

MANTL

cross river[®]

A Forward-Thinking Community Bank Seizes New Opportunities



In Spring 2020, Cross River Bank became one of the leading Paycheck Protection Program loan providers for small businesses. At the same time, the community bank went live with MANTL's online account opening platform and raised \$250 million of deposits in 15 days.

Cross River's ability to execute both projects simultaneously is a testament to the bank's ambitious spirit and their strategic investments in technology. This is how Cross River, backed by MANTL, seized the moment to maintain growth in the midst of uncertainty.

Driving Toward Innovation

Cross River is a community bank that was founded in 2008, in the wake of the Great Recession. It was a daunting time to enter the market, but Cross River’s forward-thinking approach helped it seize new opportunities and achieve success, beginning by offering financial services to the local community in Northern New Jersey. When other banks at the time were trying to fix their legacy systems and clean up their troubled assets, Cross River came in with a clean balance sheet and fresh capital to deploy. It promised to provide financial services and strategically re-risk where others were de-risking, providing access to credit for consumers in need.

As a successful new community bank, Cross River began to consider the future. The company’s leaders were looking for innovative

ways to offer additional services to their clients. Cross River began working with technology partners and fintech companies to extend its reach in online lending and then into payments, while at the same time creating and building its own proprietary technology.

Along with its commitment to staying ahead of the curve in technology, Cross River has remained tied to its roots as a community bank. Today, Cross River approaches technology as a way to improve the client experience and deliver operational efficiency. With a branch in Northern New Jersey as well as online offerings, Cross River works to incorporate cutting-edge technology into traditional banking services whenever possible.

“It’s important for all traditional banks to innovate or suffer the consequences of being left in the cold. Cross River is the perfect example of how to safely innovate while protecting consumers, the integrity of the financial system, and the regulatory structure.”



Phil Goldfeder
Senior Vice President of
Public Affairs at Cross River

Cross River
was founded
in 2008 with
a technology-
forward approach
to banking.

The Challenge: Building Platforms that Scale

Cross River's mission is to combine the trust, safety, and reliability of community banking with the innovative offerings of a tech company. With a bank-wide strategy to provide the best-in-class offerings and services, Cross River is poised to meet any demands and challenges that arise. Yet in terms of online account opening, the bank was lagging behind. Prior to 2020, Cross River had fewer than 100 deposit accounts opened online as it continued to lead in the marketplace lending arena.

Cross River faced a number of challenges from its incumbent technology stack and legacy processes. These ranged from being unable to optimize the client experience to improve pull-through to using legacy solutions such as micro-deposits for account funding. The existing product worked, but it did not represent the technology capabilities and experience that consumers expected from the Cross River brand.

When Cross River's leaders began their search for a new account opening platform, they wanted something that would get them to market quickly and enable the bank to develop a streamlined flow in the most efficient way possible. Cross River envisioned its online account platform as a "faucet" that could be turned on to increase

deposits and drive volume with relatively low complexity and high output. The bank wanted to take its existing technology – along with the client relationships it had built over the years – and identify a way to efficiently raise deposits to support growth.

In deciding to work with MANTL, Cross River needed a provider that could move quickly and execute at scale. The bank decided to focus on user experience and ensure that this aligned with all operations on the core banking side. Cross River's partnership with MANTL was finalized in November of 2019, and both teams worked rapidly to go live in April 2020 with an aggressive project plan. With MANTL's guidance and support, Cross River didn't let any obstacles become more than just a bump in the road.

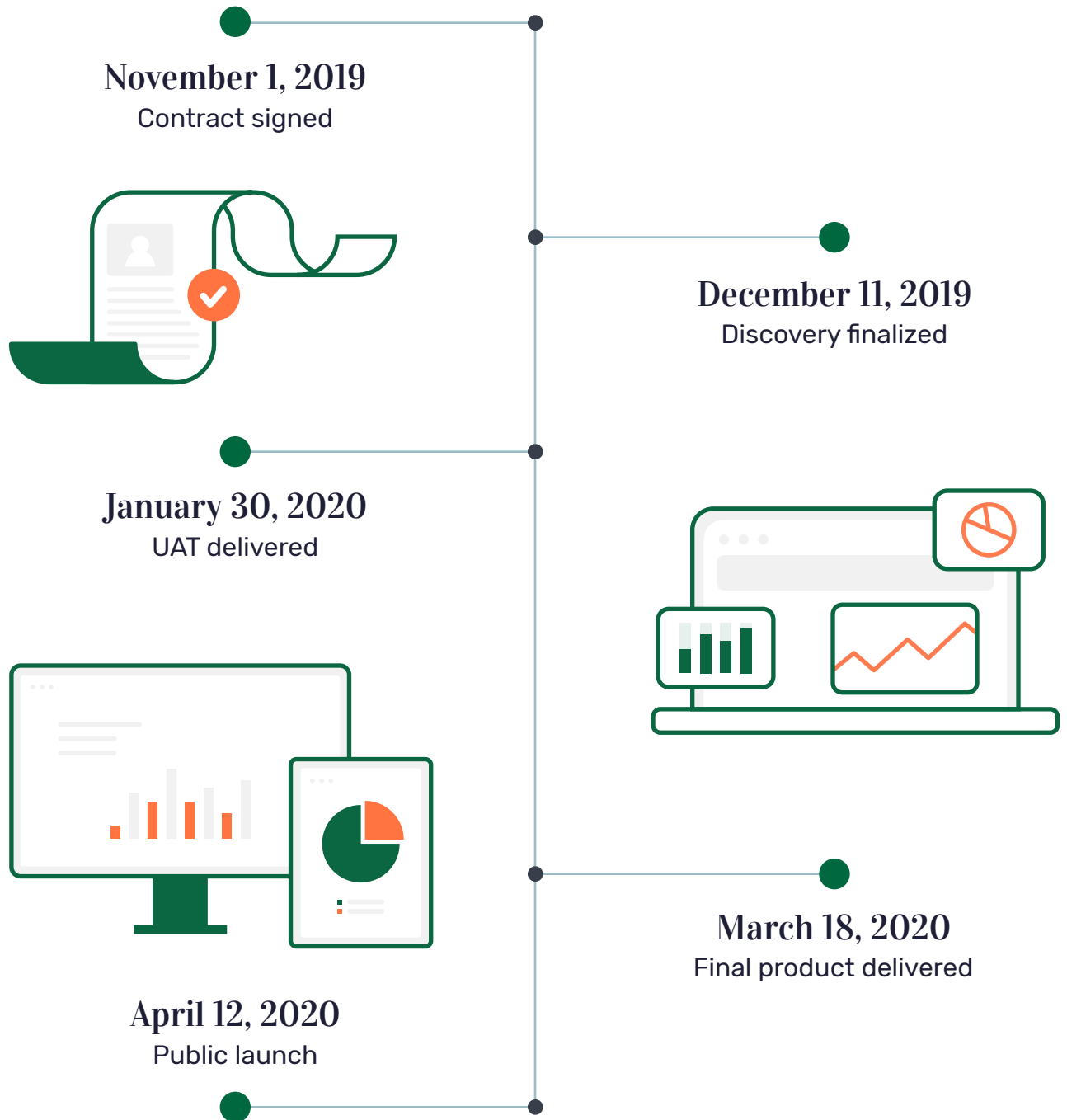
Cross River relied on MANTL's online account platform to help raise capital quickly.



"I think that MANTL's project management support has been great, as well as the technical core integration support. I was pleasantly surprised by how they approached complex problems, as simple hurdles that could be easily overcome."

Jesse Honigberg
Technology Chief of Staff at Cross River

Timeline for integration



Raising Funds to Meet Loan Demand

When Cross River's leaders decided to get involved with the Paycheck Protection Program, they needed to raise funds very quickly to create liquidity for PPP loans. They began to offer certificate of deposit (CD) accounts with a high interest rate – about 20 bps above the highest advertised average rate on BankRate – to draw in clients looking to put their money in a safer place.

It was an aggressive strategy. Cross River's initial goal was to raise \$20 million in the first month and then ramp up their efforts to hit \$250 million in total originations by the six-month mark. This strategy relied on robust support on the account opening front in order to reduce friction and stay on schedule.

Thanks to Cross River's attractive CD rate and MANTL's easy-to-use online account opening platform, the bank hit its \$250 million target in just 15 days. Cross River lowered its CD rate

Cross River raised
\$250 million
of deposits in 15 days.



“MANTL worked out better than we could have expected. The lesson learned out of all of this is that if we need to go to market and raise funds quickly, we now have both the intuition that's reinforced by objective facts, as well as the platform and the tools in order to do that.”

Jesse Honigberg
Technology Chief of Staff at Cross River

With MANTL, **88 percent** of Cross River's online applications receive an instant decision.

significantly after its deposit target was reached in order to slow down growth to a manageable pace. The bank raised an additional \$30 million in the 16 days that followed. In total, the program surpassed its goals and brought in over \$280 million in 31 days. Cross River required a high minimum deposit of \$50,000 and projected a \$60,000 average account size. However, the bank's average CD account size ended up being more than double what was expected, with an average initial deposit of \$137,000.

MANTL's online account opening platform was able to drive this extraordinary level of success in part because of its convenience and usability. The platform has a 51 percent net conversion rate on online applications, and 88 percent of these applications are approved or rejected automatically. This allows clients to open an account in just minutes, without wasting time filling in unnecessary forms or waiting for confirmation to proceed.

Looking Toward the Future

MANTL's online account opening capabilities have created a sustainable funding platform for Cross River.

MANTL's online account opening capabilities have created a sustainable funding platform for Cross River that can support the bank's efforts in many other areas. Cross River now has an efficient strategy to raise capital for its lending division, or to increase its balance sheet for new large fintech clients through its banking-as-a-service practice. Further, while Cross River has not traditionally gotten involved in direct-to-consumer banking, MANTL has helped the bank envision its potential in this area.

As Cross River grows as both a community bank and technology company, it has begun to pivot to areas where it can best make a difference. Cross River's leaders are looking to deliver a differentiated user experience with scalable technology platforms and leverage many of the investments that they've made thus far. Looking

forward to the next five years, Cross River is planning to focus on scale, as well as improving partner experiences.

Ultimately, Cross River originated more than \$6 billion in PPP loans, up from the \$50 million in Small Business Administration-backed loans it made in 2019. Further, the bank's PPP loans went to mom-and-pop stores and other true small businesses for which the program was created. In fact, 93 percent of the bank's borrowers were businesses with 10 employees or fewer. This underlies Cross River's commitment to supporting the local community and staying true to its mission, even during stressful times like the rush for PPP loans amidst branch closures.

93 percent of Cross River's borrowers were businesses with 10 employees or fewer.



"With MANTL, we now have this cutting edge, flexible tool that enables us to meet our business needs and expectations quickly and efficiently. It's very much a platform that's a lever for us to pull in order to drive other business initiatives."

Jesse Honigberg
Technology Chief of Staff at Cross River

MANTL is a banking technology firm offering the leading account opening software. Our platform empowers regional and community banks and credit unions to grow up to 78% faster. These institutions play a critical role in our economy and we're passionate about preserving that. Launched in 2017, MANTL's customers have raised more than \$1 billion in core deposits to date. MANTL is a privately held company headquartered in New York with the backing of prominent venture capital investors.

Learn why MANTL is the top choice for modern online account opening among community banks and credit unions.

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