The SoFi® Effect

Community and regional banks enter each year with the same intention: to grow households, deepen primary relationships, and strengthen deposit bases in markets where competition feels relentless and margins feel thinner every cycle.

They want to matter in their communities not merely by offering accounts, but by providing genuine financial support. Yet they face an obstacle that grows heavier each year.

The traditional model for household acquisition begins with the checking account—a low-engagement product that asks customers to prove themselves over time before they are granted credit, guidance, or trust. It's a process built for a different era, and it no longer aligns with how consumers form relationships in a digital world.

The banks winning today have flipped the sequence entirely. They start not with the low-value product, but with the high value moment. **They start with lending.**

When a bank approves a personal loan, a student loan refinance, an auto loan, a HELOC, or a small dollar liquidity solution, it accomplishes something a checking account never could.

It sends an immediate signal of belief.

It tells the customer: we trust you, we see your potential, and we are willing to support you right now—without years of incremental qualification.

Lending begins the relationship with value. It solves a real need. It meets the customer at a moment of emotional and financial vulnerability and strengthens the connection instantly.

Banks intuitively understand this dynamic, yet few operationalize it.

Many continue to invest heavily in branch staffing, acquisition bonuses, marketing campaigns, and digital onboarding tools to win DDAs that cost hundreds of dollars each and often generate little revenue in the first year. A significant percentage never become primary relationships at all. They remain low-balance ghost accounts that silently erode profitability.

Lending, by contrast, takes the same marketing dollar and converts it into immediate yield.

Interest income begins on day one. Risk adjusted returns materialize instantly. And because borrowers consolidate payments and income flows with the institution that supported them when they needed help, the DDA relationship naturally follows the credit relationship. Lending is not only more profitable from the start—it is the most efficient to DDA primacy.

The clearest modern example is SoFi®- with a customer base of 13.7 million

- When the company launched in 2011, it did not chase checking accounts. It pursued one of the most consequential financial moments in a consumer's life: the refinancing of student loans for high-earning-potential graduates using alternative data and alumni capital.
- SoFi addressed a painful friction point and earned trust immediately. Everything that followed was built on that foundation. Over the next decade, the company expanded into personal loans, mortgages, and specialized credit products, all delivered with speed, transparency, and digital simplicity.

Credit became the front door.

Deposits came later—only after trust had been earned.

These results prove that lending remains the core engine of member acquisition and engagement. Deposits follow naturally.

SoFi held roughly **$26 billion** in deposits at the end of fiscal 2024[1] and **$37.5 billion** as end of 2025. Plus, almost 14 million customers.

More than

90 percent

of those deposits came from direct-deposit members—borrowers who moved their pay checks to the same platform that served them first.[2]

This is the SoFi effect.

Trust created by liquidity becomes the gravitational pull for the rest of the relationship. The company reinforces this dynamic through a seamless digital ecosystem.

A borrower who receives a loan enters a broader environment that includes high-yield savings, early paycheck access, automated investing, credit-building tools, insurance offerings, financial planners, and a unified mobile interface with no legacy friction.

Customers do not need to "switch banks"; they simply recognize that SoFi has already become the primary place to manage their financial lives.

What makes this strategy dominant is its combination of emotional and informational power.

Lending provides real-time insight into income stability, cash-flow patterns, credit behavior, and financial goals—data that strengthens underwriting and enables tailored offers.

- At the same time, lending establishes emotional equity.
- Borrowers remember who helped them in a moment of need. That memory shapes every cross-sell opportunity that follows.
- When SoFi later offers a high-yield savings product or investment platform, the customer is inclined to accept because the trust is already there.

[1] SoFi, *Q4 2025 Earnings Release*, January 27, 2026 (PDF), https://s27.q4cdn.com/749715820/files/doc_financials/2024/q4/Q4-2024-Earnings-Release-6.pdf.

[2] SoFi, "*SoFi Reports First Quarter 2025 with Record Net Revenue of $772 Million…*," SoFi Investor Relations, https://investors.sofi.com/news/news-details/2025/SoFi-Reports-First-Quarter-2025-with-Record-Net-Revenue-of-772-Million-Record-Member-and-Product-Growth-Net-Income-of-71-Million/default.aspx.

Self-reinforcing relationship sequence

Lending First
- Meets customers at a moment of real financial need
- Delivers immediate value through access to fairly-price credit

Emotional Trust
- Trust created when the bank says "yes"
- Signals belief, fairness and financial support
- Establishes the bank as a partner, not a transaction

Behavioral Data
- Ongoing insight into income stability and cash-flow patterns
- Observed repayment behavior reveals true financial resilience

Better Offers
- Credit and deposit offers tailored to actual behavior
- Improved pricing terms, and exposure based on observed risk

Deeper Engagement
- Customers more inclined to accept deposits and additional products
- DDA primary emerges naturally after trust is established

SoFi's positioning amplifies this effect.

- SoFi presents itself not as a bank, but as a modern financial membership community built around progress.
- The brand promises speed, empowerment, and clarity.
- High-income, high-credit borrowers feel respected rather than treated as commoditized credit scores.

This shows in the numbers:

In early 2025, the average income of SoFi's personal-loan borrowers was roughly **$158,000** with an average credit score of **743.**

These are precisely the customers large banks strive to attract—yet SoFi wins them because it begins the relationship not with a checking account, but with a meaningful act of financial support.

Small banks can do what SoFi does, even without SoFi's scale or tech budget, if they recognize that primacy begins with lending.

- Households most aligned with community banking values rarely respond to mass-market DDA promotions.
- They are not rate chasers. They do not react to modest sign-up bonuses.
- They respond to fairness, speed, and respect—especially when seeking credit.

When a community bank leads with lending and delivers a modern, timely, and transparent credit experience, it meets customers at the most important moment in their financial year.

That act of trust becomes the foundation of a long-term relationship.

To capture this opportunity, regional and community banks must rethink their lending workflows.

The lending experience must become fast, clear, and intuitive.

- Applications should be prefilled wherever possible. Verification should be automated.
- Underwriting should incorporate cash-flow analytics, employment stability, BNPL obligations, and spending behavior.
- Customers must feel momentum from the first click to funding.

Speed builds confidence. Confidence builds loyalty. And loyalty opens the door to cross-sell opportunities that flourish only after reliability is demonstrated.

Traditional DDA acquisition hopes trust will grow slowly over time.

The lending-led model creates trust immediately—then lets everything else grow from that starting point.

- Deliver liquidity first, follow with compelling deposit experiences, and the funnel reverses itself.
- Checking accounts become the result of trust, not the prerequisite. Household quality rises. Deposit stability strengthens. Cross-sell rates increase. Retention improves.
- And the institution competes from a position of relationship, not promotion, in ways DDA-first models cannot match.

In the coming decade, the institutions that grow will be those that build relationships through meaningful financial action rather than routine transactions.

- **Lending is that action.** It is the moment when customers reveal their financial lives and ask for help.
- The institutions that rise to that moment will earn the right to guide those customers through the rest of their financial journey.

SoFi has shown what is possible on a national scale.

Community banks can apply the same principles with distinct advantages of trust, proximity, and personal understanding.
The strategy is not about copying a fintech. It is about reclaiming the fundamental banking truth that trust begins when a bank says yes.

What many institutions lack is the modern infrastructure to deliver that "yes" with the speed and precision today's borrowers expect. This is where Aliya enters.

Aliya – The End-to-End Operating System Built for Today's Borrower

Lending-led growth only becomes transformative when it is supported by an operating system built for modern credit.

- **Aliya provides that system**. It replaces fragmented workflows with a single, unified engine that links data, behavioral insight, risk assessment, pricing, and funding into one continuous flow.
- The result is a lending experience that carries the **speed, clarity, and precision** customers now expect—delivered with the governance and discipline a regulated bank requires.

From the first click to funding, Aliya reduces friction and accelerates trust.

- Applications can be prefilled, verification automated, and underwriting powered by real-time cash-flow intelligence instead of static credit files.
- Borrowers experience **momentum, clarity, and fairness—**qualities that define the emotional strength of the SoFi effect.

A loan becomes not just credit, but the moment the relationship begins.

What makes Aliya transformative is that it does more than digitize steps, it restores the economics of lending.

- Cost-to-serve falls dramatically by as much as 90%. Approvals and funding happen in minutes. Loss volatility tightens. Net yields rise. The system learns from every transaction, sharpening accuracy and deepening insight with each new loan.
- Legacy systems add cost with scale. Aliya reduces cost with scale, allowing even small institutions to compete with fintech economics while preserving bank-grade governance.

At the same time, Aliya strengthens the bank's strategic position.

By using transaction-level patterns to understand resilience, liquidity, and spending behavior, Aliya enables lenders to size exposure more intelligently, price more precisely, and extend credit to strong borrowers who are often overlooked by traditional methods. It transforms a bank's own data into a durable competitive advantage—shifting the institution from margin erosion to margin expansion, from defensive lending to growth-driven lending.

Crucially, Aliya does not replace the human strengths that define community banking.

It amplifies them. It gives bankers the ability to make faster, sharper, more consistent decisions while preserving judgment, discretion, and relationship-based service. In this way, community banks can deliver a SoFi-level digital experience with community-bank values—meeting households at their most important financial moments and earning primacy through meaningful action, not promotions.

SoFi demonstrated what is possible when lending becomes the front door.

Aliya gives every community and regional bank the operating system to walk through that same door—at speed, at scale, and with the trust and proximity that have always defined local banking. The SoFi effect demonstrates what happens when data and execution come together. Aliya empowers banks to apply that same model within their own institutions.

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