

# Agent Bank Quarterly

## In this issue: Merchant Portfolio Growth & Retention



### President's Outlook

Hello Banking Partners,

As many of you are aware bankcard is a dynamic, constantly changing industry - new products, improved technology and ever growing compliance issues affect us and our shared merchant portfolio. We publish this newsletter to keep you updated on general information, industry news and events affecting you and our mutual clients.

Our Mission Statement remains steadfast: The goal of UMS Banking is the ever expanding portfolio of our financial institutions and their increasing profitability. To this end, your input is vital. My door is always open to you and your views are welcome.

I personally strive to constantly renew our dedication to a high level of personal customer service for all our merchants. You

should know that I directly sent out a letter and survey to each client to see how we are doing so as to find any necessary improvements in helping our merchants' ease of use and profitability - I found that we scored very high.

We have new products to keep up with the security advances and the ever changing consumer demands, including wireless terminals, internet processing, ACH, monthly recurring billing and more.



Regards,  
David Jensen  
President  
UMS Banking Payment Processing Services

## Merchant Portfolio Growth & Retention

### Problem:

- Fee income is and has been an important revenue stream for Banks.
- The margins for merchant bankcard processing are shrinking due to competitive low-balling rates from street marketers.
- Actions to stem the loss of merchants usually consist of lowering the discount rate, reducing revenue.

The points noted above gouge into one of your revenue streams, and in today's economic scene, it becomes increasingly more difficult to maintain that ever-elusive bottom line, let alone increase it.

The neighborhood bank exists on a more personal level in the community than the large corporate conglomerates. It is at this personal level the solutions lie to survive turbulent times and continue to build a prosperous future.

### Solution:

The solution is twofold: First lowering the rates as needed to keep what you have, followed with a second strategy of increasing the number of business customers to compensate for the lower rates through an aggressive marketing campaign.

Ok, sounds good on paper; but how does that fit into your day to day operation, which is extremely busy already.

### Some ideas:

Use your business customers' monthly statements as a source of marketing and promoting your merchant bankcard services, such as:

- Inserting in the monthly statement a promo piece that promotes your bank card service.

#### *Promotion example:*



- Include a survey that will prompt a response from your business customers to find out their



needs regarding bankcard services.

- Send them current business customers' success stories in dealing with your bankcard service provider.

Analyze your business DDA database to determine the merchants that are not processing with you and launch a marketing campaign to bring them on board, such as:

- Run a special that you will assist with the purchase of a new terminal if they sign up with your bank card provider.
- Specifically target your various types of merchants and put together promo pieces that relate to each specific market. Run it as a mail/phone campaign. We can help with the mail and phone part of the campaign.

Analyze your merchant portfolio to determine merchants that may be susceptible to loss.

- Survey those customers to find out what they need and want so you can get them solidly on board. There is a very →

## Building Portfolios Together



### Bobbi's Corner

Hi There! The 4th Quarter Game is off to a great start thanks to all who are participating. This game is a great tool for expanding on the Bank's portfolio and I am looking forward to our update calls throughout the quarter. Please let me know if there is information you need or if there are issues you have attention on regarding our programs. I am here to assist you with our shared merchant portfolio to increase the bank's non-interest income.

Bobbi Wood, Client Management Officer  
(800) 324-8323 ext. 163

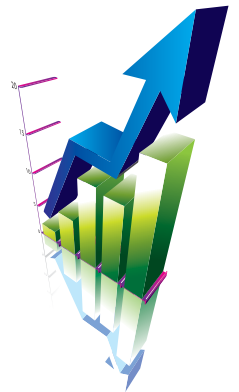
### *Merchant Portfolio Growth & Retention continued...*

specific survey technology that can really get you the answers you are looking for. This is something we can help you with.

- Continue promoting to these customers, keeping your name and your interest in them in front of them. Then, if someone comes along and talks bankcard service to them, you come to mind first.

Initiate a proactive marketing, educational program to your current business customers that will deter the competition, such as:

- Send them letters regarding the hype about processing rates given to them by street vendors.
- Put your name in front of them a bit more frequently so they would think to call you before they leave.



We have three whole divisions in our organization whose sole purpose for existence is to help you protect and expand your merchant portfolios. It is the job of every other division in this company to service and assist those three divisions in their mission to support you and your business customers. We can develop the marketing material, and our expertise can be called upon at any time to assist you with implementing any of the above.

We not only have the cool marketing materials, but we have real live people who are specifically trained to assist you with keeping and growing that portfolio. This isn't a hype, we want to help! - *UMS*



The Game is on! If your branch refers 5 signed merchants per month, the branch will win a Pizza Party! Bonus referrals will also be awarded. See the fliers posted in your branch for details.

**CALL NOW! (800) 324-8323**

# Partner Update

## Providing solutions for every need

UMS Banking gives your customers the solutions they need to accept payments, electronically or traditionally, to enable credit and debit acceptance, check verification, automatic billing and contactless payment options.

We also provide the competitive advantage in remote capture. Offer your clients the technology to accept checks and make electronic deposits anytime. Accelerate earnings and attract new business accounts, with a full suite of payment processing products.



## Recognition: Top 3 Referring Bank Branches 3rd Quarter 2008

- **County Bank : Turlock, Mariposa & Clovis**
- **Bank of Hemet : Westside**
- **Bank of Stockton : Main**



## Remarkable Customer Satisfaction

Our merchants receive a customer satisfaction survey once their credit card terminal or software is installed. They rate their customer experience and our representative. You'd be glad to know that the responses we receive reflect that our customers are very happy with our products and services. The survey also serves as a useful tool in addressing what else the customers need. Our help desk immediately handles any request that the merchants put in the survey (i.e., request for information on a new product, help in handling charge-backs, understanding monthly statements, or assistance with compliance issue).



## Co-Branded Promotional Services

We have the point of view that what is good for you, our client, is good for us. The following is a short list of promotional aids we regularly provide our financial institutions. Any or all can be customized through coordination with our Marketing Division.

Monthly statement inserts; customer surveys - through online or paper survey resources; joint calls on major merchant relationships; leads and sales incentives; customized presentations for major relationships and/or large associations, or vertical marketing opportunities.

