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Fiserv's Branch Capture Technology Helps Remote Kansas Bank Stay Competitive

BROOKFIELD, Wis.--March 1, 2005--A small community bank in remote southwest Kansas today will begin improving its customer service, reducing its costs and lengthening the time during which it can accept deposits for same-day posting through automated services provided through Fiserv, Inc. (Nasdaq: FISV.)

First National Bank, located in Elkhart, Kan., is as far as geographically possible from the Federal Reserve Bank of Kansas City, Mo., while still being within the borders of Kansas. Starting today, First National will blend Fiserv's electronic branch capture system with electronic cash letter transactions made possible through the recently enacted Check 21 law as a way to increase efficiencies, cut costs and improve customer service.

Prior to implementation of Fiserv's electronic solutions, First National was paying nearly \$1,000 per month for courier service to ferry its daily cash letter 418 miles to the Federal Reserve Bank, according to Joy Elder, First National's vice president. The length of the journey required the bank to stop taking deposits at 1 p.m. so that transit items could make collection deadlines at the Federal Reserve, she said.

On some days, when the courier declined to pick up the work due to bad weather, Elder's husband was forced to make the delivery. On one occasion, unbeknownst to its client, the courier firm declared bankruptcy and didn't show up at all, said Elder. Fiserv's branch capture system has made electronic transmission to the Fiserv processing center possible, eliminating the need for any courier service and saving related costs, she said.

"When we started the bank in 1985, our courier bill ran around \$200 a month," said Elder. "Our most recent contract increased to \$1,226 per month, although we have negotiated the courier to \$946 per month temporarily."

In addition, First National was forced to use a data processor 240 miles away in Hutchinson, Kan., as part of the courier contract. The courier firm was subsidized by a correspondent bank that was a major shareholder in the data processor, eliminating any opportunity to contract with a more competitively priced processor, she said.

In 2004, First National switched to Fiserv for data and check processing, converting to a branch capture system utilizing Unisys Source NDP. The bank already was capturing images when Check 21 took effect in October 2004; however, First National wasn't able to send imaged cash letters to the Fed prior to Check 21 without incurring additional courier costs.

As of March 1, the Fiserv office in Kansas City will be able to print image replacement documents (IRDs) to present to the Fed, said Elder, and redundant systems used during the transition, including the courier service, will be eliminated.

"Best of all we can change the cut-off time to the closing of our bank doors, rather than having a deadline in the middle of the day during our busiest operational time," Elder said.

Fiserv plans to use the success of First National's transition for other item processing clients as opportunities permit, said Ted Umhoefer, senior vice president of industry relations and product strategy for the Fiserv Item Processing Group.

"First National represents a fully electronic branch capture," said Umhoefer. "It's a model we will expand throughout the country to provide high quality transaction services to institutions no matter what the geographical restrictions."

First National is the first Fiserv client to use the entire end-to-end process. Other financial institutions using the branch capture product may be ready for conversion to the full solution, Umhoefer said. In addition to its Kansas City, Mo., facility, Fiserv can provide similar substitute check printing services through its offices across the United States.

Fiserv is North America's largest third-party check processing provider, annually handling more than 3.7 billion checks for more than 1,500 clients. In addition, the company's Information Technology, Inc. (ITI) and Fiserv Imagesoft units provide image-based check processing software used by more than 500 additional financial institutions to process checks in-house. Fiserv operates 49 check-processing centers across the U.S., another six in Canada and a national image archive that adds more than 7 million check images each day.

Fiserv, Inc. (Nasdaq: FISV) provides information management systems and services to the financial industry, including

transaction processing, outsourcing, business process outsourcing and software and systems solutions. The company serves more than 16,000 clients worldwide, including banks, credit unions, financial planners/investment advisers, insurance companies and agents, self-funded employers, lenders and savings institutions. Headquartered in Brookfield, Wis., Fiserv reported \$3.4 billion in processing and services revenues for 2004. Fiserv can be found on the Internet at www.fiserv.com.