



Financial Service Centers Cooperative, Inc.

The Global Shared Branching Network

Connecting Credit Union Members to Convenience

April 29, 2008

NACUSO 2008 Conference

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EVP/COO



What is Shared Branching?

- **Technology that allows members of one credit union to use the branches of another credit union and vice versa to perform transactions, online and real time.**
 - FSCC provides the switch/interface, settlement and automated adjustment processing.
 - Transactions include deposits, withdrawals, payments, loan advances, transfers, history statements, balance inquiries and more.



Terms

- **Issuer** - Members go to other branches
- **Acquirer** - Performs transactions for guest members
- **Outlet** – Branch of an existing CU
- **Kiosk** – Self-Service Kiosk/ATM at CU
- **Vcom** – Self-Service Kiosk/ATM at 7-11
- **Mobile** – Banking on cell/smart phones –
“SB at your fingertips”



Shared Branching is more than Branching – it is Shared Access – “Touch Points for Members”

● *Shared Branch technology takes the core systems of 1,400 CUs and makes them one. This provides flexibility. Of the 86 million CU members in the US today, 36 million belong to participating credit unions.*

- *Branches***
- *Kiosks (self-service branches)***
- *Kiosks in retail stores***
- *Call center***
- *Home scanners for remote deposit***
- *Mobile***
- *Service Networks – e.g., Foreign Exchange***
- *Payments –***
FSCC has relationships with 160 retailers



The Numbers

Progress so far

	<i>June 2001</i>	<i>March 2008</i>
CUUs	540	1,488/310*
Branches	528	5,199/3,354*
States	27	48/36*
Countries	1	7/5*

**FSCC Network*



The Numbers

CU Movement

Shared Branch






CUs	8,478	1,488–18%
Branches	20,000	5,199* – 26%
Assets	\$751.18 Billion	\$309 Billion–41%
Members	87.7 Million	35.2 Million–40%

*** Includes 2,192 7-Eleven branches**

Bank Offices & Branches in US total more than
79,000



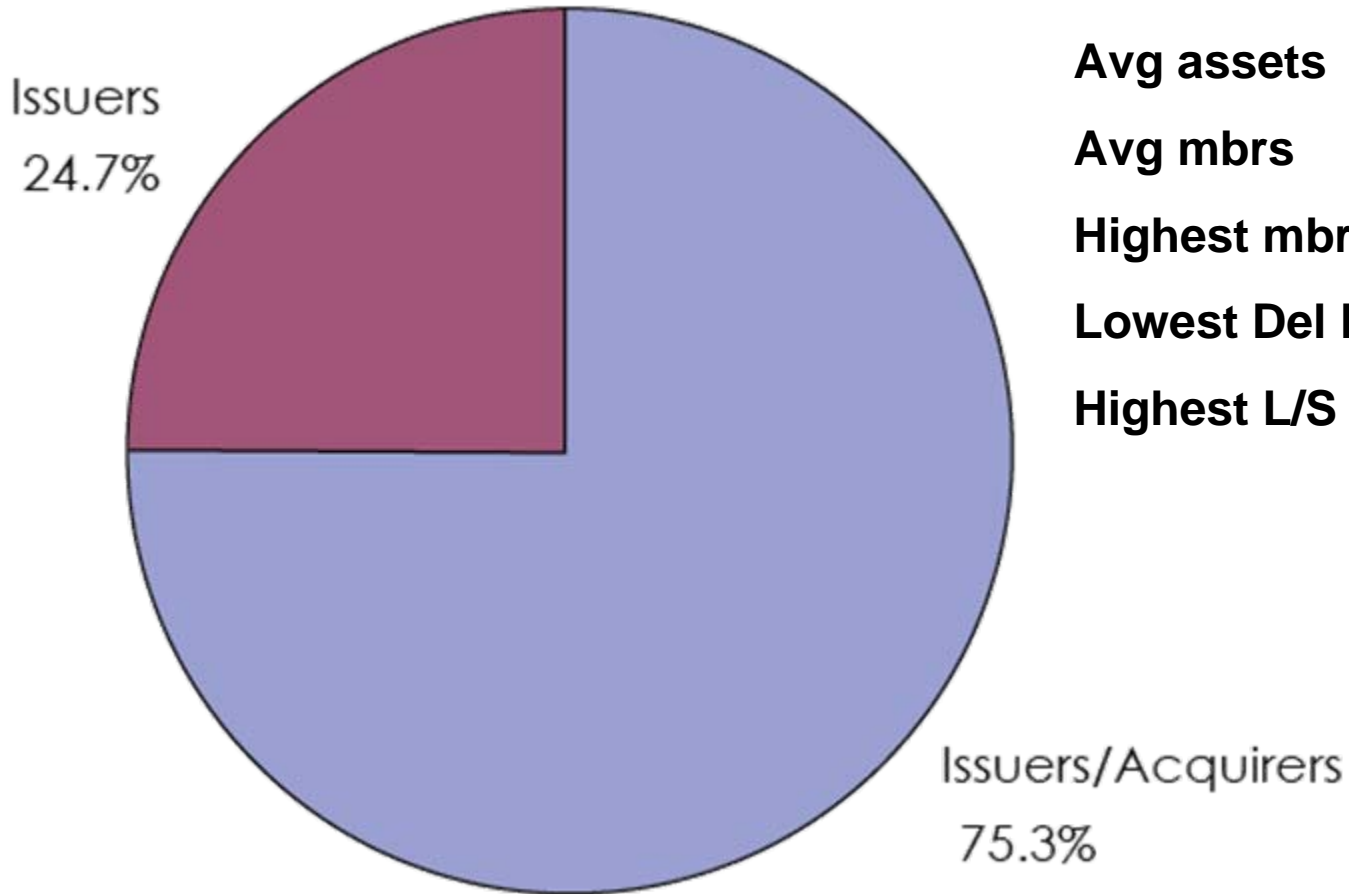
Through Cooperation, We are Larger than the Largest Banks

	States	Branches
 B of A	31	5,700 (07 BofA Website)
 JP Morgan/Chase	26	2,429
 US Bank	24	2,472 (07 US Bank website)
 Wells Fargo	23	3,000+ (07 WF website)
 FSCC Shared Branch CUs	50	9,599 (5,199 + 4,400*)

*4,400 UPS stores will be added to the network in 2008 & 2009.



FSCC Credit Unions versus Others



Avg assets **\$472 M/\$90 M**

Avg mbrs **43,051/10,495**

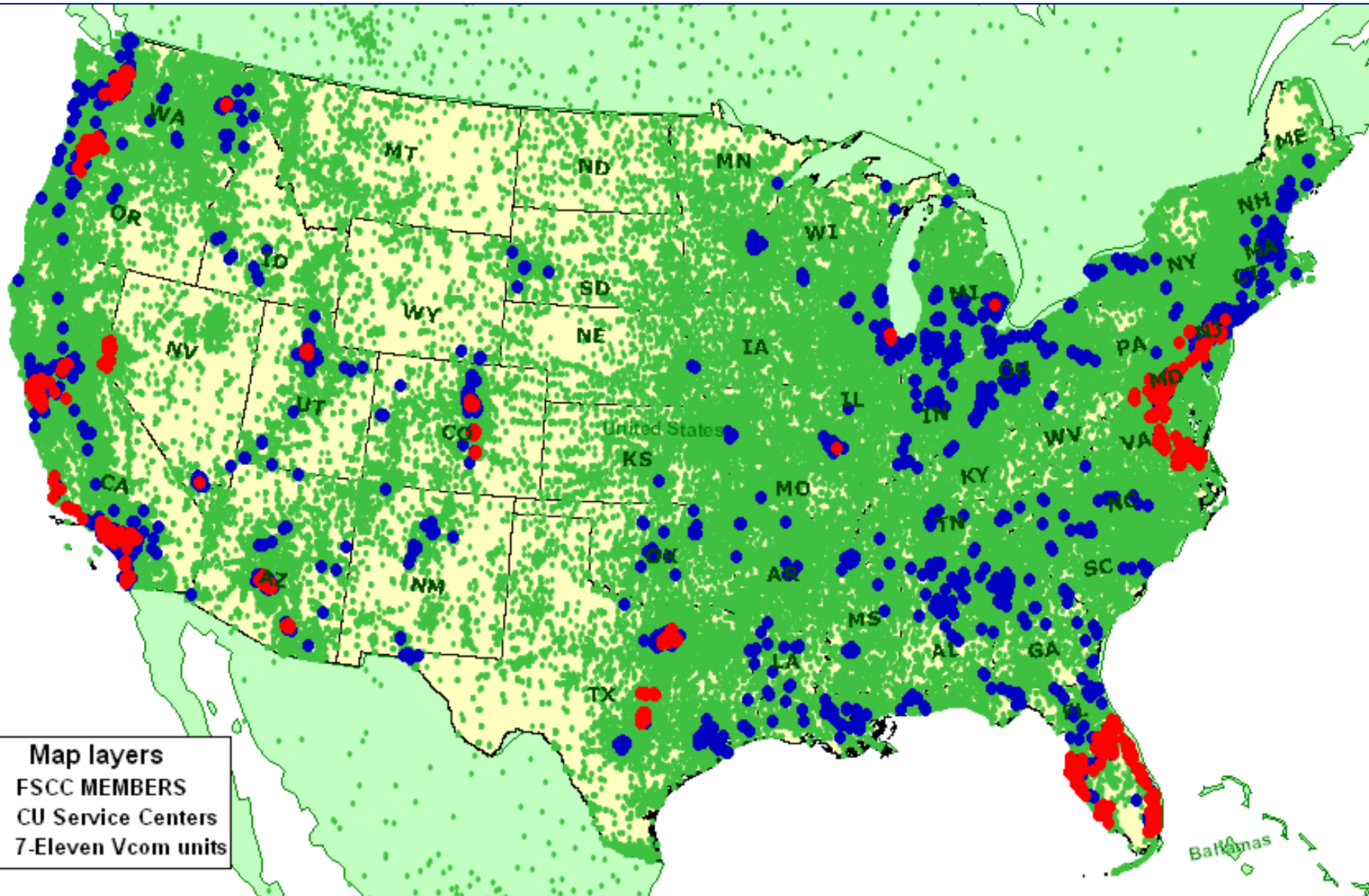
Highest mbr growth **3.28%**

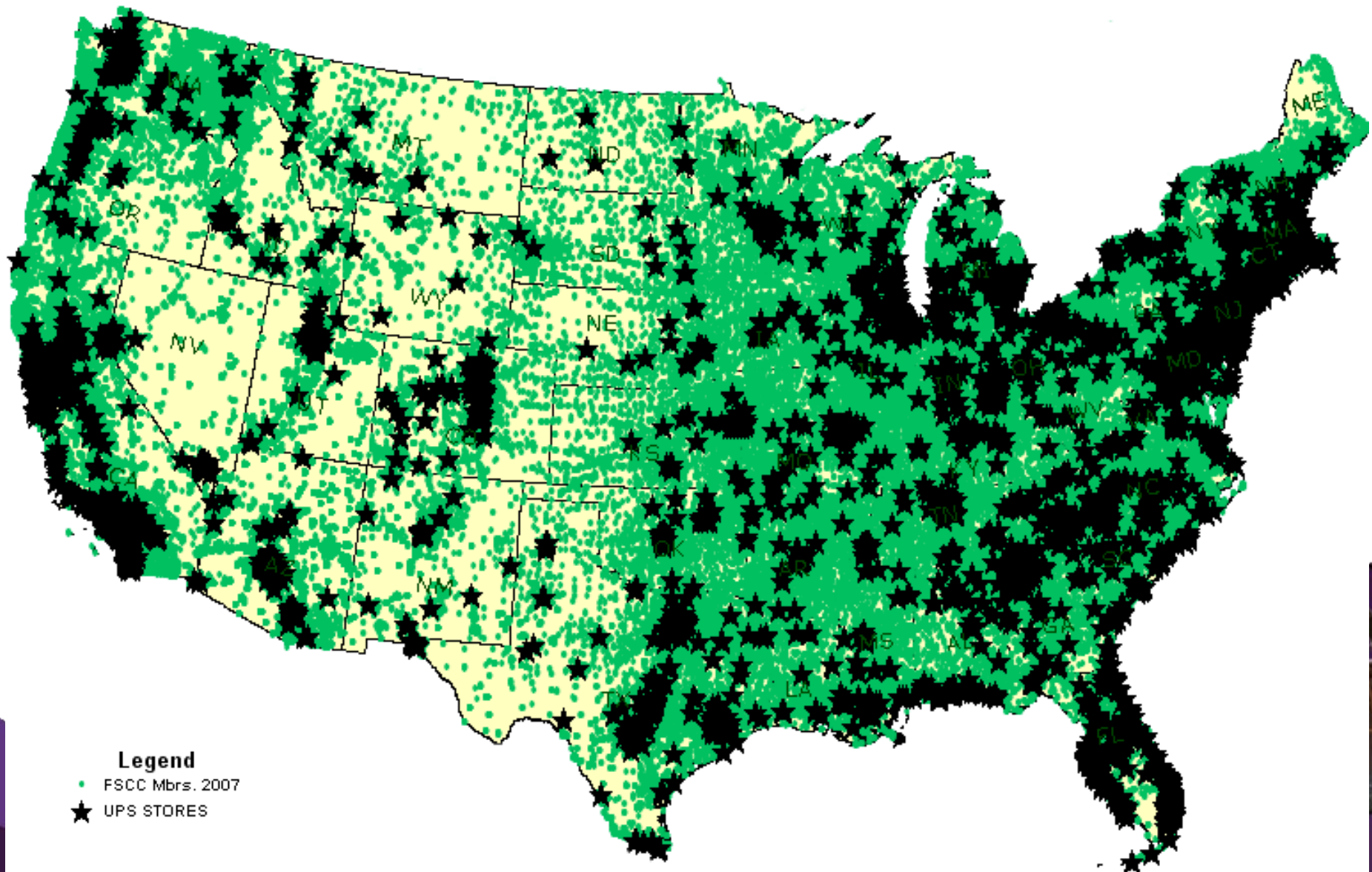
Lowest Del Loan Ratio **0.50%**

Highest L/S Ratio **83.85%**



FSCC's Members Are Everywhere



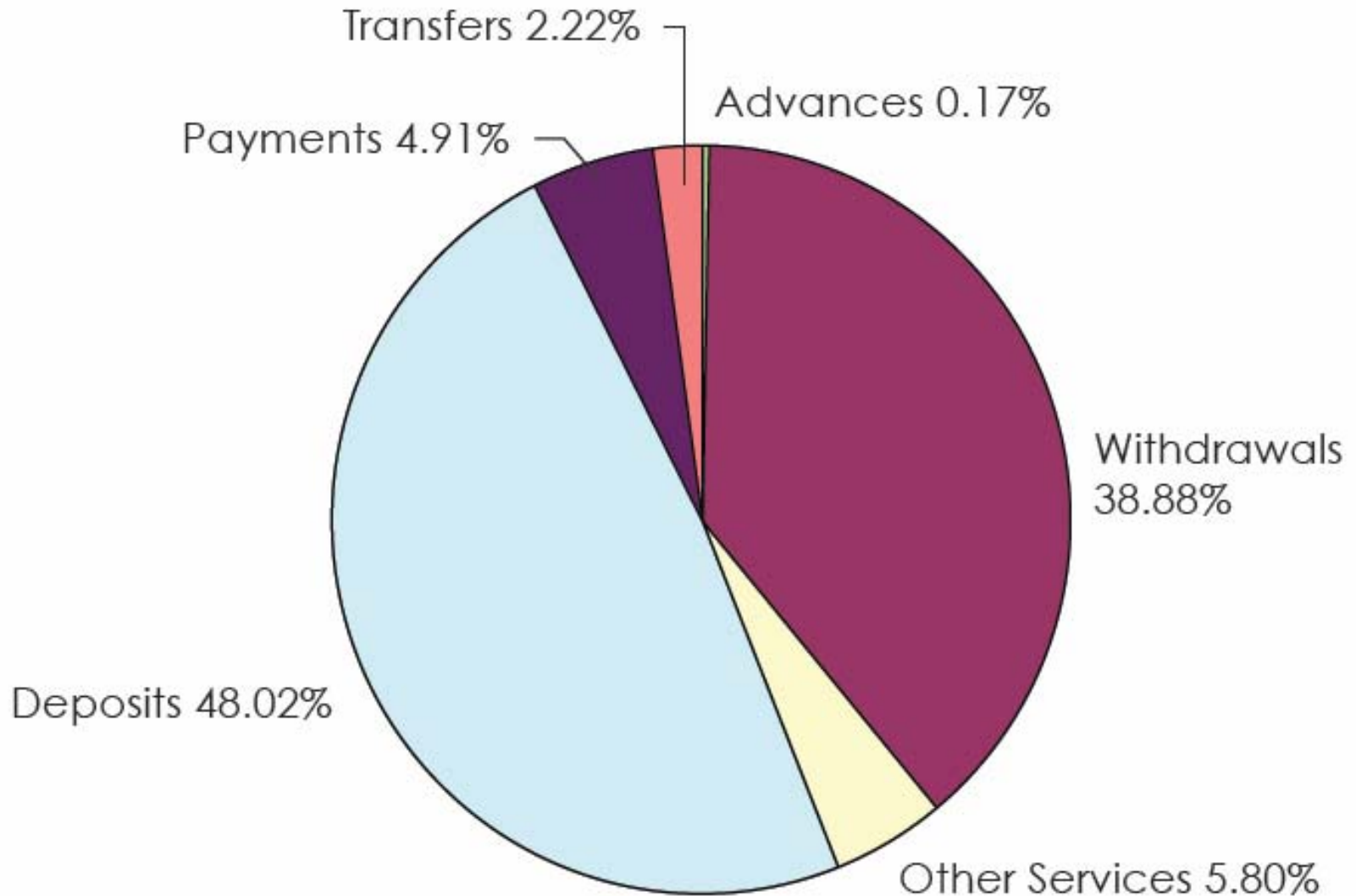


Legend

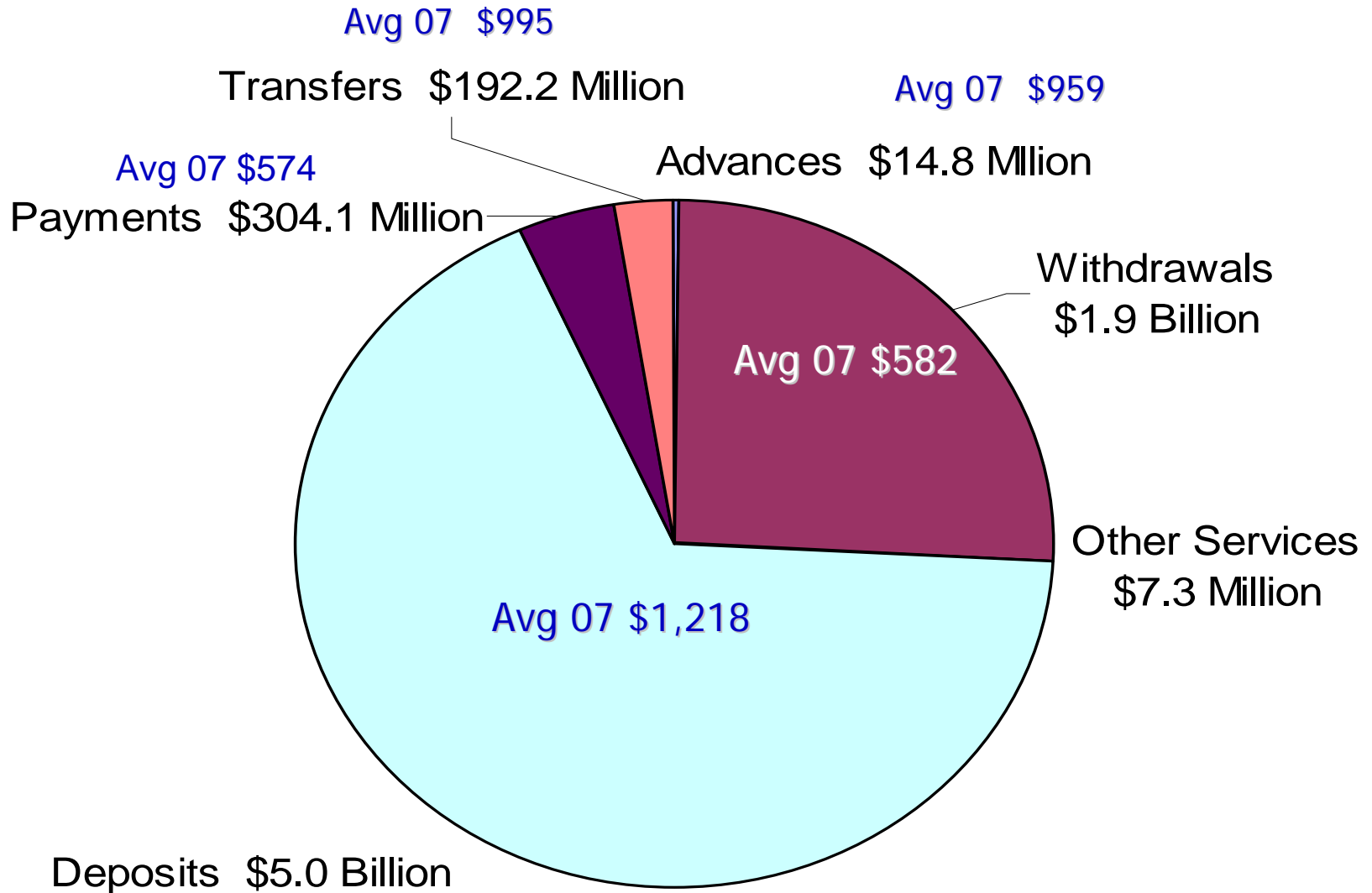
- FSCC Mbrs. 2007
- ★ UPS STORES

Shared Branching Transactions

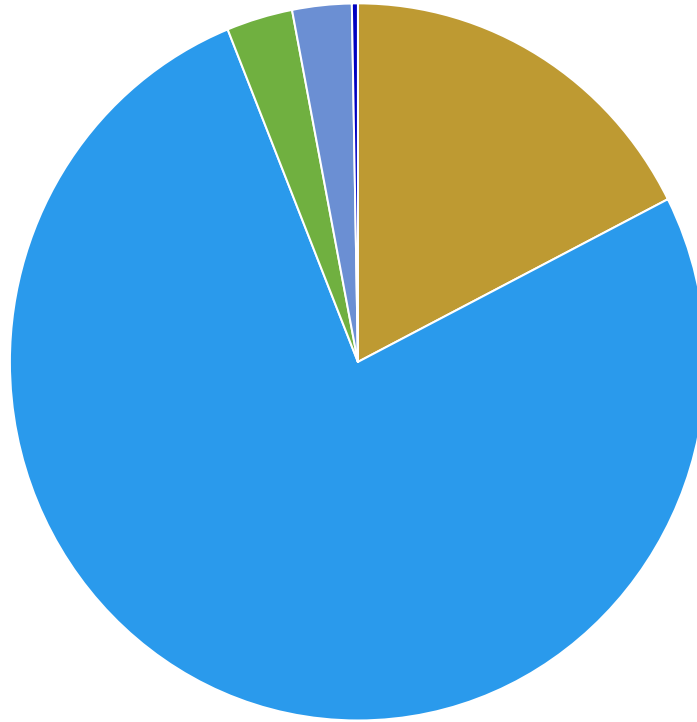
(Percentages)



2007 Shared Branching Transactions (In Dollar Amount)



2007 Shared Branching Transactions Dollars at Kiosks 76% are Deposits



- Withdrawals**
avg \$197
- Deposits** avg
\$621
- Transfers** avg
\$464
- Payments** avg
\$354
- Advances** avg
\$200



"I can help you here."

It's Fast...

- Make a deposit
- Make a payment
- Plus, you can use me as an ATM

Cash Here:

Take money out any way you want.

Cashier Check:

Write a check for \$100 or less.

Cash Deposit:

Deposit cash into any account.

Check Deposit:

Deposit checks into any account.

...& Easy!

- Get a loan advance
- Move money between accounts
- See all your balances
- Get a mini-history

Beat the Line
& save some time
using Fast & Easy.



Impact to CU Movement

- CUs participating in FSCC Shared Branching have over 5,000 deposit-taking locations capable of doing complex financial transactions – 2,000 of which are available 24/7 – 365 days a year
- Currently, we have a delivery channel unique to the Credit Union Movement





Partnership with 7-Eleven

2,000 7-Eleven Stores
2,200 by 2nd Quarter 2008

Balance and History Print
Deposit

Local/non local checks

Transfers

Share to Share

Loan to Loan

Loan to Share

Share to Loan

Advances

Cash Only

Loan Payment

Check

Cash Withdrawal



CU SERVICE CENTERS.
The Member-Friendly Financial Network



Issues

- Many people still trying to define this as an “ATM”
- Fortunately, members “get it”
- The difference
 - Ability to see all accounts, deposit to all accounts, withdrawals, credit advances, loan payments, transfers, balances, work with multiple institutions
 - More control – no empty envelopes, easier to spot kites and inappropriate behavior, ability to change settings on the fly



Disaster Recovery – San Diego Fires

● Emergency Shared Branching (ESB)

- Provided credit unions and their members a method to complete deposits and withdrawals***

● Waived Set-Up Charges

- No Shared Branching Contract***

● Emergency Rules were Implemented

● FSCC's Emergency Hotline Services were Activated

● Locations Updated Hourly

● DRP Works!



It's all About the Member ...

- One in three Americans (32%) is a member of a CU
- Highest penetration – ages 35-64
- Weakest penetration among 18-34 year olds – Just 6% of all members are between 18-24

CUNA National Member Survey 2006-07



Why not join a CU?

- 54% (78 mil) adults are eligible to join a CU – average age is 41.8
 - Satisfied with current FI – 50%
 - ***Not conveniently located – 29%***
 - Not familiar with services 29%

2006/07 CUNA Survey of Potential Members



Why not join a CU?

- 26% of 18-24 year-olds belong to CUs – compared to 36% of general population
- ***Only 11 in 8 CUs actively market to 18-25 year olds. (Where are the boomers going to give their money?)***

Brass Media



Evolution of Shared Branching/FSCC

- Stand alones
- Outlets*
- Call Center*
- Kiosks*
- Retail Kiosks*
- Remote Deposit - 2008
- DSI/UPS* - 2008-09
- Mobile* - 2008
- Un-coupled Debit?
*Alternative Payment Option**

- 1986 to present
- 1992 and beyond
- 2004 and beyond
- 2004 and beyond
- 2007

**FSCC Pioneered
FSCC's value is in
network of partners we
bring together*



FSCC Programs & Support

- **Self-Service Branches – Kiosks***
- **7-Eleven VCOM ***
- **C-Store and Gas Station Expansion 2009***
- **Currency Conversion and Delivery 2008***
- **DSI/UPS 4,400 Deposit/Payment taking 2008***
- **Remote Deposit - 2008**
- **Mobile 2008***
- **Branch Disaster Recovery***
- **Fraud Protection Tools – Websense/GlobalCerts***
- **Support ATM network on Self-service Kiosks***
- **Support multiple ATM networks, h/s***
- **24/7 Call Center***
- **Custom Call Center ***

***FSCC Pioneered**



FSCC Programs & Support

- Call center support at kiosks*
- 888CUSWIRL locator service*
- Text directions to shared branches*
- VPN Access
- Teller and Branch Management Tools* - FMSI
- Web Based Training *
- In House Training *
- 24/7 Help Desk for CUs *
- Secret Shops *
- New Member Sign up through call center *
- Small CUs alternative program**
- CUs for Kids Gift Cards*
- Decoupled Debit* 2008

*FSCC pioneered





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