



## The Mounting Cost of Missed Opportunity

An in-house overdraft program cost these banks over \$12 million in unrealized revenue ... plus the risk of non-compliance.

**SCENARIO** Under pressure from shrinking revenues and increasing competition, many community banks and credit unions try to protect profitability by reducing costs.

While that may seem like a logical response to a worthy objective, the plan can quickly backfire if not bolstered by sufficient expertise and resources, especially on such critical programs as overdraft privilege, already under increasing scrutiny in a changing regulatory environment.

**THE PINNACLE PERSPECTIVE** Running an “in-house” overdraft privilege program to avoid third-party fees can have unforeseen ramifications, and has been proven to result in lost income, lost opportunity and increased compliance risk. Migrating an existing program to an automated, disclosed Pinnacle program delivers measurable benefits in increased fee income, increased operational efficiencies, improved customer relationships and assured regulatory compliance.

We begin with a proven 2-tiered training program designed to engage employees at operational and branch levels. We conduct a comprehensive analytical review of each client’s deposit base to derive program parameters specific to the institution and its customers.

Once implemented, a quarterly review of key performance indicators monitors program performance against others in the institution’s peer group, and we help analyze these results and make any necessary adjustments. This system ensures that each institution’s program is responding to the external and internal conditions that have a direct impact on success. No other overdraft privilege provider works as closely with its clients on an ongoing basis to ensure continued success.

(continued)

### KEY TAKEAWAY POINTS

An in-house program can result in lost revenue, lost opportunity, and compliance risk

Pinnacle’s automated overdraft programs improve operational efficiencies and always meet or exceed regulatory guidelines

Comprehensive training ensures engagement and awareness at every level of the organization

Key performance indicators monitor program results and provide insights for ongoing adjustments to ensure program success

Beyond increased income, benefits include improved customer relationships, loyalty and retention

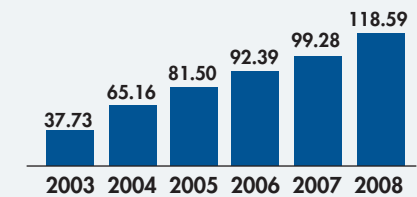
**RESULTS** Below are results for five representative financial institutions that developed and operated in-house programs for several years before implementing a Pinnacle overdraft privilege program. The charts show the improvement in performance year after year after converting to Pinnacle.

## A PINNACLE PROGRAM INCREASES INCOME OVER IN-HOUSE PROGRAMS

Improvement % by Year Over In-House Base Line

### BANK A

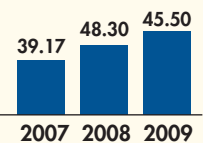
Asset Size: \$129 million  
 # Checking Accounts: 8,927  
 Pinnacle Implementation: Q3 2003



**INCREASED INCOME: \$1,237,000**

### CREDIT UNION A

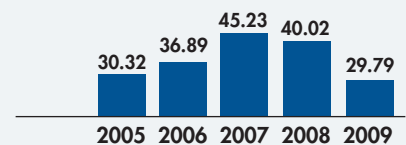
Asset Size: \$197 million  
 # Checking Accounts: 15,641  
 Pinnacle Implementation: Q1 2007



**INCREASED INCOME: \$2,137,000**

### BANK B

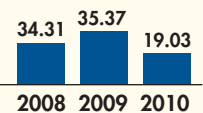
Asset Size: \$6.7 billion  
 # Checking Accounts: 196,000  
 Pinnacle Implementation: Q3 2005



**INCREASED INCOME: \$6,869,476**

### BANK C

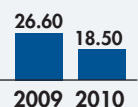
Asset Size: \$653 million  
 # Checking Accounts: 18,472  
 Pinnacle Implementation: Q3 2008



**INCREASED INCOME: \$1,283,813**

### BANK D

Asset Size: \$756 million  
 # Checking Accounts: 30,627  
 Pinnacle Implementation: Q2 2009



**INCREASED INCOME: \$1,201,405**

Asset size and checking account data accurate as of program implementation date.