BKR HILL

CLIENT SUCCESS STORY

TOWNE BANK

TowneBank started in 1998 with a big dream in a two-car garage in Portsmouth, Virginia. After opening its first branch in 1999 and achieving profitability within 11 months of operation, the bank has grown to over $17 billion in assets with 51 banking offices throughout Virginia and North Carolina.

THE CHALLENGE

The team at TowneBank realized they needed a partner to help them continue their growth trajectory as loan volumes increased and customer expectations were evolving. They continued to grow both organically and by acquiring different local banks. As mergers occurred, it became apparent that each had a different method for originating loans. For instance, one market used spread-sheets and other manual processes for originating loans, while others used different systems from other vendors.

- Given the differing practices, there was a need to **standardize the lending process** across the entire organization.
- TowneBank also sought to **identify opportunities** for additional automation and to close loans more quickly and **reduce redundancy**.
- In addition to efficiency gains, the bank wanted to **maintain its focus on the local communities** it served and keep loan decisions local. In other words, loan decisions were to be made by bankers who lived and worked in the markets where the funds would be used.

TOWNE BANK
Member FDIC

20+ YEAR
PARTNERSHIP

$10.4 BILLION
LOAN PORTFOLIO GROWTH

$15.4 BILLION
ASSET GROWTH

THE SOLUTION

With a focus on “Serving Others and Enriching Lives,” TowneBank is committed to being a local leader in each community they serve — actively promoting social, cultural, and economic growth by offering a full range of banking and lending services. Today, the bank employs over 1,200 and manages a loan portfolio of **$11.3 billion**.

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After launching a selection committee and evaluating multiple loan origination systems, TowneBank ultimately chose to transition from the legacy Baker Hill solutions they had been using for almost 20 years to Baker Hill in 2022 because of Baker Hill's ability to provide a full advisory service team as well as a single, unified solution to support the future of small business lending along with the needs of commercial bankers in all of their respective markets.

John P. Baiocco, Senior Executive Vice President of TowneBank, worked closely with Baker Hill from the beginning of the partnership. **"After speaking with several other banks who were using Baker Hill UN/FY and attending the company's user conference, R/SE, our team at TowneBank knew they were the right partner for us and expanding our relationship into the commercial side of our business just made sense,"** said Baiocco. TowneBank had different phases of implementation as it adopted Baker Hill UN/FY, including preparing its legacy system for the transition, followed by implementing the company's Exception Tracking and Statement Spreading solutions. Then, TowneBank implemented Baker Hill UN/FY Small Business and Consumer Lending, followed by Commercial Lending.

THE RESULTS

Since partnering with Baker Hill in the early 2000s and revamping its lending processes, TowneBank has seen great success and significant growth. With the Baker Hill UN/FY product suite, TowneBank has already been able to standardize its loan origination processes across the board. In addition to standardization, the bank was able to work with Baker Hill to enhance their segmentation strategy for small business loans, driving further efficiencies in the origination and decisioning process while keeping their commitment to local decision-making.

Using Baker Hill's technology and advisory services, the bank was able to establish consistent, standardized credit processes based on TowneBank's guidelines, product lines, and market demands. With the help of Baker Hill, TowneBank also developed an intuitive banking application for small business loans which was not offered before — expanding the collaboration among all TowneBank employees regardless of their business lending experience levels. Through this banker application, TowneBank can move loans through the origination process according to the established, rules-based structure, guided with conversational prompted questions that ensure that the borrower's need and the bank's credit requirements are both addressed.

Borrowers can also upload documents securely through a portal for an easier lending experience. This experience is then integrated with Baker Hill UN/FY where the bank's exception tracking has also improved because it's now a rules-driven workflow, which eliminates the need to manually input tracking items and helps improve compliance with the bank's credit policies as those documents are uploaded.

As an end-to-end LOS,Baker Hill UN/FY serves as a centralized, one-stop- shop that addresses all TowneBank's small business and consumer lending, and soon, its commercial lending needs.

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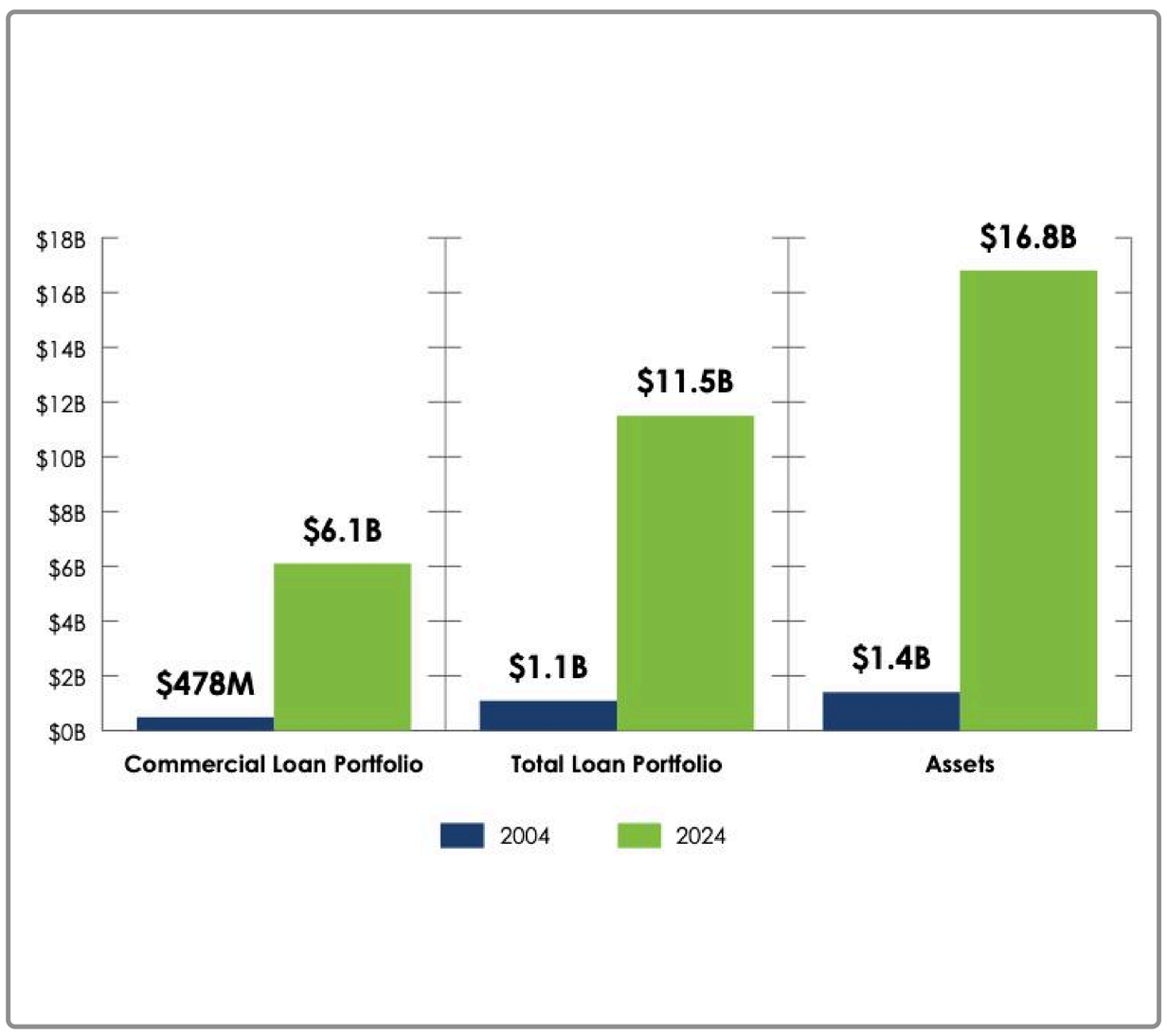
CLIENT SUCCESS STORY

TOWNE BANK

TowneBank has enhanced the member experience through speed to commitment, speed to closing, and ease of use for bankers and borrowers. Lenders are able to focus more of their efforts on supporting members, identifying new sales opportunities and closing deals rather than spending hours in the back-office on time-consuming, manual tasks such as inputting redundant data and tracking policy exceptions.

“Since 1999, our core commitment has been to serve our members with the highest quality services and, to deliver on that commitment, our team needs to be empowered with the best technology to serve our members’ financial needs,” said Baiocco. **“Towne Bank is proud to provide members with a faster, more convenient borrowing experience, and we’re grateful to have a partner like Baker Hill, who has remained invested in our success since the early days of our relationship.”**



John Baiocco

Senior Executive Vice President

Towne Bank

“Our leadership team is thrilled to see the progress and successes we’ve had thus far since transitioning to Baker Hill UN/FY, and as we continue to roll out the next phase of expansion into the Commercial Lending system, I am confident that Baker Hill will support us in our continued growth.”

BKR H/LL

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 UN/FY™ 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.

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