

Q2 Helps Lake City Bank Accelerate Digital Innovation

Results

Generating investment income with young consumers

Through its integration with Eko, Lake City has added over 2,650 investment accounts representing over \$1.5M in portfolio value.

Driving customer engagement

Lake City leverages Q2 Discover to display relevant messages to Lake City customers, and has generated more than 10,000 clicks.

Increasing payment volume with treasury clients

With Q2 Innovation Studio partner Autobooks, Lake City increased its payments volume by 35% in less than a year.



About Lake City Bank

Founded: 1872

Headquarters: Warsaw, IN

Current market: Central and Northern Indiana; mix of retail and commercial

Assets: \$6.6 Billion

Q2 Customer Since: 2020

Key Challenges

With 85,000 customers across the state of Indiana, Lake City Bank has learned that attracting new customers is important, but providing the innovative tools to retain and grow them is where the magic really happens.

"We've found that providing a tailored digital experience is critical to creating stickiness," said Scot Karbach, VP and Digital Strategy Officer for Lake City Bank. "And it's essential for growing customer deposits, as well."

At Lake City, innovation starts with listening to feedback from diverse points of view. Karbach and his team assembled a multi-generational focus group to capture a wide range of perspectives on what the bank is doing well, where it can improve, and what kinds of services they should consider in the future.

"Their feedback has been incredibly helpful," Karbach noted. "It's really made a difference in how we evolve the digital experience for our customers."



Q2 Innovation Studio helps us fill our product gaps quickly, and that's essential in our effort to compete with larger banks.



– Scot Karbach
VP, Digital Strategy Officer
Lake City Bank

Driving Innovation with Q2 Innovation Studio

Once the Lake City team has identified its digital priorities, it depends heavily on Q2 Innovation Studio—which is built on Q2's flexible, modern, and open digital banking platform, and offers pre-built integrations with 180+ fintech solutions—to get new products and services to market quickly. “When I first experienced Q2 Innovation Studio, it was the greatest thing I had ever seen,” said Karbach. “A project that can take six weeks today would otherwise end up taking a year. Previously, it was a two-to-three-month process just to get a new vendor approved and obtain documentation, and deploying solutions like this outside of Q2 would cost over \$100,000 easily to integrate into our digital experience. I can't imagine not having Q2 Innovation Studio.”

Lake City Bank's strategic approach to integrating fintech partners into the Q2 digital banking experience allows it to meet the growing needs of various segments—from students opening their first accounts to small businesses, larger commercial clients, and long-time retail customers.

On the retail side of the business, Lake City is leveraging Q2 Innovation Studio to connect with younger customers, from pre-teens to college students, to young professionals, and provide optionality alongside a streamlined digital experience. “The younger generations expect to have all their banking services in one place,” said Karbach, “and Q2 Innovation Studio enables us to deliver on that.”

Solutions Delivered Through Q2 Innovation Studio

“Vendor due diligence is huge, especially when you're bringing in a fintech,” said Lisa Fulton, COO for Lake City Bank. “Because Q2 has already done the vetting, we can rely on that when selecting fintech partners through Q2 Innovation Studio. What's been really valuable is partnering with innovative fintech companies that are open to feedback and willing to adapt their products to meet our needs.”

To date, Lake City has delivered 10 financial solutions for its customers through the powerful integrations offered by Q2 Innovation Studio. Highlights include:

Supporting the younger generation

Lake City offers FamZoo, an app that provides parents a tool to teach kids money management skills through prepaid cards, allowing children to learn budgeting, saving, and responsible spending. Plus, Spiral allows them to round up their transactions to save effortlessly and give back to their communities.

And Eko makes investing accessible to anyone with its \$10 minimum investment. To date, the bank has generated over 2,650 accounts representing over \$1.5M. Lake City Bank found Eko users log into digital banking almost four times more than non-Eko users and have a six times lower attrition rate compared to the broader Lake City Bank retail customer base. The results demonstrate Eko's value in increasing engagement and digital stickiness among younger demographics while also helping reduce churn by embedding long-term financial habits.

Protecting customers from credit fraud and identity theft

Lake City offers Experian IDnotify, a comprehensive credit and identity monitoring service within Lake City Bank Digital. With IDnotify, customers can enjoy peace of mind knowing that their credit and personal information are being monitored for suspicious activity.

Increasing deposits with tax preparation services

Through an integration with Intuit TurboTax®, Lake City makes it easy for customers to file state and federal returns—and easy to deposit refunds into a Lake City account, or invest those funds through Eko.

Powering global payment strategies

Lake City is currently working on an integration with Payrecs, which simplifies the process of transferring money, domestically and internationally, with a transparent, easy to use app and platform. The bank is especially impressed with the platform's ability to display exchange rates in real time—a capability which Karbach noted as critical to the international payments offering.

Looking to the future

Working in collaboration, the Q2 and Lake City teams have leveraged Q2 Innovation Studio to rapidly deliver the innovative solutions the bank needs to meet the evolving needs of its customers. But according to Karbach, the work is far from finished. "Moving forward," he said, "Q2 Innovation Studio will be a part of every budget I create."

About Q2

Q2 is a leading provider of digital transformation solutions for financial services, serving banks, credit unions, alternative finance companies, and fintechs in the U.S. and internationally.

For more information, go to [Q2.com](https://q2.com) or call (833) 444-3469.



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