

# FMS Perspectives

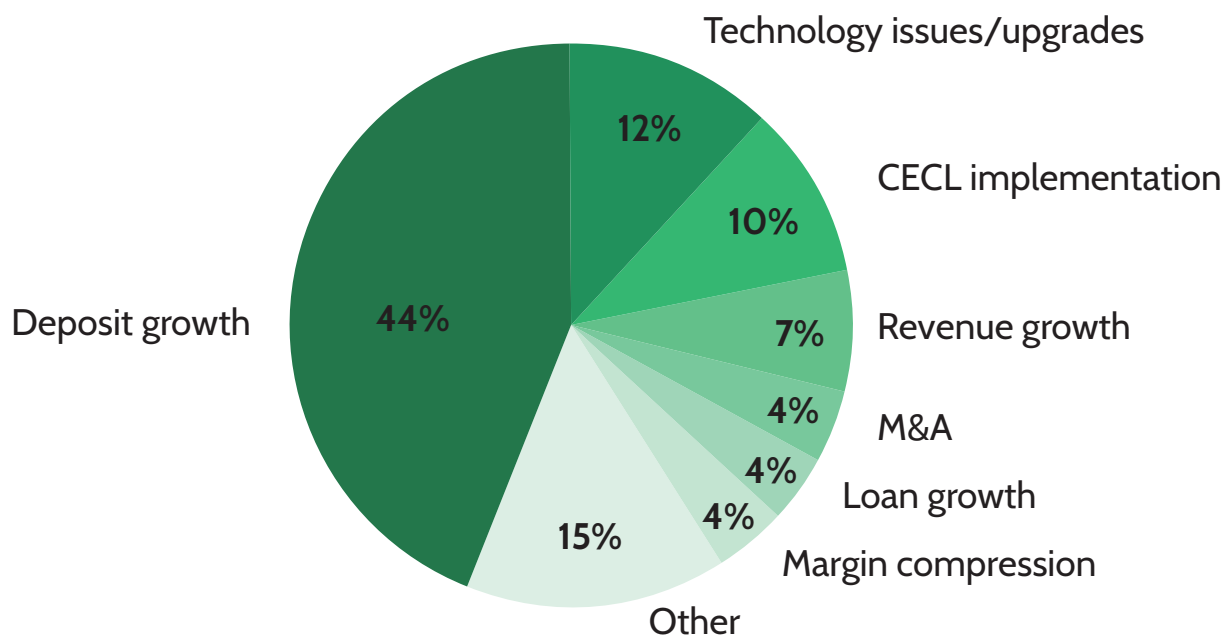
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## FMS QUICK POLL: 2019 PRIORITIES

In putting together “The War for Deposits” as the cover story for the March-April 2018 issue of *FMS forward*, it became clear that concerns about deposit growth for community institutions would not be subsiding any time soon. In fact, it seemed at that time that things were just beginning to really heat up on the deposit front – as competitive pressures were increasing and loan portfolios were swelling, banks and credit unions were on the hunt (in some cases, desperately on the hunt) for reliable funding sources to maintain liquidity and keep pace.

So it wasn't terribly surprising to see deposit growth lead the pack as the most pressing goal or focus heading into 2019 for a majority of FMS members in our latest Quick Poll. What was surprising, however, was just how thoroughly deposits dominated the discussion. Among the nearly 75 respondents – 79% from members representing banks/thrifts and 22% from credit unions, with nearly two-thirds coming from institutions between \$200 million and \$2.49 billion in asset size – an outsized 44% tabbed deposit growth as the topic or issue that will occupy most of their focus in the year ahead.

## WHAT IS THE MOST PRESSING GOAL OR FOCUS FOR YOUR INSTITUTION IN 2019?



While it's probably safe to say that almost every institution will be keeping an eye on deposit growth in 2019 to some degree, 12% of respondents said they will be more focused on technology in 2019, with projects ranging from product upgrades to core conversions to cybersecurity initiatives. Meanwhile, 10% of respondents are going to be spending some quality time with CECL in the year ahead, as implementation deadlines inch closer and the need for quality data becomes ever more apparent. Elsewhere, smaller pockets of FMS members will be honing in on growing revenue, managing the challenge of margin compression or working through an M&A deal in 2019 (4% each).

Of course, an open-question survey such as this one also provides a great opportunity to discover some

of the more individualized issues to which members will be directing their attention this year, which is how the "other" category swelled to a full 15% of responses. And even if most respondents will be focusing on the higher-charting topics noted above, it is certainly likely that at least a few of the issues from this miscellaneous collection will be on their minds in 2019 as well, including:

- Profitability management
- Compliance
- Succession planning
- Talent recruitment and retention
- IRR management

Thank you to everyone who took the time to share their thoughts in this FMS Quick Poll!

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