



CLIENT SUCCESS STORY

30%

increase in loan volume over the last three years

15%

improvement in efficiency ratio

**\$100+
MILLION**

record-setting commercial loan gross production in 2022



First State Bank of the Florida Keys, with over \$1.2 billion in assets and a loan portfolio of more than \$840 million, is a locally-owned financial institution that has offered a variety of products and services, including commercial and personal loans, investment and online banking services to communities across Monroe County, Florida for over 65 years.

► The Challenge

Prior to partnering with Baker Hill in 2006, First State Bank struggled with commercial lending workflows, particularly when it came to statement spreading. Initially, the bank was manually spreading statements using Excel spreadsheets. However, the bank began experiencing challenges with its Excel spreadsheets, making an already manual process even more time-consuming and inefficient.

Meanwhile, as the communities across the Florida Keys continued to grow, the bank needed better, more efficient ways to serve a growing number of commercial clients. Additionally, to compete with the larger regional banks that have recently entered its markets, the bank recognized the need to revamp its commercial lending processes.

When Gary Carney, now president of First State Bank, joined the financial institution in 2006, he led the bank to explore a partnership with Baker Hill to address these challenges.

“I previously worked for a bank that was a Baker Hill client and because of my familiarity with the company’s offerings, I knew that Baker Hill would help First State Bank modernize our lending processes,” says Gary Carney, president of First State Bank. “We considered Baker Hill, as well as a few other vendors, but given our knowledge of the company’s product roadmap, plus their reputation in the financial industry, we felt very comfortable moving forward.”

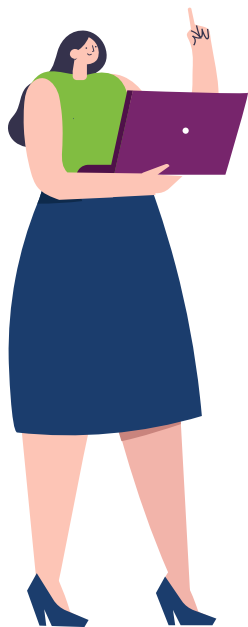
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FIRST STATE BANK



From the beginning, we have had great experience. Each person we have collaborated with at Baker Hill has been extremely responsive and invested in our bank's success."

Gary Carney
President
First State Bank



First State Bank chose to begin with Baker Hill's Statement Spreading and Exception Tracking solutions to create efficiencies in the bank's commercial lending processes. In addition to the bank's immediate need for enhancements to its statement spreading and exception tracking workflows, Carney was also focused on modernizing its commercial lending process even further, as First State Bank ultimately sought to offer all the loan origination features for commercial clients that a large bank could provide. First State Bank needed a way to turnaround loan decisions faster to gain market share and avoid losing large commercial deals to bigger banks.

► The Solution

In 2006, First State Bank implemented the Baker Hill Statement Spreading and Exception Tracking solutions. Baker Hill's Statement Spreading solution facilitates reporting, data collection, global cash flow, covenants and more, all in one central location. The tool eliminates the need for the bank's team to re-enter financial statement data and the bank's credit analysts can more efficiently conduct complex ratio analyses, projections, peer comparisons, sensitivity analyses and global cash flow analyses to efficiently make accurate credit decisions.

With Baker Hill's Exception Tracking solution, First State Bank is able to improve credit quality and compliance while maximizing portfolio processing. The tool also makes it easier for the bank's team to review and manage multiple tracking items, as well as products and collateral to ensure adherence to its credit policy.

After their team's initial success with Statement Spreading and Exception Tracking, First State Bank chose to expand its relationship with Baker Hill by transitioning to the company's flagship product, Baker Hill NextGen® Commercial Loan Origination. By expanding the relationship with Baker Hill and upgrading to the full NextGen® suite, First State Bank was able to significantly streamline its entire commercial lending process and efficiently grow its loan portfolio.

With Baker Hill NextGen® the bank's commercial relationship managers can easily access client information to support the sales process and encourage strategic sales planning. The solution facilitates pipeline management reporting, deal creation, and a robust credit memorandum so opportunities can be analyzed and decided with speed and accuracy.

Baker Hill NextGen® Commercial Loan Origination also includes Statement Spreading and Exception Tracking, which means the platform serves as a centralized, integrated platform that addresses all of First State Bank's commercial lending needs. First State Bank is also taking advantage of other Baker Hill NextGen® product offerings, including the Client Portal, the Banker Application, and online loan applications. The Client Portal helps the bank more efficiently engage with commercial clients throughout the lending process and the Banker Application helps First State Bank's team members process loan applications from any location. Similarly, the Baker Hill NextGen® web-based online loan application solution allows the bank to receive loan applications anytime, anywhere.

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We feel very confident with Baker Hill as our partner, especially after seeing the positive impact within our commercial loan portfolio.”

Gary Carney
President
First State Bank

Not only has First State Bank been impressed the robust capabilities of Baker Hill NextGen®, the bank’s team has also appreciated Baker Hill’s smooth implementation process. “From the beginning, we have had great experience working with Baker Hill. From implementation to ongoing customer support, each person we have collaborated with at Baker Hill has been extremely responsive and invested in our bank’s success,” said Carney. “Baker Hill is more than a vendor, they truly are a partner.”

► The Results

First State Bank has experienced a multitude of benefits since implementing Baker Hill NextGen®. The bank has seen a 30 percent increase in loan volume over the last three years and in 2022, originated a record number of commercial loans, more than \$100 million in gross production, without additional headcount.

Additionally, since partnering with Baker Hill, First State Bank has improved its efficiency ratio. Before the bank’s efficiency ratio was around 70 percent while today First State Bank is ahead of its peer group with an efficiency ratio of 55 percent. With Baker Hill, First State Bank’s team also enjoys a better experience with streamlined workflows and the ability to see where a loan is at any stage of the process. This helps improve pipeline tracking and helps the bank’s team provide better service for clients.

Given the bank’s success, First State Bank is considering adding other solutions from Baker Hill in the future, such as integrated pricing, compliance document prep, auto-decisioning, as well as the company’s marketing and analytics platform.

“We feel very confident with Baker Hill as our partner, especially after seeing the positive impact within our commercial loan portfolio,” said Carney.

“Baker Hill has helped our team realize significant efficiency gains across our commercial lending workflows and we look forward to continuing our relationship together. Baker Hill’s proven track record, combined with their unwavering commitment to addressing our financial institution’s immediate and long-term needs are invaluable, both to our team and the customers we serve.”



Baker Hill is in the business of evolving loan origination by combining expertise in technology with expertise in banking. Built on decades of walking alongside banks and credit unions as they provide vital resources to their communities, Baker Hill NextGen® is a configurable, single platform SaaS solution for commercial, small business, consumer loan origination, and risk management that grows along with you as your business needs change. Baker Hill is lending evolved. For more information, visit www.bakerhill.com.