

Agent Bank Quarterly

2008 A Year of Bankcard Growth

Top 20 Producing Community Banks

What Makes These Banks' Portfolio Different?

Read the adjacent Article

Bank Ranking by Profit	2008 Bank Profit	# of Branches	# of Merchants	Volume	Increase Over 2007	Percent Increase over 2007	Basis Point Spread (%)
1	232,370.34	10	118	38,864,091.33	\$ (30,407.57)	-12%	0.60%
2	146,185.08	4	268	22,463,282.02	\$ (40,833.85)	-22%	0.65%
3	100,628.59	38	382	31,322,086.34	\$83,689.62	494%	0.32%
4	74,485.16	14	335	42,587,071.93	\$44,146.09	146%	0.17%
5	58,380.41	13	82	22,696,196.49	\$44,670.00	987%	0.26%
6	54,765.83	31	465	27,813,372.57	\$ (4,325.74)	-7%	0.20%
7	50,074.91	5	192	30,171,563.18	\$14,511.65	41%	0.17%
8	43,949.38	7	179	14,320,545.01	\$9,199.69	26%	0.31%
9	28,383.84	3	52	10,492,442.58	\$27,152.72	2206%	0.27%
10	26,046.50	9	75	6,629,950.26	\$6,291.30	32%	0.39%
11	19,417.90	3	100	12,739,741.08	\$13,392.05	222%	0.15%
12	19,324.93	9	73	8,547,743.47	\$4,904.85	34%	0.23%
13	16,638.73	2	78	6,332,849.59	\$5,147.17	45%	0.26%
14	14,264.50	2	32	5,825,768.16	\$1,417.72	11%	0.24%
15	13,647.96	2	14	3,984,555.42	\$ (2,966.05)	-18%	0.34%
16	12,634.71	4	61	13,759,238.68	\$ (1,010.02)	-7%	0.09%
17	11,736.63	1	63	5,729,089.72	\$8,992.78	328%	0.20%
18	11,498.03	4	29	12,329,166.59	\$648.47	6%	0.09%
19	11,161.47	2	19	14,688,485.57	\$4,287.74	62%	0.08%
20	10,948.84	4	53	10,812,649.56	\$6,713.96	159%	0.10%

*Bankcard:
The most overlooked
income resource
in the bank*

By Joyce Gaines, CEO

I hope that you found the adjacent statistical recap informative and inspiring. I know when I compiled it, I did. In 2008 I am proud to announce that 60% of our Banking Partners increased both their portfolios and their income. It shows what really can be done and the potential that exists for even greater growth. But then perhaps I know better than anyone, that bankcard is the best kept secret in the bank.

By actual study of our client banks, UMS Banking found that for the most part only 5% of your customers are using your bankcard program to process their credit card transactions. This means you are sitting on a 95% growth potential for your portfolio.

In the next few weeks Bobbi Wood will be mailing you and calling you to go over your individual portfolio numbers. When you receive these take a moment to see what the impact could be if you were to just double the current number of clients or volume in your current portfolio. It could be a significant number, produced with little

Things to Watch for in 2009 from UMS

2009 will be the most productive year ever for our Banks. Here is how we plan to make that a reality.

- Launch of the new on-line UMS Portal. See article on page 4
- New UMS Cash Management Team. See article on page 3
- Don't Miss our April Agent Bank Conference. See insert.
- Bank Recognition & Incentive Games. See page 3.



Bankcard: The most overlooked income resource in the bank continued...

to no effort on the bank's part. And, we would love to show you how to do this.

What do our top 20 banks know that many other clients do not? These banks enjoy good income from their portfolios and many of them showed exceptional growth in 2008. They know that with a little focus and planning on this product they can conservatively increase their portfolio size while adding recurring revenue for the bank. A classic example of this are two banks: Ranking # 9 and # 5.

Bank # 9 came on board with UMS last year. In their first year they added about a million dollars in bankcard volume and 6 customers. In year two (2008), due to the insight of a new Bank Development Officer, fully utilizing his UMS Account Manager, the Bank added an additional 27 million in bankcard processing and increased their revenue by 2206% by the addition of 46 new clients to their portfolio. That's 4 new clients a month, spread out over 3 branches for an **increase** of \$27,000 in **recurring** revenue for the bank.

Bank # 5 has a similar story. With us slightly over 4 years, in the last year they have grown their portfolio by 72 merchants over 13 branches. That's one new merchant every other month per branch for a whopping increase of \$44,000 in **recurring** revenue over last year. How did they do it? Spurred by the insight of a new Bank Administrator, who understood the value of bankcard, UMS and the bank held several planning sessions. In those sessions we set the goals, we educated the development officers and we charted an incentive plan. Working as a tight team with their UMS Account Manager, the Bank Development Officers selected the targets and the team went for the closes.

What are the time worn successful actions to increasing your portfolio? In each and every one of our top-producing banks their senior management has:

- named bankcard processing as a vital part of the bank's goals and made UMS a strategic partner
- directed branches to be on the look-out for prospective new clients
- data-mined their existing business customers for leads
- offered the bank staff modest incentives for new bankcard clients
- worked with us to overcome and handle hurdles, barriers, and customer issues.

What added benefits does bankcard offer to both banks and merchants? For banks let me stress the words "**recurring revenue**" and "**increased retention.**" The beauty of bankcard is that because your clients want their bank to care for all their financial needs, banks hold the highest retention rate in the industry for bankcard processing. Once a client is on board, they really don't want to leave you for the competition. You are to that degree somewhat attrition-proof. And since your income continues for the life of the account, with tortoise-like patience, by adding just a few clients a month, you could see some astounding **recurring** revenue growth for the bank over time.

For traditional and non-traditional bankcard merchants the benefits are many. Statistics show that the average retail sale increases by about 40% when credit cards are offered as a form of payment and that customers can spend up to 2 ½ times more when using a credit card versus cash or checks. Credit cards speed up delivery at point-of-sale, reduce cash and so reduce theft, and they make bookkeeping easy.

For non-retail environments credit card acceptance is on a rapid rise because of improved cash flow, reduced accounts receivable, elimination of late pay notices, and the ability to put clients on automatic recurring debits. With the introduction by Visa of the new Business-to-Business cards (B2B), many government and non-traditional businesses are looking at credit cards as a viable means of taking payment.

We are here to service you in any way possible. Our Mission Statement has always been to increase the size and profitability of our client bank's programs. To this end we have enhanced and expanded our Client Management Department to work directly with bank senior management on planning and development. To service your branches better we have added both sales and administrative staff to increase delivery. For 2009 we have added a National Account and Cash Management Team to work with your Cash Management Officers.

Our team would love to sit down and plan out how to expand your portfolio, increase your revenue and better service your bank and your customers in 2009. We look forward to a great year with you, our greatly valued partner. ■



Hello Banking Partners,

We proudly usher in a New Year, completing our 22nd year of servicing you, the community banks and financial institutions of America.

Our Mission: 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 welcomed. We hope that this newsletter will help to continue to educate you on our partnership and give you new information of interest.

I personally strive to constantly renew our dedication to a high level of personal customer service for all of our merchants. We have new products, keeping with the industry security advances and the ever-changing consumer demands, including wireless terminals, internet processing, ACH and monthly recurring billing, and more.

Have a successful 1st Quarter 2009.

Warm regards,



David Jensen, President
UMS Banking



Bank Recognition & Incentive Programs for 1st Quarter 2009

Prizes! Prizes! Prizes! 2009 Incentives!

Increase Volume by \$ 1 Million = \$1000 Bonus to Bank Resids
Branch adding 5 approved accounts = \$100 Gift Cert for Lunch

Staff referring approved accounts get escalating incentives:

- 1 Referral per month = \$25.00
- 2 Referrals per month = \$35.00 each
- 3 Referrals per month = \$50.00 each

Staff with 4 or more approvals win an extra one time \$50.00 Bonus.



4th Quarter 2008 Top 3 Referring Partners

- Bank of Napa
- The Village Bank
- Provident Bank

*Each of these Banks
won catered lunches!
Congratulations!!!*

New UMS Cash Management Team

Major Accounts: Development of major accounts generally requires many painstaking hours, months of dedication and planning and patient pursuit of these accounts by your Cash Management Team. We understand that many banks are reluctant to turn over such accounts to an outside vendor for fear of disrupting the relationship. Yet, many of these accounts represent potential significant



revenue to your bank by servicing their payment processing needs.

Their payment processing needs may range from a simple basic set-up to a complex arrangement of systems and products. In order to ensure that such accounts are cared for in a manner best representing your bank, we have assembled a team of senior UMS staff including Bruce Ferguson and Suzanne Haas in order to address the unique needs of such accounts with their depth of knowledge and experience. ■

Hello,

I would like to introduce myself. I am Roberta (Bobbi) Wood and I am happy to announce that I have recently been promoted to Vice President for Client Development & Management. One of the primary purposes of my Division is to maintain close communication with bank senior management in order to assist you in the growth of your portfolio and in the resolution of all issues related to servicing your bank.

I think it would be very beneficial if we could meet in person so that I could establish exactly what you expect

from UMS, what you need and want, how I can assist you in that and to help facilitate the implementation of your 2009 goals. To that end I will be calling you soon to set up an appointment. In addition, we are always pleased to have our banking partners tour our facility in Glendale.

Here's to our very best year EVER!

Bobbi Wood
VP Client Development
& Management



KEY SERVICE PERSONNEL

Senior Bank Contacts (800) 324-8323

- **EVP National Business Development**
Bruce Ferguson
bferguson@umsbanking.com
Available to assist with senior management marketing strategy & client development.
- **VP Client Development & Management**
Bobbi Wood
bobbi.wood@umsbanking.com
Available to assist bank senior management with any questions & issues.
- **Sr. VP Client Development**
Steve Demogines
steved@umsbanking.com
Senior escalation point for any bank or merchant issues.

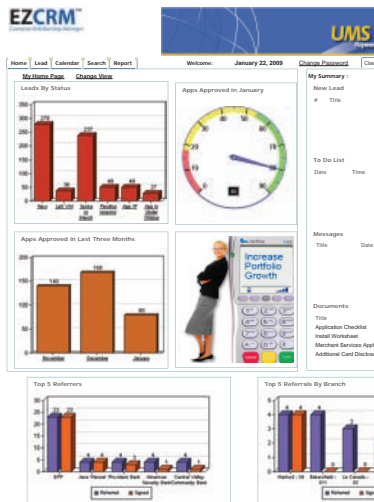
Branch & Merchants Contacts

- **VP Merchant Sales**
Denisse Espitia
denisse@umsbanking.com
Available to assist your branches in any merchant sales related issue.
- **Director of Merchant Leads**
Roxy Aslanyan
arax.aslanyan@umsbanking.com
Handles receipt & tracking of all bank referrals.

Customer Service (800) 866-1881

- **VP of Operations**
Nicole Jones
jones@umsbanking.com
Senior escalation point for any service issue.
- **Director of Customer Care**
Jeremy Price
jeremy@umsbanking.com
Supervises customer care department.
- **VP Relationship Management**
Chris Gaines
chris@umsbanking.com
Cares for servicing of major accounts.

On-Line Sales Portal



Lead Generation:

Ready for immediate launch is the new UMS Sales Portal. This sales and management tool was designed to give all banks a uniform means of submitting leads electronically to UMS. Once a lead is submitted, your UMS Account Manager will be automatically notified of the lead and it will be added to their pipeline. Bank officers can log-in and track their lead's status, add notes and assign tasks to our staff.

Statistical Tracking:

The Portal Dashboard gives you an At-a-Glance Graphic snapshot of the last quarter's production, tracks top producing branches and shows outstanding items. Its various menu items will provide access to monthly, weekly, quarterly and annual information on your bank's portfolio growth.

On-Line Account Boarding:

For banks who do their own sign-ups, the Portal contains complete on-line applications, that allow the bank to electronically sign-up, submit and board all merchant applications and documentation.

Implementation Begins Feb.1:

We will begin rolling out Portal training to our banks starting Feb. 1. If you wish to be among the first to implement this tool, please contact Bobbi Wood for scheduling. ■

