



K A S A S A<sup>®</sup>

## A YEAR IN REVIEW: Building foundations for the future

2021 was a year of new tools, refined processes, and opportunity.  
With your help, we're building a framework to tackle whatever comes next.



# Riding the waves and looking for solid ground.

Whether it was waves of coronavirus or waves of deposits, the Kasasa network of community financial institutions (CFIs) met the challenges together. Deposit growth slowed, but it was still too fast for effective redeployment. Lending activity didn't really make much of a dent in all that liquidity and marketing budgets barely began to rebound.

We dove deeper into these issues in our [State of The Industry](#) report, that helps our partners keep up with banking and consumer trends. In the following pages we'll take a closer look at the new developments and results of our collective hard work in 2021, wrapping up with a glimpse of what's coming in 2022.

——> [Read the full report here.](#)

# The Kasasa effect: Stronger than the economic headwinds.

Together, our 900 clients have proven they can go toe-to-toe with the competition, especially when equipped with the right products and marketing. This is a matter of vital importance when 73% of Millennials and Gen Z claim a megabank as their primary financial institution (PFI).<sup>1</sup> Neobanks are following hard at their heels with 20% of PFI bank purchases made with a neobank in 2021, a massive jump from 6% just two years ago.<sup>2</sup> As a community working together, we can punch above our weight and counterbalance the heft of the megabanks and neobanks.

## The Kasasa network: Performance outpaces the industry.

Q3 2021 (Annualized)	Kasasa Bank Partners	All FDIC Banks	Kasasa CU Partners	All NCUA CUs
Deposit growth	13.74%	12.72%	9.36%	8.30%
Loan growth	10.48%	7.98%	4.91%	2.24%
Net revenue growth	5.37%	3.07%	2.37%	[0.96%]
Net interest margin	3.66%	3.52%	2.69%	2.53%
Return on avg. assets	1.36%	1.31%	0.69%	0.54%
% Non-interest income <i>(of total net revenue)</i>	14.99%	13.45%	32.93%	27.15%

<sup>1</sup> Raddon Research  
<sup>2</sup> Novantas Research

Source: FDIC Call Reports as of Q3 2021, YTD

900  
CLIENTS

>\$500B  
IN TOTAL ASSETS

>\$300B  
IN LOANS

3,534  
BRANCHES

4TH  
LARGEST BRANCH  
NETWORK





## To secure your needs first, we're listening deeper.

We rebuilt the Kasasa Client Success department to put you, as the client, at the center of the support model. It's an opportunity for us to lean into providing better service. We're setting our priorities by asking, "what can we do to drive more value for our clients?" and addressing those answers first.

The new "pod" structure dedicates a team of subject matter experts to a cohort of clients. Together they will dive deep into what success looks like for each client and then work to deliver it. Visit [support.kasasa.com](https://support.kasasa.com) to see who is assigned to the pod for your institution.

——> [See an example of a pod team responsible for your success.](#)

# 2021 was a year of focus, consistency, and creating new value.

Launching new marketing and products allowed our clients to maximize every dollar of their budgets for the most reach. One of our primary goals this year was also to equip our Client Success team to be nimbler and more responsive to your needs.

2021  
JAN

Rolled out new client support “pods” and launched new support center.

2021  
MAR

Kasasa Care™ wins “Best InsurTech Solution” in the 2021 FinTech Breakthrough Awards.

2021  
APR

Launched new Retail Optimization Program.

2021  
MAY

Launched annual seasonal marketing and humor direct mail campaigns.

2021  
JUL

Launched Bespoke Performance Marketing to drive acquisition for Kasasa or in-house deposit and loan products or overall brand awareness.

2021  
SEP

Kasasa achieves AWS Financial Services Competency Partner certification. Completed the migration to Socure for INMO® identity verification.

2021  
NOV

Launched InControl Rewards Checking™ to increase deposit portfolio engagement.

2021  
DEC

Launched the Kasasa Loans® “Upgrade your debt” lifecycle marketing program to cross-sell borrowers paying debt elsewhere.

# Reinforcing the best solutions to combat margin compression.

Most of our industry spent 2021 trying to digest massive amounts of deposits and stimulate fresh loan growth. Kasasa institutions were fortunate enough to have an array of powerful tools in this struggle.

## Kasasa Loans

- Brings in 39% more loans per borrower.
- 9% higher average balance per loan.
- Earns a 70 NPS – likelihood to recommend to a friend.<sup>3</sup>

### Lincoln County Credit Union Success Story

- Realized 102% greater loan balances.
- Achieved a 10% growth in their loan portfolio.

—> [Read full story here.](#)

### Kasasa Loan Borrowers Stories

- “I had a 3-month-old baby and we were homeless at one point. I used my Take-Back to put a down payment on an apartment.”

— Savana, IL

—> [Read more stories here.](#)

## Kasasa Reward Checking

- Kasasa checking account holders are 1.75x more likely to take a loan than standard checking account holders.
- They bring in 68% higher loan balances.

### Pioneer Bank Success Story

- Realized a 98.5% improvement in the loan-to-deposit ratio per relationship.
- Opened 48% more loans per 100 DDAs.

—> [Read full story here.](#)

## Kasasa Care

- The launch of the HRA offer for small businesses helps round out our portfolio of referral offers, and we're not done adding offers yet!
- Kasasa Care makes it almost effortless for our clients to offer products and services that consumers value, while generating additional non-interest income.

<sup>3</sup> Compared to the industry average NPS of 18.

# Tightening up the nuts and bolts of digitization

The pressure is on for CFIs to deliver seamless online experiences: 69% of consumers want to be able to conduct their financial lifecycle entirely through online and mobile channels.<sup>4</sup> And with more and more consumers working from home, multi-channel marketing with a strong focus on digital is the best way to reach them.

## Performance Marketing

**Institutions using Kasasa marketing programs enjoyed peak performance competing digitally for consumer's attention.**

- Optimized results-based (ORB) marketing realized a 230% return on marketing investment for acquired DDAs.
- Kasasa Checking Seasonal Campaign saw a 58% increase in click-through performance compared to industry digital marketing campaigns.
- Kasasa Paid Search generated a 53% increase in click-through rate compared to the industry average.

## Digital Services

**A strong “digital branch” experience sets Kasasa institutions apart from their peers.<sup>5</sup>**

- INMO digital application process partners realized a 26% improvement in application completion rate when using a fully digital application process.
- FIRSTBranch website partners realized a 9% increase in new account acquisition compared to those without.
- Lifecycle marketing programs partners continue to maximize Kasasa product profitability and behavioral adoption with automatic loyalty, adoption and cross-sell journeys.

<sup>4</sup> [www.retailbankerinternational.com/thought\\_leaders/best-practices-digital-account-opening/](http://www.retailbankerinternational.com/thought_leaders/best-practices-digital-account-opening/)

<sup>5</sup> Kasasa Analytics 2021

# Building the best version of Kasasa in 2022 to give you the greatest chance for success.

Here's what you can expect to see next year as we use our learnings and investments to construct new opportunities for our clients:

- 01** Kasasa Checking System will gain new rewards and account types to help you attract the type of engaged consumers that fuel the rest of your balance sheet.
- 02** Connect™ SMS texting will allow your institution to carry one-to-one conversations with your account holders as an integral part of Lifecycle Marketing Programs.
- 03** Retail Optimization Program (ROP) will continue to be optimized to deliver better service across the retail portfolio.
- 04** New Kasasa branding will be revealed! Our new look and messaging is updated to attract and resonate with consumers. It's one more way we're helping you stay top of mind and increase trust with your audience.

We spent the past year developing, testing, and refining an initiative that has the potential to transform our industry and recapture the market share that megabanks have been gobbling up for decades – we can't wait to tell you everything about this when it's ready for general availability.



2021 presented fresh challenges, but it was your resiliency and determination to serve your communities that inspired us to seek higher possibilities in our work.

In fact, that's our commitment to you: No matter what the future holds, Kasasa will always look for ways to serve you better and maximize our collective potential.

KASASA®

"The challenges you face will test and strengthen you. If you're not failing, you're not pushing your limits, and if you're not pushing your limits, you're not maximizing your potential."

— Ray Dalio