

# What Counts Rewards Delivers “Hat Trick” to Texas Bank

New checking account gives consumers what they really want — cash rewards.

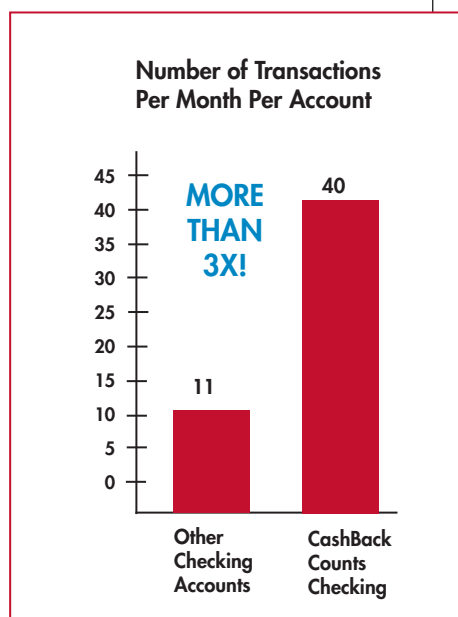
**SCENARIO** High development costs and limited internal resources usually keep community-based financial institutions lagging behind their larger counterparts, at least in terms of their ability to offer new and innovative checking products. Too often, local banks and credit unions are forced to fall back on common-place, often unprofitable products, new account opening gifts or the all too ubiquitous free checking account.

One Texas bank was under intense pressure to both increase revenue and decrease costs. They recognized that free checking and free gift programs were no longer enough to keep them ahead of the competition. So they partnered with Pinnacle to launch *CashBack Counts Checking*, a checking account with cash back rewards, to increase new customer acquisition and loyalty.

**THE PINNACLE PERSPECTIVE** Because no two institutions or markets are alike, an assessment of their existing checking product line was the first step:

- Did they have products that consumers wanted?
- Were their products different than the competitors’ down the street?
- Did their flagship checking product really deliver the new acquisition growth, account profitability and non-interest income they would need to meet their business goals for this year and the years to come?

(continued)



### KEY TAKEAWAY POINTS

Increase non-interest income and profitability with What Counts Rewards.

End-to-end Solution: Consulting, Software, Training and Marketing.

Compared to other checking accounts, CashBack Counts Checking pays back 3 ways:

- 65% increase in debit card penetration
- 3x more monthly transactions
- 17x more enrolled in eStatement — with savings of \$1.25 per month per account

Based on this bank’s market, goals and challenges, it was decided that the new CashBack Counts Checking product with cash back rewards would replace their free checking account. CashBack Counts was the perfect fit to their existing product line, in part because of its mass market appeal and its ability to drive incremental interchange income. To further fine-tune the offering for their unique market needs, product customization included one cash back reward tier, a low monthly non-qualification fee and an e-statement option.

The institution also benefitted from Pinnacle’s 2-tiered approach to training, which provides general training for all bank personnel and specialized sales and product training for all front line and branch employees. This approach ensures that bank representatives can easily explain the benefits of the new account and match the customer’s wants and needs with the right products.

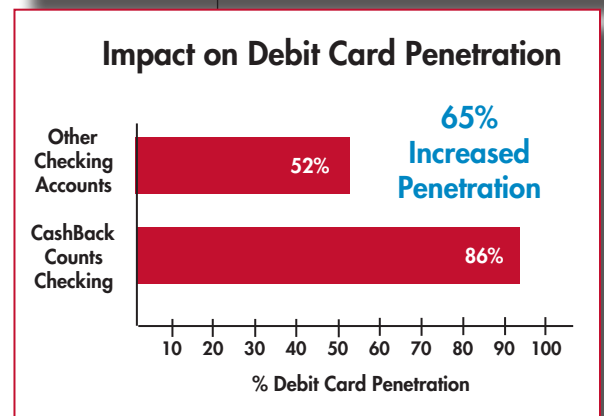
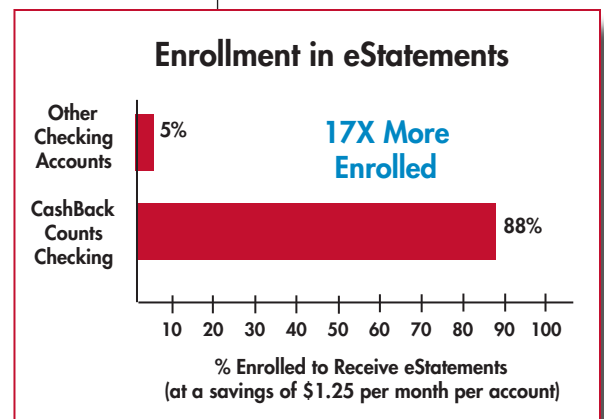
**EARLY RESULTS** CashBack Counts accounts have proven to be much more profitable for the bank compared to their other checking products. CashBack Counts Checking debit card penetration is at 86% compared to 52% for their other checking accounts. The average number of debit card transactions per account per month for CashBack Counts is 263% higher than that of their other checking accounts (40 transactions per month versus 11). CashBack Counts also has a 98% retention rate.

And with over 88% of the CashBack Counts customers opting for e-statements as compared to just 5% for other accounts, the bank is able to save on expenses by reducing their statement rendering cost by \$1.25 per account.

What Counts Rewards give local banks and credit unions a turnkey and affordable way to both attract and retain new account holders and increase non-interest income and profitability.

*“We’ve worked with Pinnacle for more than ten years and we can always depend on them to bring us innovative ideas to help us grow our market share and stay profitable.”*

— George Simonton, Sr. Exec. VP,  
Chief Operating Officer  
Community Bank of Texas



**REFERENCES:**  
RCB Bank, Claremont, OK  
Community Bank of Texas, Beaumont, TX