

CO-OP SHARED BRANCHING:

Convenience, Continuity, Cooperation

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Be There Be More

Why Shared Branching?



- The role of **Convenience** and personal service in today's retail financial services environment – bringing convenience to members
- **Continuity** of service through various challenges – natural disasters
- The credit union difference – you would not see banks doing this - **Cooperation**

The Opportunity- CO-OP Shared Branching in Today's Economy

- Helps credit unions expand when other institutions are being forced to cut back
 - *Cost of building one branch can soar over \$2 million*
- Capital allocated for branch construction can be put to other use – *improving checking account penetration, attracting new members, adding tech services*
- For credit unions closing branches, *shared branching helps them avoid losing the member base while still reducing expenses*
- *Credit unions opening branches and adding NextGen ATMs will generate additional revenue*

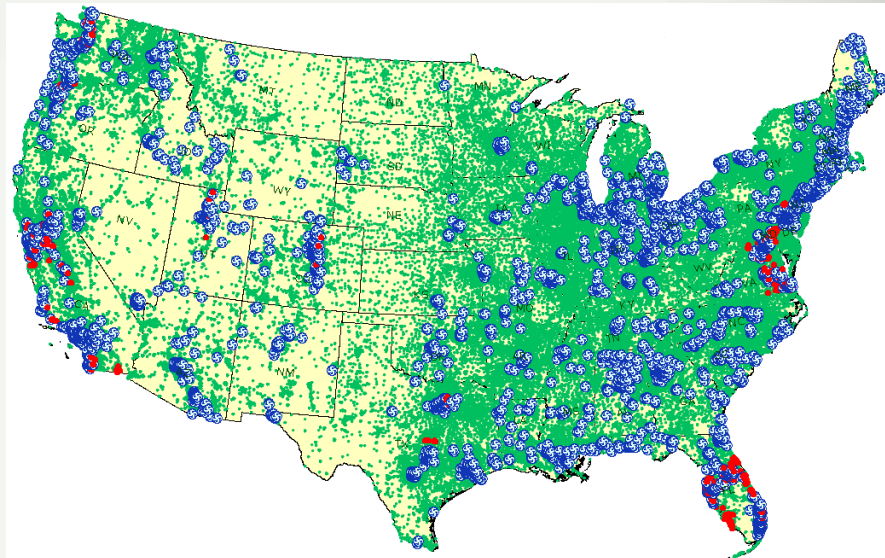
What Kinds of Transactions are Possible?

- ***Access to all Accounts – not just checking or savings – Surcharge Free to Members***
 - Deposits – check and cash
 - Withdrawals – check and cash
 - Loan advances – check and cash
 - Transfers – Account to Account, Person to Person
 - Loan payments – check and cash
 - And over 30 transaction sets are available

CO-OP Shared Branching at a Glance

December 31, 2013

- **Locations in all 50 states, 5 Countries & 2 U.S. Territories**
 - **24 local networks**
 - **7,204 total CSB locations**
 - 5,178 Outlets and Standalones
 - 81 NextGen ATMs/Fast Branch locations
 - 1,945 Vcom Units at selected 7-Eleven stores
 - **1,787 Credit Unions**
 - 47.9 million members represented
 - Represents \$545.3 billion in credit union assets
- 100.2 million Transactions Acquired through CSB**
(Shared branching transactions only)
- **Acquiring over \$42.2 billion in approved transactions for credit union members at Outlet and Standalone branch locations**
 - Average deposit = \$1,369; Withdrawal = \$746; loan payment = \$504; transfer = \$1,393; Credit Advance = \$1,071
 - **Acquiring over \$279.2 million approved in transactions for credit union members through Self-Service kiosks - Vcom, NextGen ATM and Fast Branch**
 - Average Deposit = \$644; Withdrawal = \$269; loan payment = \$416; transfer = \$466; Credit Advance = \$233



Legend

- Guest Members
- Shared Branches
- 7-Eleven Vcoms



Be There Be More

Benefits of CO-OP Shared Branching

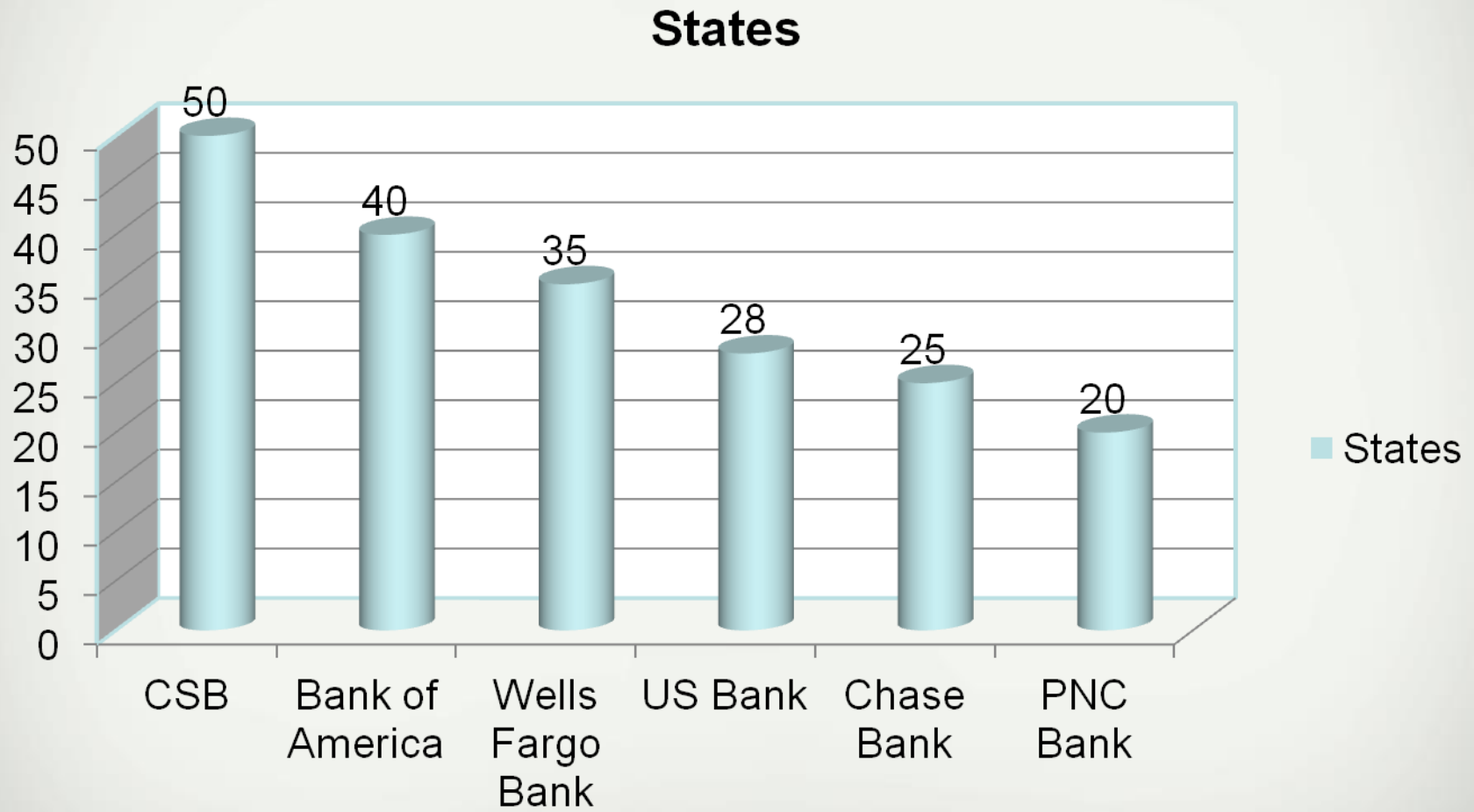
- ***CO-OP Shared Branching ranks **FIRST** ahead of the banks in the number of states that have locations***
- Provides credit unions the *fourth* largest branch network in the country
- Strongly positions credit unions to compete against banks
- Provides unprecedented convenience for credit union members – “Once a Member, Always a Member”

Membership Growth & Retention

- **Recruiting:** Marketing your credit union with a national / international branch footprint via the shared branch network
- **Retention:** Number one reason for closing accounts: The member is relocating outside of your service area

CO-OP SHARED BRANCHING

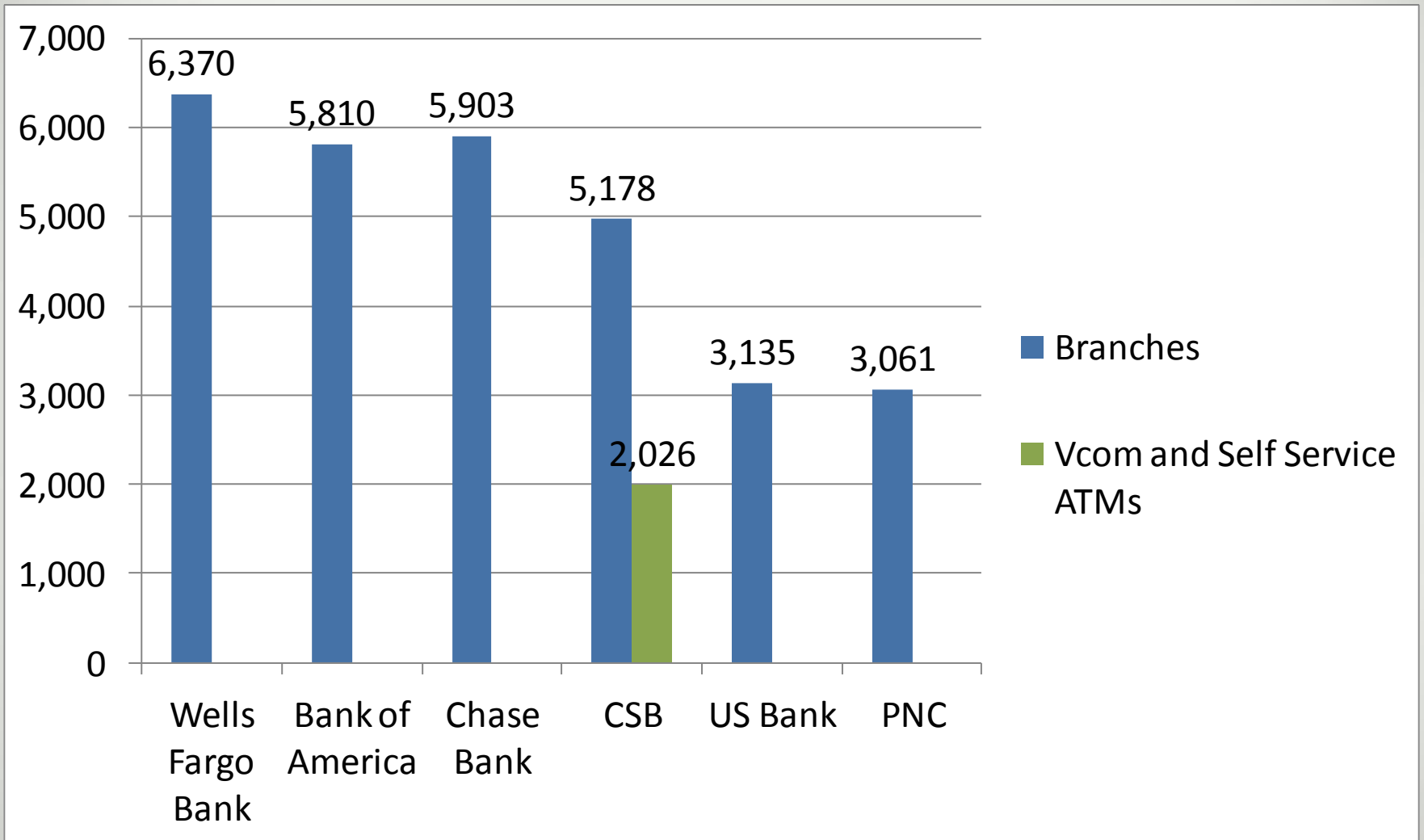
How CSB ranks with the banks! December 31, 2013



CO-OP Shared Branching

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“How CSB Ranks with the Banks!” December 31, 2013



CO-OP Shared Branching

How Shared Branching Works

As an Issuer/Participant CU

Your members performing transactions at other credit union locations or through alternate delivery channels.

As an Acquirer/Outlet Owner CU

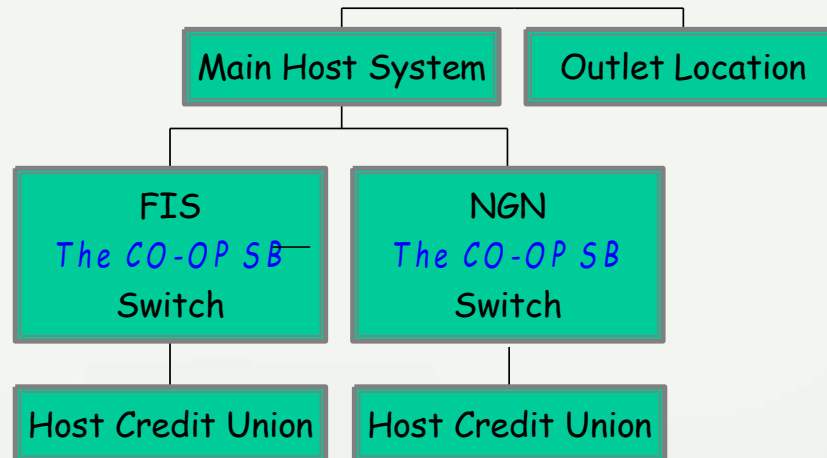
Other credit union members performing transactions in your branches. Creates a revenue stream.

Real-time Transactions

- Shared Branching

How the Network Works

1. Guest member visits the Outlet location
2. MSR inputs guest member CU name and account #
3. Outlet's Main Host System routes transaction to FIS or NGN and then to Host CU
4. Host CU Authorizes and posts transaction
5. Outlet's Main Host System posts approved transaction
6. Transaction routes back to MSR



QUESTIONS?