,600	
2,500	
	— Loans — Total Deposits

With a five-year vision plan to grow to be at \$6B in assets by 2026, highlighted in the strategic plan, First Bank & Trust is well on track to hit this year’s target of \$3.9B in assets. To continue growth at this pace, First Bank & Trust will need to strategically enhance experiences and efficiencies for its clients and prospects, to maintain a competitive advantage in the markets it serves. Through customer centric initiatives, such as the exploration and implementation of a switching solution, the bank is able to stay committed to its growth objectives while maintaining and growing strong relationships with the clients and communities that it currently serves.

### Strategy / Implementation

Switching financial institutions can present itself as a daunting task when being considered by a consumer. Recognizing a switch could be prompted by any number of reasons, promoting, and

leveraging a switching solution at customer onboarding, with ClickSWITCH, would set First Bank & Trust apart from its competitors, by simplifying the process of switching. With the removal of much of the switching burden from potential bank clients, providing First Bank & Trust with a competitive edge.

ClickSWITCH, a Q2 company, boasts fast digital account switching and friction reduction for consumers in less than 90 seconds. Through an innovative and automated approach, ClickSWITCH streamlines the process for new account openers to change their automatic deposits via direct integrations to thousands of employers, payroll providers and financial institutions. The process is designed to yield high completion rates and seamless financial institution transfers, when onboarding new customers.<sup>6</sup>

ClickSWITCH further declares its solution enables financial institutions, like First Bank & Trust, to make switching to their bank easy. In turn, banks are said to be able to capture more deposits, consistently gain primary account relationships and increase profitability. With the ever-changing competitive markets that First Bank & Trust currently serves, now is the time to consider purchasing the switching solution ClickSWITCH, a customer centric and creative approach to enhancing the customer onboarding experience, while driving deposits.

Per the banks strategic plan and direction, Executive Leadership at First Bank & Trust has challenged leaders throughout the organization with strategic objectives to creatively grow assets and excel in delivery. Much of the responsibility in working toward meeting these organizational objectives is managed and executed within Retail Committee. The committee's

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<sup>6</sup> [Win deposits, engage account holders, and increase profitability. | Q2](#)

mission is “to lead the bank’s retail efforts with the goal of ensuring superior experiences across all delivery channels; guiding efforts that emphasize financial well-being and positive outcomes for our customers; and generating sustainable growth for the bank and employees over the long term.” Members of the committee include the Chief Retail Officer, Director(s) of Retail Banking, Compliance Manager, Chief Product and Customer Experience Officer, Director of Banking Operations, Marketing Strategist, and the Regional Market President.

One of Retail Committees objectives for 2021 was to rollout a first-class onboarding experience deployed consistently across markets. Launching a simultaneous project, with the objective to implement switching solution ClickSWITCH, would add further value to an updated first-class onboarding experience. Although the ClickSWITCH project directly aligns with the onboarding objective, it would need to progress separately under First Bank & Trust’s Project Management Office (PMO) to ensure thorough vetting, quality integration, and deployment success.

Although not formally documented as a subsequent objective (to-date), the ClickSWITCH project and successful launch, directly aligns with the organization’s overarching objectives of growth and delivery. Metrics could be developed and immediately implemented, post launch, to track the pace of switching automatic deposits and payments to First Bank & Trust, deposit growth, and even customer loyalty, through the usage of ClickSWITCH and therefor retention. Tracking these activities will provide proof to the bank, of the benefits the usage of ClickSWITCH is said to bring. Tracking increases and patterns in these metrics, long-term, will also hold the organization accountable to sustained ClickSWITCH usage and success, further aligning with the ongoing objectives of growth and delivery.

As one of two Directors of Retail Banking at First Bank & Trust, and the proposer of ClickSWITCH as a switching solution to Retail Committee, the proposer would be responsible for and take the lead in early and high-level conversations with the ClickSWITCH vendor, Q2. In addition, other business line experts would be invited to collaborate on preliminary research. These experts would include IT (development), Compliance, and Marketing. The information collected through this collaborative discovery process will help frame a general understanding of system integration capabilities, customer and promotional use, and internal and external impacts. This is integral to building a business case proposal, necessary to present for consideration to First Bank & Trust's Product and Process Improvement Committee, for approval to proceed as an official project through PMO, establishing the proposer as designee (leader) of the project.

To further establish a case to proceed with ClickSWITCH, a survey was developed and deployed to all existing First Bank & Trust customers who had opened a new account within the last year. Customers were asked various questions related to their onboarding and switching experience. In total, the survey gleaned a 17.8% response rate with 293 customers out of 1,648 who opened a new account in the last year responding.<sup>7</sup>

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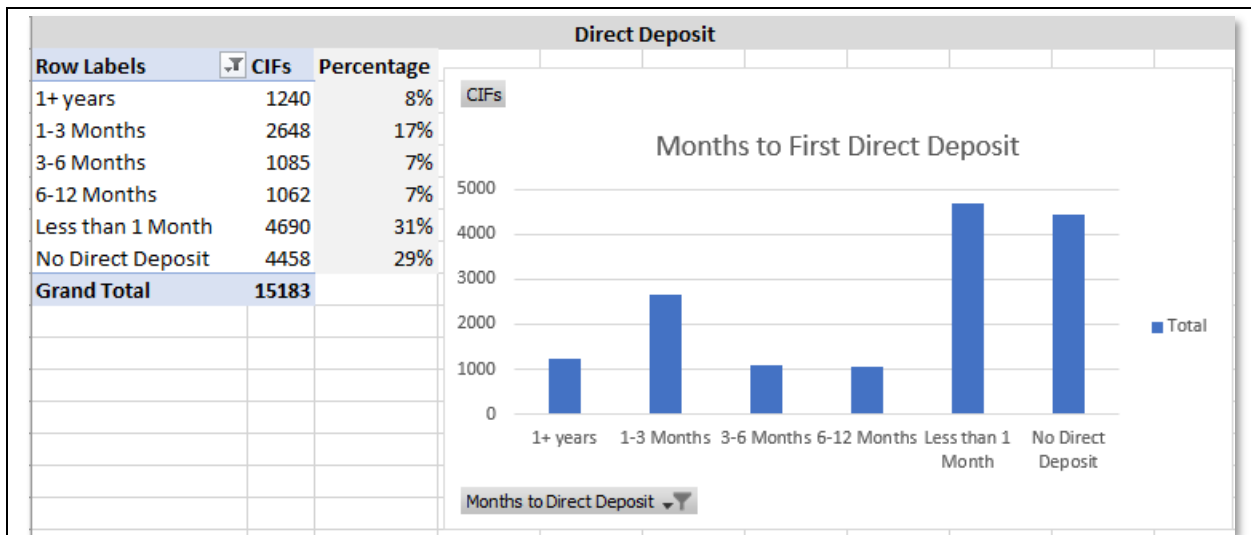
<sup>7</sup> First Bank & Trust Onboarding Survey – Appendix C

Survey Results
70% rated their switching experience as very easy
80% completed switching their primary deposit account to FBT <ul style="list-style-type: none"> <li>• Of which, 91% stated they switched in 0-3 months</li> </ul>
85% anticipated switching would take 0-3 months
30% felt it would be incredibly helpful to have assistance from a banker to switch <ul style="list-style-type: none"> <li>• (While another) 41% received assistance from a banker during the switch</li> </ul>
70% had 0-5 automatic deposits, transfers, or payments currently setup
<p>When asked what would make the switching process easier:</p> <ul style="list-style-type: none"> <li>• 30% would like a list of automatic transfers, payments and/or direct deposit(s)</li> <li>• 18% would like a list of merchants to help them update payment(s)</li> <li>• 35% would like a banker to actively make the changes for them</li> <li>• 29% would like an app to help automate the process</li> </ul>
65% came to FBT via an existing or previous relationship or a referral

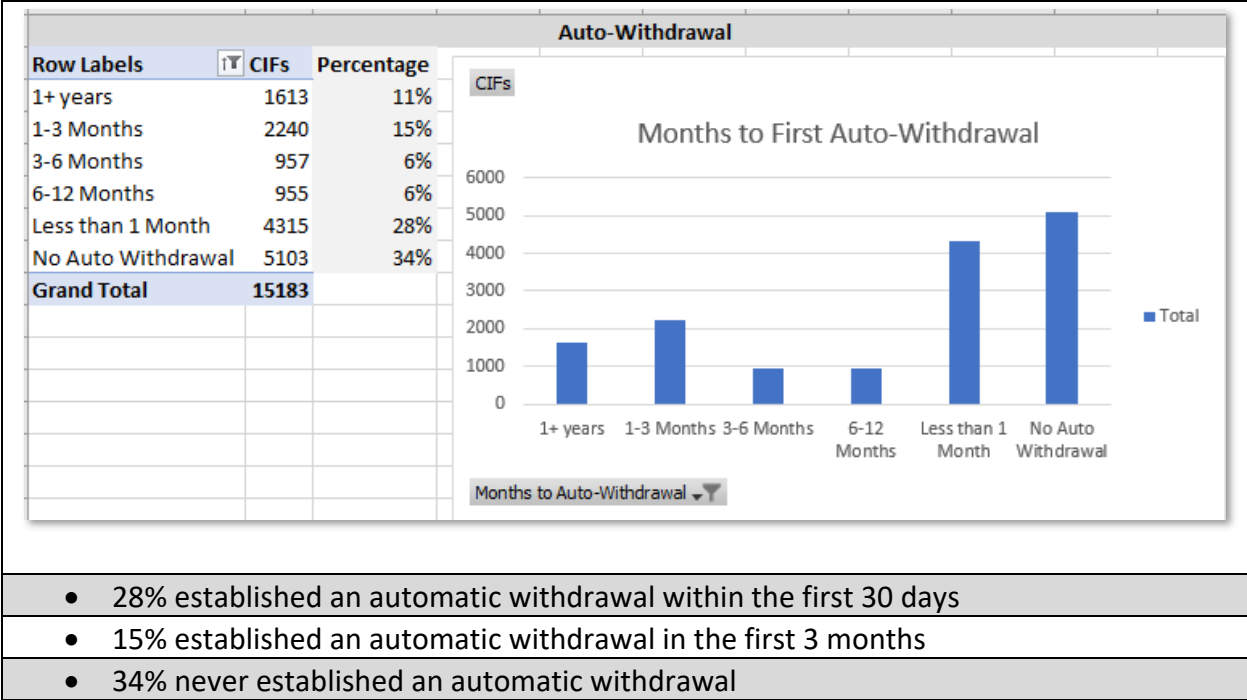
These favorable survey results, of the current state of switching to First Bank & Trust, seem to indicate there isn't a current customer need for switching solution, ClickSWITCH. Survey responses seem to imply an appreciation for the current (state) process. However, with 83% of the customers surveyed not responding, it is important to recognize answers only represent those who responded and not all 1,648 new account holders. It is also important to note the results, although favorable, do indicate inconsistencies in delivery and aid during the process of switching financial institutions. This is seen in the results of those who did and did not receive assistance from a banker in switching. Although some of the inconsistencies could be addressed through the first-class onboarding initiative, without the aid of switching solution, ClickSWITCH, the burden of switching will still fall on the customer. Furthermore, varying degrees of support and delivery, in the switching process, will continue and could negatively impact the onboarding objective as well as its goal of deploying a consistent first-class experience across markets and business lines.



Additional internal data was gathered, with the help of First Bank & Trust’s Business Intelligence department, to better understand the current state of switching to First Bank & Trust. The information indicates how long it currently takes a new First Bank & Trust customer to receive a direct deposit and/or an ACH debit (auto – payment/withdrawal). The following data was collected from all new First Bank & Trust consumer deposit relationships established in the last five years.



- 31% established direct deposit within the first 30 days
- 17% established direct deposit in the first 3 months
- 29% never established direct deposit



Assuming that direct deposit and automatic payments/withdrawals are indicators of primary deposit relationships, similar to what ClickSWITCH boasts, results indicate roughly 32% of existing First Bank & Trust deposit account customers have never switched their primary banking relationship over from another financial institution. Furthermore, results indicate that it takes 22% of First Bank & Trust’s customers longer than three months to switch over, with the majority of these taking longer than one year. An investment in the switching solution, ClickSWITCH, would not only make it easier for 22% of the banks customers to switch to First Bank & Trust faster, but it would also create the opportunity of gaining primary deposit relationships with the other 31% of customers who have never switched.

With the banks main goals of exceling in delivery and growing its asset base, ClickSWITCH implementation would have an immediate and positive impact on both objectives, based on its

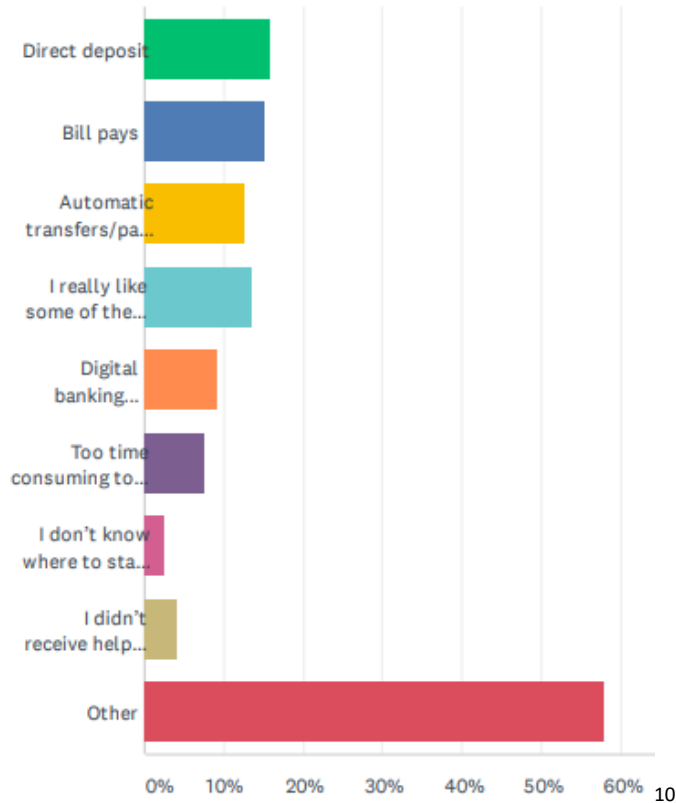
customer reviews.<sup>8</sup> Furthermore, leveraging ClickSWITCH, who has a proven track record of providing their service to some of the largest and most successful financial institutions in nation, as well as fintech companies,<sup>9</sup> provides First Bank & Trust with a powerful competitive advantage in the ever-changing markets it serves. It not only removes the burden of switching from the new bank customer, but it would also allow First Bank & Trust the ability to further impress a (seemingly) already satisfied client base, building greater satisfaction and loyalty.

In addition to the points already presented, further results gathered through the onboarding experience survey seem to indicate even greater opportunity to grow relationships and primary deposits. A significant percentage of respondents indicated they are currently leveraging multiple financial institutions. The motives in doing so all appear to be for good reason, including bill pay preferences, direct deposit, automatic transfers, digital features and more.

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<sup>8</sup> [Win deposits, engage account holders, and increase profitability. | Q2](#)

<sup>9</sup> [How it Works ClickSWITCH Overview 0921.pdf](#)



Recognizing these are all services and conveniences offered at First Bank & Trust, it begs to question, *why not process these transactions with First Bank & Trust?* With existing deposit customers telling their bank they have deposit relationships elsewhere, there is missed opportunity that benefits both the client and the bank. Leveraging ClickSWITCH at account opening, First Bank & Trust would have the ability to immediately or shortly thereafter, capture the customers' existing direct deposit, automatic transfers and possibly even bill pay information; thus, eliminating the need for another financial institution. ClickSWITCH states digital direct deposit switching through their solution takes 90 seconds and can be completed in four easy and secure steps. They go on to share that payment switching is made easy with just

<sup>10</sup> First Bank & Trust Onboarding Survey – Appendix C

three easy and secure steps.<sup>11</sup> These practices during onboarding would most certainly grow primary deposit relationships and build a loyal customer base, if ClickSWITCH was leveraged properly and consistently. Establishing a partnership with Q2 and ClickSWITCH to maximize switching opportunities at onboarding, could also create additional revenue streams through transactional activity that is being processed elsewhere. In addition to ClickSWITCH, Q2 provides a similar service, CardSwap, that aids in the transfer of switching debit card payments, therefore creating the potential to generate more interchange revenue.<sup>12</sup> By establishing recurring debit card payments with First Bank & Trust early on in an account relationship, immediate and ongoing revenue is generated from that customer through interchange fees.

Recognizing a consistent onboarding initiative should aid in better educating new customers to First Bank & Trust's digital features, the bank has the opportunity to enhance that experience even more with the support of the ClickSWITCH and CardSwap platforms, creating well informed, satisfied and loyal clients. Introducing both of these systems at onboarding allows First Bank & Trust the opportunity to cultivate mutually beneficial relationships, and therefore considering the implementation of both systems, simultaneously, should be assumed under the umbrella of the ClickSWITCH project.

Engaging with these switching solutions, at onboarding, will bring a need for new enhancements to the account opening process, specifically for Retail Bankers. The most glaring change for the bankers, would be the expectation of introducing the switching solution platform(s) at onboarding (account opening). The current state of account opening at First Bank

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<sup>11</sup> [Win deposits, engage account holders, and increase profitability. | Q2](#)

<sup>12</sup> [Q2 CardSwap™ | Quickly Swap Out New Card Information](#)

& Trust does not include any expectation, mention or departure from account opening to switching. Training will be essential to gaining internal buy-in, with this change.

The ClickSWITCH project must include the development of the following, to ensure a successful deployment, all of which will need to correlate to materials and expectations developed in the onboarding initiative. These value-added resources will bring vast improvement and consistency to the client's onboarding experience, as well as the bankers understanding of what is expected of them, during these interactions.

1. Create a Workflow Guide so that the Retail Banker (account opener) knows which system must be leveraged at which step in the account opening process.

ClickSWITCH integration capacity may mean bankers are leveraging a different system/portal than where the account is opened. Leveraging this guide will guarantee a seamless transition, for the customer once the banker has completed the account opening.

2. Work with Marketing to develop materials specific to promoting the ease of ClickSWITCH, at account opening with a banker. These materials should also educate the customer on the benefits of leveraging ClickSWITCH to switch. Further highlighting the customer has the option to leverage ClickSWITCH on their own time or allow the banker to aid them in the process, immediately. Leveraging these materials will educate the customer, while still aiding the banker in a smooth transition of system changes.

3. Work with Learning & Development, in conjunction with the onboarding initiative, to create training that is all encompassing to both projects. Training will need to

include education related to the system and why it's beneficial for clients and the organization, time to practice the systems and the introduction of ClickSWITCH at onboarding, and an overview of expectations for use and ongoing accountability metrics. This will guarantee internal understanding and buy-in, of ClickSWITCH.

## Project Timeline

TASK	RESPONSIBLE PARTIES	TARGET COMPLETION DATE
Discovery Phase w/Vendor: <i>system integration, customer and promotional use, internal/external impacts, and preliminary pricing discussions</i>	Director of Retail, It (development), Marketing & Compliance	8/20/2021
Recommendation to proceed with ClickSWITCH presented to Retail Committee	Director of Retail	9/1/2021
Business Case Proposal presented to Product and Process Improvement Committee	Director of Retail	9/15/2021
<i>(anticipated)</i> Response from Product and Process Improvement Committee	Chief Product Officer	9/30/2021
Submission of project to Project Management Office (PMO)	Director of Retail (Designee) and Chief Product Officer (Sponsor)	10/15/2021
PMO scope development	PMO Officer, Director of Retail, IT (development), & Chief Product Officer	10/31/2021
PMO members solidified	PMO Officer, Director of Retail & Chief Product Officer	10/31/2021
ClickSWITCH PMO launch	PMO Officer, Director of Retail, and various business line representatives requested to participate in PMO ( <i>likely, IT/Development, Compliance, Legal, FRAML, Marketing, Learning &amp; Development, Operations, and System Support</i> )	11/1/2021
ClickSWITCH PMO Testing ( <i>begins</i> )	PMO Officer, IT/Development, Retail representatives, and other business lines as needed	1/5/2022
ClickSWITCH training Includes: all Retail & Private Banking staff	PMO Officer, Director of Retail & Learning & Development	2/1/2022
<i>(anticipated)</i> ClickSWITCH system launch	PMO Officer, Director of Retail Banking, & IT/Development	3/15/2022
ClickSWITCH project Conclusion (post implementation) & Lessons Learned	PMO Officer, Director of Retail Banking, & Chief Product Officer	4/1/2022



## Financial Impact

With any vendor related project and implementation, the financial and personnel investment can be substantial and needs thoughtful vetting through various business lines and levels of leadership at First Bank & Trust. The scope of ClickSWITCH is no different, with significant investments in time required by staff throughout the project phases, as well as upfront and ongoing costs related to the vendor contract established. Examination of these important aspects should take place prior to project (PMO) launch to the best extent possible.

Initial budget estimates for ClickSWITCH include resources for upfront and annual/ongoing fees to Q2, the overall vendor, and marketing and training materials. Although there is a possibility for greater IT and/or development (hard) costs to occur throughout integration and implementation it is difficult to estimate at this time with nothing additional currently being detected.

The greater upfront costs are related to human capital, recognizing the valuable time and resources needed from existing staff for the integration and development of the software. Value on employee time is not included in this analysis, as PMO projects and associated work are a normal practice for First Bank & Trust, with knowledgeable and dependable employees from appropriate business lines expected to participate. Projects are prioritized throughout the year, to ensure these internal resources have the capacity to actively participate and see the project scope through to the end. The area of greatest impact, related to valuable employee time, is IT/Development, where talent is robust, but resources can be sparse, given competing, and/or unforeseen, priorities throughout the organization.

Once the ClickSWITCH system has launched, ongoing needs will be minimal and should not require any additions to staff. This includes both the IT/Development side, who would be responsible for ongoing system maintenance, and Retail, who will be expected to update their processes related to account opening and onboarding.

ClickSWITCH vendor, Q2 has provided a preliminary proposal to First Bank & Trust for consideration. The preliminary proposal includes estimates for the purchase of both ClickSWITCH and CardSwap, both forms of switching solution systems. With access to both, First Bank & Trust can assist clients with a switch on all forms of automated debit and credit associated with deposit account transactions, including those set up on debit cards.

Although greater emphasis for this proposal and project is placed on the execution of ClickSWITCH, given the opportunity, cost, and ability to integrate and launch both platforms simultaneously, it is in the banks best interest to proceed with both.

(Preliminary) Pricing Proposal



**Proposal of Services**

**Unlimited Pricing Model**

**First Bank & Trust**  
**520 6<sup>th</sup> Street**  
**Brookings, SD 57006**

**Q2 Software, Inc.**  
**13785 Research Blvd, Suite 150**  
**Austin, TX 78750**

Q2 Sales Manager:		Term:	<b>60 months</b>
Generated On:	<b>August 25, 2021</b>	Billing Frequency:	<b>Annual</b>
Expires On:	<b>December 31, 2021</b>	Asset Size: Annual	<b>\$3.8 Billion</b>
Core Vendor:	<b>JHA</b>	Increase:	<b>5%</b>

<b>Q2 SERVICES</b>	<b>ONE TIME FEES</b>	<b>ANNUAL FEES</b>
ClickSWITCH – includes Unlimited Switches	\$15,000	\$72,000
Card Swap – includes Unlimited Transactions	\$10,000	\$24,000
<b>TOTAL Q2 SERVICES</b>	<b>\$25,000</b>	<b>\$96,000</b>

Pricing is based upon the Billing Frequency as indicated above. Changing the Billing Frequency will adjust pricing.

It is important to note, in verbal discussions with Q2 representatives, playing out prior to the proposal’s expiration date, that an additional 20% discount was offered on both the annual and one time set up fees, which is not reflected in the original preliminary proposal, above. Financial breakdown below is reflective of the 20% discounted offer estimate, as an updated proposal was never presented with the verbal offer.

<b>One Time Fees - \$20,000</b>	<b>Annual Fees - \$76,800</b>
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Additional hard cost estimates, outside of contract pricing with vendor Q2, are minimal related to marketing and training materials, and therefore have not been considered in the financial analysis of the systems purchase.

Q2 provides a return on investment (ROI) calculator<sup>13</sup>, available on their website, to better determine the financial impact of increasing direct deposits. The tool leverages the total number of DDAs per year, current state direct deposit adoption, annual value of direct deposit customer, customer retention, the estimated future state direct deposit adoption with ClickSWITCH, and the cost per switch, to estimate earnings and relationship value. Currently, First Bank & Trust does not track the true value of direct deposit or customer retention, thus conservative assumptions had to be used for these components, better described below each model. As noted earlier in strategy and implementation, on page 16, currently 31% of customers who opened a deposit account in the last five years established direct deposit within the first 30 days of account opening. In the following ROI models, 31% will be used as the current state of direct deposit adoption, recognizing it's completed within the first month of account opening.

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<sup>13</sup> . [ClickSWITCH ROI \(cs-roicalculator.azurewebsites.net\)](https://www.clickswitch.com/cs-roicalculator.azurewebsites.net)

ClickSWITCH ROI Model – Scenario 1

Pre - ClickSWITCH Results

Number of new DDA's Per Year	4430
Direct Deposit Adoption	31%
Annual Value of Direct Deposit Customer	\$1000
Customer Retention (Years)	5

Add ClickSWITCH

New Direct Deposit Adoption	41%
Cost Per Switch	\$22

Your ROI Results

Value	Result
Incremental Revenue in First Year	\$443,000.00
ClickSWITCH Cost	\$39,958.60
First Year Profit Increase	\$403,041.40
Switch Cost Payback in Months	1.1 months
IRR over (x) year customer relationship	1109%
Value added per account over (x) year relationship	\$5,000.00

In scenario one, the actual total of consumer checking and savings accounts opened at First Bank & Trust in 2021, was used. Conservative assumptions were used, on annual value of direct deposit and customer retention. The future state of direct deposit adoption increased the current state by 10%, and the cost per switch breaks down the total first year cost of \$96,800, by account. Results show a profit in year one, with a payback shortly after launch. Although this model is a likely scenario with an extremely loyal customer base, scenario two will analyze a decrease in assumed annual value of direct deposit and customer retention, given the nature of assumptions.

ClickSWITCH ROI Model – Scenario 2

Pre - ClickSWITCH Results

Number of new DDA's Per Year	4430
Direct Deposit Adoption	31%
Annual Value of Direct Deposit Customer	\$500
Customer Retention (Years)	2

Add ClickSWITCH

New Direct Deposit Adoption	41%
Cost Per Switch	\$22

Your ROI Results

Value	Result
Incremental Revenue in First Year	\$221,500.00
ClickSWITCH Cost	\$39,958.60
First Year Profit Increase	\$181,541.40
Switch Cost Payback in Months	2.2 months
IRR over (x) year customer relationship	554%
Value added per account over (x) year relationship	\$1,000.00

In scenario two, the total number of new deposit accounts from 2021 remained the same as scenario one. The annual value of direct deposit was cut in half, to \$500 and customer retention declined to two years. Even with those decreases and a drop in the internal rate of return, estimated results remained positive with a first-year profit. When dropping the value of direct deposit even lower, to \$250, with all other components remaining the same, the model still reflects a profit in year one of \$70,791.40. Scenario three will analyze a break-even model.

ClickSWITCH ROI Model – Scenario 3

Pre - ClickSWITCH Results

Number of new DDA's Per Year	2500
Direct Deposit Adoption	31%
Annual Value of Direct Deposit Customer	\$160
Customer Retention (Years)	5

Add ClickSWITCH

New Direct Deposit Adoption	41%
Cost Per Switch	\$39

Your ROI Results

Value	Result
Incremental Revenue in First Year	\$40,000.00
ClickSWITCH Cost	\$39,975.00
First Year Profit Increase	\$25.00
Switch Cost Payback in Months	12.0 months
IRR over (x) year customer relationship	100%
Value added per account over (x) year relationship	\$800.00

In this worst-case scenario, the number of new accounts opened per year was decreased to 2500 and the annual value of direct deposit was decreased to \$160. In this model, purchasing ClickSWITCH breaks even only at year end. In dropping the new account total even lower, to 2000 and increasing the price per switch to \$48, there’s a potential first year loss of \$7,360 with the switch cost payback hitting after month 14, in year two of implementation. Although important to consider worse case scenario’s, it’s important to note that the average new accounts opened per year, over the last three years, is 3712. When the model is updated to reflect this average, as well as the lower cost of switch per account, it indicates a first-year

profit of \$18,300.16 and a switch cost payback after month 8. With the growth potential of First Bank & Trust’s markets, it’s likely that new account totals would only increase from 2021’s total of 4430, further decreasing the cost per account and therefor increasing the potential of a healthy first-year profit. Model four will consider a best-case scenario.

ClickSWITCH ROI Model – Scenario 4

Pre - ClickSWITCH Results

Number of new DDA's Per Year	5000
Direct Deposit Adoption	31%
Annual Value of Direct Deposit Customer	\$250
Customer Retention (Years)	5

Add ClickSWITCH

New Direct Deposit Adoption	45%
Cost Per Switch	\$20

Your ROI Results

Value	Result
Incremental Revenue in First Year	\$175,000.00
ClickSWITCH Cost	\$45,000.00
First Year Profit Increase	\$130,000.00
Switch Cost Payback in Months	3.1 months
IRR over (x) year customer relationship	389%
Value added per account over (x) year relationship	\$1,250.00

Scenario four considers a best-case, but not unlikely scenario, that could play out in the next year or two, given First Bank & Trust’s growth targets. In this model, new DDA’s increased to 5000, decreasing the cost per switch and the future state direct deposit adoption was pushed to 45%. Given more new customer accounts, the annual value of direct deposit was again increased, yet remaining conservative at \$250. With the launch of a switching solution, a push



goal of 45% direct deposit adoption is not out of the realm of possibilities. In this highly likely scenario, First Bank & Trust retains a healthy profit in year one, post launch.

Although each model is based off some assumptions, due to the lack of current data collection on the value of direct deposit customers and retention, it's important to recognize that given the current state of account opening at First Bank & Trust, and the growth objectives for the organization, it's highly unlikely that the purchase and implementation of ClickSWITCH would not result in a profit, in year one, leaving little to no risk in the required investment. In addition to the possible outcomes presented in each model, it's important to point out that there are other positive financial impacts to consider with the purchase of ClickSWITCH. With the simultaneous purchase and implementation of CardSwap, First Bank & Trust has the opportunity to immediately increase interchange revenue. Total interchange fees for 2021, were \$5,338,000. Assuming only a 5% increase on top of that total, the revenue earnings increase to \$5,604,900. Last, with an increase in primary deposit relationship comes the ability to uncover additional opportunities in other business lines, all while also growing deposits. Purchasing ClickSWITCH and therefore CardSwap provides long-term benefits to the entire organization, through the compounding collection of deposits, revenue growth, and customer relationship penetration potential, across business lines.

Given the opportunity to proceed with purchasing the ClickSWITCH solution, First Bank & Trust has three options to consider:

- Continue with our current account opening process
- Enhance client onboarding with other solutions that aid and encourage switching of financial institutions
- Purchase ClickSWITCH

Given option one, nothing changes. With roughly 52% existing customers beginning to switch direct deposit after three months or never at all, as reviewed on page 16, this customer segment will likely continue to leverage other financial institutions, as covered on page 19.

If the second option is selected, data points and forms/guides would need to be developed to aid the banker and client at onboarding. In addition to the massive amount of time this would take multiple employees to build, the tools and resources would need to be consistently maintained and manually updated by existing staff, to ensure relevant information. Much of the burden to switch would still likely remain on the customer, in this scenario, without an automated solution.

The third option, purchasing ClickSWITCH, which asserts its solution enables financial institutions to make switching to their bank easy for customers, estimates a profit in year one, even in some of the worst-case scenario ROI models. Given the ClickSWITCH database infrastructure already in place, and the ability to remove the burden of switch from the customer, purchasing the solution leaves little to no financial risk and instead provides financial upside and opportunity for the bank to grow. With proper execution by staff, the long-term benefits of proceeding far outweigh the risks of remaining stagnant and therefore lacking unique competitive advantages within the banks markets.

## Non-Financial Impact

Additional risks associated with the investment of ClickSWITCH, not related to financial performance, are important to consider. Recognizing roadblocks prior to implementation allows for the opportunity to minimize impacts through preparation. Potential challenges related to the launch of ClickSWITCH include overall customer satisfaction and therefore loyalty and employee commitment to the change of implementing a switching solution, and furthermore the growth of First Bank & Trust.

## External Impacts

Effects on customers, given any systematic change, can be impactful. Although not without expected challenges, the implementation of ClickSWITCH should have minimal negative impact on customers given its ability to simplify the burdensome process of switching. With technology, there is always recognition of systematic downtime for maintenance or other unexpected outages to occur, that are all impactful to customers. It's normal for system-based projects to include the preparation of customer communication through all channels, related to instances like this, to leverage immediately when the need arrives. This preparation aids First Bank & Trust in overcoming these obstacles, when they arrive, the ClickSWITCH project being no different. Perhaps more importantly, in recognizing external impacts, is the recognition of ensuring ClickSWITCH is introduced (at onboarding) consistently and if bankers don't provide adequate education on the overall value, customers will not reap the benefits. Inconsistent delivery could lead to regulatory concerns, as well as a decrease in customer loyalty, should customers feel they weren't given the same opportunities as others.

To ensure staff understand the importance of consistent delivery, as well as their responsibility in educating and assisting the customer with the ClickSWITCH system, proper training will be imperative, as well as allowing for sufficient time to actively participate, recognizing daily workloads and responsibilities that will compete for their time. In addition, reporting metrics will be essential to ensure delivery consistency and customer loyalty, post launch.

### Internal Impacts

Resistance to change is normal and Retail staff at First Bank & Trust are no different than others in struggling to recognize the benefit to them, when systematic changes are implemented.

Often times these changes are viewed as burdensome and wastes of their valuable time.

Ensuring employees are educated on the benefits of the system, the ease of use and the value it brings to their customers and the organization will be vital to their overall commitment to this change, of introducing ClickSWITCH, at customer onboarding. Without the inclusion of this important training component, staff will remain unengaged and uncommitted to the process and system's expectations, furthering the concerns of inconsistent delivery. Training and allowing for time constraints amongst staff to attend will be vital to overcoming internal obstacles.

Separating training into phases, the first of which focuses on education, would establish a level of commitment from all staff attending, when presented with the ability to understand why ClickSWITCH is beneficial to customers and the organization. It would also help safeguard customers and therefore the organization from these potential negative external and internal impacts. Phase separation also recognizes the reality of scheduling constraints of the Retail staff

attending and the need for flexibility to ensure attendance and more importantly engagement in each phase. Building training into phases, each of which would allow for shorter time commitments in attending, confirms for staff attending that ClickSWITCH project management, as well as First Bank & Trust senior leaders, value their time and their commitment to change and growth for the organization through this initiative. This important component will be beneficial to gaining staff buy-in. An additional phase will include live practice within the system and preparation of introducing the system to customers at onboarding, recognizing that this process is a change from what bankers are currently doing. The last phase will be an overview of expectations for staff, related to the ClickSWITCH launch and thereafter, helping employees understand what to expect once the system is implemented into the onboarding process.

#### Phase 1 – Employee Education

Retail staff, specifically bankers responsible for opening accounts, must be educated on ClickSWITCH and CardSwap during this phase. It will be important for staff to understand who Q2 is and learn what the systems capabilities are, why First Bank & Trust decided to partner with this vendor, and how it could positively impact clients and the organization. This entire phase should be a knowledge-based exercise, with no hands-on learning with the system. First, a detailed overview on the value the switching solution system brings to clients, including the ease of use for both the employee and client, as well as how the solution has positively impacted other Financial Institutions will help staff understand what the system is capable of.

Second, recognizing how Q2’s mission<sup>14</sup> aligns with First Bank & Trust’s value proposition as well as the nine service cultural principals<sup>15</sup>, will help employees understand why they were chosen as a partner and why now is an important time for the organization to leverage a switching solution, like ClickSWITCH.

Q2 Mission	First Bank & Trust Value Proposition
<i>Q2 builds stronger, more diverse communities by strengthening the financial institutions that serve them.</i>	<i>At First Bank &amp; Trust, we believe when our customers and communities thrive, our business grows. We invest in experiences that allow our customers to both accomplish their day – to- day financial tasks easily and gain confidence in their financial well-being through expert guidance and care.</i>

Q2’s mission “drives them to celebrate diverse backgrounds, talents, and points of view” while First Bank & Trust’s Be the 1 service culture principals “help each of us strive to do our best every day.” The values of both organizations directly align, making Q2 the right partner to bring further value to First Bank & Trust’s customers and growth objectives. During this educational phase of training, it’s also imperative that staff be reminded of the banks strategic plan and objective, to grow assets. It’s vital that attendees leave training with a full understanding of how the work they will be doing, with ClickSWITCH at onboarding, directly impacts this overarching goal. Educating staff to this degree will ensure their recognition of the value

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<sup>14</sup> [Change cultivates new ideas. \(q2.com\)](http://q2.com)

<sup>15</sup> [Be the 1 Principles | First Bank & Trust \(bankeasy.com\)](http://bankeasy.com)

ClickSWITCH brings and build the commitment that is necessary to achieve a successful launch and long-term buy-in for usage of the system.

## Phase 2: Employee Practice and Preparation

It's vitally important that staff attending training be given the opportunity to engage in the ClickSWITCH system, practicing how to help a customer begin to switch financial institutions, at onboarding. This practice must be taken a step further, in this phase, to also allow for the verbal introduction of ClickSWITCH to customers, at onboarding. Historically, retail staff has struggled to present systematic changes, when interacting with customers. Bankers recognize there is a new system, and leverage it accordingly, but still communicate and introduce products and services as they've always done, which can come off as antiquated and even a confusing experience to a new customer. Changes in behavior are difficult, but by allowing this opportunity for bankers to practice and then rehearse their updated delivery, verbally and non-verbally, with the aid of marketing materials and incorporating the introduction to the system, they'll be far better equipped and prepared, come launch. Guides will be created and introduced during practice, to establish at what point in onboarding ClickSWITCH should be introduced, what marketing materials should be presented and how to transition to the ClickSWITCH system from account opening. This practice and the ability to leverage a guide going forward, will help establish consistent delivery across the organization. It will also allow for bankers to recognize that the burden this change will bring (by introducing ClickSWITCH at onboarding) on them, is minimal, and the benefits to the client and the organization will far outweigh a negative reaction to what will be asked of them, related to introducing ClickSWITCH, going forward.

### Phase 3: Employee Expectations

The third and final phase of training will be an overview of what will be required out of employees, as well as an understanding of how they will be held accountable to these expectations. Employees will be expected introduce ClickSWITCH at account opening, verbally and non-verbally through incorporation of marketing materials as well as viewing and using the system. Marketing materials related to ClickSWITCH will be produced and included in all new account onboarding kits, to include what it is, how it benefits the client and how to get started. Although system integration won't allow for an automated transfer to ClickSWITCH, once the account is opened, today, bankers will still be expected to transition there. Tracking will be built to ensure bankers are leveraging ClickSWITCH, each time a new account is opened, as a form of accountability. In addition, this quality control measure will ensure consistent delivery. For online account opening, ClickSWITCH will be introduced only through marketing materials. Tracking will also be established through this channel, to ensure the customer received the information and furthermore, leveraged the system. For those online account holders who don't proceed with ClickSWITCH, follow-up measures and expectations will be put in place, to again, maintain consistently delivery across the entire organization and through all account opening/onboarding channels.

The last phase of training must wrap up, highlighting what would happen should bankers not execute, as expected. The loss in customer loyalty, deposit growth, and revenue potential is impactful when the organization is aligning to grow. Ensuring that all understand this, how a lack of consistent execution could impact them individually, such as lower annual Return on Assets (ROA) individual earnings, is imperative. Highlighting the cost of implanting ClickSWITCH,



through the term of the proposed forfeited improvements, at roughly \$400,000, will highlight the hard cost of system enhancements as well as the soft costs associated with the implementation, should employees not execute as expected. This would not be presented as a scare tactic, but instead a transparent and informative approach to gaining their full understanding and therefore buy-in to not only ClickSWITCH and customer onboarding experience enhancements, but to the organizations strategic direction to grow assets. Training would conclude on a positive note, highlighting what the organization and individual employees could gain, as reviewed in earlier financial analysis, with the launch of ClickSWITCH. Last and most important, a reminder of what the customer gains through the simplification of switching, would be presented to leave a lasting impression in attendees minds of the positive impacts the solution would bring.

This in-depth and segregated (topics) approach to training, will aid in overcoming obstacles that First Bank & Trust may face. Employee engagement in the process and commitment to leveraging the tool will have been gained, building buy-in throughout the organization. In addition, several metrics will need to be created, to ensure proper tracking of progress or lack thereof. These will be in addition to the metrics introduced in phase three of training, as accountability tools. Additional metrics will include tracking customer retention, determining the value of a direct deposit customer and tracking it, updating tracking associated with how quickly customers switch direct deposit and/or payments and withdrawals - both deposit account related transactions as well as debit card penetration, tracking incoming deposits and comparing the results to last year (pre ClickSWITCH) to better determine growth and success related to the ClickSWITCH implementation, and finally building a metric that better determines

customer loyalty. Last, customer complaints will need to be carefully reviewed and vetted, to determine any direct or indirect association to ClickSWITCH. Approaching these potential impacts, in this manner, and building tools to hold employees accountable to follow-through, as well as solutions to track key metrics associated with a successful launch and internal and external adoption, should guarantee success for First Bank & Trust.

## Conclusion

As First Bank & Trust continues to set its sights on strategic objectives, such as grow our asset base, exceling in delivery, and diversifying our income; it's imperative that creative solutions continue to be vetted, to aid in achieving success, such as ClickSWITCH. Proceeding with the purchase and implementation of ClickSWITCH and CardSwap, although a major undertaking and change for the organization, brings tremendous value to bank clients as well as positive impact to the banks bottom line and strategic objectives, as outlined throughout the proposal.

With so many financial institution options available for consumers to switch to, why not simplify their choice to First Bank & Trust and simplify their switching process, through ClickSWITCH? In the ever-changing markets and thriving communities that First Bank & Trust serves, ClickSWITCH provides a competitive advantage in alleviating the burden of switching financial institutions from the customer. Implementing the strategies proposed and remaining committed to creating customer experiences that leave them and the communities the bank serves, better off, ensures a successful launch of ClickSWITCH and long-term success associated with the value it brings. Now is the time for First Bank & Trust to make the case to switch.

# Fishback Financial Corporation

## Statement of Condition

June 30, 2021

<b>Assets</b>		<b>Liabilities &amp; Equity</b>	
Cash and Due from Banks .....	\$39,610,000	Deposits.....	\$3,309,274,000
Investments .....	\$950,986,000	Borrowings.....	\$51,616,000
Loans .....	\$2,657,874,000	Other Liabilities.....	\$58,956,000
Bank Premises & Equipment .....	\$33,337,000	Equity.....	\$419,674,000
Other Assets .....	\$157,713,000		
<b>TOTAL ASSETS .....</b>	<b>\$3,839,520,000</b>	<b>TOTAL LIABILITIES</b>	
		<b>AND EQUITY.....</b>	<b>\$3,839,520,000</b>



MEMBER FDIC    2220 SIXTH STREET    BROOKINGS, SD 57006    605.696.2200    WWW.BANKEASY.COM

# FIRST BANK & TRUST'S 2021-2025 STRATEGIC PLAN

6 BY 26

SIX BILLION  
IN ASSETS BY  
JANUARY 1, 2026

5 YEAR  
VISION:

Grow to be a \$6 billion dollar bank by committing our culture and expertise to finding creative solutions that make our customers and communities better off.

## STRATEGIC OBJECTIVES



- ▶ **EXCEL IN DELIVERY:** *The resources required (internal/external) to create and support a customer experience (in-person and digital) that leaves the customer and our communities better off.*
- ▶ **GROW OUR ASSET BASE:** *Grow assets and current business lines while building scale, grow organically while being open to the right acquisitions, all while staying true to our culture.*
- ▶ **DIVERSIFY OUR INCOME:** *Search for new revenue sources within our current lines of business as well as opportunities outside our existing lines, to “weather-proof” the income statement.*
- ▶ **INVEST IN OUR PEOPLE:** *Our culture comes first. Hire the best, instill our culture, train and support them.*

## Appendix C

**First Bank & Trust Onboarding Survey - Send to:** New primary account holders that opened a checking, savings, or Money Market account in the last 365 days, age 18 and older. The survey will remain open for 7 days from the date sent. \* = required

1. How would you rate your overall account opening experience with First Bank & Trust?\*
  - a. Excellent
  - b. Very good
  - c. Good
  - d. Fair
  - e. Poor
  
2. Do you have additional feedback related to your account opening experience that could help us improve?
  
3. How would you rate your overall experience with switching your bank account(s) to First Bank & Trust?\*
  - a. Very easy
  - b. Somewhat easy
  - c. Neutral
  - d. Somewhat difficult
  - e. Very difficult
  - f. I have not fully switched my account(s) yet
  - g. This is my first account, nothing to switch *[If the user chooses this answer, questions 4-10 will be skipped]*
  
4. Do you have additional feedback related to your switching experience that could help us improve?
  
5. Have you completed the switch of your primary deposit account to First Bank & Trust?
  - a. Yes
  - b. No, still in progress
  - c. No, my primary deposit account is with a different financial institution
  
6. If yes, how long did it take to switch your primary deposit account to First Bank & Trust and close your previous deposit account?
  - a. 0-3 months
  - b. 4-6 months
  - c. 6-9 months
  - d. 9-12 months
  - e. 12+ months
  
7. How long did you think it would take to switch your primary deposit account to First Bank & Trust?
  - a. 0-3 months
  - b. 4-6 months
  - c. 6-9 months
  - d. 9-12 months
  - e. 12+ months

8. If you're still using your previous primary deposit account at a different financial institution, would you mind telling us the reason? (Select all that apply)
- Direct deposit
  - Bill pays
  - Automatic transfers/payments
  - I really like some of the specific account features
  - Digital banking features and functionality
  - Too time consuming to make the full switch
  - I don't know where to start with the process
  - I didn't receive help or assistance from a Banker
  - Other \_\_\_\_\_
9. How helpful would it have been to have assistance from a banker to switch?
- Incredibly helpful
  - Somewhat helpful
  - Not helpful at all
10. What would make the switching process easier? (Select all that apply)
- List of automatic transfers, payments and/or direct deposits for current account
  - List of merchant contact information to update automatic transfers and payments with new account information.
  - A banker to actively make the changes and updates for you
  - An app to help automate the changes for you
  - Other: \_\_\_\_\_
11. How many automatic deposits, transfers and/or payments do you currently have set up in your primary account?\*
- 0-5
  - 6-10
  - 11-15
  - 16+
12. What brought you to First Bank & Trust?\*
- Previous relationship or account with the Bank (mortgage, business, loan, etc.)
  - Online search
  - Referral
  - Advertising
  - Social media
  - Other: \_\_\_\_\_
13. What is your age range?\*
- 18-30
  - 31-40
  - 41-50
  - 51-60
  - 61+
14. Thank you for taking the time to provide your insight! If you would like to be entered for a chance to win one of two \$250 Visa® gift cards\*, please provide your name, email, and mailing address below. Your information will only be used to enter the drawing, alert you if you've won, and deliver the gift card if you won. Your information will not be sold or shared with any other entities. This survey is anonymous unless you provide your information.  
\*Official Rules available upon request. Must be 18 years or older to enter.
- Name
  - Address
  - City

- d. State
- e. ZIP Code
- f. Email

## References

Erika Klein interview on Fishback family history, Learning & Development Manager at First Bank & Trust

First Bank & Trust. *Our Story* [Our Story | First Bank & Trust \(bankeasy.com\)](#)

First Bank & Trust. *Communities We Serve*. [Communities We Serve | First Bank & Trust \(bankeasy.com\)](#)

Q2 - ClickSWITCH. *Win deposits, engage account holders, and increase profitability.* [Win deposits, engage account holders, and increase profitability. | Q2](#)

Q2 – ClickSWITCH. *How it Works*. [How it Works ClickSWITCH Overview 0921.pdf](#)

Q2 – CardSwap. *Earn interchange revenue while saving your account holders time.* [Q2 CardSwap™ | Quickly Swap Out New Card Information](#)

Q2 – ClickSWITCH. *Calculate your ROI*. [ClickSWITCH ROI \(cs-roicalculator.azurewebsites.net\)](#)

Q2 - *Our People- Powering Change*. [Change cultivates new ideas. \(q2.com\)](#)

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