

## 2009 Fall News Extra

## Financial Institutions

### Trends in ATM Surcharging and Fees

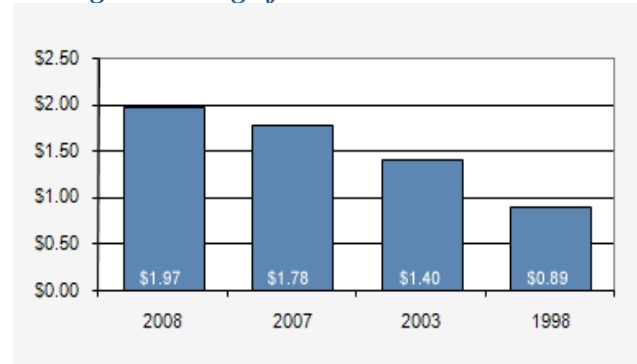
For years financial institutions (FIs) have struggled to offset the huge capital and processing costs associated with ATM deployment and service. It is a necessary service that continues to rank at the very top of the reasons a consumer selected their financial institution. In fact, consumers want even more self-service banking according to a poll conducted by Harris Interactive last year. It is clear that consumers expect self-service options when they establish a banking relationship with a financial institution and the ATM is “most essential.”

However, the debate continues on the justification of FIs in levying surcharge fees for non-customers that use their ATMs to access cash and a foreign fee when their customer uses another FI’s ATMs. What has changed in recent years is the rapid growth of surcharge free ATM networks, such as Allpoint with 37,000 unique retail based ATMs in the U.S. and U.K, CO-OP with 25,000 shared network ATMs exclusively for credit union members, MoneyPass with 11,000 surcharge free ATMs at banks, credit unions and retail locations and others like the CU24 Network’s CUHere program, NYCE’s surcharge free network in the northeast called SUM, and others. These networks most likely balance the argument for these fees as thousands of banks and credit unions are in one or more of the surcharge free networks today.

For a community bank or credit union that is under great financial stress, due to the regulators or from the weak economic environment, a review of their ATM fees is logical and one opportunity to offset costs. Larger banks like Bank of America, Chase and Wachovia have long since increased their surcharge fee to \$3 for non-customers using their ATMs.

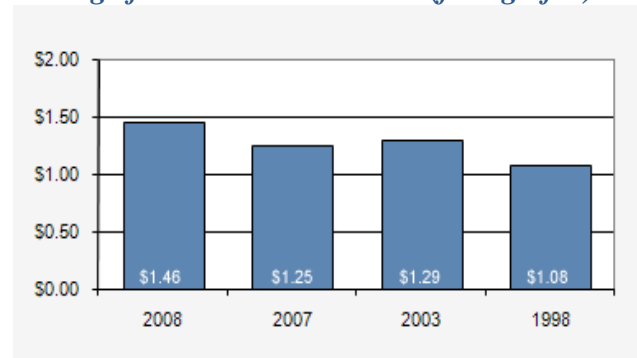
The average surcharge fee has increased in 2008 by 11% over 2007 to \$1.97 as indicated by the below chart published by Bankrate.com.

Average surcharge fee



In addition, the average foreign fee, noted in the chart below, has risen even quicker to \$1.46 in 2008 versus \$1.25 in 2007. Banks and credit unions accordingly may consider increasing these fees to offset the rising cost to deliver this valuable consumer service.

Average fee to use other ATMs (foreign fee)



In conclusion, every FI should weigh the value of their ATM network in servicing their incredibly valuable customer/member base against the rising capital and processing costs associated with ATMs. Consumers today and in the future not only want but most see electronic banking convenience as an essential service to be offered by their FI.

# CASHTRANS EXECUTIVE OVERVIEW



Recent surveys indicate that ATMs are the most widely used remote delivery channel for financial institutions' customers. They are being used by over 65% of U.S. households. Clearly the far majority of institutions customers want to use convenient remote branches and ATMs for basic member services such as, deposits, withdrawals, and balance inquiries. Financial institutions have a unique opportunity to promote their institution's brand by providing these services.

Nevertheless, for the majority of financial institutions across the U.S., the rising costs and complexities associated with offering this service weigh heavily on management processes and budgets. **If your organization is seeking to reduce costs and/or to increase efficiency and revenues, it will be highly beneficial to contact [www.cashtrans.com](http://www.cashtrans.com) by email or at the telephone number listed below. Fred Ethridge, our President or a member of the CashTrans staff or Sales Team listed below would be delighted to send more information or provide an introduction to CashTrans products and services.**

Some of the major benefits offered to financial institutions by **CashTrans** via our products and services are as follows:

- ◆ With our ATM Program, a **25-30% "guaranteed reduction" in costs.**
- ◆ Significant enhancements in your day-to-day EFT program management.
- ◆ Easy and secure access and retrieval of important **ATM program information, online 24x7.**
- ◆ Increases the scope of information available to all participants
- ◆ Immediate resolution of most customer issues.
- ◆ Increase your members' level of satisfaction with our services.
- ◆ A host of **turn-key low cost ATM outsourcing solutions.**

Since 1996, **CashTrans** has specialized in the deployment of cost efficient ATMs and has provided unparalleled processing services for independent financial institutions and small businesses. Our program consists of a complete full-service solution with both Help Desk and On-Sight Service and transaction processing. All equipment is serviced by Certified ATM Technicians strategically located to offer the fastest response time possible. **CashTrans** is committed to maintaining its leadership and to providing the latest technologies available in the industry today.

**Call or email us today to schedule an appointment or to discuss your needs. Our regional account executives are eager to serve you!**

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