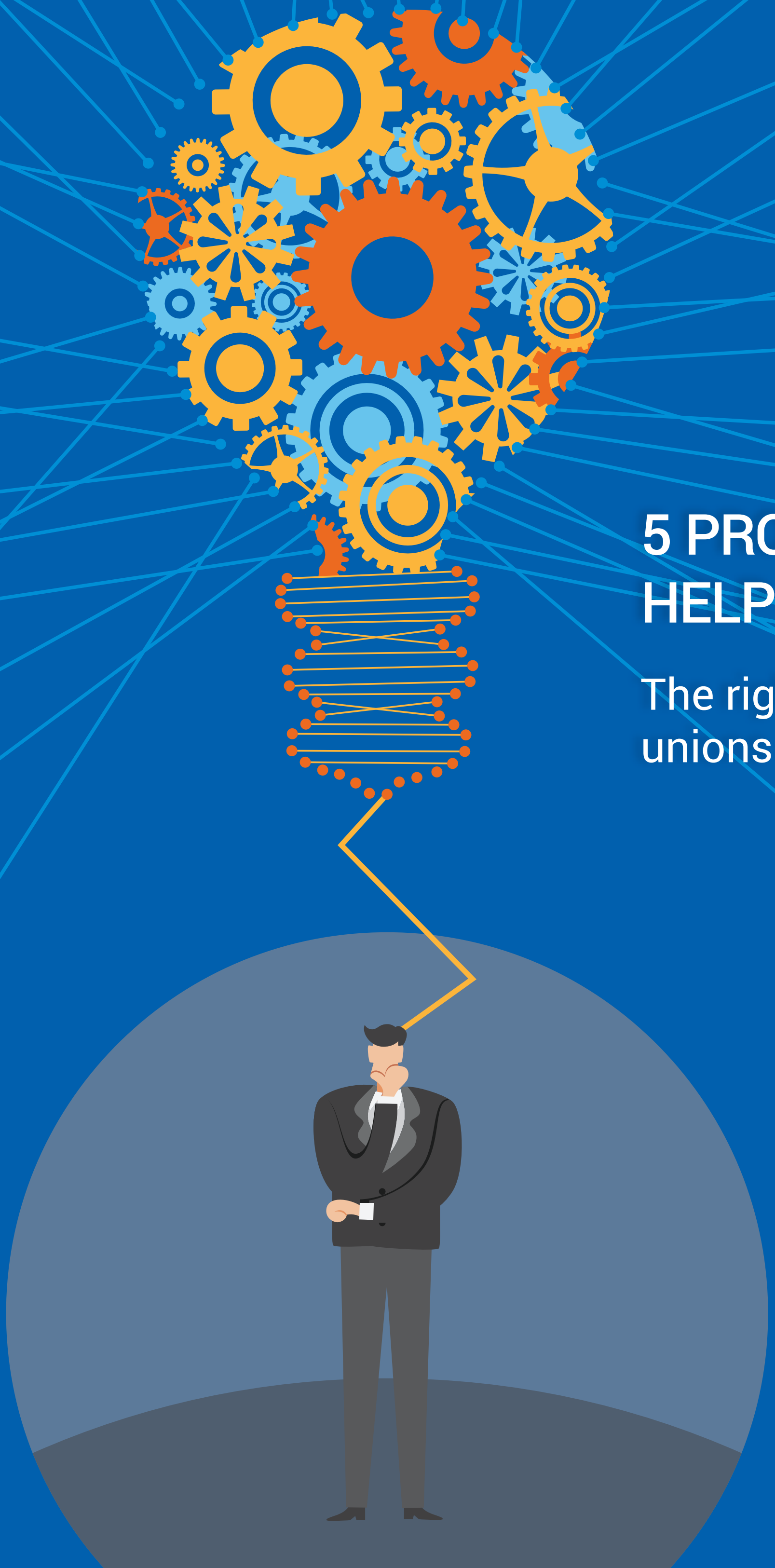
Special Report: Fintech
Credit Union Management



5 PROBLEMS FINTECHS HELP SOLVE

The right partners can help credit unions compete and succeed.

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5 Problems *Fintechs Help Solve*

THE RIGHT PARTNERS CAN HELP CREDIT UNIONS COMPETE, PREVENT FRAUD AND FIELD THE RIGHT TECHNOLOGY FOR PROVIDING THE KIND OF SERVICE TODAY'S MEMBERS DEMAND.

BY STEPHANIE SCHWENN SEBRING

Credit unions have all kinds of problems to solve. They must figure out how to protect their reputations by safeguarding member and organizational data. They must find ways to compete with a whole host of financial industry players for consumers' business. They must find the delicate balance of being conservative enough to stay solvent in this tenuous economy, while still having the right mindset for taking the risks required to get the tech they need to serve members.

Fortunately, CUs don't have to go it alone. Fintechs and other industry vendors can be among credit unions' allies in solving such key problems as how to:

1. PREVENT FRAUD

The need for stronger fraud management has never been more apparent than during the COVID-19 pandemic, when the number of card-not-present transactions accelerated.

"In the past, organizations detected fraud by analyzing activity on each platform using tools that were not connected," explains Jack Lynch, SVP/chief risk officer/president of CU recovery at CUESolutions Bronze provider PSCU (*pscu.com*), St. Petersburg, Florida. "While this method worked, it can't compete with the latest wave of fraudsters skilled at utilizing multiple channels to execute sophisticated fraud schemes. Many older fraud detection systems managed to prevent fraudsters from making final cash-outs but were unable to stop fraudsters in the first place."

New technologies shaped by fintech can assist credit unions in this fight.

For example, PSCU's Linked Analysis takes a proprietary approach to intercept and predict fraud through the combined use of artificial intelligence, anomaly analysis, phone printing technology, data analytics and human intelligence. Related events are monitored across numerous channels to predict fraud before it happens. By analyzing data holistically, across multiple channels, malicious patterns of fraud are identified and intercepted.

"Fintechs offering members safety and security will be critical to the future, and authentication of members before transacting across any channel will be a

focus," Lynch continues. "Leveraging AI to create a better member authentication experience in the future will also be an important component in reducing fraud. The concept of digital identities using decentralized authentication technologies such as blockchain will also play a role in creating this experience."

Scalability and reach can help differentiate fraud prevention solutions.

With Linked Analysis, for example, PSCU's fraud intelligence team can analyze data at scale across multiple channels and create alerts about events either before or as they are happening. The company's aggregate client data related to a fraudulent event is combined with metadata from third-party sources. Intelligence is also gathered from a variety of sources, including 1,500 PSCU owner credit unions.

"While we were previously aware of the channels being attacked, we did not know to what degree fraudsters were operating across multiple channels and credit unions," concludes Lynch. "In many cases, there were no instances of fraud being reported as the fraudulent transactions appeared to be 'good members' conducting routine transactions."

2. COMPETE WITH THE BIG BANKS

It can be very tricky for even a large credit union to compete with the major bank down the street. "But securing a provider like FIS can help credit unions obtain the exact tech as the big banks but at a much quicker rate," says Bill Hampton, division executive for CUES Supplier member FIS (*fisglobal.com*), Jacksonville, Florida. "This allows smaller, community credit unions to not only compete but win against bigger banks by delivering a more personalized member experience."

The key is understanding the member experience holistically rather than through individual product silos and then solving problems through that holistic lens.

"For example," Hampton explains, "consider what happens when a member loses a debit card in today's COVID environment. We could instruct the member to go to a branch to receive a new card via instant issue, but they may not want to go into a branch. So, we solve that by digitally issuing a new card in their wallet in real-time that can immediately be used."

Hampton notes there have been both positive and negative outcomes during the digital journey. "Most credit unions, for example, have several digital solutions acquired over the years," he says. "However, the current pandemic made clear these digital assets weren't knitted together to maximize their potential. The result is credit unions rethinking their digital strategies and investments. That's where the open, flexible architecture of APIs (application programming interfaces) is imperative." That use of open APIs—sometimes called "open banking"—enables third-party developers to build applications and services around the financial institution.

Historically, CUs have focused on providing fantastic face-to-face service as a way to compete with the potentially less personal service of big banks. Due to the pandemic, face-to-face service is not as good an option as it was in the past.

"Credit unions need to make the technological shift now, so the same member experience occurs, regardless if it is via phone, app or website," Hampton emphasizes. "These moments of truth are a critical juncture and must be solved in the channel the member prefers. Varying automation tools can be evaluated to accommodate this shift, while value propositions need to reach beyond the branch into all digital member interactions."

3. PROVIDE A BETTER DIGITAL EXPERIENCE

With demand for digital banking tools at an all-time high in light of the pandemic, credit union leaders are looking for the best tools and approaches to provide the superior, personalized experience their members have come to expect and appreciate.

"One of these digital tools, artificial intelligence, enables the credit union to provide a more personalized and intuitive experience, especially in the area of payments," notes Fran Duggan, CEO of CUES Supplier member Payrailz (*payrailz.com*), Glastonbury, Connecticut. "AI learns the member's patterns and habits to begin managing tasks, such as bill-pay, and shares recommendations concerning credit union products that may benefit the member, or areas where the member can find additional savings within their own accounts."

Depending on the nature of a payment, whether it is a utility bill or P2P, a smart-driven digital payments solution can use its learned understanding and the member's transactional behavior to discern how the payment should be best executed. "Our solution is unique in that it manages this via a smart router, creating an experience that is both proactive and intuitive for the member," Duggan explains.

Critical to the efficient use of AI and building a better member experience is the speed in which transactions are processed.

"Members are better able to manage their finances with greater visibility into the transaction process, specifically when it comes to quickly processing transactions," adds Duggan. "For AI to serve its role, transactions must clear in near real-time. This makes it possible for the member to have an accurate view into their finances and gives AI the ability to provide recommendations based on what is occurring in the account."

"We've seen the rise of digital for some time now," Duggan continues. "We can look to other industries, like retail, and see consumers opting for digital channels because these channels utilize tools such as AI to provide a 'do-it-for-me' experience. Certainly, the pandemic accelerated the adoption of digital channels in a compressed timeframe, but many can agree we were bound to reach this point."

Moving forward, Duggan says, credit unions must remain agile and think innovatively to build on the systems they have in place. "Technology will continue to change and adapt. Members will continue to seek out experiences that remove much of the manual work when it comes to finances—because when it comes to payments, it's the experience provided that matters."

4. BE NIMBLE WITH NEW TECH

Member expectations are rapidly changing, and credit unions must find ways to compete and move quickly and efficiently with technology. Amber Harsin, CEO of CUES Supplier member Prodigy (*cu-prodigy.com*), a Salt Lake City-based fintech supporting credit unions with core processing technology, reflects that banking used to be something you first did at a branch—and later from your computer.

"Now, members expect to do their banking at any time and in any place," she says. "What's more, they expect to be able to perform sophisticated transactions, such as signing loan documents and opening accounts, not just inquiries or transfers."

CUs must be as nimble as possible to remain relevant—both in organizational structure and with technology.

"Administratively, this includes reviewing policy and procedure and actively removing noncritical roadblocks that create friction to the member experience," Harsin explains. "It's also about positioning APIs to extend your core services and technologies as you see fit on the technology side. These empower credit unions to remain relevant and be responsive, even in the face of so many new challenges."

Traditionally, CUs have had to choose between expensive, hardware-intensive in-house data processing systems or overly simple, expensive service bureau systems. Either way, these systems were not designed to adapt in today's fast-paced environment.

"Today, virtually all financial technology is gravitating to the cloud," Harsin adds. "Prodigy keeps credit unions agile and relevant by providing core processing systems designed from the ground up for cloud delivery. This adds the power and flexibility of an in-house system while maintaining the 'hands-off-the-hardware' simplicity of a service bureau system."

Modern, API-driven architecture also gives the ability to seamlessly integrate other third-party solutions—including increasingly popular cloud-based solutions, which can assist speed of transacting and availability despite what is happening locally.

"Having that confidence and ability to deploy today's solutions, as well as tomorrow's, are what this nimbleness is all about," Harsin continues. "It's the agility to add key pieces that haven't even been thought of yet.

"When we first developed our cloud-based system, we were literally at the forefront of data processing technology. We were confident that APIs and the cloud were the future, but at the time, about 10 years ago, the jury was still out. We took a calculated risk, and our foresight has paid off."

All consumer-facing technology—whether it's Amazon, Google, Apple or the credit union down the street—must focus on making people's lives simpler. "Advanced technologies like artificial intelligence (AI) will gain a stronger foothold in the financial services space, and savvy credit unions will offer assistive technology, not reactive. This technology will make members' lives simpler, the secret to staying relevant today."

5. FIGHT ANALYSIS PARALYSIS

Analysis paralysis can occur when a technology decision becomes overwhelming and a CU's leaders feel incapable of moving forward with a decision.

"It happens to financial institutions of any size, and it can boil down to being deluged with information but unable to determine unique needs and business challenges," says Jennifer Addabbo, co-founder and partner of CU Engage (*cuengage.com*), St. Petersburg, Florida. "Our team can help credit unions navigate the evaluation process, ask the right questions, secure the right vendors, and ultimately negotiate the right contract and pricing conditions."

Done wrong, the process can be tedious and manual, which frequently leads to analysis paralysis. Done right, it deciphers the CU's specific needs and asks the right questions for a more compelling analysis of the options available. Addabbo thinks it's essential to analyze and structure the data elements to create an analysis for the review of credit union leaders and members of the operations and members services teams.

"Vendor discussions also occur in a more meaningful way," continues Addabbo. "For example, we ensure vendor demos cater to the specific requirements and use cases of each credit union, collaborate as a project team, and analyze the key differentiators. Then, that data is used to make vendor decisions more objective."

Addabbo adds that the process enables separating vendors and focusing on what is most important to members. "This can sometimes be lost in the analysis of an RFP (request for proposal), thus fostering the feelings of paralysis. What's needed are more table-stakes responses from vendors and to help guide the credit union to the right decision that provides the best member experience at the best value."

Credit unions are also extremely collaborative.

"Why not leverage that collaborative spirit? We find it invaluable, incorporating sentiments from other clients to the process," notes Addabbo. Consider the example of a credit union choosing Visa versus Mastercard or bringing credit card processing in-house or outsourcing. "What are the cost differences and the talent or FTEs required, for example? What problems or challenges should the credit union prepare for in the future? We can connect credit unions with their peers, helping them to learn through their experiences. And being completely agnostic from any provider allows us to guide them to the right solution."

According to statistics cited in an article (*tinyurl.com/fintechstats*) on spendmenot.com, fintech firms are used by 50% of all banking customers. So, it's not surprising that 82% of traditional financial companies plan to increase collaboration with fintechs in the next three to five years.

Indeed, these are challenging, triple-crisis times as credit unions grapple with a pandemic, the resulting uncertainty in the economy and social unrest related to injustice. It's a great time to have all the problem-solving allies they can get.

Stephanie Schwenn Sebring *established and managed the marketing departments for three CUs and served in mentorship roles before launching her business. As owner of Fab Prose & Professional Writing, she assists credit unions, industry suppliers and any company wanting great content and a clear brand voice. Follow her on Twitter @fabprose.*

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How to Find "The One": Selecting a Digital Banking Partner

By Brian McNutt, VP, Product and Strategy, Lumin Digital

An already rapidly changing digital banking landscape has been put into overdrive as a result of the pandemic. Credit unions and other financial institutions have been forced to be more agile than ever before as the industry collectively tries to keep up with shifting consumer preferences, needs and wants.

Digital services that were relevant a mere six months ago may now be obsolete, while others not even on the radar have been pushed to the forefront. Many credit unions that rely on vendors to develop and deliver these services to members are carefully re-evaluating. Should they continue an existing relationship? Is it time to identify a new provider? If so, what considerations should be top of mind when it comes to evaluating new partners?

Here are three important questions for credit unions to ask when it comes to choosing a digital banking partner:

Is the end-user experience a top priority?

Most credit unions and digital banking providers will agree that member needs come first. But how can credit unions actually evaluate the user experience? Because it is difficult to illustrate during a sales demo, credit unions should make every effort to use the platform before committing to it. Then they can see for themselves if it ticks all the user experience boxes. Is the experience pleasurable, fast and snappy? Are there things that surprise and delight you? Or, on the flip side, does it require the user to take unnecessary steps?

While a firsthand trial run is preferred, there are questions credit unions can ask potential providers to help the user experience evaluation:

- What is the process for developing the user experience?
- How often does the vendor do releases?
- How many designers does the vendor have?
- How is feedback collected and incorporated into the platform?

Credit unions can help members make better use of digital and remote channels and other contactless payments options that are already available, which is especially important in the current environment. Thinking ahead, credit unions should look for digital banking providers that can help them build new experiences that can address future member concerns and needs, such as managing debt, establishing and balancing budgets and navigating government programs related to COVID-19. While no one could have predicted the global pandemic and its widespread ramifications, providers should be able to quickly assess whether unforeseen events or situations will be short- or long-lived, and pivot to develop solutions that can be implemented in several different scenarios.

Does the provider use data to predict and prescribe?

A good digital banking provider should be able to do three main things when it comes to data: 1) collect it in real time; 2) readily access and analyze it; 3) use it to create future-state predictions. Credit unions should ask to see data in action during a demo, including how reports are run, the architecture of how data flows through the platform and how data is utilized in real-time to accomplish tasks.

A good partner can help credit unions understand which solutions are working and which are not, and make suggestions about next steps. Creating models for potential feature usage while simultaneously harnessing user data – sometimes on a daily basis – is a must.

Some vendors are quick to rush in and offer assistance when a contract is up for renewal. This type of reactive behavior is especially problematic as proposed features or solutions should have often times been delivered or at least under consideration or development prior to this impending deadline – in other words, it puts the credit union behind the eight ball. Credit unions would be well served to make predictions about future vendor performance based on past behavior.

Does the provider facilitate customized solutions?

Digital banking platforms must be extendable, which is to say they should have the ability to add custom features based on individual credit union needs. No matter how good or sophisticated a digital banking platform is, credit unions know their members better than anyone. They might want to create and implement features that do not fit into a vendor timeline or product vision. A good digital banking partner should allow them to do that using either the vendor's or the credit union's in-house team, or a combination thereof.

For example, a credit union might have its own rewards program that it wants to be able to show on the digital banking dashboard, or it might want to integrate to other third-party providers. Asking to see behind the curtains of the SDK (Software Development Kit) during a demo can help answer questions about the platform's extendibility.

Uncertain times require an even deeper understanding of current and potential consumer behavior. A mutually beneficial relationship between a credit union and its digital banking provider requires clarity and transparency, support for digital tools with which many members may still be unfamiliar, and new products and services for members that may be particularly hard hit by COVID-19.

Lumin Digital is redefining digital banking through its proprietary user engagement platform. By utilizing user data and predictive analytics, credit unions and other financial institutions can develop custom experiences for consumers, creating a truly personalized journey and connected relationship. Learn more at LuminDigital.com.

Brian McNutt is the Vice President of Product and Strategy at Lumin Digital. He has more than 14 years of experience delivering exceptional digital experiences to credit unions. Lumin Digital, a PSCU company, provides members of PSCU Owner credit unions with a tightly integrated and customized experience that rivals the offerings available from the big banks.

Data Is the *New Oil*

THREE WAYS TO DRILL DOWN AND OPTIMIZE YOUR CREDIT UNION'S DATA NOW

BY TIM NARGASSANS

Two of the most frequent questions I hear from credit unions are: "How often do our members go to a particular large retailer?" and "How can we learn more about our members from their transaction behaviors?" Seems simple enough, but it usually sets off a long-winded explanation about how complicated it really is. Regardless, it is essential to be using the enormous cache of data that your organization has at its disposal in order to create the best possible experience for members. CUs that can use their data efficiently can solve complex problems by using insights from retailer frequency and transaction information. Here are three key thoughts to help.

1. YOU CAN LEARN FROM YOUR DATA AND PREVENT OR MINIMIZE ATTRITION

Credit cards are sometimes reported to have a 10-15% natural attrition rate. That means if you're not growing at least that much, you are losing market share. What if you could reduce that rate?

Consumers will still make essential purchases and critical payments, but you likely don't know how their buying needs have changed until you examine the data. Maybe the decision to change credit unions happened this year when they realized you didn't have the digital offerings that they need during the pandemic, or maybe they were not aware of all your digital offerings. Maybe you have world-class digital products, but your members aren't 100% familiar with them. You likely had the data to save the member but not the analysis and tools to see what they wanted early enough. Learning to use the data and the insights gained from it can help both members and your credit union, especially during the current pandemic.

Data helps credit unions invest in the right technology for members while finding ways to attract new members. If you have the right combination of data, tools and partnerships, your business can continue to thrive and achieve new heights.

2. TIMELY AND RELEVANT MEMBER ENGAGEMENT IS KEY

The truth is that we see precursors in the data all the time. Maybe it's a high user of debit that starts to show a decline, someone who starts closing secondary accounts, a person who makes a balance transfer on a credit card or the loss of a direct deposit. The critical point is that you need to be able to act on what your data is telling you.

Having the tools to see the data, identify trends and take near real-time action is critical. Sometimes all that's needed is an outreach that sparks a friendly conversation. This can be an opportunity to strengthen the relationship, show you care and find that member's specific need so you can deliver a personalized and timely solution. In both hardships and good times, data can be a tremendous tool to help break the ice and build relationships. Whether it's a difficult and unique circumstance or a simple lack of incentives, your credit union can help its members weather the storm.

3. CREDIT UNIONS NEED MORE THAN BUSINESS INTELLIGENCE

First, integrating machine learning is a must. Your members want to know more than what happened, they want to know why something happened and what is going to happen next. Data science techniques like attribution and predictive analytics must be seamlessly integrated into modern business intelligence systems. The interface needs to be humanlike and in real-time. Natural language processing, or human language query, is a critical component; NLP is not just a feature but the future. Real-time solutions are changing the data integration landscape; business intelligence must follow that lead.

I have heard the phrase, "Data is the new oil," numerous times since the introduction of automation and robotic process automation solutions. In fact, your organization can be sitting on a "well" of data just waiting to be examined. The organizations that can use their data to create a personalized, creative member experience can market themselves as industry front runners. The credit unions that do this will establish their brand as centered around innovation and creativity, while most importantly, delivering a personalized experience for members.

Tim Nargassans *is a leader in the data solutions group at CUES Supplier member FIS* (fisglobal.com).

MORE ON ANALYTICS

The Power of Using Data to Drive Decisions (*cumanagement.com/060320skybox*)

Amid COVID-19 Fears, Data Analytics Show Credit Unions How to Help (*cumanagement.com/0320howhelp*)

Smarter Payments *in a Pandemic*

ARTIFICIAL INTELLIGENCE SUPPORTS PERSONALIZATION AND A QUALITY MEMBER EXPERIENCE.

BY MICKEY GOLDWASSER

Credit unions of all sizes face an ongoing challenge in how to deliver a quality in-branch member experience in a digital-first banking environment. Credit union leaders understand that technology solves the challenge in question—but with so many tools in the industry, how does a credit union leader decide which to choose?

Artificial intelligence, or AI, presents a great solution to this challenge at hand. AI equips the credit union leader with an intuitive tool to directly engage with the member in the digital channel. Credit union leaders can use AI to provide a fresh member experience that maintains the personal touch of the in-branch environment, while welcoming the member into the digital channel.

AI also empowers the credit union to set itself apart from competing financial institutions by providing a new degree of personalized service not commonly found among community financial institutions or large financial institutions serving holders of accounts with small balances. However, credit union leaders need to understand the full capabilities of AI and how to appropriately deploy it. More specifically, they need to know more about how to effectively help members using AI, how to feed AI the best data possible (so the system delivers good outputs) and the best ways to use AI to their strategic advantage.

'DO IT FOR ME'

Members want their credit unions to do it for them—to proactively manage their financial affairs—including providing recommendations for specific products, automating everyday tasks and managing reoccurring payments.

Think about the large e-retailers of today. Such companies as Amazon understand customers' shopping preferences and recommend additional products based on their browsing history and purchasing decisions. Amazon also tracks what customers buy on a regular basis and allows them to set up repurchases on a schedule. Amazon takes all the hard work out of shopping for customers because it uses technology to do everything for them.

Success for companies like Amazon lies in the proactive approach used with each customer based on the data collected by the e-retailer. Credit unions need to study such success stories and find ways to emulate them.

AI ONLY AS GOOD AS THE UNDERLYING DATA

Unlike e-retailers, credit unions already possess each member's data. They can use this data to make a "do-it-for-me" experience a reality. Data is the fuel behind AI, and leveraging this rich source of information makes the member's life easier.

Focusing on AI can digitally deliver to members an experience that approaches the highly regarded traditional, in-person "private banker" experience. When CUs use AI to bring to life the personalization members appreciate, members gain a concierge-like experience previously only available to elite customers at the nation's largest banks. This strategic differentiator not only manages the member's day-to-day banking needs, including paying bills, making payments, monitoring account activity and managing cash for them, but allows the credit union to stand out among competitors.

Adding this personal touch is especially crucial today. As the COVID-19 pandemic continues, more members are turning to the digital channel than ever before. By using AI, credit unions can maintain the high level of personalized service they are known for, all within the growing digital channel.

LEVERAGING TECH TO CREATE SMARTER, SAFER PAYMENTS

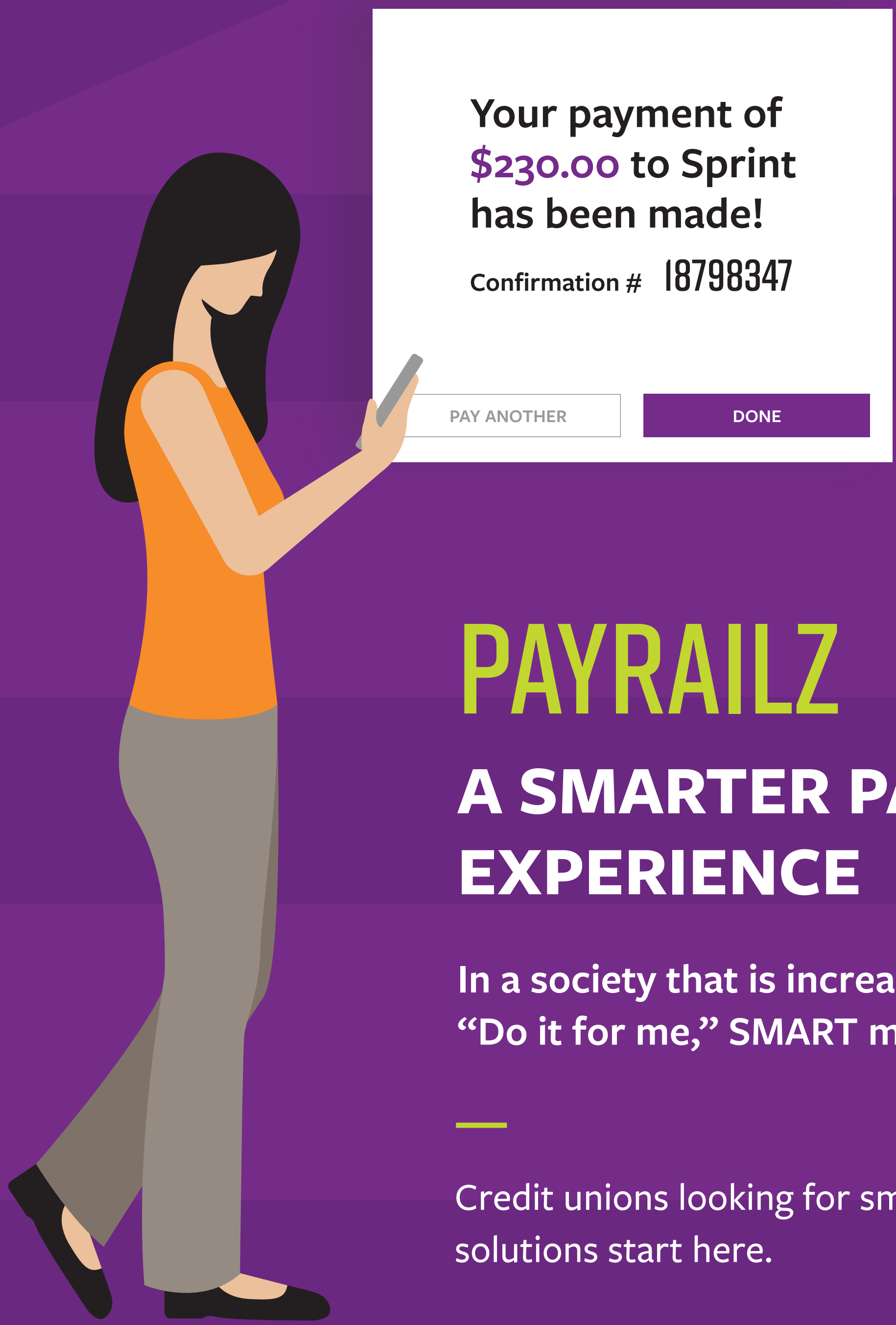
Leveraging artificial intelligence and other technology that enables smarter money management strategically positions a credit union for success. In light of the COVID-19 pandemic, credit union leaders must identify new ways to maintain the personal touch that first attracted many members to their organizations. In this world driven by digital banking, credit unions must also ensure their digital capabilities mirror—or outpace—those offered by other financial institutions.

Mickey Goldwasser *is VP/marketing and chief of staff for CUES Supplier member Payrailz* (payrailz.com), *Glastonbury, Connecticut.*

MORE ON AI

Serving Digital Donuts: How Artificial Intelligence Is Changing Member Service (*cumanagement.com/0819donuts*)

'Artificial' Intelligence Sounds Scary, But It Isn't (*cumanagement.com/0620scary*)



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When Shopping for Your Core Consider the Ownership Model

A Review of Credit Union Cores and Ownership

The marketplace has spoken. Progressive credit unions of all sizes are moving to modern, API-driven core processing platforms. Sure, some legacy systems built on outdated technology are still growing their market share a little, but the trend is to leave these archaic systems behind.

Once you've eliminated the legacy systems, there are still a number of good core platforms whose architecture is well-suited for what's happening today, as well as what comes next. How do you narrow your search even further?

One important factor to consider is the ownership model of the organization you're thinking about doing business with. When shopping for core, credit unions have three options: public corporations, private companies or CUSOs.

Public Corporations

Public corporations' deep pockets make them attractive to some. The thinking is that because these corporations have more money to spend on development, they're going to produce better products. The problem is, the bureaucracy at these big corporations makes them very slow to react. If it takes a corporation three years to develop a product you need now, your credit union will have fallen behind by the time the product is available for you to buy. In fact, three years from now, it may not even be the product you need anymore.

Keep in mind, too, that at a big corporation, current customers aren't their top priority. The truth is, they're not even the second priority. A public company's prime allegiance is to its shareholders. They exist to make shareholders money. Your credit union just represents a supply of funds to achieve that. As a prospective customer, your credit union is valuable because the provider needs that new money coming in. Once you sign, your credit union instantly moves down to third place.

For example, it's not uncommon for a giant corporate provider to sell you an in-house system first to collect big up-front licensing fees, then a few years later, convince you to move to their old service bureau delivery model in order to increase the recurring revenue they get from you.

Private Companies

Private companies generally provide better service than public corporations and, because they're smaller, are also nimbler than their publicly traded counterparts. However, it's still important to remember who they're working for, namely the company's owners. Any owner of any tech company out there will tell you they're looking forward to a very lucrative exit at some point. That's why these systems can seem expensive. Their profit motives are driven to provide financial wealth to a small group, not the credit union industry.

Also, like public corporations, private companies derive additional income by selling you add-on modules with or after your conversion. In other words, instead of getting a core platform that does everything you need, you get a core platform that can do everything you need if you pony up a lot of extra money for the right add-ons.

The CUSO Difference

The most obvious differentiator for a CUSO is its ownership. All CUSOs are owned, in full or in part, by credit unions. That means the owners have a vested interest in creating products that credit unions want and need. What's more, at least at Prodigy, every credit union that chooses us for core becomes a part owner of the CUSO. That's right; you actually own part of your core processor.

Because the obscene profit motives aren't there, CUSO pricing is generally more reasonable than non-CUSO pricing. However, you can't just look at initial cost to make your comparison; you should consider the total cost of ownership (TCO).

For example, at Prodigy, we don't sell any add-on modules. Instead, when we add new functionality to our core, we add it for everybody – free of additional charge. Commercial checking account analysis, mortgage escrow and credit card processing are just three of the many features included in the Prodigy core for which virtually all non-CUSO core providers charge extra. Whatever money your credit union would spend on add-ons from a non-CUSO core is money you won't have to spend with Prodigy. A TCO analysis strongly favors CUSOs.

SnoCope Credit Union in Washington, moved to Prodigy's core solution and reported a savings of $100,000 in technology and related expenses per year. SnoCope's CEO Steve Ellis said, "What it all adds up to is, we'll have significantly better core technology, considerably more options, seamless third-party integrations, and all at a much more affordable cost."

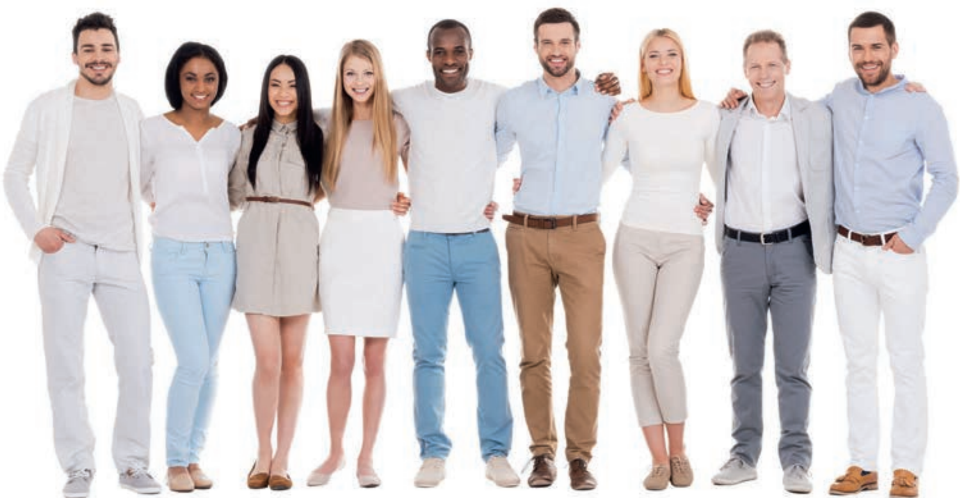
First American Credit Union COO Phil Peters was fed up with his big corporate core provider, so he went core shopping. After a lengthy search, the $107 million credit union selected Prodigy.

"This core was clearly developed by credit union people who had an active hand in developing the software," Peters said. "Everything from all my years of working in a variety of positions in operations that I would love to see in a core, it was there. It was remarkable."

Best of all, because the CUSO owners and users are one and the same, technology CUSOs can remain very nimble. This means that when technology inevitably turns on a dime, your credit union will be positioned to turn on that same dime. The CUSO will always work in your best interests because you're the owner: You are the CUSO.

Prodigy is a CUSO owned, cloud-based core, redefining core data processing from the ground up; modern architecture, data accessibility, user experience, and simple pricing. There are no complex or expensive hardware requirements; and updates are all automatic. Owned by credit unions that have a vested interest in creating products the industry wants and needs, Prodigy has the right technology, the right people, and the most meaningful tools for your credit union and members.

The CUSO will always work in your best interests because you are the owner.



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WE GUIDE CREDIT UNIONS **TO A BETTER FUTURE**

There are many options in the credit union industry for strategic consulting, vendor selection and contract negotiations. CU Engage was founded on the principle of putting ourselves in our clients' shoes to understand their needs, their business objectives, and their definition of success. What sets us apart from other options is our focus on credit unions and their members, and a little bit *more*: more transparency, more innovation, more savings, more incentives, more fun, more collaboration.

We take pride in our people, process, and tools guaranteeing that your experience with CU Engage will surpass your expectations. Our emphasis on the education of options, effectiveness in negotiation and selection of services will align to the needs of your members and your credit union team who supports them.

As former credit union leaders and vendor executives, we had engaged with consulting firms regularly, and those consultant experiences often fell short of expectations. Reflecting on those experiences, we recognized a major gap in the industry. The legacy approach of consulting firms limited the ability of industry expert consultants to provide maximum value to credit unions. Out-dated processes and procedures like vendor referral incentives, unreasonable growth projections, and price-based decisions, did not always result in the best product and relationship for the credit union. As We realized that this approach does not work for the credit union industry. Our industry needed something fresh ...and *credit union focused*. We realized if we wanted an alternative to existing consulting firms, we were going to have to create it ourselves – and so we did.

ONLINE AND MOBILE BANKING VENDOR SELECTIONS

CREDIT AND DEBIT EVALUATIONS AND VENDOR SELECTIONS

CORE PROCESSING EVALUATIONS AND RENEWALS

PIN NETWORK OPTIMIZATION

NEW MEMBER, NEW ACCOUNT ANALYSIS

VISA AND MASTERCARD NEGOTIATIONS

INVOICE ANALYSIS AND CONTRACT RECONCILIATION

INSURANCE ANALYSIS AND VENDOR SELECTION

LOAN ORIGINATION SYSTEM EVALUATIONS

GROWTH AND PROFITABILITY STRATEGIES

IMPLEMENTATION GUIDANCE AND OVERSIGHT

STAFFING/ EMPLOYMENT PLACEMENT

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WE'RE REDEFINING "CONSULTANT"

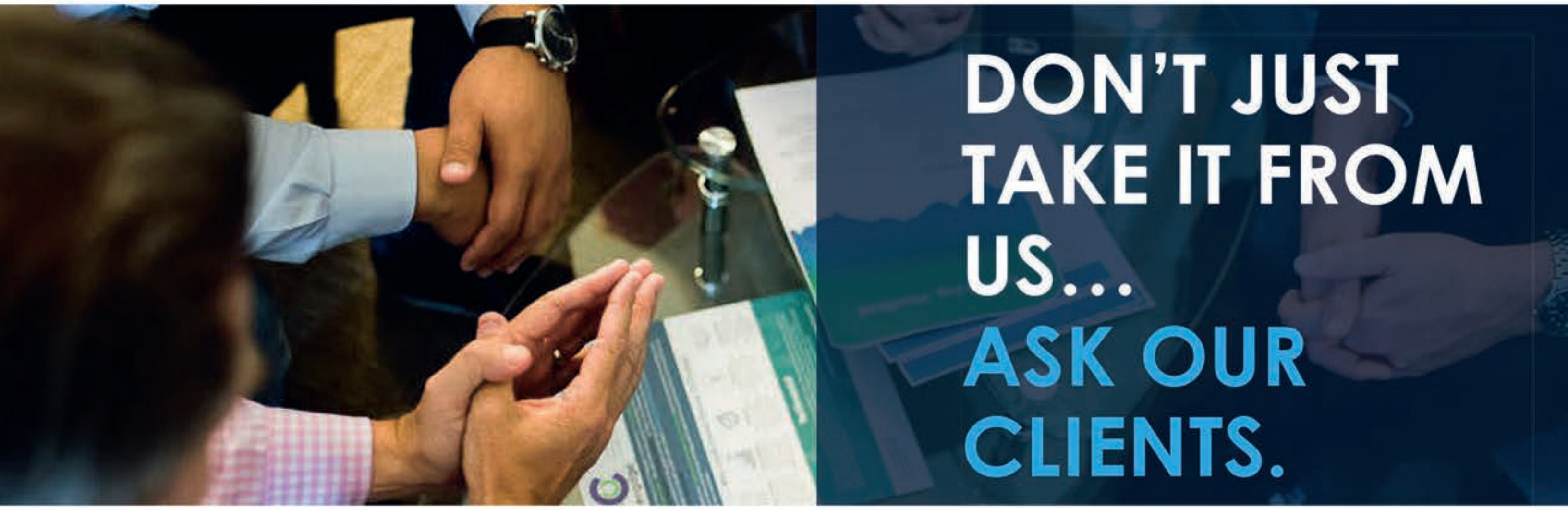
con · sult · ant

/kən'səltnt/

Noun

A passionate and proven team of industry experts helping credit unions set strategies and select partners with a focus on member experience and long-term relevance while negotiating the best pricing and services based on the unique needs of our clients.

engage



SOME OF OUR CLIENTS

REDSTONE FEDERAL CREDIT UNION Live Brighter!

Verity CREDIT UNION

maps CREDIT UNION

IHMVCU

VIRGINIA Credit Union

HawaiiUSA

Own GEORGIA'S OWN CREDIT UNION

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GreenState CREDIT UNION

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OVER $1 BILLION

IN SAVINGS AND INCENTIVES FOR OUR CLIENTS

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