

Small Business Digital Lending:  
**Your Best Revenue Growth Opportunity**

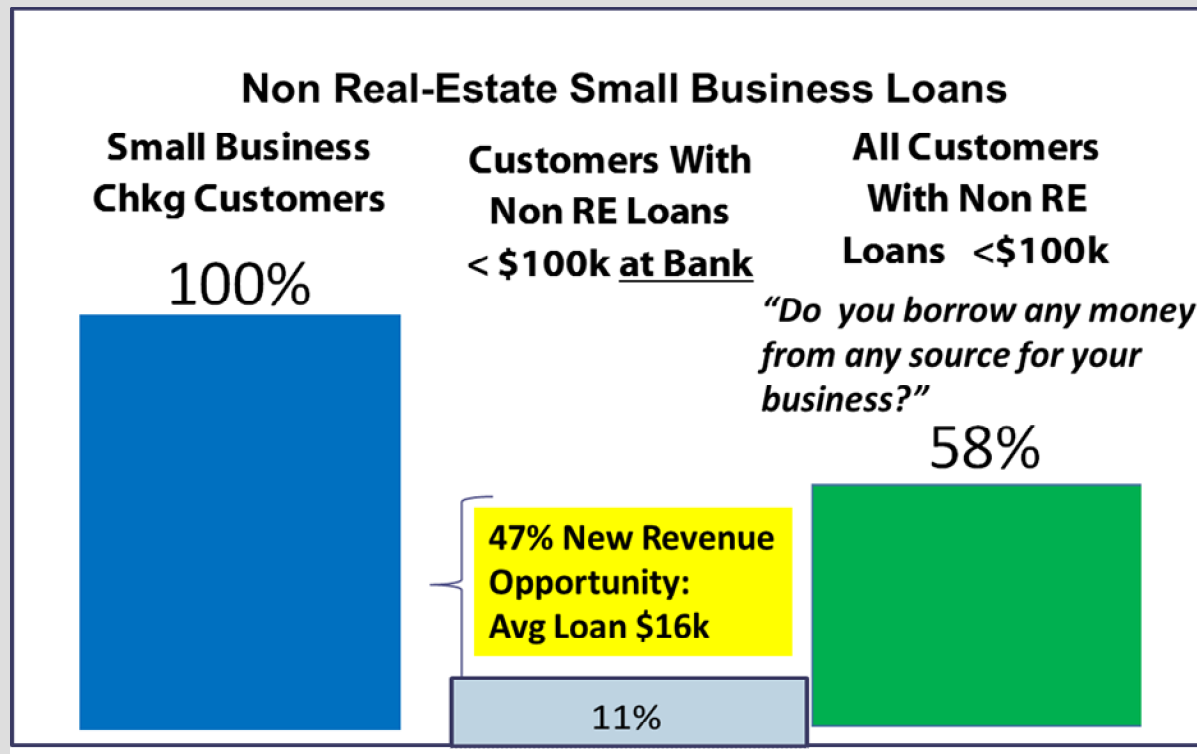
***R.C. Giltner Services, Inc.***  
Digital Lending for Revenue Growth

BAI Retail Delivery  
October 14, 2015

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## Small Business Digital Lending

- Over 80% of your small business checking customers have no business lending relationship with you, but most borrow elsewhere.

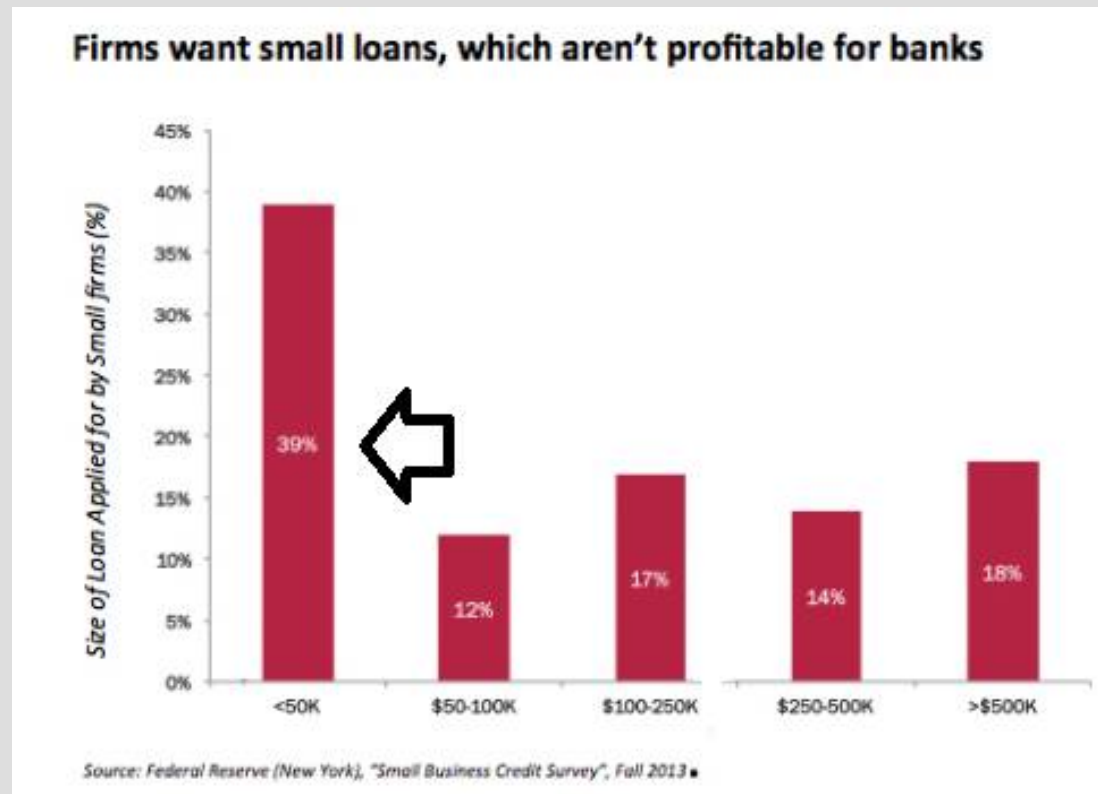


Source: Client Study

Confidential

## Small Business Digital Lending

- 40% of business loans are less than \$50k, average \$12k, and are unprofitable with existing processes and ***inefficient for the customer.***



## Small Business Digital Lending

- Targeting your checking customers provides 10% ROA just penetrating 10% of your business checking customers.

### Profit Impact of Average Small Business

Digital Loan Case Study                      \$     1,900

Your Small Bus. Chkg Accounts Pen.     x 1,000  
  (enter your number)

**New Revenue**

**\$1,900,000**

Source: Our Client Studies

## Small Business Digital Lending

- Your current revenues are under attack from digital lenders.



**Jamie Dimon: Silicon Valley startups are coming to eat Wall Street's lunch**

ALYSON SHONTELL  
Apr. 11, 2015, 9:02 AM 2,357

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**Business Loans \$25k-\$500k**  
[fundingcircle.com/Get\\_Quote](http://fundingcircle.com/Get_Quote)  
Talk to an underwriter today! 150k sales required. No startups.

"Silicon Valley is coming," JPMorgan Chase CEO Jamie Dimon warned in his annual letter to shareholders.

Dimon says startups are coming for Wall Street, innovating and creating efficiency in areas that are important to companies like JPMorgan, particularly in the lending and payments space.

Lending Club, for example, had



## Small Business Digital Lending

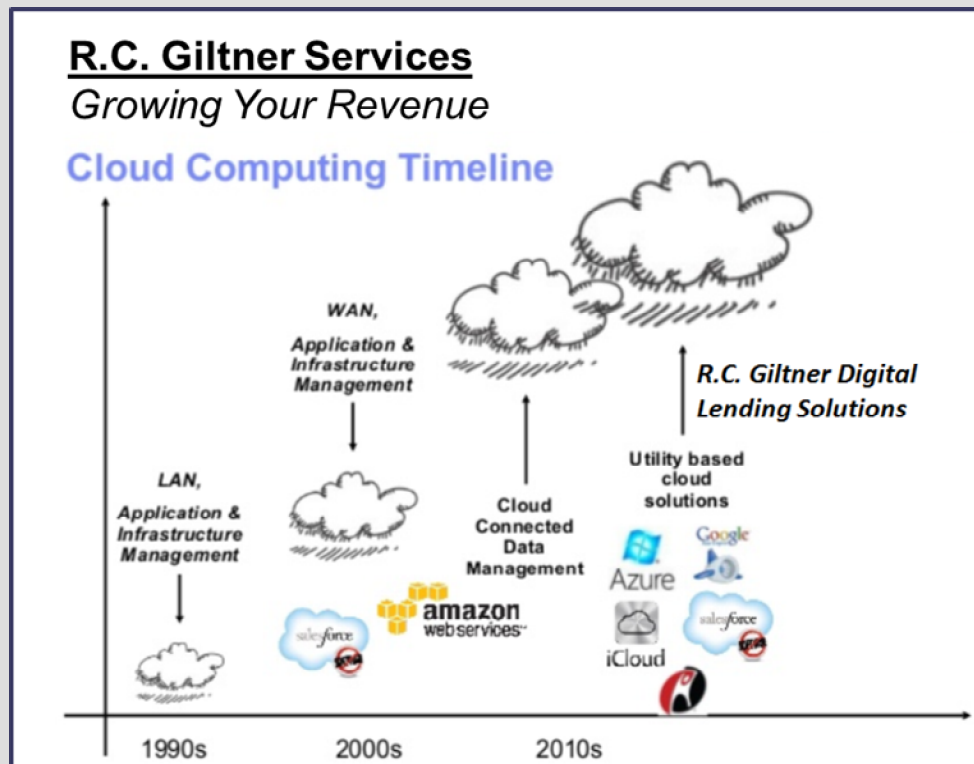
- McKinsey says digital lending leveraging your customer data leverages your strength.

***“Financial institutions can best compete with digital lending by exploiting existing customer data and targeting customers locally.”***

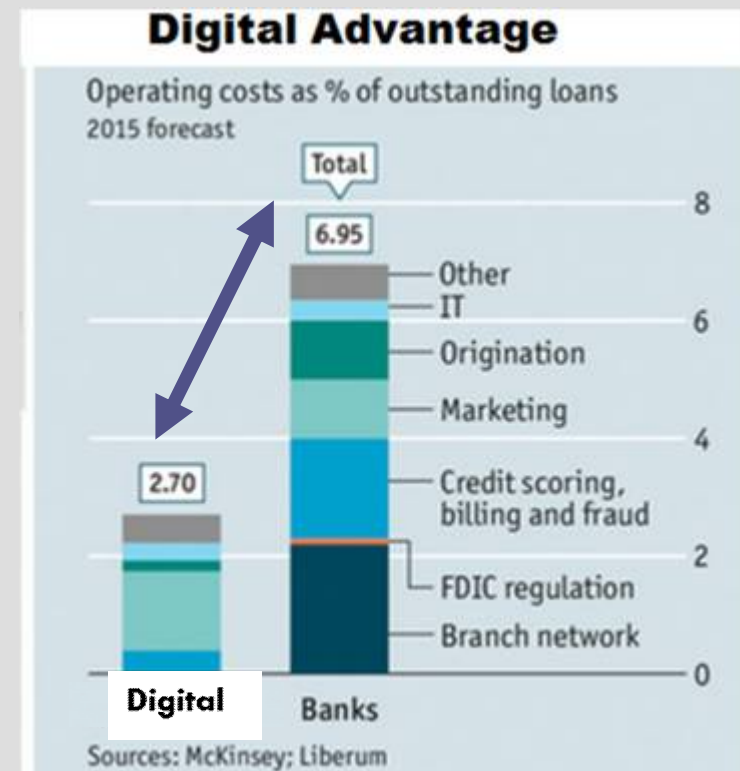
*Digital Models for Small Business in a Digital Age*  
McKinsey

# Small Business Digital Lending

- New cloud-based digital technology allows you to securely and soundly set up and monitor loans in minutes for <\$500/loan.



Sources: Publicly Published Information



# Small Business Digital Lending

- Turn-key minutelender provide sound and proven underwriting to businesses **using owner/exec credit reports, FICO scores and guarantees, and deposit cash flow** with **full compliance**.

- Your brand and loans.
- Your branded service.
- Your graphic selection.
- Online underwriting and set up.
- Ongoing loan risk rating and monitoring.
- Admin. and operations control.

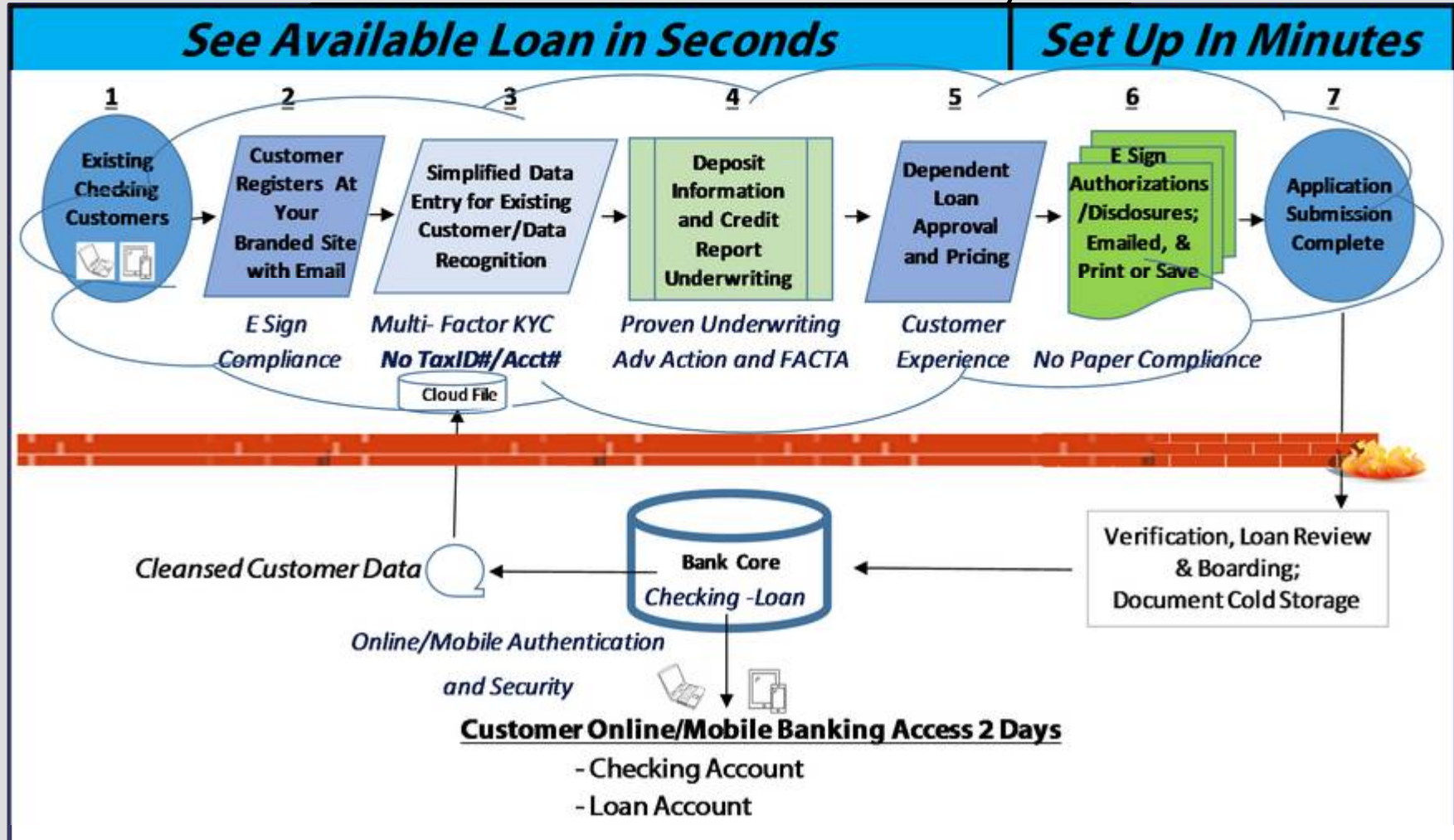




# Small Business Digital Lending

## Our Cloud-Based, Digital Loan Technology

### Platforms with No Data Security Risk



## Business Underwriting with Digital Lending

Underwriting is under your control. It is based on the guarantor's credit report and business deposit cash flow with risk-rating and ongoing monitoring.

Sample Small Business Online Underwriting Loan Value Model  
 Credit Line \$1,500 to \$50,000 Maximum (**All Settings Up To You**)

	Factor	A	B	C
Minimum Criteria:				
1	Guarantor Credit Score	670-699	700-750	750+
2	Max No of Day Late 30	3	5	5
3	No of Day Late 60	1	1	1
4	Age of Business Checking	1 Year	1 Year	1 Year
5	Max # of NSF Last 12 Months	10	10	10
6	Other loans at bank	<\$50k	<\$100k	<\$100k
Loan Available				
6	% of Sustained Monthly Dep	50%	75%	100%
Terms				
7	Months Amortized	6	12	12
8	APR	22%	15%	9%

Underwriting protects against cannibalizing overdraft fees.

## Small Business Digital Lending - Conclusion

- Loans are your loans on your core, but cloud-based technology requires no integration with your core.
- No customer data is at risk as all account numbers or tax IDs in the cloud are masked or truncated.
- Using checking customer data leveraging existing CIF “know your customer” data, can see their loan available in seconds and set it up in minutes.
- Underwriting is completely under the control of the financial institution using 30-year proven credit reporting underwriting and cash flow monitoring through the checking account.
- Loans are accessed and used through online banking.
- Penetrating just 10% of existing checking accounts provide 10% ROA!

## Small Business Digital Lending - Conclusion

Downloads Available:

[www.rcgiltner.com](http://www.rcgiltner.com)

1. BAI Small Business Digital Lending: Your Best Revenue Growth Opportunity
2. The Small Business Digital Lending Strategy Book
3. Small Business Digital Lending Whitepaper
4. [Consumer MinuteLender](#) and [PaySound](#) for LMI Households