Banking to the Future Financial Mainstream

Betsy Flynn President/CEO Community Financial Services Bank

Who are Unbanked and Underbanked?

- Unbanked: No checking or savings account.
- Underbanked: Have an account, but continues to rely on alternative financial services, like check-cashing services, payday loans, rent-to-own agreements or pawn shops.

National Statistics on Unbanked and Underbanked

- 7.7% of U.S. households are unbanked
- 17.9% of U.S. households are underbanked
- 43% of households with a yearly income below \$30,000 are either unbanked or underbanked
- 54% of black households and 43% of Hispanic households are unbanked or underbanked, compared to only 18% of white households

Unbanked and Underbanked in Kentucky

- 11.9% of households in Kentucky are unbanked
- 23.7% of households in Kentucky are underbanked

Unbanked and Underbanked in Marshall County

- 8.7% of households in Marshall County are unbanked
- 18.8% of households in Marshall County are underbanked

How to Reach Unbanked and Underbanked?

How to Reach Unbanked?

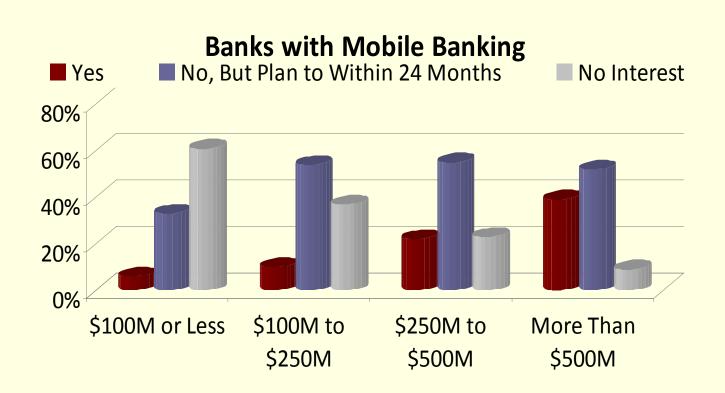
- Mobile Websites and Devices
- Mobile Payments
- Checking accounts that have varied rewards
 - ATM Refunds
 - Rewards for Debit Card Usage
- Marketing towards International Demographics

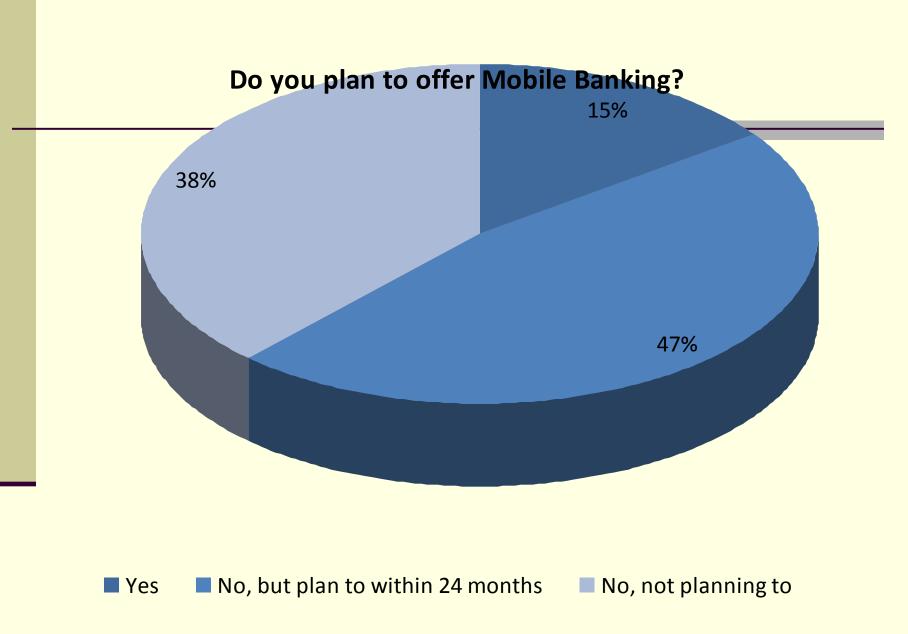
How to Reach Underbanked?

- Extended Mobile Services
- Varied Payment Options
- Free/No Minimum Balance Checking/Savings with Debit Card Access
- Second chance accounts
- Grass roots campaigns

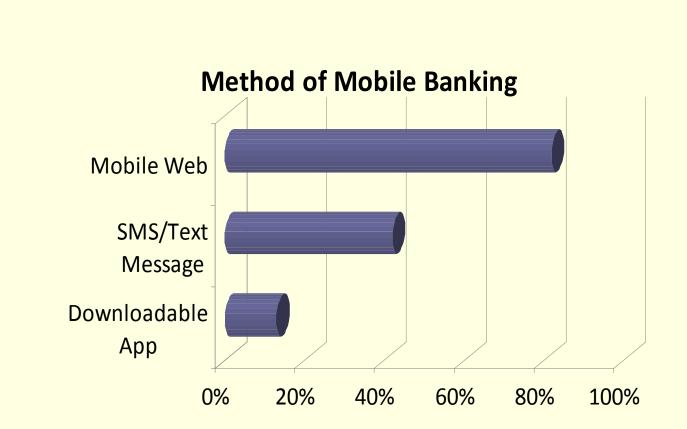
Reaching Unbanked and Underbanked Through Technology

Reaching Unbanked and Underbanked Through Mobile

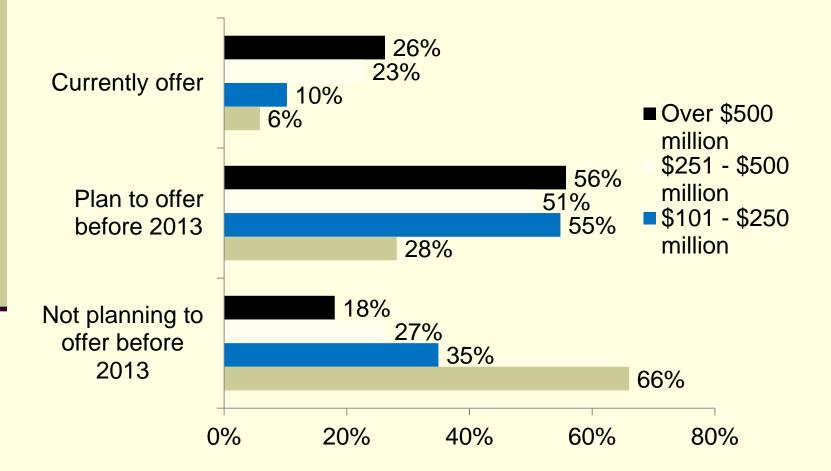




Reaching Unbanked and Underbanked Through Mobile

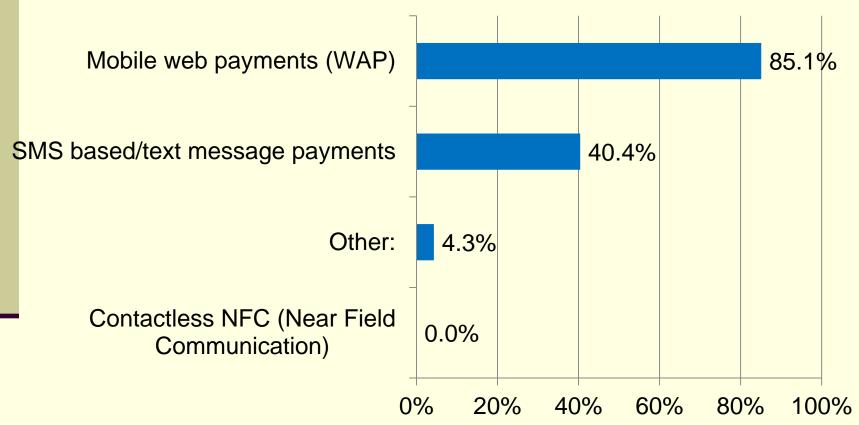


Mobile Payments

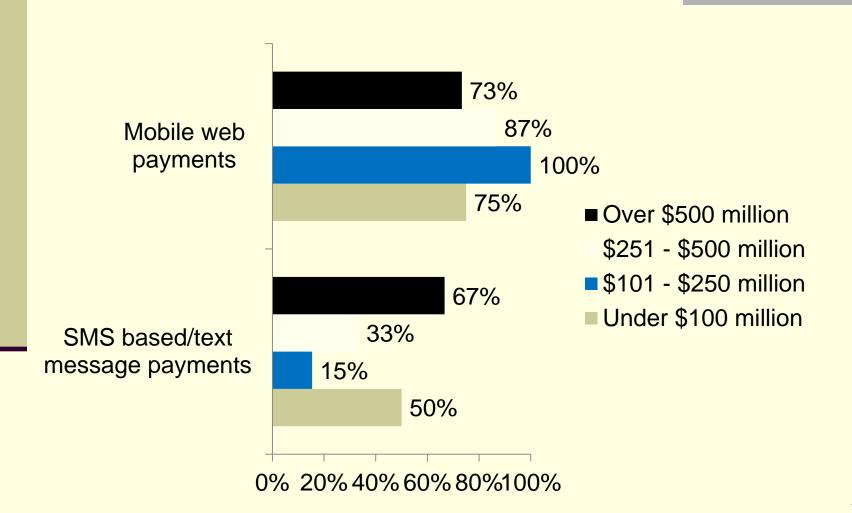


Mobile Payments

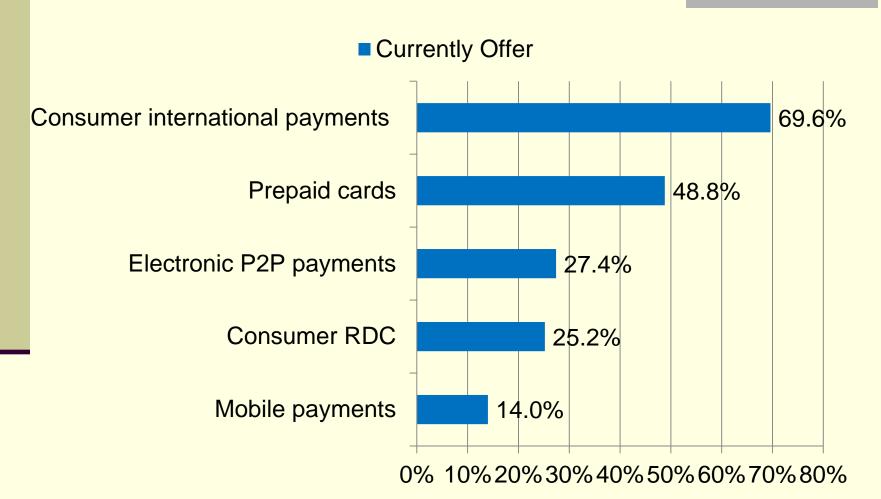
What type of mobile payments do you support?



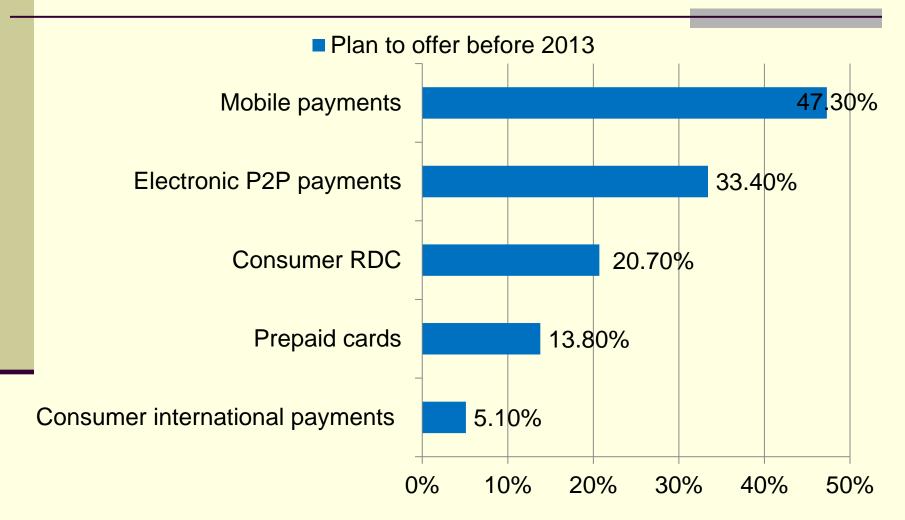
Mobile Payments



Emerging Payment Products

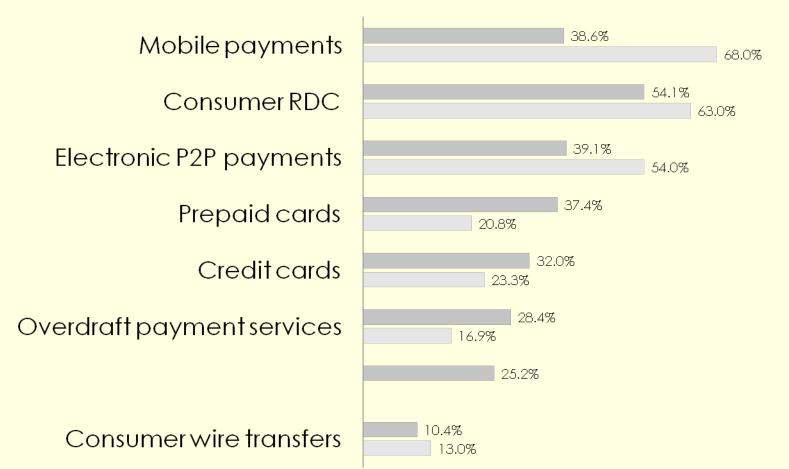


Emerging Payment Products



Emerging Payment Products

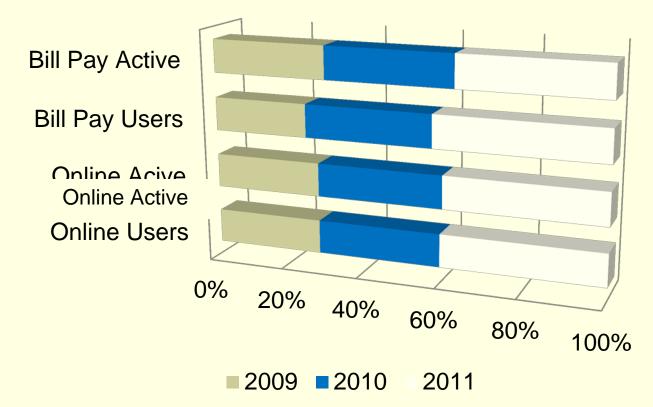
2011 - Do not plan to offer 2009 - Do not plan to offer



CFSB Current Actions to Reach Unbanked and Underbanked

Mobile Technology

Online Banking and Bill Pay Users



Debit Card Transactions

- PIN (Debit) NON-PIN (Credit)
- 2009 587,967
 2009 1,162,557

 2010 690,323
 2010 1,340,548

2011 - 767,152 2011 - 1,532,948

ATM Transactions

On-Us Transactions	Foreign Transactions
2009 – 138,194	2009 – 20,503
2010 – 144,630	2010 – 19,384
2011 – 154,055	2011 – 22,413

Mobile Banking

- Live November 1, 2011
- 912 current users

Future Goals to Reach Unbanked and Underbanked

Mobile Applications

- Mobile Website
- Mobile Remote Deposit
- Mobile App for Merchant to Process Credit Cards
- Mobile Online Financial Management Alerts

New Website

- Online Loan Payment Option for Credit/Debit Cards
- New Website Translation in Spanish
- Online Account Opening
- Live Chat with Call Center Staff
- Online Financial Management Tool

International Customer Base

- Website translation in Spanish
- Translated brochures
- Student accounts tailored to International students at Murray State University
- Bilingual Call Center team member

Banking Centers

- Relationship Banking
- International Communication Capabilities
- Video Conferencing
- Digital Media



Information gathered from: Bank On – joinbankon.org 2010 ICBA Technology Survey 2011 ICBA Payments Survey CFSB Data March 2012