



Deposit Automation Return on Investment Webinar

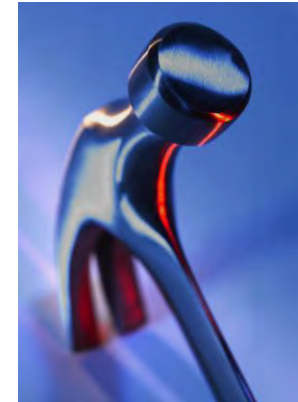
September 10, 2012

Return on Investment (ROI) Analysis

Is NOT just a tool -

Is NOT just a measuring device -

ROI analysis is about asking the right questions and using real numbers that all around the table agree upon.



ROI Analysis

Provides better understanding of the true life-cycle costs of owning an ATM.

Did you know?

The initial purchase cost of an ATM is only ~20% of the total life-cycle cost of ATM ownership?

Understanding the ongoing operating costs are critical to optimizing operations and efficient use of capital. You'll need to understand -

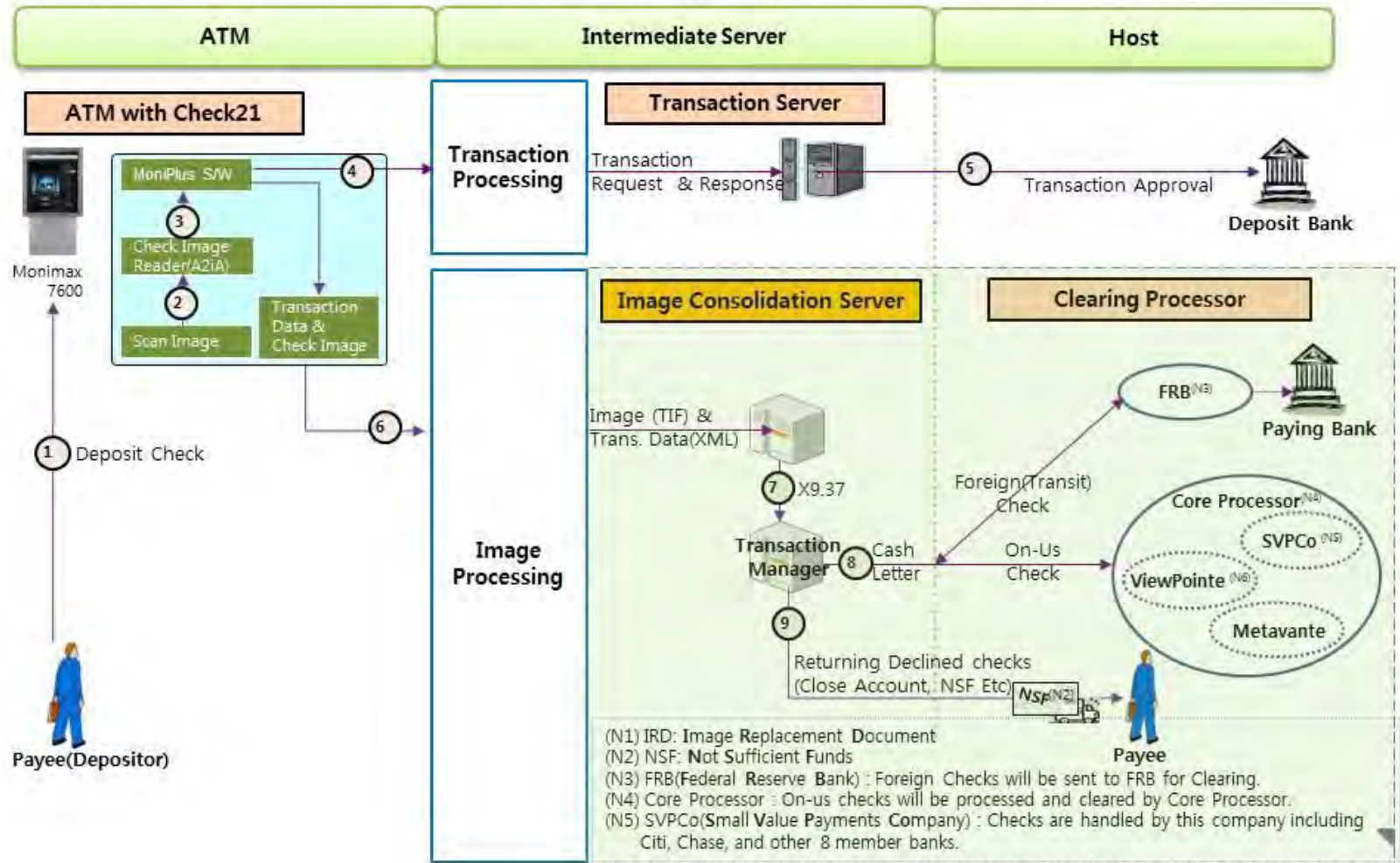
- How costs are allocated
- How expenses are burdened



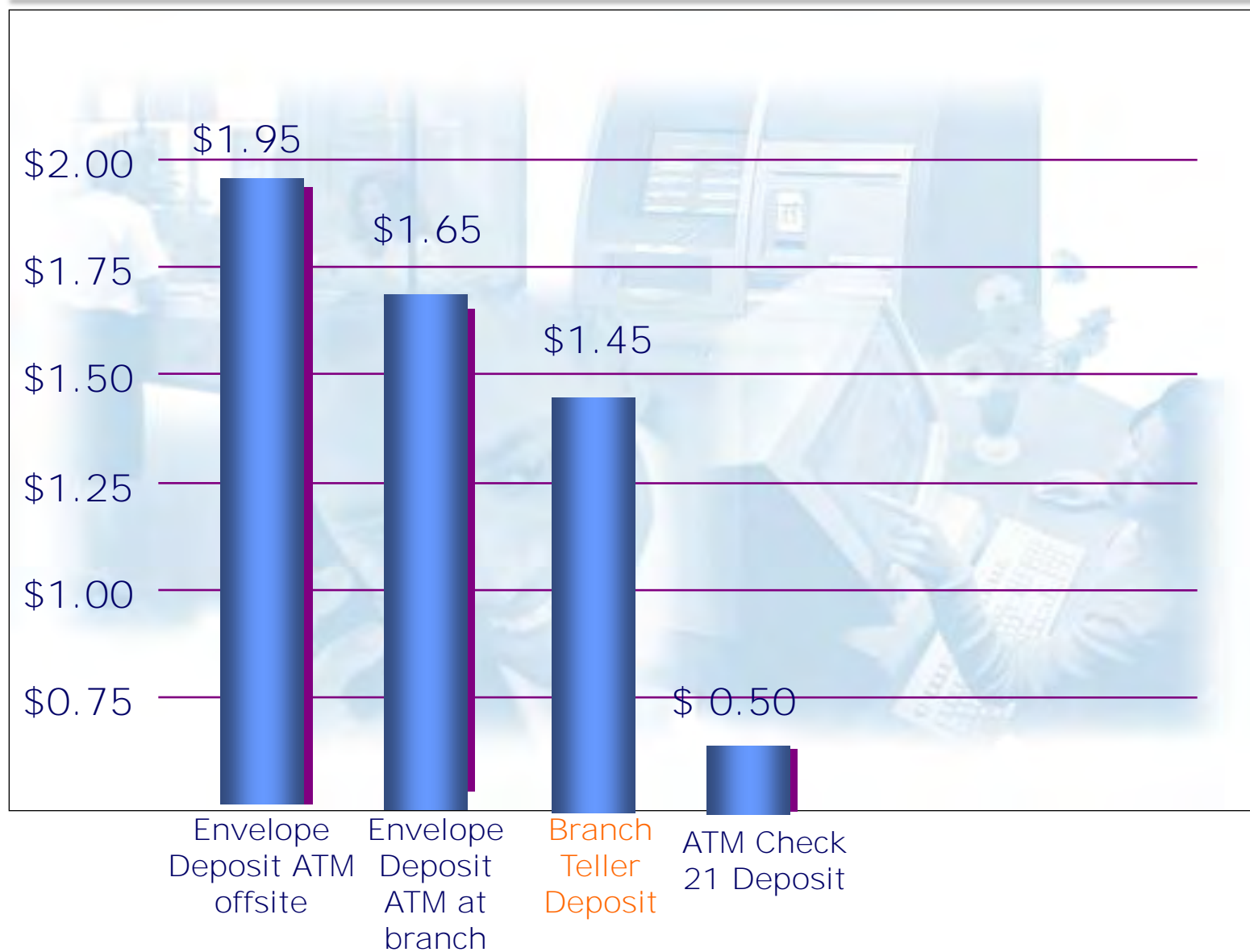
Hyosung Supported Deposit Automation Technologies

Nautilus Hyosung Check Transaction Flow

- 1) Transaction Processing: Using A2iA's image reader, CAR/LAR will be performed and Transaction Server will process transaction only.
- 2) Image Processing: Check images will be cleared through Check Image Server(Consolidator + Transaction Manager) by FED.



Average Deposit Processing Costs by Channel



Deposit Processing - Cost Substitution

What are the actual costs? Are we certain we know?

Industry average example:

Teller Processed Deposit - @ \$1.50

Image Enabled ATM - @ \$.50

Net Cost Savings: \$1.00 per deposit

Image Enabled savings:

Sample fleet - 5 ATMs processing 200 deposits per month

5 x 200 transactions x \$1.00 = \$1,000 per month, \$12,000 per annum

Cost Substitution - T Account, Weekly Measurement

Deposit Processing Automation Cost Substitution

This analysis assumes that the customer transaction will exist somewhere in the institutions' environment - either on the ATM or over the teller line. Recent third party estimates suggest teller deposits cost \$1.50 per item to process, image enables transactions cost \$0.50

	Sub Totals	Totals
Number of deposits per month	200	
x \$1.50 per item via teller:	\$ 300	
x \$0.50 per item via ATM:	\$ 100	
Reduced processing costs:		\$ 200
Annualized CIT / Armored Courier savings:		\$ 10,400
Total number of ATMs in deployed fleet	5	\$ 52,000
	NET ANNUAL = SAVINGS	<u>\$ 52,000</u>

Deposit Processing - Costs Avoidance

Cash In Transit (CIT) / Armored Costs:

\$20 - \$30 per site visit

x 5 business days = \$100 - \$150 /week

** Envelope depositories require daily pick up for content verification*

Image Enabled savings:

One trip per week - 80% CIT savings (~\$80 - \$100 per ATM /week)

Annualized - \$4,160 per year per ATM

Spill over savings - \$.02 per deposit envelope savings, less downtime to servicing (interchange & surcharge), no time and expense opening envelopes

~ \$50 additional savings per year per machine

~ \$400 additional revenue realized per year per machine

Cost Avoidance - T account, Weekly Measurement

Deposit Processing Automation Cost Avoidance

Image enabled ATMs do not require daily pick ups of deposited items. Images are transported electronically, and cash is verified and stored in the safe. If an ATM owner reduces their trips to an ATM from daily to weekly, the cost savings can be estimated as follows:

	Sub Totals	Totals
Cost for each CIT / Armored Courier visit:	\$ 30	
x 5 business days per week:	\$ 150	
Current annual cost - envelope collection:	\$ 7,800	
Reduce trips by 4 days (80%) - once weekly:	\$ 1,560	
Annualized CIT / Armored Courier savings:		\$ 6,240
Also, calculate printed envelope savings at \$.02 per total deposits per month	\$ 200	\$ 48
Finally, add recovered fee income for reduced downtime to balancing	\$ 1,248	\$ 1,248
Insert your variables below:		
Transactions / hour:	10	NET ANNUAL = SAVINGS PER ATM \$ 7,536
Surcharge per tx:	\$2.00	
# of Balancing		
trips / week:	5	

Other Cost / Income Items to Consider

Reduction in Fraud:

- No empty envelopes
- Positive validation of cash

Increase in New Account openings:

What if you open one more account per week due to the feature?

52 new DDAs per annum, fee income per? Average collected balance?

Increased transaction volume:

ATM transactions generally increase at least 10% after DA introduction

~ Further reduced cash handling expense - less cash transaction

Hyosung Deposit Automation Hardware Platform

MONiMAX

7600 FFL



Lobby

7600 T



Walk Up

7600 D



Drive Up

7600 DS



7600 I



Island



Cash
Dispensing
Unit



Bundle
Note
Acceptor



Bundle
Check
Acceptor

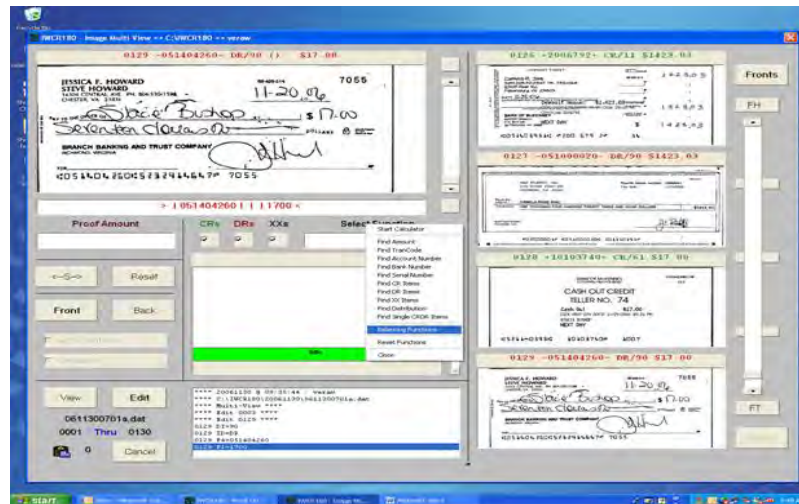


Single Throat Check
& Cash In Module

Hyosung Deposit Automation Software Platform

- MoniPlus 2
 - NDC-Based ATM transaction engine
 - Advertising support
 - Enhanced functionality
 - ADA capable
 - Industry leading value
- Image Solutions
 - CFS
 - EZ Act
 - Financial Payments
 - Jaguar
- Image Transport Agents
 - Imagemark
 - Deposit Wizard
 - Silver Bullet

MoniPLUS



MoniPlus 2 Deposit Certifications



Conclusion

Nautilus Hyosung appreciates your time and interest. We look forward to the opportunity to be of service to you!

