

Breakout IV:  
**Driving Revenue and  
Retention Through  
Digital Investing  
Opportunities**

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# Marstone

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Founder & CEO

**Acquire or Be Acquired**

The largest growth opportunity  
for financial institutions is **Wealth.**

There are over 5,500\* financial institutions that represent over \$21 trillion in deposits **with no dedicated enterprise-level digital wealth platforms.**

\*Banks and credit unions with deposits over \$100MM

In today's economy, these institutions are under immense pressure to **retain deposits, increase fee revenue, and stem outflows** to digital-first investment solutions.

# Why investment services?

## Investment services help create happier customers, deeper relationships, and greater engagement across your bank's offerings.

### Customer retention

- Wealth offering protects customers from opening a new relationship outside of the bank.

### Deposit retention

- We are seeing approximately 0.5% or more of current bank deposits leaving the institution for digital investment offerings.

### New and digital-savvy client base

- Younger customers are looking for investment platforms on their own terms, by meeting them where they are banks can nurture new customer relationships.

### Increase non-interest income

- Fee-based revenue continues to grow in importance, with Wealth a key source of differentiated revenue.

### Create new bank opportunities

- Wealth deepens the relationship with your bank, enabling you to offer additional lending and savings products.

### Digital tools broaden reach

- Investing in technology enables you to expand beyond the traditional branch model geographically and open-hours.

# Q4 Morgan Stanley Earnings Excerpts

## James Gorman, Morgan Stanley's Chairman and CEO, mentioned "Wealth" 29 times on their earnings call.

“ This illustrates the ongoing growth and shift of our business mix. As we continue to grow our client assets, we expect Wealth and Investment Management will become an increasingly larger portion of the firm's pretax profit.”

“ We have the ability to meet any client wherever they are in their wealth accumulation journey. This allows us to grow with our clients along the way and provides the opportunity for clients to migrate across channels.”

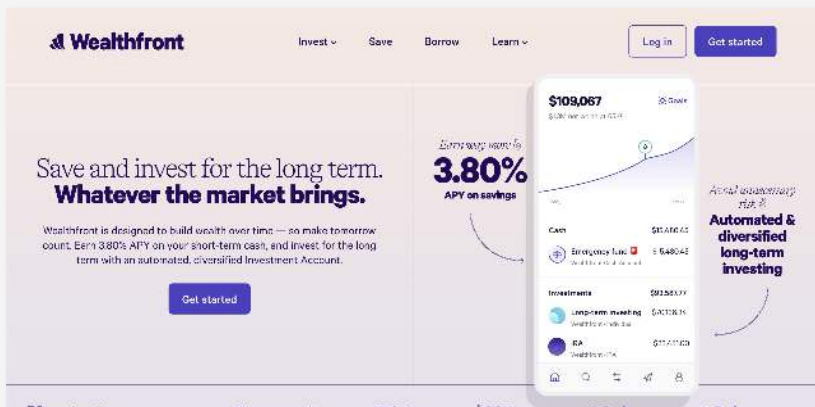
“ Our business transformation, especially the durable earnings from Wealth and Investment Management, enable us to double that dividend — enabled us to double our dividend in 2021 and further increase it by 11% in 2022.”

“ Approximately 90% of our deposits are sourced from our Wealth Management client base.”

# Existing digital competition

## Unbundling and re-bundling

- Digital platforms originated as single point solutions
- Have expanded into more traditional banking relationships (savings, lending, etc.)



## Fighting tech with tech

- Deposits being cannibalized
- Once a digital account is opened, ads for high yield savings accounts and other traditional banking products start to appear
- Entire relationship at risk





# The value Wealth provides a bank

## Retention

- Retain current assets and protect deposits during wealth transfer
- Improve client servicing and satisfaction



## Revenue

- Increase non-interest income (fee-based revenue)
- Leverage tech to expand client reach and increase hours of service



## Low Costs

- Start a Wealth practice for less than a full-time employee
- Minimal operational burden on home office

# How to offer Wealth?

## Build, Partner, or Outsource

### BUILD:

#### **Become a registered investment advisor (RIA)**

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Banks can build out a new RIA to have complete control over the client relationship.

### PARTNER:

#### **Hire a third-party marketing (TPM) provider**

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Advisor-led TPMs provide investment services to banks and credit unions.

### OUTSOURCE:

#### **Leverage Wealth Management as a Service**

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A referral relationship with a technology-based RIA speeds up time to market, maximizes digital-wealth expertise, and allows for broader adoption.

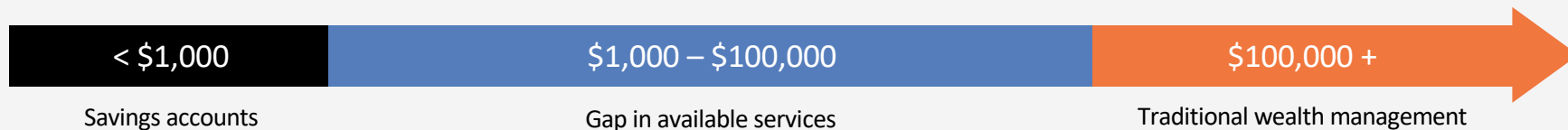
# Mind the gap

Community banks have a gap in the savings and investment products available to their retail banking clients who are in the wealth accumulation phase.

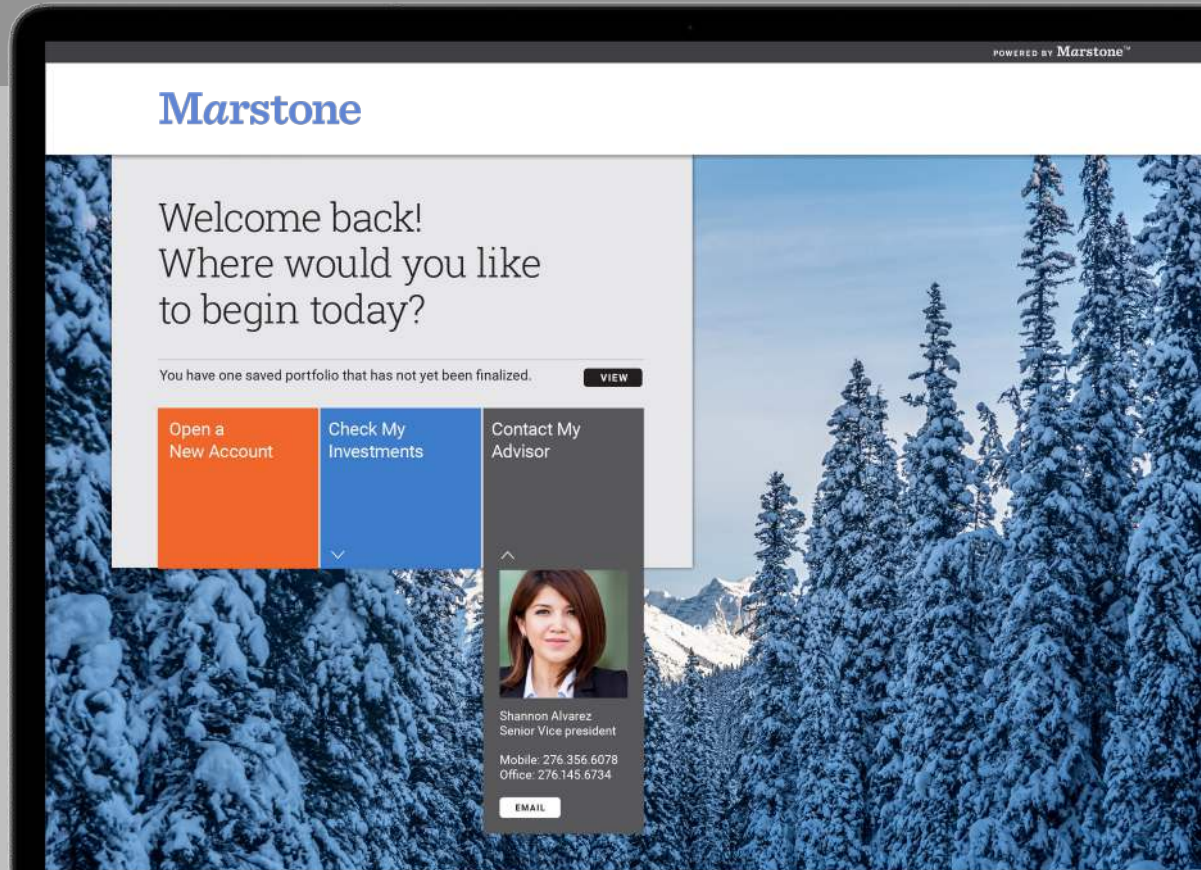
**Many of these clients have the potential to be valuable wealth management clients in the future.**

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## INVESTABLE ASSETS



Marstone is the only enterprise wealth management platform with the flexibility, scalability, experience, and speed to market to meet today's mandates.



# A few of our clients and partners

## CLIENTS

AMERANT



Bancolumbia



Accounting Firm  
(Marstone@Work)  
(TBA)

DETALUS  
ADVISORS



## PARTNERS

APEX Clearing

BlackRock.



DocuSign

fiserv.

FREEWILL



NYMBUS



# Marstone

Marstone was built by an ensemble of technologists, designers, and finance professionals to meet the unmet needs and expectations of today's consumers, investors, and wealth managers. Inspired by the seismic shifts we saw in the financial industry and our technology-driven society, we created a digital wealth solution centered around the user experience and each individual's needs and aspirations.

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