

Spring Newsletter 2009

Community Banks

Options to Reduce Expenses and Generate Incremental Income

Recent surveys indicate that U.S. consumers will be using more cash than credit to better manage their budgets in the months ahead. This also includes the use of branded debit cards which are continuing their strong growth among consumer payments.



For financial institutions with a strong Visa or MasterCard debit card program, this is great news and should help boost interchange income which is the major income source for almost every electronic services department.

Also, with more cash usage, many predict a growth in ATM withdrawals which bodes well for ATM deployers and surcharge fee income. Financial institutions are also looking more aggressively at the issuance of prepaid reloadable debit cards to serve the needs of their business clients, unbanked market, or to be used for convenience and safety for their customers who travel.

Additional interchange and fee income are the benefits, along with additional deposits, providing an institution can muster a large enough program, i.e. the distribution of 10,000 prepaid cards annually.



For smaller institutions, an agent program with a partner like CashTrans and the Espreo debit card makes great sense due to

the low cost, easy marketing, and minimal risk.

In addition to exploring new products and services to serve the changing consumer payment patterns, many institutions are looking to reduce EFT processing or capital equipment costs.

Many experts predict that the number of ATMs operated by financial institutions in the U.S. will decline over the next few years due to industry consolidation, institutions reducing expenses by eliminating marginal or unprofitable off-premise ATM deployments, as well as moving to outsourced ATM programs.

Reputable companies like CashTrans welcome the option to acquire these sites by placing them into their ATM outsourcing program since their economies-of-scale deliver much lower costs than most financial institutions. Some institutions are even looking to outsource or sell their entire ATM portfolios as the operational costs and headaches continue to strain their electronic services departments.

In summary, below are some of the key trends that we see in the financial services industry related to card payments and EFT processing:

- 1. FI customers are using more cash/debit cards and less credit.**
- 2. ATM transaction usage should increase due to the shifting consumer usage.**
- 3. Branded debit card transactions will continue to grow including usage of prepaid debit cards like the MC Espreo Card.**
- 4. More FIs will turn to ATM outsourcing partners like CashTrans to reduce expenses.**

For more information about this article or services described, please contact Fred Ethridge at 770-941-6680 X35 or please visit the CashTrans website at www.cashtrans.com.

Featured Clients

Congaree State Bank, founded in 2006, offers services for both business and consumer markets. Headquartered in West Columbia, SC, Congaree State Bank is pleased to announce its special partnership with CashTrans by recently outsourcing its existing ATM portfolio.



"By outsourcing our ATM's to CashTrans we have been able to improve our bottom line as they handle every aspect of the operation, from loading the cash to balancing the machines. As a result, we are able to focus our personnel on the business of banking" says President Charlie Lovering.

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Citizens Bank and Trust has assets over \$250 million and is headquartered in Guntersville, AL. The bank is in the process of relocating its branch in Arab, AL to a new facility and updating ATM equipment at another branch.



"We have been pleased with the ATM equipment and processing that CashTrans has provided us through the years and, as a result, we have expanded our relationship with the addition of two new Nautilus Hyosung 5100T drive-up ATM" states Stanley Patterson, EVP.

For more information about CashTrans products and services or specifics on outsourcing solutions, please contact Fred Ethridge at 770-941-6680 X35 or Fred.Ethridge@CashTrans.com.

TECHNOLOGY NEWSFLASH

CashTrans in partnership with RBS Worldpay has the ability to process ATM based image deposits on behalf of its clients.

This advanced functionality is available with the Nautilus-Hyosung Monimax model 7600DR pictured below.



Please contact any member of our sales team at CashTrans with any needs at 770-941-6680 as we deeply value your business.

News Announcement

CashTrans is looking forward to seeing many of our bank clients and friends at the upcoming conferences.

- ◆ *CBA Leadership Conference at the Ritz Carlton, Amelia Island, FL, June 24-28.*
- ◆ *SCBA Annual Convention at The Charleston Place Hotel, Charleston, SC, June 4-7.*
- ◆ *NCBA Annual Convention at The Carolina Inn, Chapel Hill, NC, June 14-15.*

Please look for our newsflash announcements and booth invitations.

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