

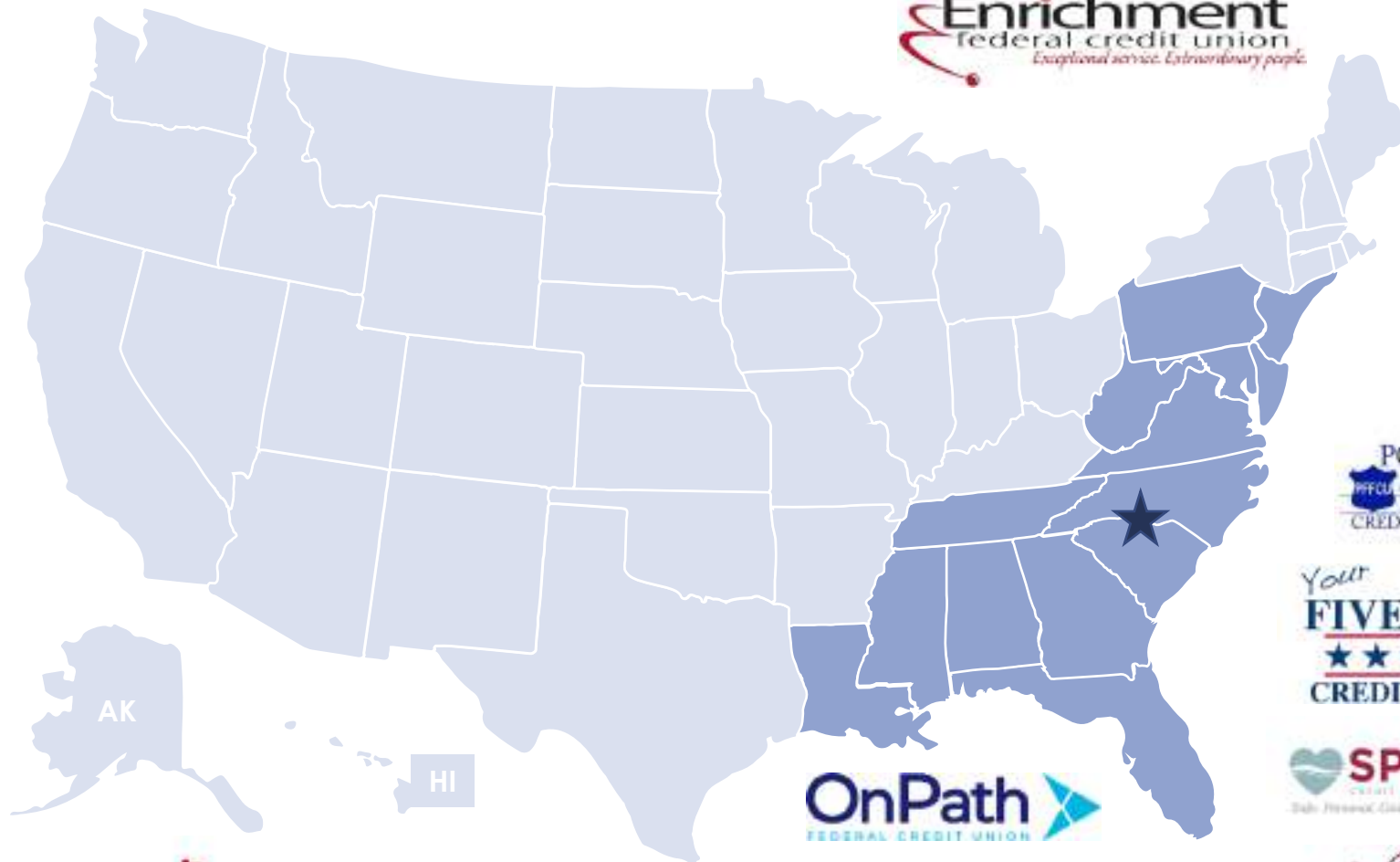


How Technology Can Best Impact Member Experience

Technology You Need From People You Trust

Sean Farrell CEO

QDS Serves Financial Institutions in 14 States





“Bank Anywhere, Anytime”

Consumers expect 24/7 access to ALL accounts for flexibility, and the ability to make speedy decisions



Staffing Challenges

Staffing challenges are driving the need to innovate service delivery across physical and digital channels



What We're Hearing
In The Market

“Interactions vs. Transactions”

Use branches for advisory and complex transactions, while the mundane transactions are shifted to self-service

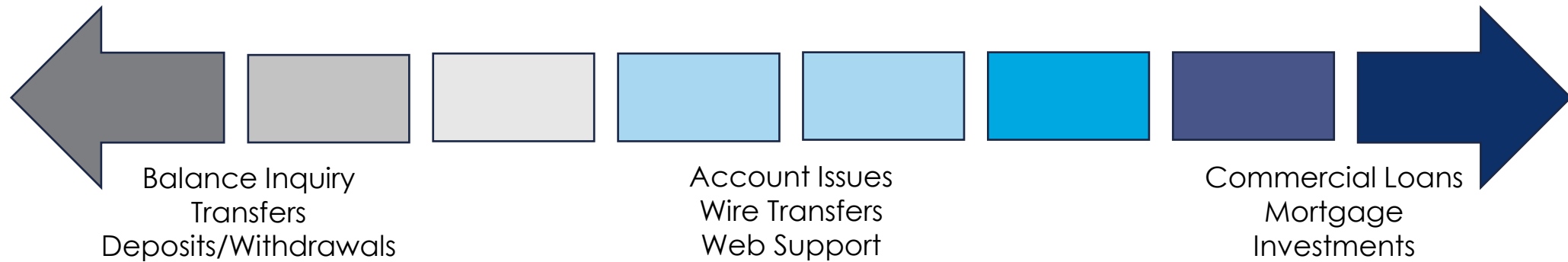


The Battle for Deposits

Financial institutions are looking for ways to grow deposits and maintain NIM.



Wide Range of Customer Interactions



Self-Service

Simple Transactions
High Volume
High Frequency

Fast Assisted Service

Standard Interactions
Average Volume
Average Frequency

Human Advisory

Complex Consultations
Low Volume
Low Frequency



Reduce Transaction Costs

Technology You Need from People You Trust



The New Normal: Self-Service Banking

- 25% of FIs currently have ITMs
- 60% of FIs plan to deploy ITM technology in next 3 years
- 72% of people 55+ “are very comfortable using ITMs”
- 84% of all consumers “are very satisfied with their ITM experience”
- 31% of people prefer an ITM over going inside the branch
- 40% of people have used an ITM to make a credit card payment



Self-Service Banking = Win/Win

- Significant Transaction Cost Savings
- Reduce FTE and/or Free Up Staff
- Extend Hours/Convenience
- Staff Focused on Advisory/Increase Sales
- Eliminate Tubes/Centralize Tellers
- Expand Market Presence/Footprint
- Optimize Branch Real Estate





90%+

of routine teller transactions can be completed via core connected ITM

HYOSUNG

CORE INTEGRATION
GLOBAL METRICS



90-99%

of ITM transactions completed on the core via self-service with no virtual teller assist



85%

cost reduction per transaction using ITM (~\$0.75 ITM vs ~\$4.50 manual teller)



70-75%

of transactions are migrated to the drive-thru versus done in the lobby



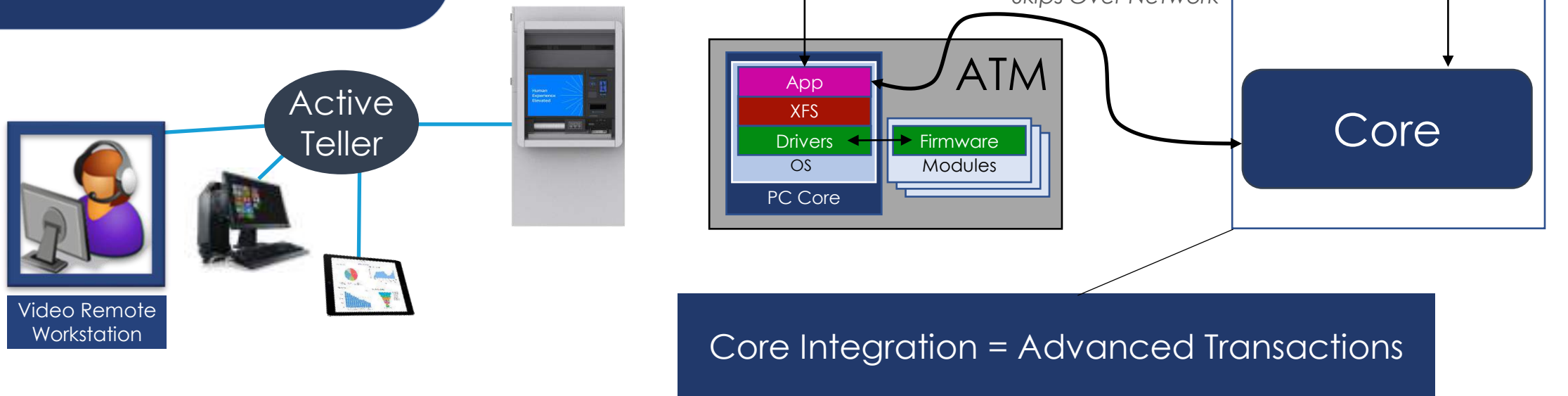
Virtual support

1 FTE per 15-25 Hyosung ITMs (versus 1 FTE per 2-4 ITMs for NCR)

Hyosung: One Solution / Four Deployments

Solution Flexibility:

- 1) ATM only
- 2) ATM + Core
- 3) ATM + ActiveTeller
- 4) ATM + ActiveTeller + Core



Business Model – NCR vs Hyosung

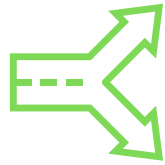


Remote Teller

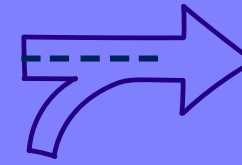
VS.



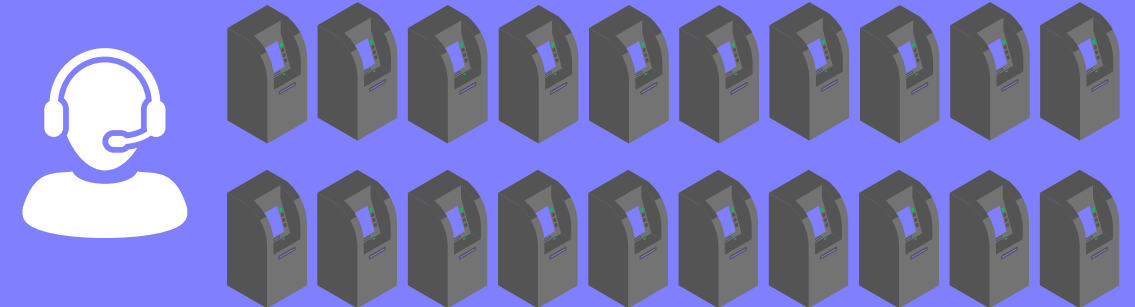
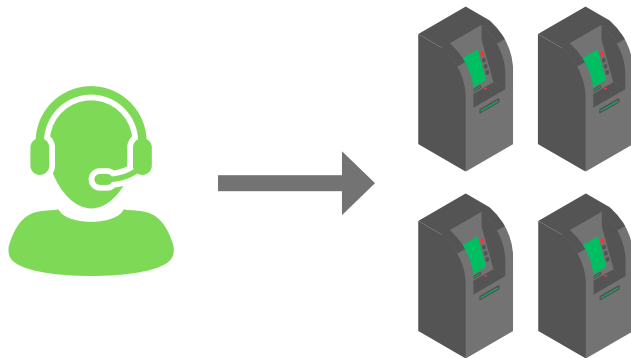
Assisted Self-Service



The customer chooses ATM or Video Teller; client must cancel the transaction and start over if the wrong path is selected.



Customers run most transactions themselves; the system seamlessly engages tellers when required.



Requires teller involvement for every transaction

- Terminal is a remote peripheral for the teller
- Every transaction requires double entry; or if integrated still requires staff to answer call
- Use video application + teller system to service client
- Advanced transactions only available when teller is available.

Tellers are only involved when:

- Teller Authorization is required (FI rules)
- Customer requests help with a transaction
- Customer wants a transaction unavailable in assisted self-service mode
- Alternate form of identification (no card and PIN) is needed

Increase Market Share or Launch Into New Markets



Traditional Brick and Mortar Strategy



ITM Implementation Strategy



\$242 Million in Assets
5 Financial Centers
Core: CU*Answers

Currently producing 11,000 transactions/month across 7 ITMs in 6 months

Last month, only 92 transactions required video assistance (0.86%)

74% of transactions posted direct to core
(eliminating costly ATM processor fees)

Out of **\$2M+** in transactions, deposits totaled
\$900K – with \$541K cash deposits

At one location, **38%** of all branch deposits
are now completed via self-service

At another, **57%** of all branch transactions
have shifted to self-service



Your
FIVE STAR™
 ★★★★★
CREDIT UNION

- \$750 Million in Assets
- 17 Financial Centers
- Core: JHA Symitar



Five Star Credit Union Results

Staffing & Fleet

- As of June 30, 2023, Five Star had **32 ITMs** deployed.
- Whole fleet supported by **2 staff members**, who also handle our Mobile Messages, General Email Queue and Remote Deposit Approvals.
- ITM transaction costs are **3x less than via traditional tellers**.
- By the end of July 2023, they will have deployed **40 ITMs**.

Efficiency

- **32 ITMs do 65,000 transactions per month of which 99% are done via self-service.**
- Total Transactions YTD **378,008**
- Total active teller interactions YTD **4,859**
- Active Teller handles **1.3%** of the transactions.
- **70%-75%** of transactions performed in drive-thru ITMs
- **70%** of all branch transactions performed by ITMs

Growth

- In 2022 it allowed the Financial Center staff to close over **\$25M in Loans**.
- January to June of 2023 the Financial Advocates have closed **\$12,567,488**.
- This is accomplished by having deeper financial conversations and creating meaningful relationships.





ITM



-VS-

ATMaaS



What We're Hearing in the Market

- Leveraging technology to gain efficiencies:
Replacing "Transactions with Interactions"
- TCRs have become mission critical technology to automate mundane tasks allowing staff to focus on engagement and cross selling opportunities
- TCRs enable and support the growing trend towards "Universal Banker" staffing models in POD and open-concept branches
- Cassette-based TCRs have replaced legacy rolled storage modules (RSM) providing greater speed, capacity, and functionality, especially for operational back-end efficiencies



The Value of Cash Automation

- Reduction of mundane note handling in the branch environment
- Transit cassette functionality allows for self-audit and inventory management to drive back end efficiency not just client facing speed
- Focus shifts from transaction to interaction by automating the cash handling function
- Cash Automation brings better overall cash security, reduced exposure and reduction of out of balance write-offs
- Typically a TCR drives at least ½ if not a full FTE per machine in cost reduction based on staffing model



Transit Cassette

High Compatibility & Low Cash Exposure

- Securely transfer notes without opening the safe
- Safely manage inventory in open concept branch formats
- Transfer Inventory from one TCR to another
- Simplify CIT Preparation and Replenishments
- Compatible with other Hyosung devices



Teller Pod Environment

- People walk into a branch to discuss a problem or opportunity face-to-face.
- Teller pods create an open, welcoming, and progressive transaction environment in line with modern retail (i.e. Apple Stores)
- Customer experience is beginning to generate meaningful separation in deposit growth



Universal Staffing

- Greet customers, handle basic transactions, perform service needs, open new accounts, accept loan apps, etc.
- Reduces customer friction by streamlining customer's experience and minimizing wait times
- Cross trained staff creates a more engaged employee base, reducing turnover since it can be a more attractive and high-paying position.



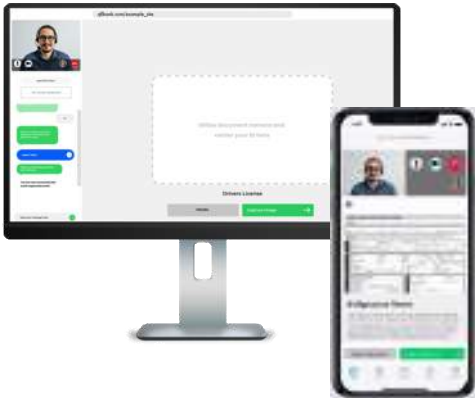
Scale Revenue Production

Technology You Need from People You Trust

Engagement Across All Delivery Channels



Product Expert



CONNECT.Expert
Meet customers on their schedule via
FI's mobile and/or website



CONNECT.DigitalDesk
Make every branch full service



CONNECT.ATM
Leverage ATM/ITM
channel to capture
and convert revenue
opportunities in real
time (i.e., targeted
offers)



Hyosung Connect DigitalDesk

Make Every Branch Full Service

- Specialists at every branch regardless of location
- Extend services without new hires
- Leverage experts from across the enterprise and expand your service footprint
- Add a scheduling tool for efficiency and convenience



Solve What Matters to You

The Numbers Speak for Themselves

New Account Opening & Funding	Consumer & Auto Loans	Wire Transfers
Account Servicing	Mortgage Education & Application	Investment Consultations
Signing Documents	Deposit / Funding	Out of Country Support

80%

Of video banking calls result in New Account Openings or Lending opportunities

20%

Of video banking calls are made Outside of Regular Business Hours

97%

Of consumers gave a Positive Rating across all Engagement Channels

20-30%

Typical Staff Reduction or Cost Savings

3-8 Months

Average Time to ROI



Virtually Connect, Collaborate, & Solve

CONNECT Welcome
+ **CONNECT** AI
+ **CONNECT** Expert

Hi! Let's chat.

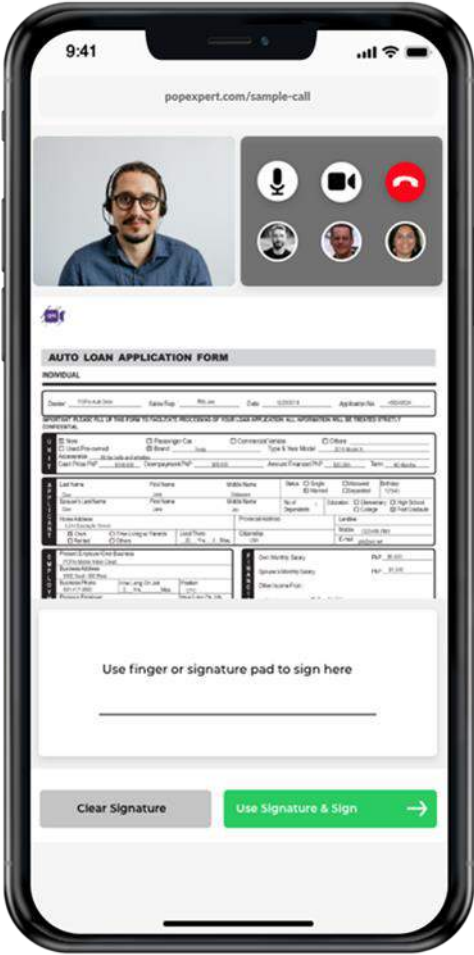
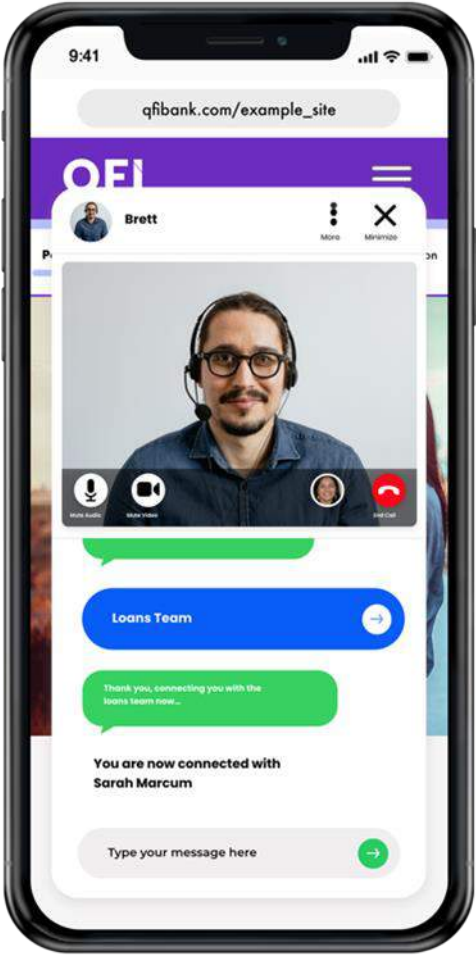
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Need help now? Type your message here.

Connect With A Product Expert

Start Chat, Voice, Video

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For assistance with online and mobile banking services.

[Video Call Team](#)



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Consumer Loan

Apply for a loan or get answers about the lending process.

[Video Call Team](#)



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Home Loans

Get assistance with mortgage or home equity products.

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New Account

For new or existing members who would like to add a new account or service.

[Video Call Team](#)



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Account Updates

Request updates to your account. We can help with address changes, contact info updates and more.

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Consumer Loan

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[Video Call Team →](#)

Deanna D.



Teams

Home Loans, Consumer Loan, New Account,

[Start Video Call →](#)

LacyAnn P.



Teams

New Account, Consumer Loan, Home Loans,

[Start Video Call →](#)

Joslynn D.



Teams

Account Updates, Home Loans, eServices, New

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Sandy



Teams

Account Updates, New Account, eServices,

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Matthew S.



Teams

Consumer Loan, Account Updates, New Account,

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