2022 BANKING PRIORITIES
Executive Report

Bankers weigh in on digital transformation, customer experience, cybersecurity and more

The Path to Digital Maturity

Although financial institutions have made good strides toward digital transformation, the landscape continues to change in both customer demands and technological sophistication. Indeed, consumers embraced digital banking in 2021 even faster than bankers had expected by late 2020, a year marked by the pandemic and surges in digital use.

CSI's annual Banking Priorities Survey asked bank executives across the nation how they perceive their performance against the shifting landscape, including digital transformation, cybersecurity and compliance. Bankers representing diverse roles and institution asset sizes responded, and also shared their top priorities for 2022.

The results of CSI's 2022 survey underscore the opportunities and risks inherent to today's banking environment.

As more bankers than ever before shared their perspective with us, they paint a vivid picture of how the digital era is affecting them on a range of critical issues:

- **Attracting new customers and retaining existing ones**
- **Creating an exceptional customer experience**
- **Meeting regulatory compliance requirements**
- **Fending off cybersecurity threats**
- **Retaining and acquiring employee talent**

This year's executive report also identifies vital considerations and strategic tips to reach digital maturity, improve the customer experience and strengthen your regulatory and cybersecurity posture.

ANNUAL BANKER CHECK-IN

A lingering pandemic and technological advancements have forever changed consumer habits. For the financial services industry, digital has become most customers' primary banking channel. By all accounts, that trend will continue to grow until it encompasses customers across all demographics.

CSI's 2022 survey results reveal that this maturing digital era affects practically every major aspect of the banking industry.

KEY THEMES FROM OUR 2022 SURVEY

This year's top headlines reveal both prevailing trends and some developing disconnects

1 Digital usage versus transformation

Digital channel usage reportedly has increased and will continue to do so, but bankers do not feel confident about their digital transformation.

2 Cybersecurity versus customers

Cybersecurity threats, particularly social engineering, remain bankers' primary concern. However, despite their relatively low cost, fewer institutions are planning employee and customer cybersecurity education.

3 New customers versus existing ones

Expanding the customer base remains more difficult than does retaining existing relationships. Hence, banks continue to prioritize digital account opening as the gateway to bringing in new customers.

4 Data versus its usage

Even though customer data unlocks digital transformation, bankers still doubt their ability to effectively collect and use it strategically.

5 Institutions and their core providers

Bankers rely on core providers to help them make technology investments, which benefits them as long as those providers use open banking APIs.

6 Yes and no to public cloud

More bankers are investing in public cloud technologies, but almost 21% still say it's not for their institution.

7 Digital versus print statements

Almost 40% of bankers deliver only, or mostly, print statements and less than 20% primarily send them digitally, even though this is an easy step toward digital.

8 Data privacy versus other looming regulations

Data privacy remains bankers' primary regulatory concern, narrowly beating out major regulatory considerations like CECL, Section 1071, BSA/AML and vendor management.

9 Attracting and retaining talent

Bankers are feeling the effects of the Great Resignation, which digital transformation contributes to—but could also help solve.

The New Landscape Continues to Emerge

Online banking and mobile banking apps were popular long before COVID-19, and more than a few banks have offered straightforward digital account opening and digital-only bank statements for years. However, digital banking shared significant space with in-person banking at most financial institutions, until recently.

This year's survey confirms the predicted shift that many bankers made last year.

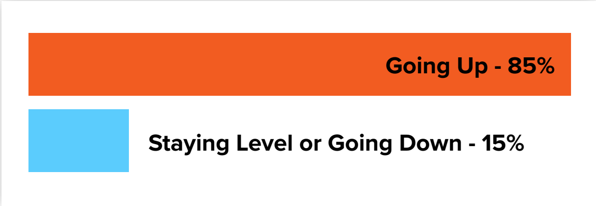
DIGITAL DOMINATES CUSTOMER DEMANDS

Digital banking is here to stay because it's proven to be easy, convenient and more aligned with the modern world customers experience in every other realm of their lives.

2021 Digital Channel Usage

An overwhelming majority of bankers tell us their customers continued to embrace digital channels in the pandemic's second year:

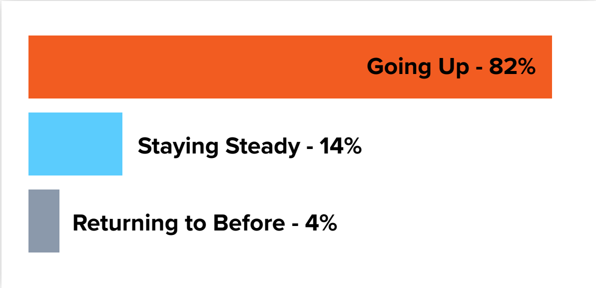
- **Going up:** 85% noted a significant (39%) or slight (46%) increase in digital channel usage.
- **Staying level or going down:** 15% reported either no change or a decline.



Future Digital Channel Usage

Looking forward, bankers see more of the same:

- **Going up:** 82% see digital channel usage increasing, versus 75% last year.
- **Staying steady:** 14% say it will plateau once the virus stabilizes, down from 22% last year.
- **Returning to before:** Only 4% predict a return to pre-Covid levels.



KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Failing to provide a simple and intuitive digital experience will result in customer attrition to more modernized institutions or fintechs.	***Center your customer experience strategy around digital channels*** for all lines of business at your institution.

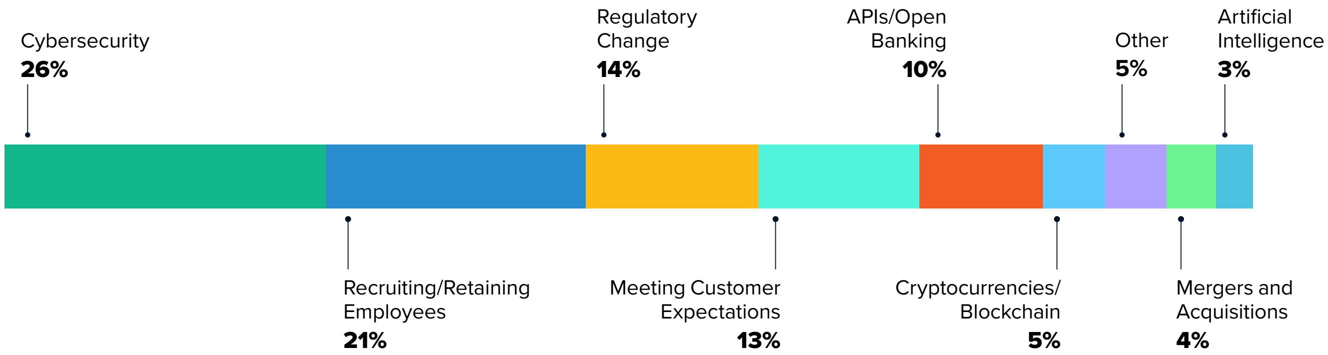
FINANCIAL INSTITUTIONS LEVEL SET AND SELF ASSESS

The digital picture isn't totally clear to many financial institutions. The survey results revealed a host of varied priorities amid this evolving landscape.

2022's Most Impactful Issues

In rating the one issue that will most affect the financial industry in 2022, this year's survey reveals less widespread agreement about the top priorities, and greater disparity among the answers compared to last year—a clear reflection of how many opportunities loom on bankers' radars.

- **Cybersecurity** still reigns: 26% voted this most likely to affect the financial industry, over eight other options, compared to 34% last year.
- **Recruiting/Retaining Employees** shot up to second: More than 21% named this as the industry's primary concern, an 11 percentage point increase from last year.
- **Regulatory Change** maintained third: Almost 14% of respondents chose regulatory change as the one issue that will most affect the financial industry.
- **Meeting Customer Expectations** fell to fourth place: Despite the clear need to increase market share and make further strides toward digital transformation, just shy of 13% of bankers selected this as the top issue.
- **APIs/Open Banking** grows in importance: This technological expansion maintained fifth place as a mover and shaker in banking, but with more votes—10% versus last year's 9%.
- Rounding out the votes:
  - **Cryptocurrencies/Blockchain** (5%)
  - **Other** (5%)
  - **Mergers and Acquisitions** (4%)
  - **Artificial Intelligence** (3%)

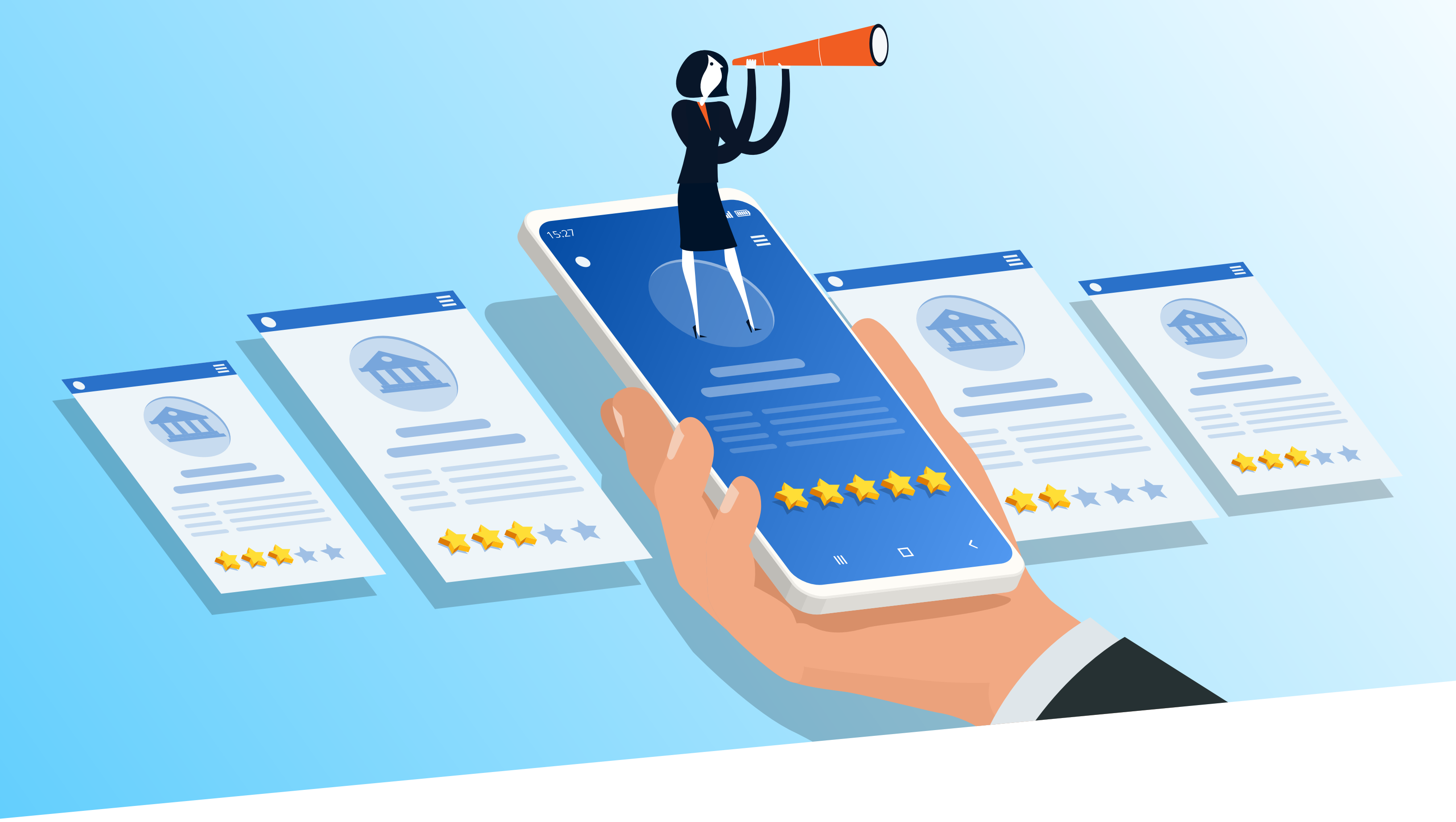


CURRENT BANK PERFORMANCE

As the pandemic stretches on, our survey suggests it may be exposing operational weaknesses, as bankers generally feel less confident about their performance in almost every category on a scale of 1 to 5, with 5 being the highest.

Category	2022 Banking Priorities Survey	2021 Banking Priorities Survey	YOY Change
Retaining Current Customers	4.1/5	4.1/5	–
Compliance Readiness	4.0/5	4.1/5	↓
Cybersecurity Readiness	3.8/5	3.9/5	↓
In-Branch Experience	3.6/5	3.6/5	–
Attracting New Customers	3.3/5	3.4/5	↓
Digital Transformation	3.3/5	3.5/5	↓
Collecting and Utilizing Customer Data	2.7/5	2.8/5	↓

KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Being overconfident in either compliance or cybersecurity readiness can lead to complacency and threaten an institution's reputation and bottom line.	***Rely on a risk-based approach*** to assess and strengthen cybersecurity and regulatory compliance programs.
Declining confidence in digital transformation suggests that customer expectations are growing at a faster rate than before and the bar to digital transformation has risen.	***Explore digital tools and services*** such as live video chat and digital lending from proven providers to help complete your digital platform. ***Incorporate AI tools*** to optimize and personalize the customer's digital experience.
Struggling to collect and utilize customer data can limit the success of digital transformation efforts and ultimately defeat them.	***Mine customer data surrounding digital use*** through customer relationship management, journey maps or analytics dashboards to fuel marketing efforts, determine investments and boost customer service.



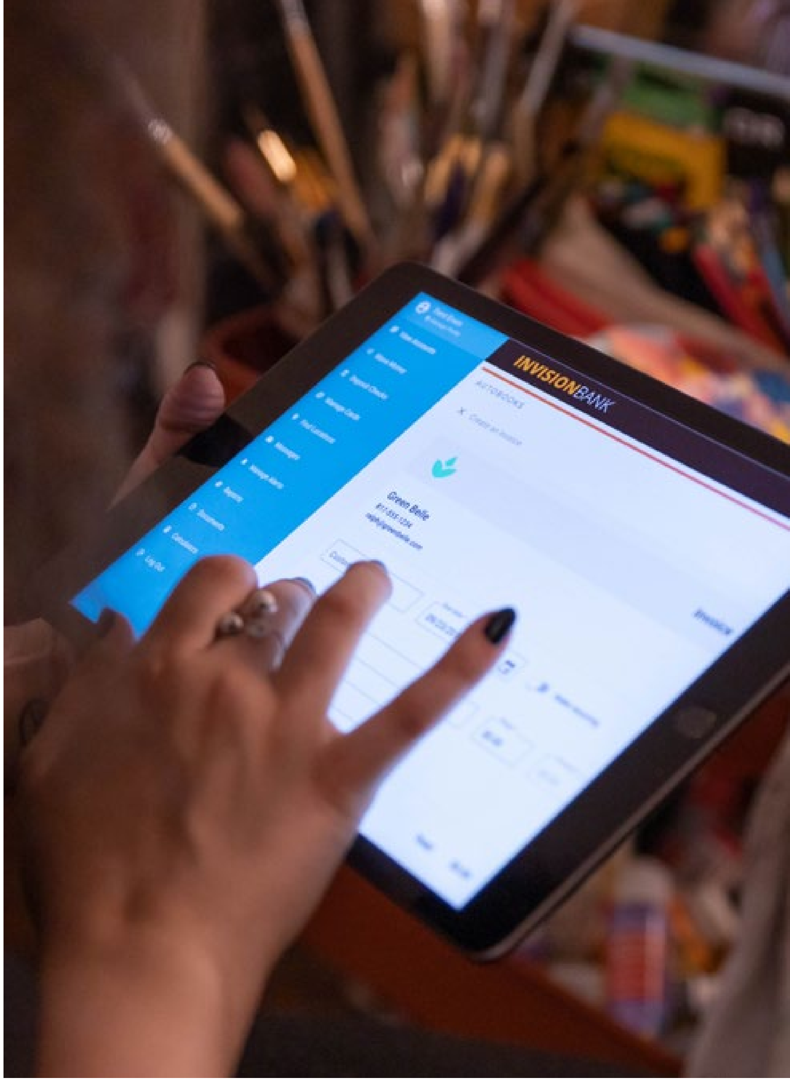
Financial Institutions Seek to Solve Customer Experience Challenges

As customers embrace digital channel usage, it's incumbent upon financial institutions to nail the customer experience within that environment. The fact that bankers had the least confidence in their ability to attract new customers (3.3/5), transform digitally (3.3/5) and collect and use customer data (2.7/5) suggests that they aren't yet delivering a superior digital customer experience.

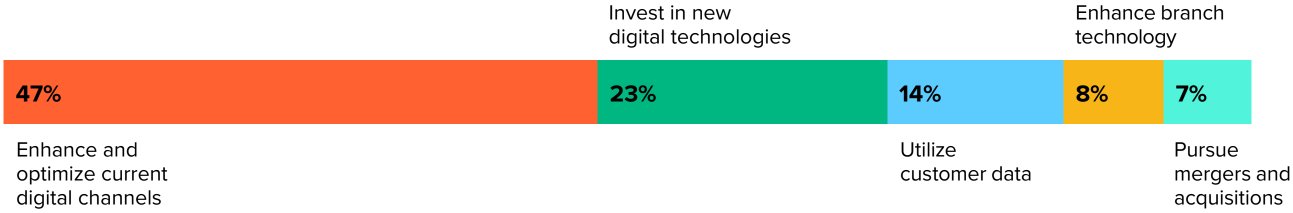
DIGITAL CUSTOMER EXPERIENCE FUELS MARKET EXPANSION

Although bankers felt relatively comfortable retaining current customers (4.1/5), a digital-first environment helps institutions attract new customers, even those beyond immediate geographic constraints. As a result, top strategies to increase market share revolve around digital transformation.

- **Almost half (47%)** will enhance and optimize their current digital channels, slightly above the 43% who planned that strategy for 2021.
- **23%** will invest in new digital technologies, a slight increase from 22% last year.
- Although still in third, **fewer bankers (14%)** plan to utilize customer data than last year (17%).
- **8%** will enhance branch technology, and **7%** will try to attract new customers via mergers and acquisitions.



TOP STRATEGIES TO INCREASE MARKET SHARE



KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Merging a digital front-end process with a legacy, paper-based back-end process creates a disjointed customer experience.	***Transform back-end processes into digital*** for an end-to-end automated process to improve your ability to attract new customers.
Focusing only on geographic expansion and not demographic expansion, too, is self-limiting.	***Use customer data*** to see which demographic segments you serve well and which you don't. For example, offering digital banking in other languages, like Spanish, can broaden your appeal.

DIGITAL TECHNOLOGY IS KEY TO A BETTER CUSTOMER EXPERIENCE

Our survey shows that bankers understand the importance of digital transformation. However, they only give themselves a 3.3/5 in this operational category. To improve their performance in this critical area, they plan to prioritize the following technologies.

THE TOP 4 TECHNOLOGIES

Digital Account Opening

51%

Over half (51%) selected this as their priority, reflecting the power of offering customers a simple and clean digital process for opening new accounts.

Customer Relationship Management

43%

As with last year, **43% of bankers** will prioritize CRM, which is key to providing a superior customer experience throughout the customer lifecycle.

Digital Lending

36%

Close to 36% plan to prioritize digital lending in 2022.

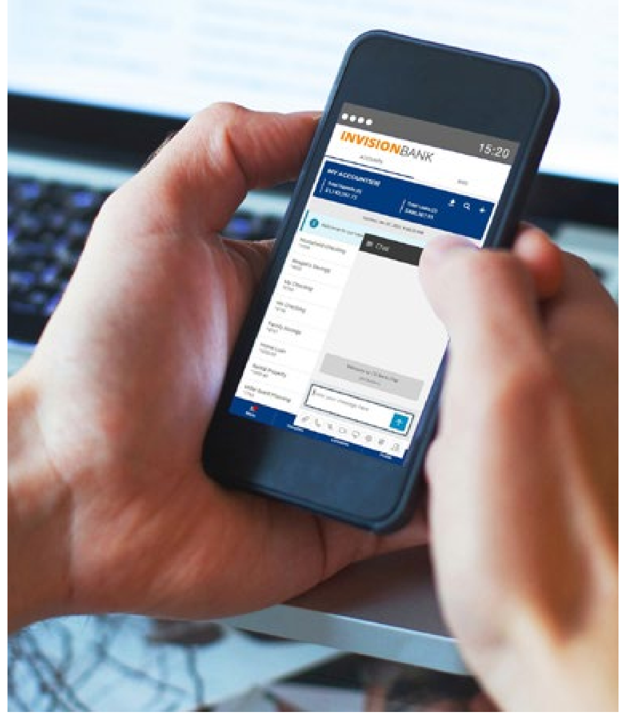
Mobile Banking App

30%

Just over 30% plan to focus on this technology.

THE REMAINING TECHNOLOGIES

- Data Analytics and Reporting: **29%**
- In-Branch Technologies: **23%**
- Website Enhancements: **20%**
- Online Chat/Video/Bot: **16%**
- Digital Statements: **15%**
- Other: **9%**
- Financial Wellness: **8%**
- Loyalty and Gamification: **6%**



KEY CONSIDERATIONS

A focus on digital account opening, while important, must be coupled with additional technologies in order to provide an optimal customer experience throughout the customer lifecycle.

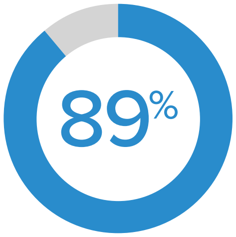
STRATEGIC RECOMMENDATIONS

Employ a robust CRM to intelligently gain relevant insight and recommendations for retaining and expanding existing relationships.

CORE PROVIDERS REMAIN INTEGRAL TO BANKS' TECHNOLOGY INVESTMENT DECISIONS

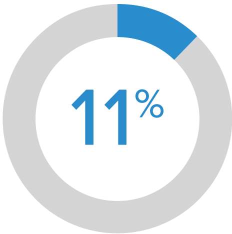
Selecting new technologies in which to invest valuable financial resources is a critical aspect of digital transformation. As financial institutions strive to improve their performance through technology in the coming year, we wanted to know how they make decisions and where they look for assistance.

PREDOMINANT RELIANCE ON CORE PROVIDERS



Close to 89% either rely entirely on their core provider (11%) or refer to their core provider while reviewing third-party vendors (78%) when determining new technology investments.

STRAIGHT TO BEST-OF-BREED PROVIDERS



Just over 11% have begun their 2022 search with best-of-breed third-party providers, a number CSI expects to rise with the expansion of APIs and open banking.

KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Relying on a core that does not use open banking APIs limits your institution's flexibility and adaptability.	***Ensure your core provider has a forward-thinking strategy*** about seamless technology integration through open banking APIs.
Selecting unproven technology providers can negatively affect customer experience, especially if acceptable uptime standards aren't guaranteed within your contract.	***Deploy a comprehensive due diligence process*** to choose providers that offer exceptional service and reliability to match their technological offerings.

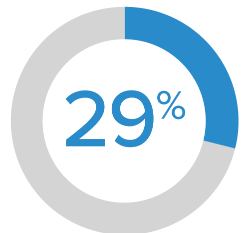
PUBLIC CLOUD, DEMYSTIFIED

Slower program speeds and limited storage capacity have a direct correlation to customer experience. Even though more bankers now report that they understand and invest in public cloud technologies, such as Microsoft 365®, the majority still are not investing, or don't know if they should. This may help explain the less-than-stellar performances in digital transformation (3.3/5) and collecting and utilizing customer data (2.7/5).

WHO'S INVESTING IN PUBLIC CLOUD?

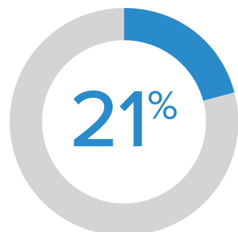
Acceptance increases:

Almost 29% of respondents are already investing in one or more cloud technologies, a significant jump from the 11% reported in last year's survey.



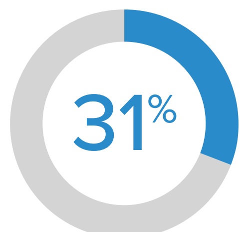
Rejection also increases:

Surprisingly, **close to 21%** say they do not plan to invest in the public cloud in 2022, which is more than the 11% last year.



Ambivalence decreases:

The number who report that they don't know or don't have enough information declined significantly from last year's 58% to **today's 31%.**



WHAT ARE THEY USING PUBLIC CLOUD TECHNOLOGIES TO SOLVE?

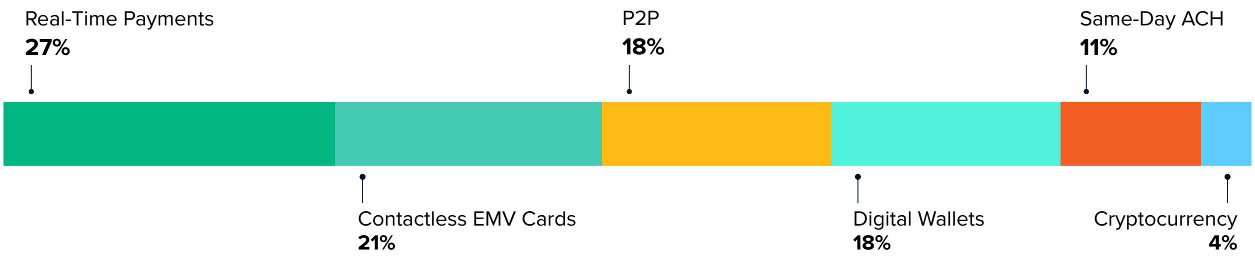
KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Ignoring the cost savings and capacity increases that public cloud can provide is a missed opportunity.	***Investigate how public cloud technologies could benefit your institution,*** particularly in areas like data backup and cybersecurity.
Not paying attention to public cloud technology providers' record retention and destruction policies could put your institution in regulatory jeopardy.	***Confirm providers' policies meet all relevant regulatory requirements*** to ensure your institution's compliance stance.
A cloud-based system can enable users to log in from anywhere using any device, which adds security and convenience, as long as security controls are first thoughtfully implemented.	***Ensure that your public cloud solution is configured with the appropriate access controls,*** such as VPN or multifactor authentication.

PAYMENTS TECHNOLOGY IS CRITICAL TO DIGITAL TRANSFORMATION

An exceptional payments experience is an important subset of customer experience that institutions must consider when improving their digital transformation performance (3.3/5). Without an outstanding payments experience, it stands to reason that institutions' confidence in retaining existing customers (4.1/5) could drop and their confidence in attracting new ones (3.3/5) could further erode.

Which Payments Technology Will Bankers Prioritize?

- **Real-Time Payments propels into first:** Given the need for speed and the approach of the FedNow Service, **a little over 27%** of bankers ranked this as their top priority.
- **Contactless EMV Cards climb to second:** Originally intended for greater security, the pandemic has highlighted other benefits of tap-to-pay, explaining why **almost 21%** of bankers will focus on them this year as opposed to 15% last year.
- **P2P takes a smaller share: Only about 18%** prioritize this method compared to 33% in 2021.
- **Digital wallets stay steady:** Tying for third place, **the same percentage of bankers (18%)** selected digital wallets this year and last.
- **Same-Day ACH sees slight uptick: Just over 11%** chose same-day ACH versus just under 11% who did in 2021.
- **Cryptocurrency debuts: A little over 4%** selected cryptocurrency, a new option this year.



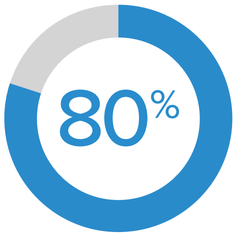
KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Some digital natives are moving away from physical cards entirely.	***Prepare to support digital-only cards in a digital wallet environment*** within the next three years.
P2P remains popular for customers, and fintech players continue to dominate this space.	***Continue digital transformation efforts,*** so customers aren't tempted to look elsewhere for their desired payments experience.
Digital wallets offer security and convenience and serve as a repository for your bank's cards and a source of interchange income.	***Technologies like push provisioning and digital issuance*** simplify getting your institution's cards top of wallet in your customers' digital wallets.

DIGITAL STATEMENTS REPRESENT THE EASIEST OF DIGITAL WINS

Statement delivery, still too often a relic of the paper era, directly correlates to banks' position on the digital maturity spectrum. Therefore, the prevalence of print statements likely plays a role in bankers' average self-assessment regarding their digital transformation (3.3/5).

SOME FORM OF PRINT

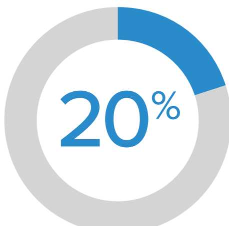
Over 80% favor some level of print statements:



- Almost 2% only deliver print statements.
- Close to 38% mainly provide print statements.
- Just over 40% are split between print and digital statements.

PRIMARILY DIGITAL

Less than 20% have transformed their statement delivery:



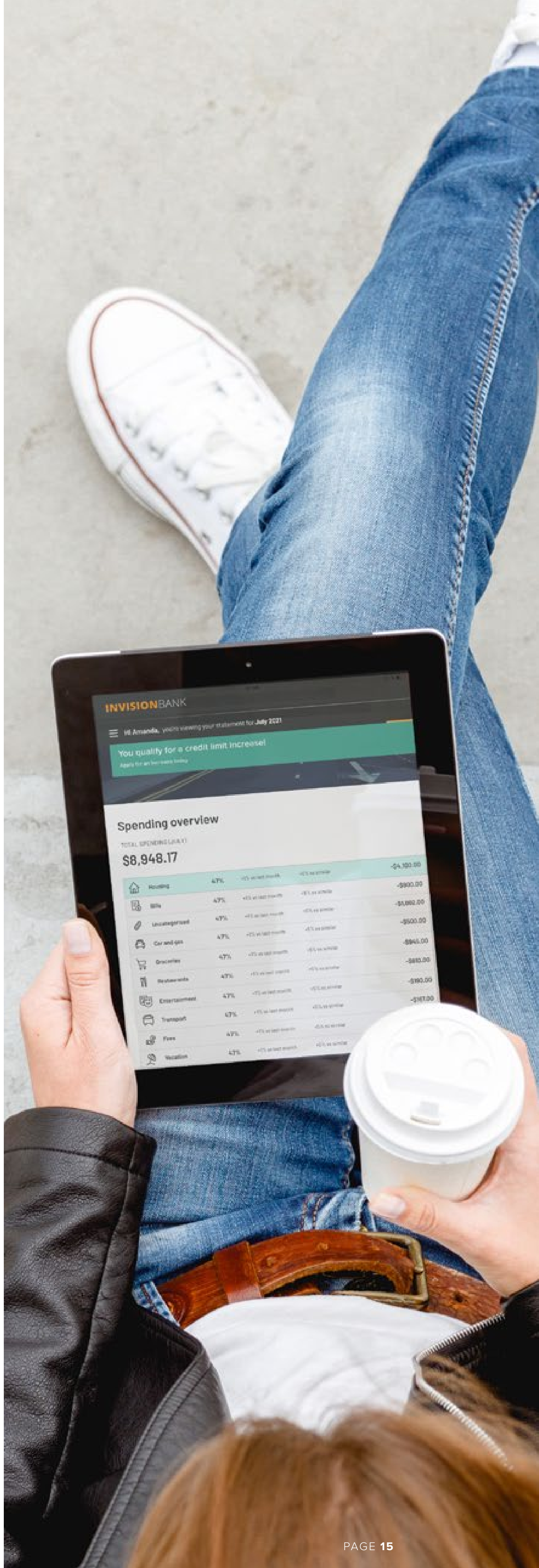
- Less than 1% use digital-only statements
- 19% use mostly digital statements

KEY CONSIDERATIONS

Digital statements are an easy digital win that elevates your institution in many customers' eyes—and cuts unnecessary costs.

STRATEGIC RECOMMENDATIONS

Make digital-only statements a priority in 2022 and consider using them for both marketing and driving engagement.



Regulatory Issues Hide in Plain Sight

The pressing demand from customers for more digital, more often may cause financial institutions to take their eye off of regulatory compliance, especially considering they have more confidence in their compliance readiness (4/5) than they do their digital transformation (3.3/5).

PREPARATIONS FOR CONSEQUENTIAL REGULATORY COMPLIANCE

Between a new administration, renewed regulatory focus, recent final rules and soon-to-take-effect requirements, 2022 will be an impactful year for compliance. Our survey reveals how bankers rank the following regulatory issues in importance to their institution.

Data Privacy

5.4/7

39% of bankers listed data privacy as their primary regulatory concern, as cyber threats grow and responsibility for protecting data will be compounded by the Final Rule on Computer-Security Incident Notification[1]. This rule requires banks to notify their primary federal regulator of any significant computer-security incident within 36 hours as of **May 1, 2022.**

CECL

4.6/7

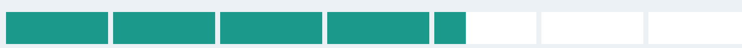
20% listed CECL as their first regulatory concern, which comes as no surprise. Financial institutions have one final year to prepare for the new accounting standard for current expected credit losses[2] (CECL) that goes into full effect for fiscal years beginning after **Dec. 15, 2022.**

BSA/AML Modernization

4.6/7

14% listed BSA/AML Modernization as their number one concern. As FinCEN focuses on adapting the BSA's anti-money laundering (AML) regime to confront threats related to illicit financial activities, banks that modernize and streamline their AML efforts stand a better chance to combat these crimes.

Vendor Management



4.3/7

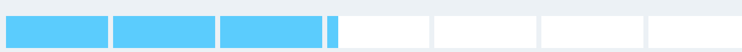
The pandemic has revealed weaknesses in the global supply chain, so regulators are focusing on supply chain risk management[3] as a critical aspect of vendor management programs. 10% of respondents listed this as most important to them.

HMDA

3.5/7

Although there are no significant HMDA changes, the recently proposed rule for Section 1071[4] of the Dodd-Frank Act will eventually require institutions to collect and report more data on the small business lending market. 8% listed HMDA as their top regulatory concern.

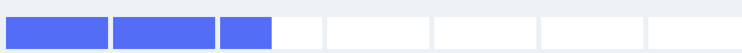
Sanctions Compliance



3.1/7

As long as criminals and terrorists continue to utilize the U.S. financial system for illicit purposes, compliance specialists must remain vigilant.

Replacing LIBOR



2.5/7

The move away from LIBOR is underway and the Consumer Financial Protection Bureau has released its Final Rule to Facilitate Transition from LIBOR[5]. As a result, 8% named replacing LIBOR their primary focus.

KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Biometric privacy is a looming sub-issue of data privacy.	***Include biometric data*** as part of your overall data privacy and security program.
Procrastinating regarding CECL will leave your institution unaware of how CECL will affect your capital reserves.	***Run the CECL platform side-by-side with your ALLL calculation*** in 2022 to ensure any anticipated capital hit is strategically managed.
Focusing only on third-party service providers within your vendor management program could overlook compliance risks.	***Examine the entire supply chain*** to understand your risks, especially for items or services related to mission-critical or threat-reducing functions.
Failing to connect the dots between Section 1071 and Fair Lending could open up your institution to regulatory scrutiny.	***Confirm that your software can collect the required data*** to monitor and correct any activity that could be deemed disparate treatment or disparate impact by examiners.
LIBOR-related language should be removed from loan contracts as your institution transitions to SOFR, or the appropriate reference rate.	***Develop a plan for updating loan contracts*** to align them with the transition away from LIBOR, including, but not limited to, fallback language if necessary.
Not prioritizing your Incident Response Plan could lead to violations of the new computer-security notification requirements.	***Update your Incident Response Plan*** to comply with new requirements by the May 1, 2022 effective date.

Cyber Threats Expand with Digital Usage

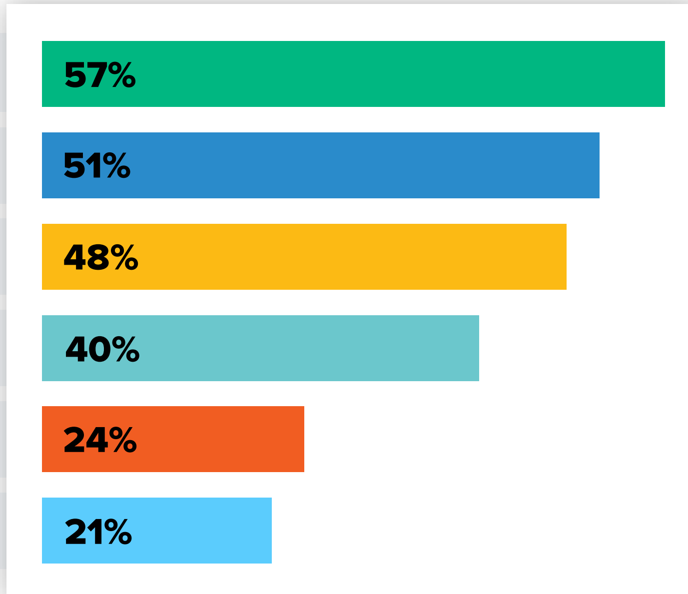
Despite a relatively high degree of confidence in their cybersecurity readiness (3.8/5), three converging circumstances make cybersecurity increasingly difficult for financial institutions:

- As digital usage increases, more systems and people are open to cybersecurity threats.
- As more cyberattacks occur, customers are becoming increasingly numb.
- As institutions redouble their cybersecurity efforts, cybercriminals up the ante with harder-to-detect methodologies.

TOP THREE CYBERSECURITY THREATS

Considering this troubling environment, we asked bankers to name the top three cybersecurity threats heading into 2022.

1. **Employee-targeted phishing/spear phishing (a form of social engineering)**
2. **Customer-targeted phishing (a form of social engineering)**
3. **Ransomware**
4. **Social engineering (as a whole)**
5. **Data theft**
6. **Compromised device(s)/network**



Other named threats included Synthetic Identity Fraud (17%), Endpoint Security (10%) and Denial of Service (7%).

TOP THREE TACTICS TO COMBAT CYBER THREATS

Financial institutions will use various tactics to assess and strengthen their cybersecurity posture in 2022. Surprisingly, a focus on customer training sharply declined, even though customers regularly fall prey, leading to account takeovers and identity theft.

Here are the top tactics:

1. **Recurring Vulnerability Scanning**	**44%** (43% in 2021)
2. **Routine Social Engineering Exercises**	**43%** (47% in 2021)
3. **Penetration Testing/Red Team Exercises**	**42%** (51% in 2021)
4. **Employee/Board Cybersecurity Training**	**41%** (26% in 2021)
5. **Cybersecurity Audit**	**33%** (35% in 2021)
6. **Incident Response Plan Testing**	**23%** (26% in 2021)

Additional tactics included Customer Cybersecurity Training (18%) and Improved Business Continuity Planning (14%).

KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Vulnerability scanning has become easier, but isn't a cure-all.	***Educate boards and senior management*** about the need for a holistic approach to cybersecurity.
Using current real-life examples of phishing in social engineering testing will help employees learn about the latest techniques.	***Conduct top-tier social engineering testing*** to improve your employees' ability to spot dangerous emails, links or attachments.
Conducting employee training only annually and for the sole purpose of completing a compliance requirement is not enough.	***Create fun and engaging cybersecurity tips and reminders for employees year-round*** through tactics like drip campaigns and gamification.
Banks shouldn't ignore the least expensive cybersecurity solution—customer education— due to lack of participation or enthusiasm.	***Become THE cybersecurity expert*** by incorporating cybersecurity education, via engaging videos or games, into the financial wellness content on your digital platform.
Multi-factor authentication (MFA) is essential for digital security.	***Incorporate robust MFA into all applications*** where employees or customers must enter their credentials.

The Great Resignation Magnifies Risks

This year's survey would not be complete if we didn't ask bankers about the Great Resignation. According to the U.S. Bureau of Labor Statistics[6], more than 20 million people voluntarily left their jobs between June and October 2021.

In many cases, particularly among white-collar professionals, employees are switching to higher paying or otherwise more beneficial jobs, as noted in The Atlantic[7]. And the pandemic proved that remote work is feasible, even in the financial services industry.

Employees at traditional banks and credit unions no longer face a choice between seeking employment at institutions in their local area or moving to a bigger market to find higher-paying opportunities at larger institutions. Everyone from compliance professionals and technology experts to customer service and marketing staff can do their jobs from the comfort of their own homes in the city of their choice.

This creates an environment where institutions must present more lucrative job offers or poach talent from elsewhere to fill open positions.

Difficulty Retaining Talent

3.1/5

On a scale from 1 to 5, with 5 being the most difficult, bankers expressed average (3.1/5) difficulty in retaining talent. Only 7% indicated minimal difficulty in this regard.

Difficulty Acquiring New Talent

3.8/5

Bankers revealed more difficulty (3.8/5) acquiring new talent, with less than 3% indicating minimal difficulty and a full two-thirds noting significant difficulty.

KEY CONSIDERATIONS	STRATEGIC RECOMMENDATIONS
Continuing to handle many technology functions in-house when the demand for IT and cybersecurity expertise is high, could result in vacant positions or higher salary expenses.	***Explore strategic partnerships and managed services from third-party vendors*** as a more affordable, feasible and effective solution to your talent needs.
Not using digital automation to strategically reduce headcount or reallocate staff to more value-added activities will make it harder to successfully compete in today's environment.	***Follow the lead of bigger banks that are eliminating all manual and paper-based processes from their operations,*** to their bottom-line benefit.
Not recognizing the organizational and institutional knowledge lost when employees quit can limit an institution's ability to perform on all fronts.	***Understand the ramifications of the current candidate market*** and develop a strategy that shows your employees that you value them.

Committing to Digital Maturity

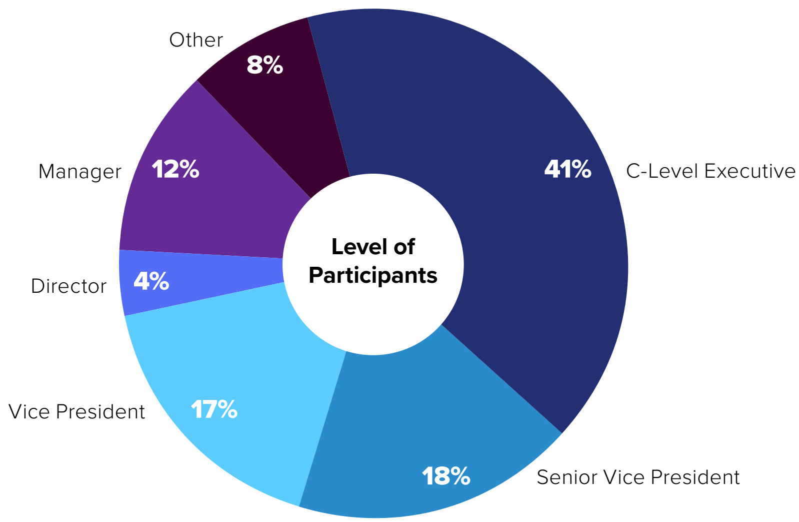
The 2022 Banking Priorities Survey reaffirms the digital growth that is ongoing and further accelerated by the protracted global health crisis. Financial institutions that more thoroughly adjust and adapt to this change will be those that:

- Customers pick as their first-choice banking provider
- Top banking talents embrace as their favored employers
- Regulatory agencies commend for their compliance and cybersecurity posture
- Cybercriminals bemoan as highly secure cyber entities

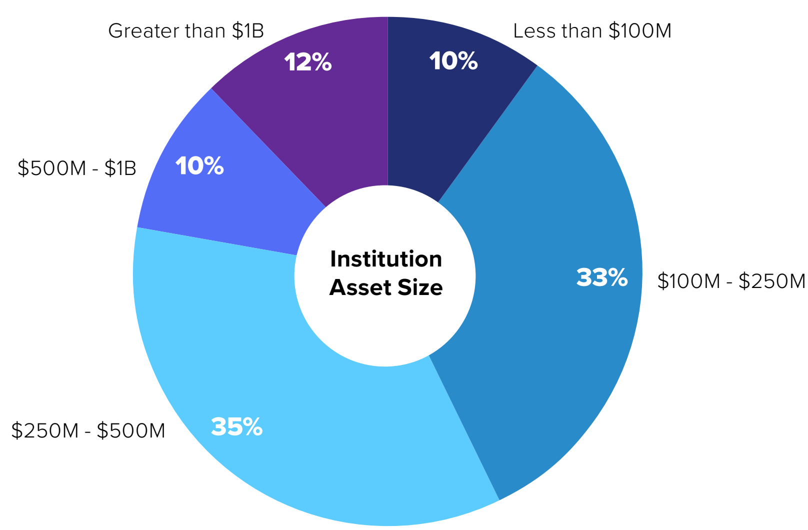
ABOUT CSI's 2022 BANKING PRIORITIES SURVEY

In late 2021, CSI conducted its seventh annual Banking Priorities Survey to gain bankers' perspectives regarding the industry's direction entering 2022.

The survey drew 3% more participation this year—making it the largest yet—with responses from 279 bankers from across the country at the following levels:



Their institutions range in asset size from less than $100 million to greater than $1 billion, as follows:



ABOUT COMPUTER SERVICES, INC.

Computer Services, Inc. (CSI) delivers core processing, digital banking, managed cybersecurity, cybersecurity compliance, payments processing, print and electronic document distribution, and regulatory compliance solutions to financial institutions and corporate customers, both foreign and domestic. CSI's expertise and commitment to authentic partnerships has resulted in the company's inclusion in such industry-wide rankings as the FinTech 100, American Banker's Best Fintechs to Work For and MSPmentor Top 501 Global Managed Service Providers List. CSI's stock is traded on OTCQX under the symbol CSVI.

For more information about CSI, visit www.csiweb.com.

RESOURCES

[1] **OCC.gov,** Computer-Security Incident Notification Requirements for Banking Organizations and Their Bank Service Providers

[2] **FASB.org,** Accounting Standards Update 2016-13, *FINANCIAL INSTRUMENTS—CREDIT LOSSES* (Topic 326)

[3] **NCUA.gov,** Supply Chain Risk Management

[4] **Consumerfinance.gov,** Small business lending data collection rulemaking

[5] **Consumerfinance.gov,** CFPB Issues Final Rule to Facilitate Transition from LIBOR

[6] **BLS.gov,** Table 4. Quit levels and rates by industry and region, seasonally adjusted

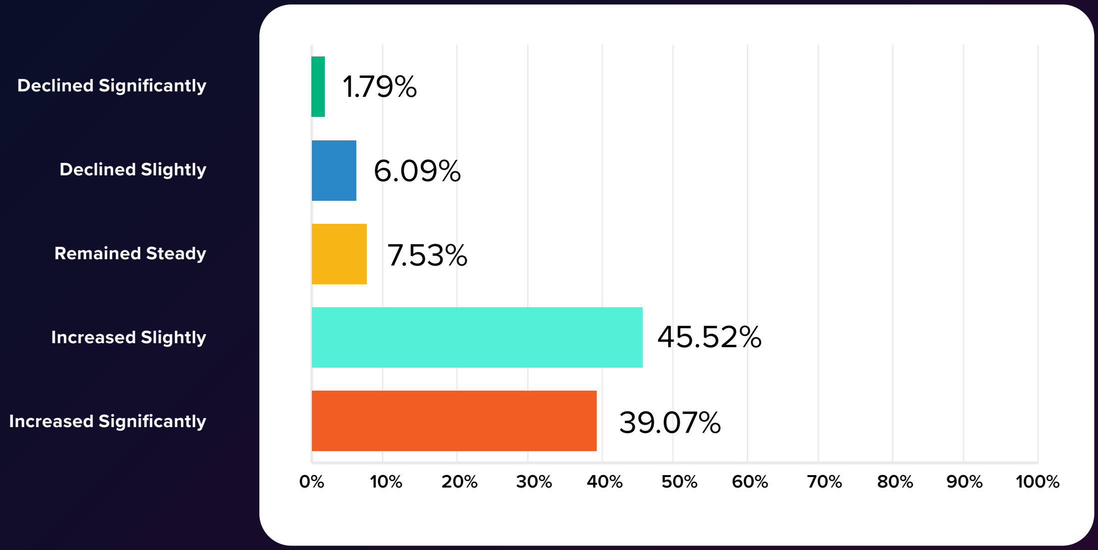
[7] **The Atlantic,** Three Myths of the Great Resignation

Appendix

CSI's annual Banking Priorities Survey poses questions to banking executives, designed to reveal the top financial industry issues and trends this year. In the following pages, you'll find charts containing the complete results of the survey.

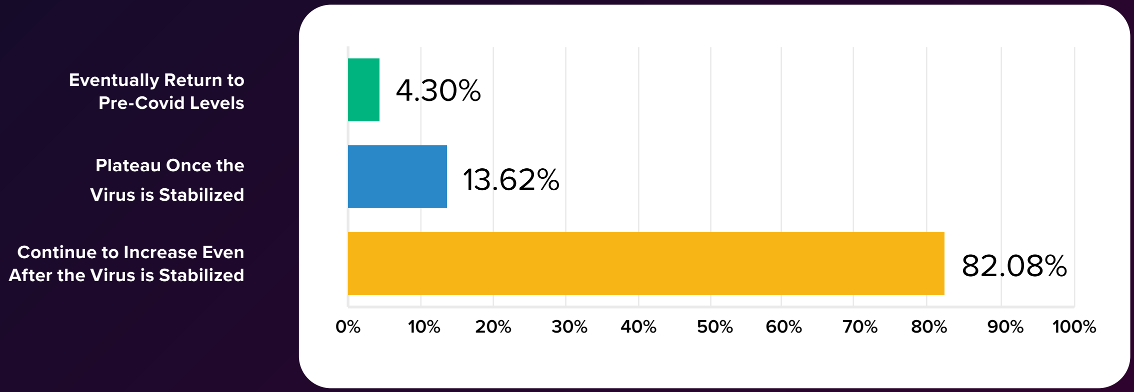
Q1

Over the past year, customer usage of digital channels at my institution has:

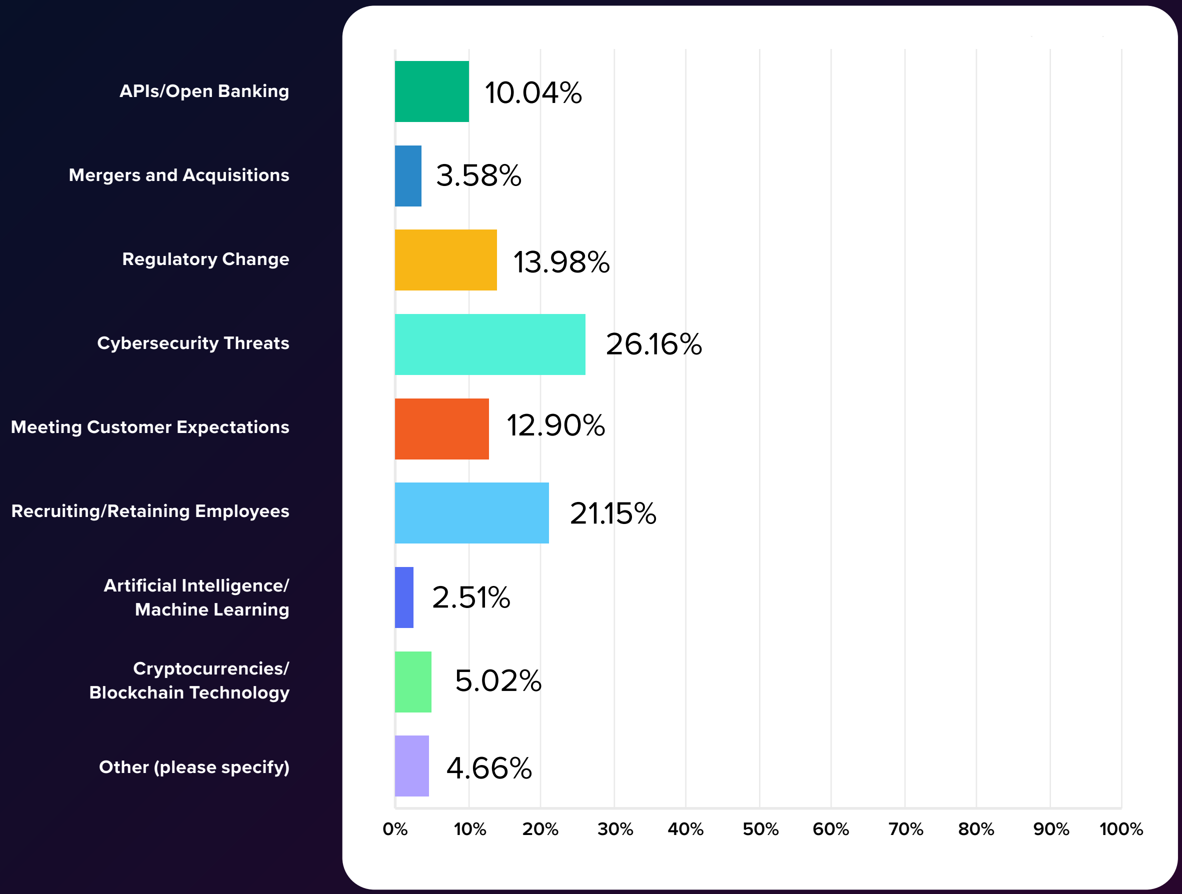


Q2

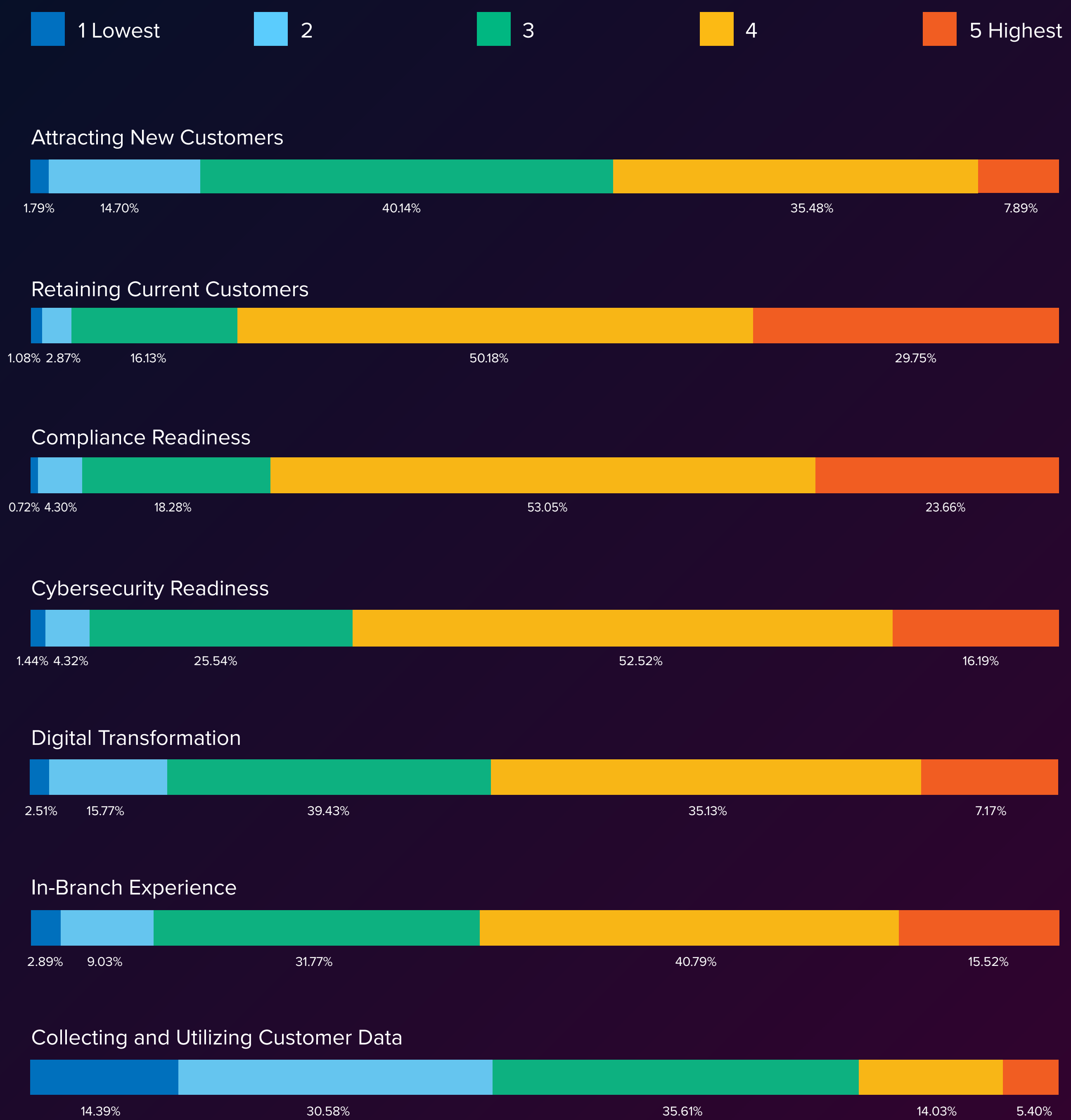
Moving forward, I believe that digital channel usage at my institution will:



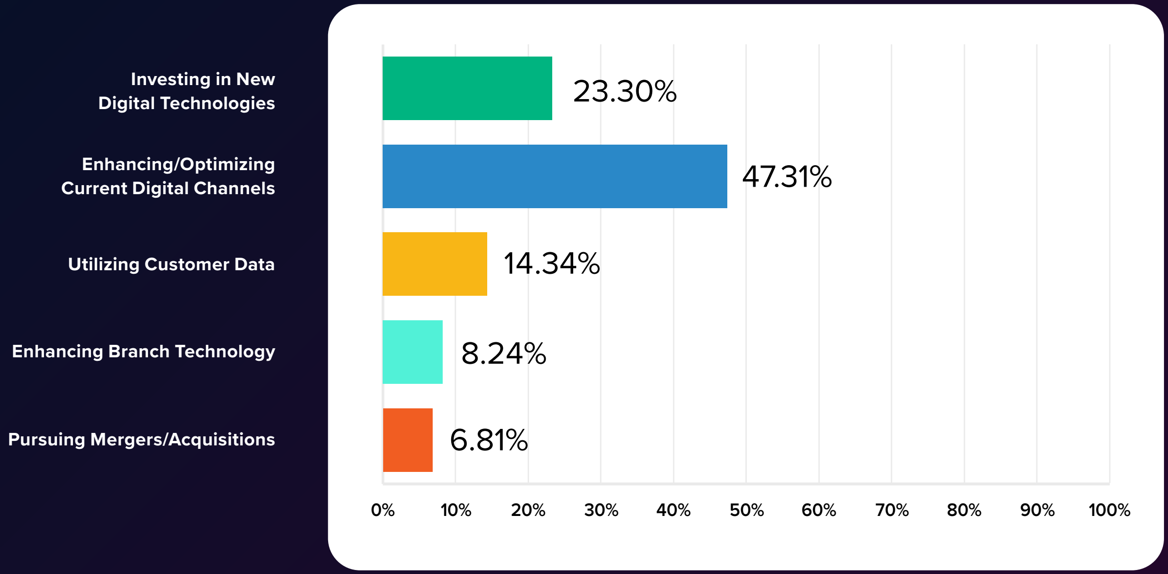
Q3 Which one issue will most affect the financial industry in 2022?



Q4 How would you rate your bank's current performance in the following areas? (1-5, with 5 being the highest)

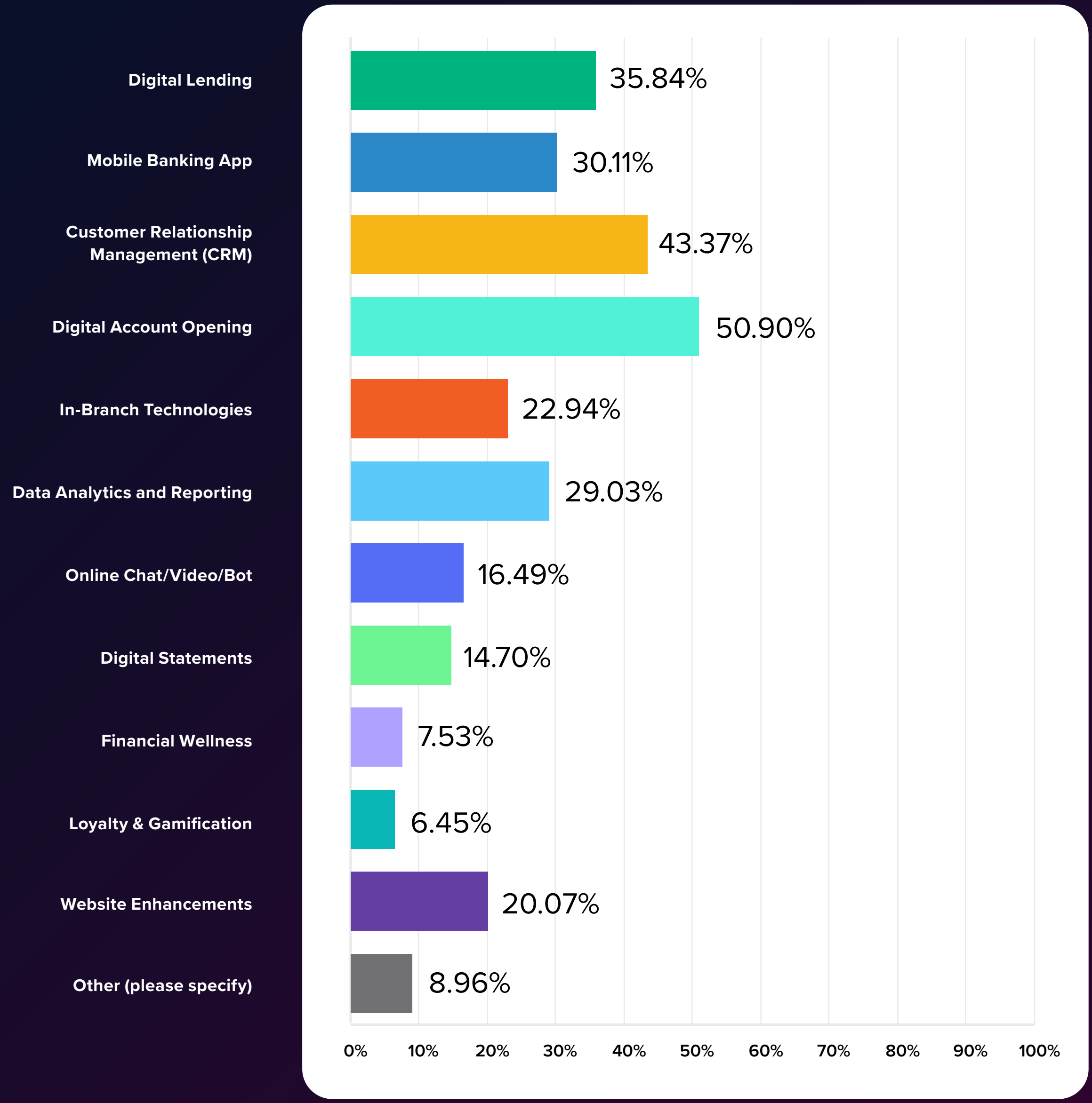


Q5 What is your institution's top strategy to increase market share in 2022?



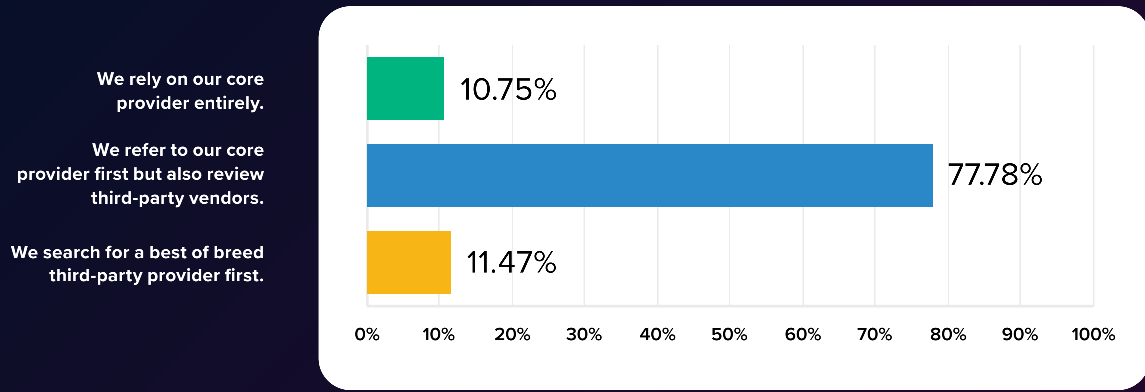
Q6

What are the top 3 technologies your institution will prioritize in 2022?



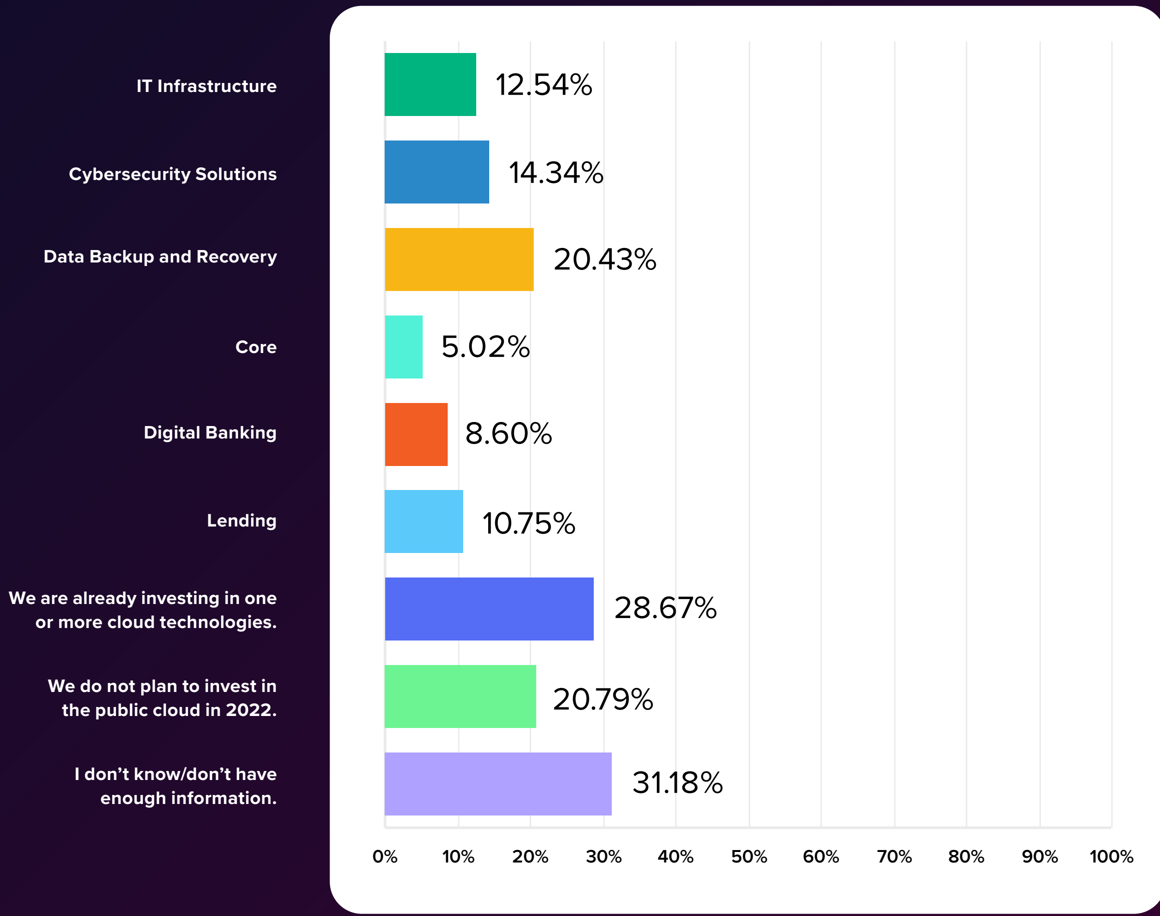
Q7

How does your institution prefer to determine new technology investments?

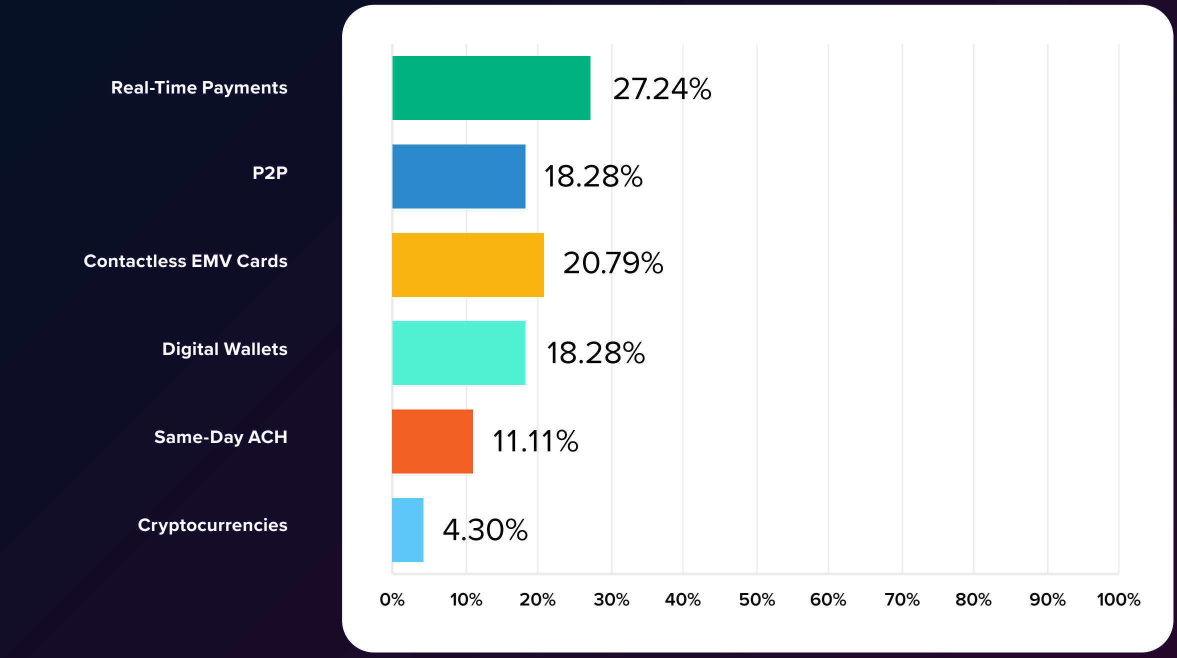


Q8

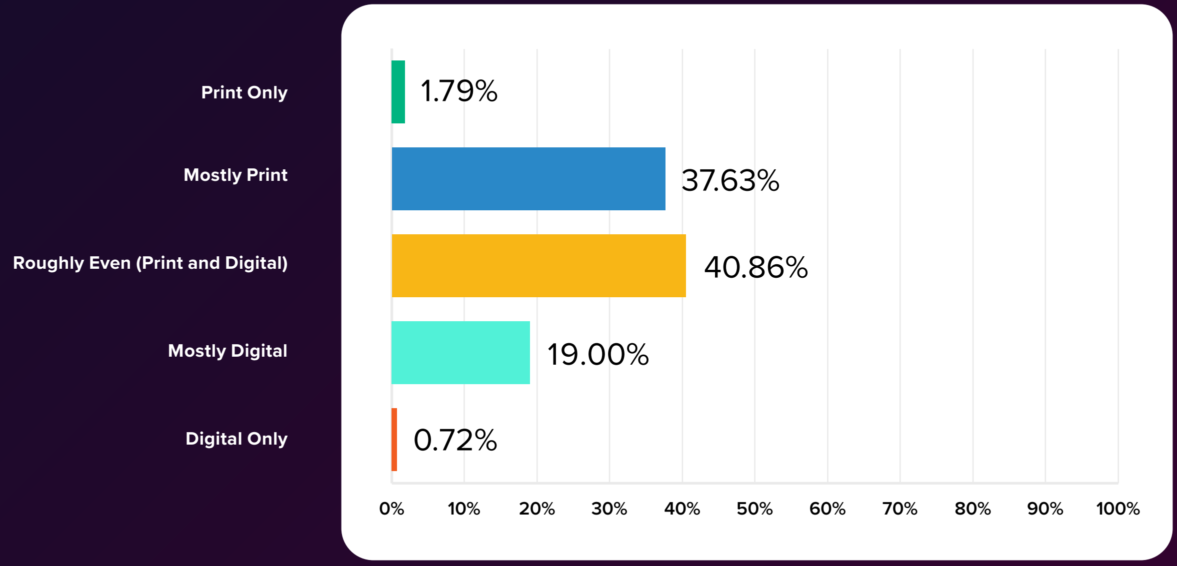
Does your institution plan to invest in the public cloud for any of the following technologies in 2022? Please select all that apply.



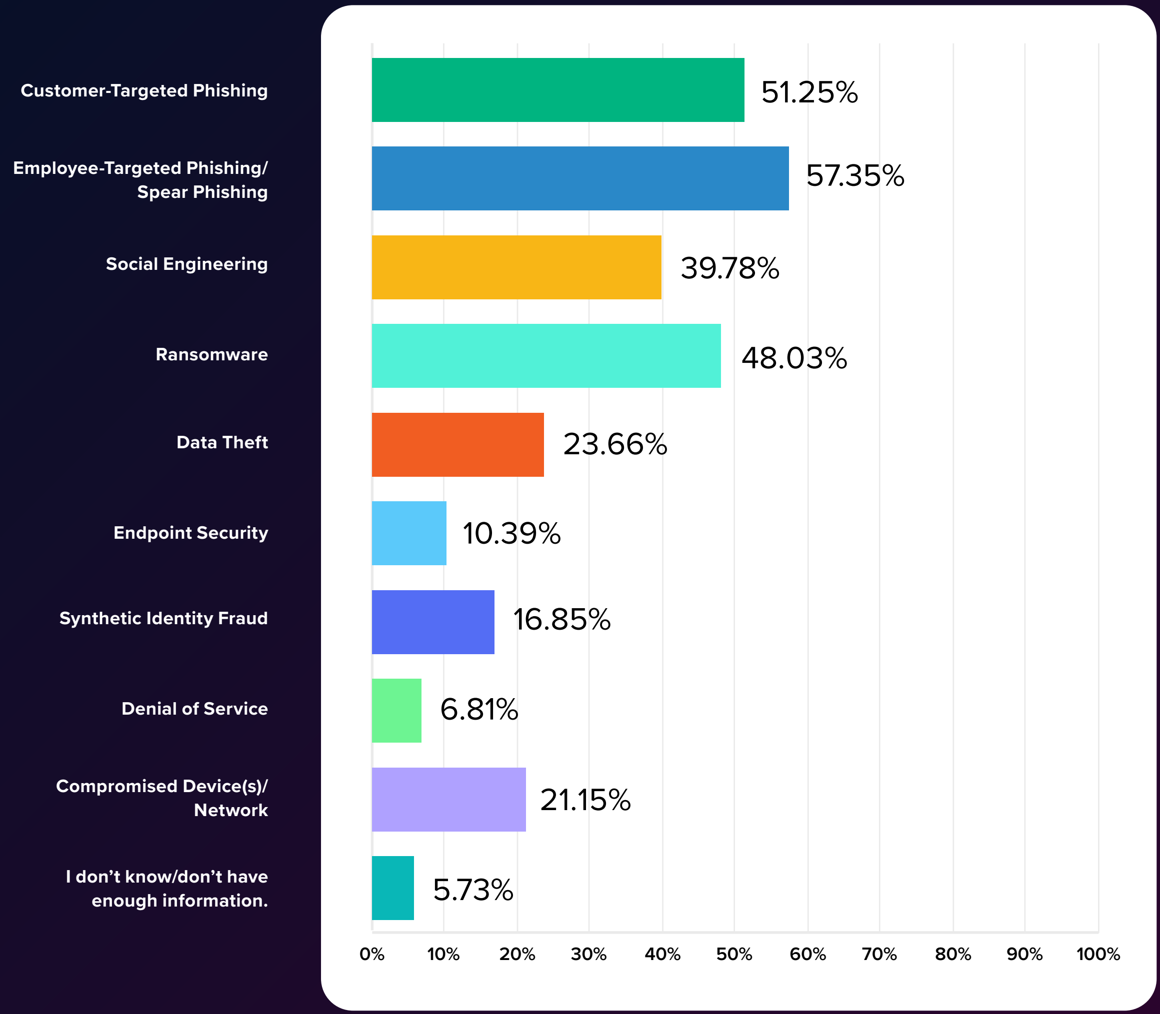
Q9 Which payments technology will be your highest priority in 2022?



Q10 Which of the following best describes your current bank statement delivery?

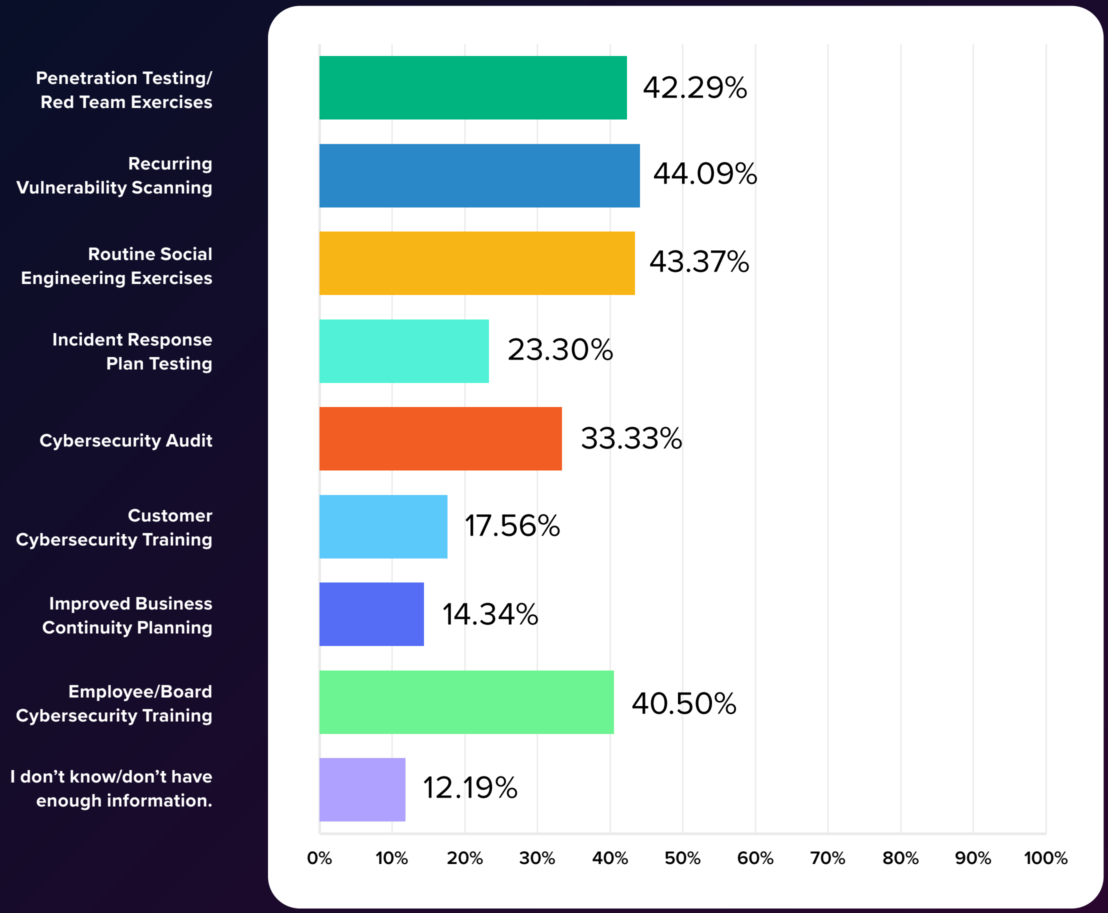


Q11 What are the top 3 cybersecurity threats to your institution in 2022?



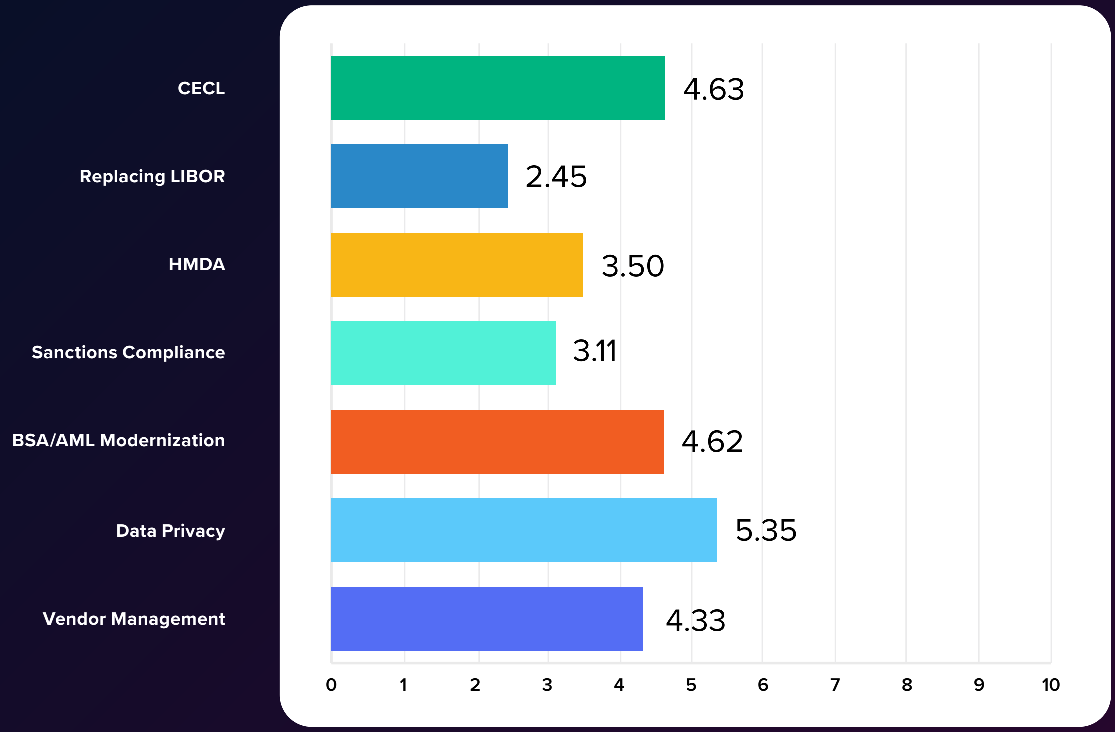
Q12

What are the top 3 tactics you will utilize to assess and strengthen your cybersecurity posture in 2022?



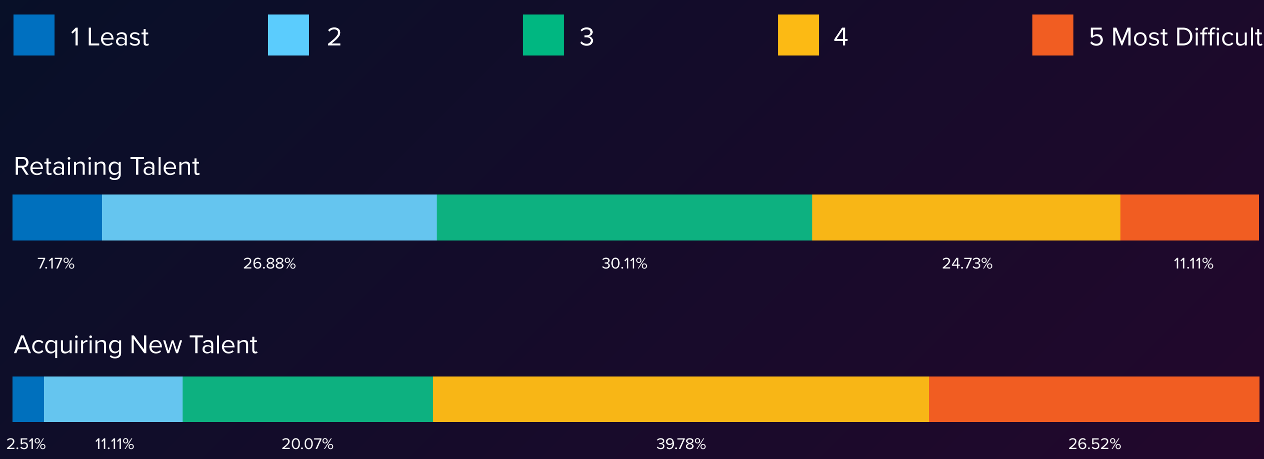
Q13

Please rank the following regulatory issues from greatest to least importance for your institution:



Q14

How would you rate your institution's difficulties in the following areas (1-5, with 5 being the most difficult)?



Q15

Which best describes your institution?