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**GET INSIGHTS.**  
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# Merchant Services - 3 Essential Elements to Risk-Free Revenue

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# AGENDA

- Industry Overview and Landscape
- Why Do I Need to Offer Merchant Services?
- Processing Options
- FIS Merchant Agent Referral Program

# INDUSTRY OVERVIEW

## What is merchant acquiring?

- Processing of payments
  - MasterCard, VISA, American Express, Diners, JCB
  - Signature and PIN debit cards
  - Government issued benefits: food stamps, AFDC, welfare, etc.
  - Gift Cards
  - Private Label Cards
  - E-Checks
  
- Licensing by MasterCard and VISA
- Making underwriting decisions on each merchant
- Determining price
- Installation and training of merchants
- Settlement of daily transactions
- Collecting monthly discount
- Monitoring risk on each transaction
- Resolving chargeback issues
- Handling day to day operational questions from merchants
- Providing 24/7 terminal support
- Staying current on Federal and association rules and regulations



# INDUSTRY LANDSCAPE

## Industry Landscape

- Approximately 9,000 community banks and 8,000 credit unions
- All banks offer merchant servicing
- Credit unions are looking to commercial accounts to expand
- Approximately 1,000 third party providers of merchant servicing
- All are sponsored by a financial institution into the industry
- More than 75% of all institutions use an agent program

# WHY DO I NEED TO OFFER MERCHANT SERVICING?

- Transaction deposit relationships dictate most other deposit services
- It's a great door opener
- It speaks to their bottom line
- Commercial accounts tend to be the most profitable
- Your competition offers this service

# PROCESSING OPTIONS

## Merchant Servicing

- CU owns the merchant relationship
- CU determines the pricing and service levels
- CU provides training and installation
- CU handles day-to-day customer service calls
- CU performs all underwriting
- CU holds the liability for all transactions processed by their merchants
- CU must be licensed by MasterCard and VISA
- CU responsible for all regulatory changes
- CU receives all income and pays processing fees

# PROCESSING OPTIONS

## Agent Referral Program

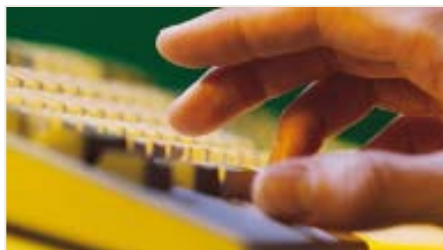
- CU partners with a third party to provide all merchant servicing
- CU refers all new merchants to their partner
- Third party handles all aspects of the merchant business
- CU receives a percentage of the net revenue generated plus a finder's fee
- CU has no cost and no liability



# FIS MERCHANT REFERRAL PROGRAM



**Customized Sales Campaigns**



**Merchant Boarding**



**Terminal Deployment, Activation and Training**



**Merchant Services, Help Desk**



**Client Support Reconciliation, Balancing**



**Billing and Pricing Management, Merchant Retention**



**Chargeback Processing / Dispute Resolution**



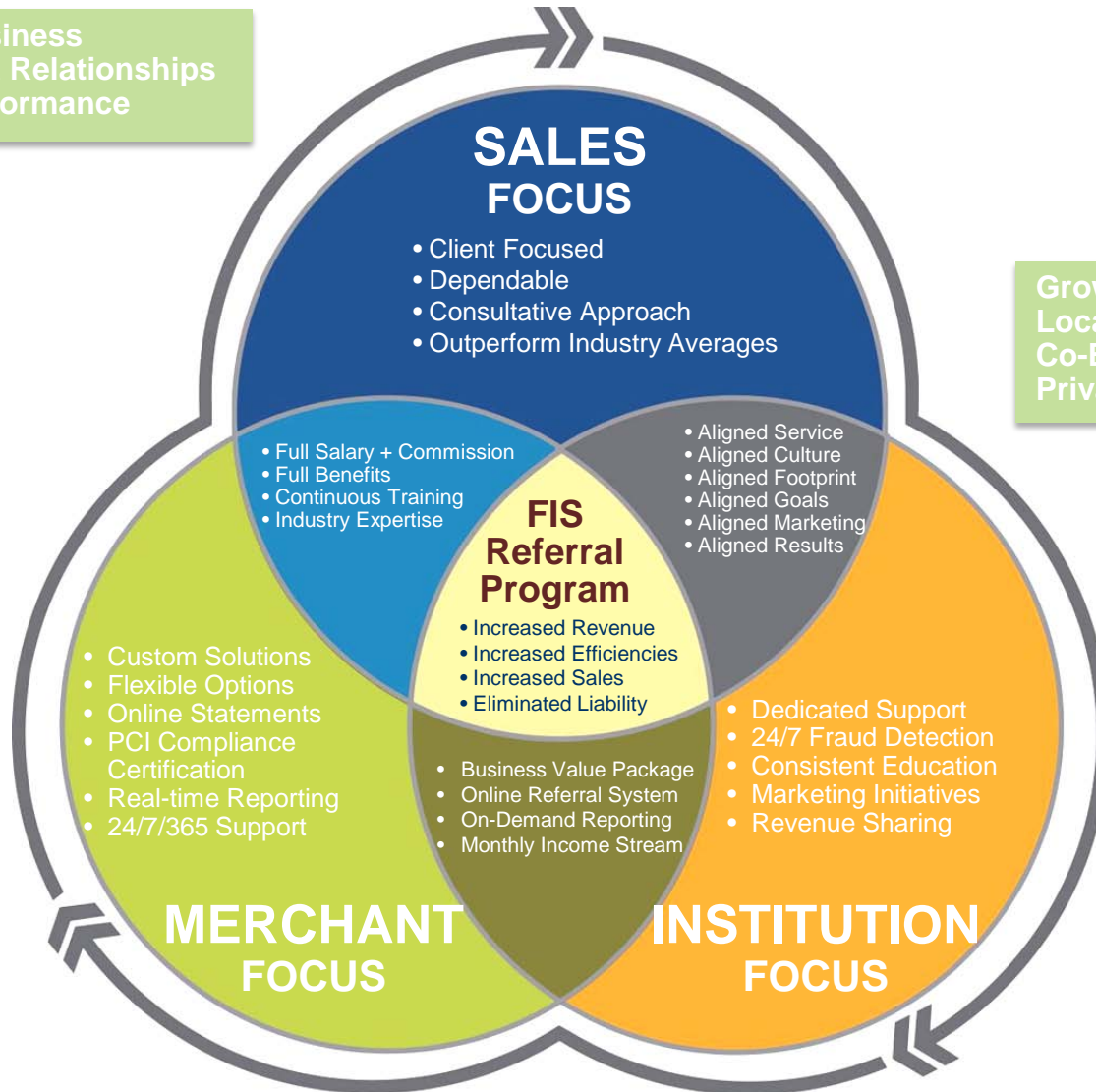
**Risk Management**

# FIS MERCHANT REFERRAL PROGRAM

Driving New Business  
Improving Client Relationships  
Exceptional Performance

Dedicated Support  
Flexible Solutions  
Relationship Driven  
Industry Experts

Growth Focused  
Local Support  
Co-Branded Materials  
Private Label Options



# FIS MERCHANT REFERRAL PROGRAM

- FIS has been providing this service for more than 45 years
- Currently have 400 institutions using the agent referral program
- FIS provides:
  - Sales
  - Installation and training
  - Customer service
  - Terminal support
  - Statements
  - Online reporting to your merchants
  - Settlement of all transactions
- FIS holds all liability for transactions processed
- FIS is responsible for all regulatory changes
- FIS pays \$50 for each approved merchant and 20% of the net revenue



# FIS MERCHANT REFERRAL PROGRAM

## The Process

- CU enters information into our online referral system
- That information is sent directly to the person assigned to your institution
- The sales rep is responsible for contacting the merchant within 24 hours
- Sales rep contacts the merchant and obtains the necessary information
- Agreement is sent to underwriting with a decision within 24 hours
- Rep contacts merchant to do installation and training
- CU receives a monthly revenue report



# BENEFITS OF MERCHANT SERVICES

- Additional revenue stream that goes directly to your bottom line
- No staffing requirements or expense
- No merchant liability
- 97%+ approval rates
- Take advantage of FIS' expertise in:
  - Sales
  - Technology
  - Risk management
  - Servicing
- Co-marketing opportunities
- Targets your best clients
- You design the program that best fits your needs
- FIS does not compete with you in any way



# INTERESTED IN LEARNING MORE?

Please contact your CSCU representative for more details on the FIS Merchant Referral Program.

