

Stop Leaving Money on the Table

Tools & Strategies
for Relationship Banking



2/1/2026





Nashville, TN

Headquarters

110 Employees

STBK OTC Markets

\$1.26B Total Assets*

*As of 9-30-2025

OUR PURPOSE IS TO

EMPOWER
CREATORS

Launching in 2018 as the first Nashville *de novo bank* in over a decade, we fuse modern technology with a zeal for genuine hospitality to create a bank that is...

surprisingly modern
and uncommonly human.

About White Clay

For 19+ years, we've enabled banks to build deeper and more profitable relationships.



We've helped our clients grow from **\$5B - \$100B+**



20,000+ active bankers



Banks from **\$450MM – \$200B** use our solution daily.



WHITE CLAY

AMERICAN BANKER

2025 Best Places to Work in Fintech



Profitable Relationship Banking in 2026

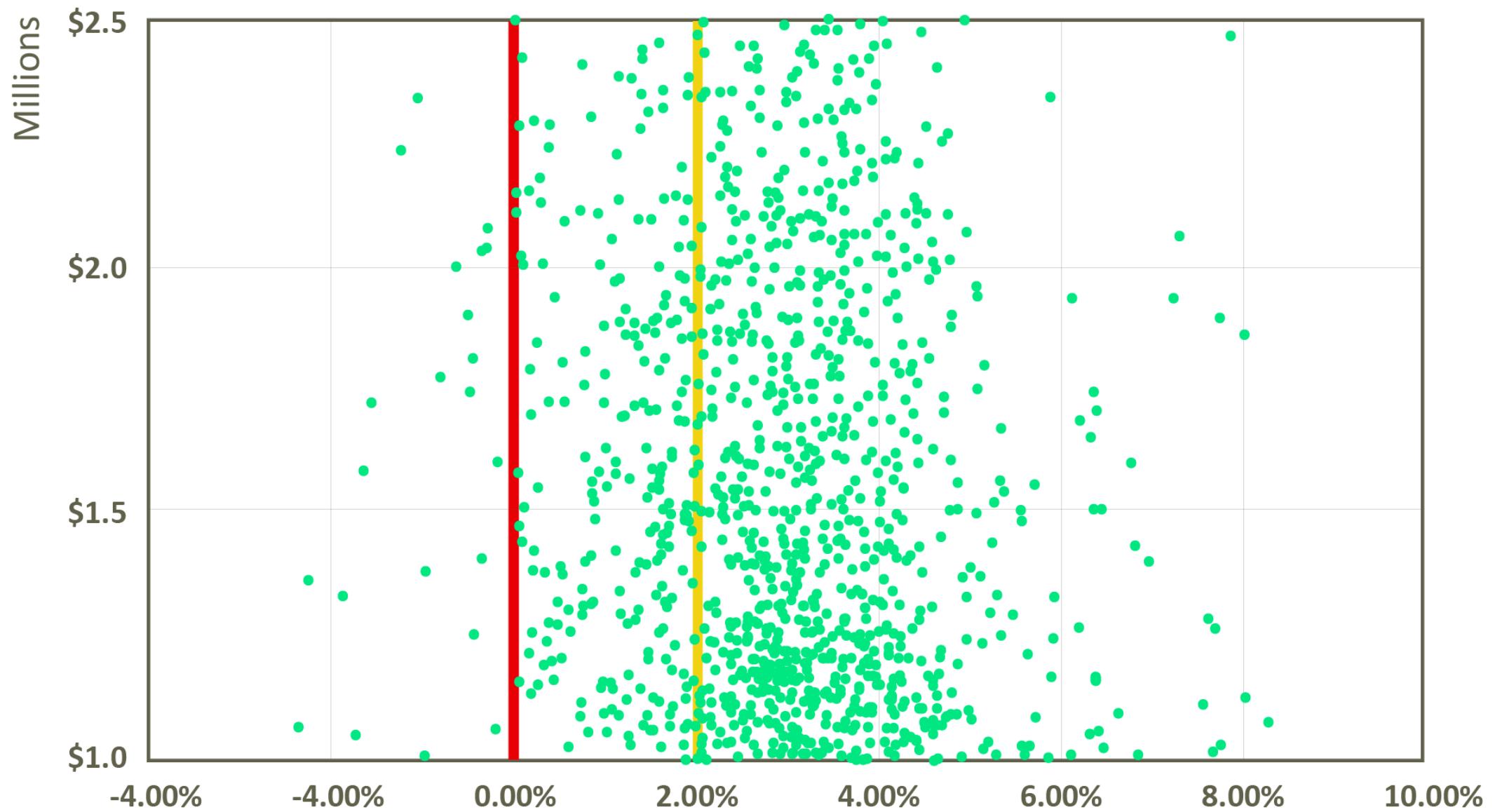
- Current Economic Conditions
 - Loan rates falling
 - Deposit rates remain competitive
 - Profitability headwinds



“The greatest enemy of knowledge is not ignorance; it is the illusion of knowledge.”



Loan Spread After FTP



Tools & Strategies: Funds Transfer Pricing (FTP)

- When we originate loans, we provide the client with cash that will be paid back over a set period with interest & fees.
- The cash the bank provides as loans comes from three sources:

- 1 **Capital Investment** Investors require a 10% to 15% annual return.
(This is an expensive source)
- 2 **Debt & Borrowings** Lenders expect interest in excess of daily treasury yield curve + risk + profit matched to duration of the debt. (Market Based Pricing)
- 3 **Client Deposits** Clients expect a mix of transactional services, customer services, FDIC insurance, and interest for the use of their funds. Providing these items drives expense for the bank. Generally, the expense is lower than cost of #2 debt.



FTP charges loans for cost of the cash lent and pays deposits for the value of cash utilized.



Tools & Strategies: FTP

Example: March 2022 Loan 60/180

Old Method

Loan Rate	3.25%
Cost of Deposits	0.25%
Presumed Spread	3.00%

FTP Method

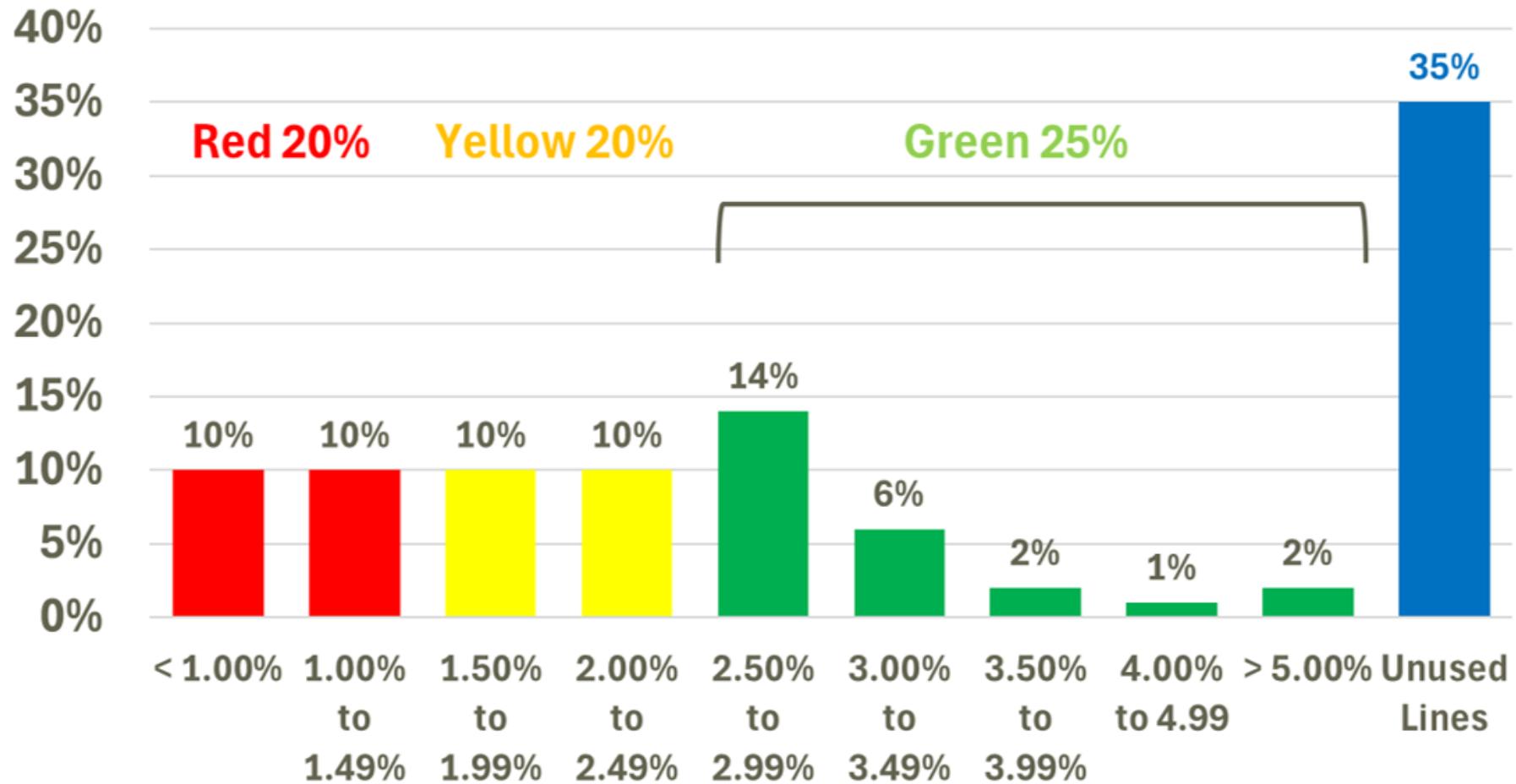
Loan Rate	3.25%
FTP	2.10%
Actual Spread	1.15%

Why?

- Includes Liquidity and Interest Rate Risk
- Accounts for Deposits Costs
- FTP provides Market Value for Deposits



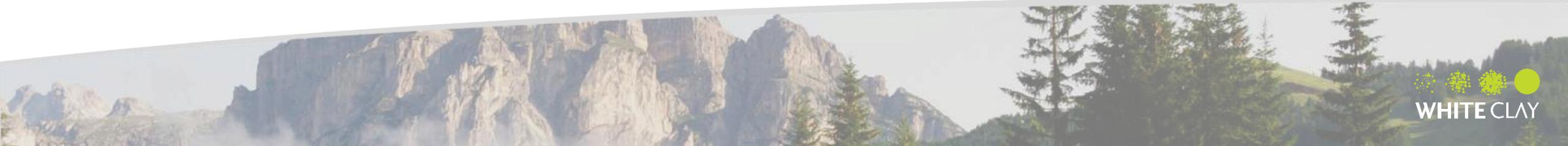
Tools & Strategies: FTP



Tools & Strategies: Relationship Pricing Tool



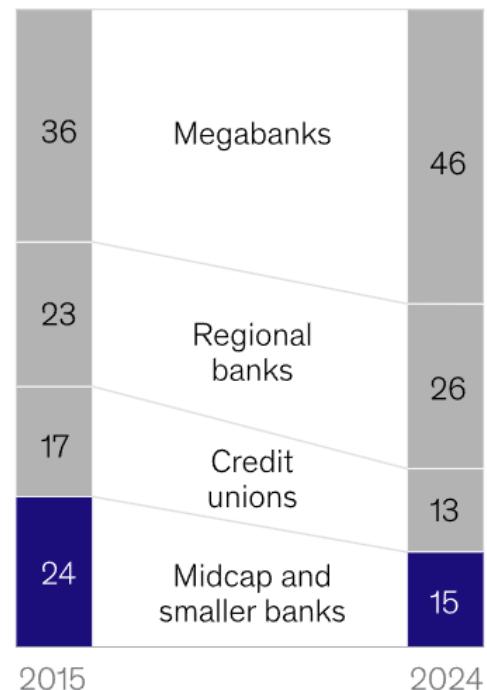
- For Bankers
- Pricing Happens Early
- Instrument & Relationship Profitability



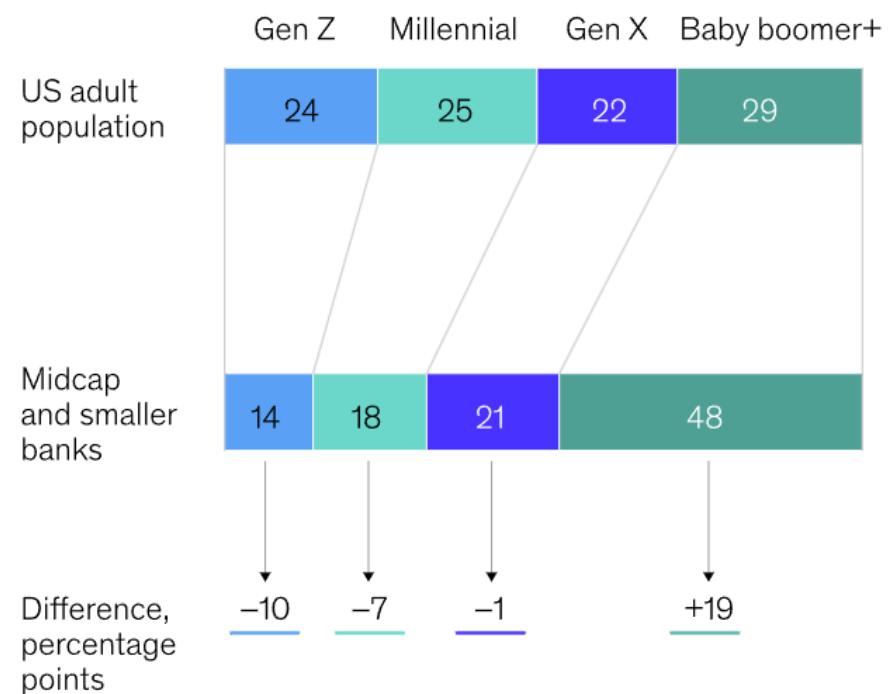
Fight for Primacy

Midcap and smaller banks' share of primary checking accounts is declining, and their customer base is older than the general population.

Home of survey respondents' primary checking account, by type of financial institution, %



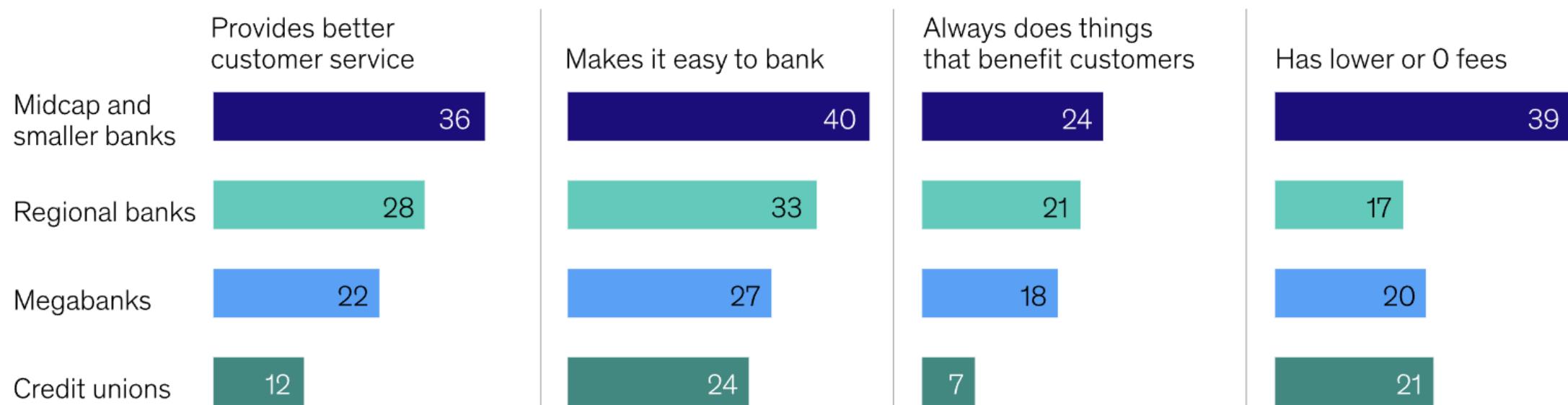
Generational breakdowns of midcap and smaller banks' retail customers and of US population, %



Where Community Banks Are Winning

Consumers value midcap and smaller banks for their customer service, streamlined banking experience, and competitive fee structures.

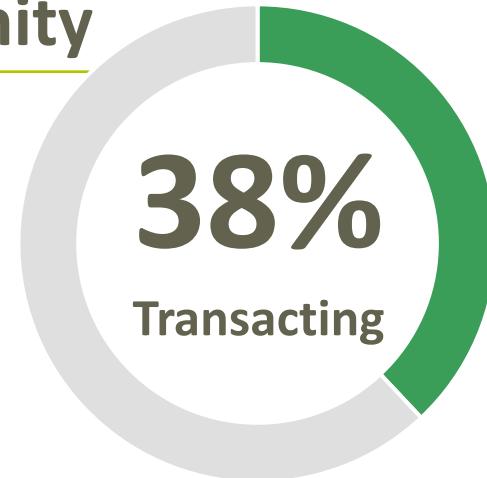
Reasons for switching financial institutions, by new institution, % of respondents



McKinsey , Banking on the next generation: A playbook for US midcap banks – September 16, 2025

What Does Relationship Banking Mean?

Community

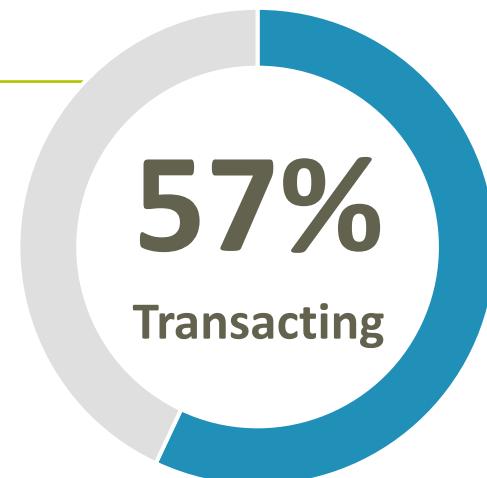


85% of Risk Adjusted Revenue

84% of Deposits

91% of Lifetime Value

Regional



95% of Risk Adjusted Revenue

95% of Deposits

99% of Lifetime Value

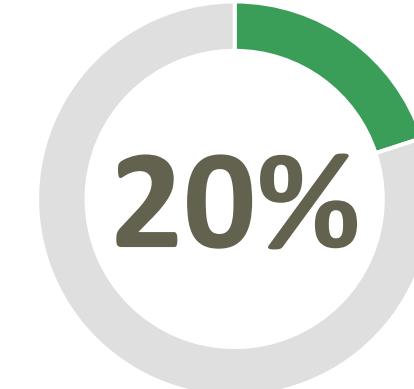
TM Is a Primacy and Profitability Catalyst

\$1,300

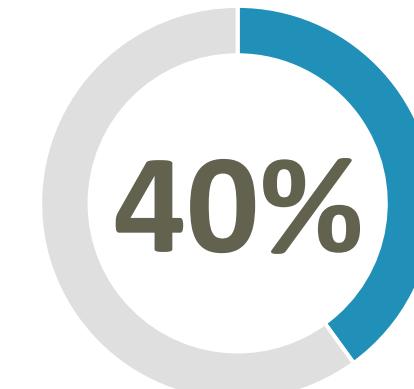
Average annual TM
revenue per client

3x

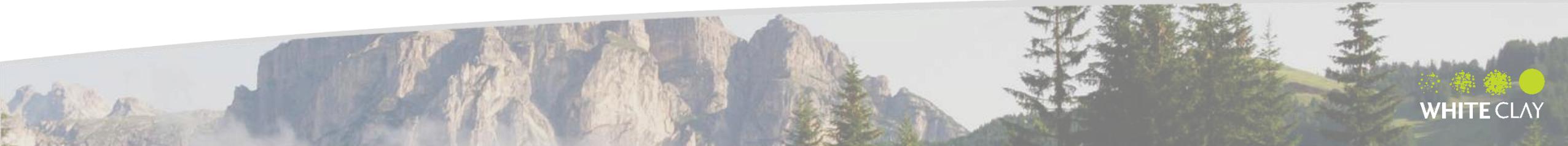
Profit for a TM client
vs. non-TM client



Community
TM Penetration



Regional
TM Penetration



Tools & Strategies

- Relationships
 - Show full relationships – be able to pull together full relationships
 - Identify transacting relationships
 - Measure, inspect, and coach covenant compliance
- Show TM opportunities
 - Identify largest transactors without TM
 - Quantify and track discounts and waivers
 - Educate bankers around the value of TM – not just revenue

Implementing Change in 2026

This isn't theoretical – this should be something you go try to do this year.

- Ultimately – Incentivize profitable growth instead of production
- To Begin
 - FTP or a buffer
 - Work on low loan spreads that are up for renewal and prevent new ones
 - Improve TM
- Educate your bankers on these tools before you incentivize them on it. Then implement a better incentive plan for 2027

Guide your bankers to build deeper and more profitable relationships.

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