

Two Thriving Community Banks, 1st Centennial Bank and TowneBank, Tap into New Revenue Streams with Carreker's NeXGen Remittance

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— Ken Carteron, SVP
1st Centennial Bank

Ken Carteron, a Senior Vice President for the \$350 million-asset Redlands, California-based 1st Centennial Bank, knows that to effectively compete against larger regional and national financial institutions that he has to be creative when it comes to maximizing new revenue opportunities.

"At 1st Centennial, we realize that we're not the biggest bank around, but we see our size, resourcefulness, and commitment to customer service as a major competitive advantage," said Carteron. "It basically allows us to be more innovative in finding new revenue streams. For example, we can target local prospects like management companies who have control of multiple homeowners associations that may not be as attractive to larger banks, but can provide us with additional revenue from an unconventional source."

Successfully Targeting Niche Markets

Community banks are taking advantage of a trend in which many corporate customers with smaller monthly remittance volumes are finding it difficult to find banks or third party processors who will consider low volume accounts. In particular smaller banks are beginning to focus on previously untapped niche markets such as the property management industry and the processing of homeowner associations' payments.

Smaller banks see this as an opportunity to attract new business and are finding that these customers are attracted to the quality processing and high touch customer service that they can provide.

Carteron added, "In order to be successful in pursuing these clients and offering the level of service that 1st Centennial has built its reputation on, we wanted to be certain that we had a suitable remittance solution. That's why we turned to Carreker. We knew that their NexGen Remittance solution was the 'Cadillac' of the industry and would not only meet, but exceed all of our processing needs. Carreker's scalable NeXGen® Remittance solution allowed us to double our remittance processing volume in one year. It basically provided us with 'big bank' functionality at a substantially lower cost, allowing us to offer the same services as our larger competitors."

TowneBank Gets A Turnkey Solution

From a small start-up in 1999, Portsmouth, Virginia-based TowneBank has grown to 16 branches throughout the Hampton Roads area and has quickly established a reputation as one of Virginia's top-performing community banks.

TowneBank is also seizing this opportunity to gain market share. The \$1.4 billion-asset bank was approached by a local homeowner's association to create a lockbox product. The homeowners association was dissatisfied with the level of customer service they were receiving from a large regional bank.

Having no prior knowledge of lockbox operations, TowneBank engaged Carreker. Within two months of the initial call, TowneBank had a fully

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TowneBank

NeXGen Remittance is a complete solution for processing retail, wholesale and exception payments on a single platform. Utilizing advanced recognition and image workflow technologies, it is a proven system that reduces costs as it improves processing efficiency and accuracy. Because it is easy to implement, maintain and audit, the system also reduces operations and training requirements. This integrated remittance system offers significant flexibility in tailoring the unique features that best address a variety of payment types.

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implemented system and was processing remittance items for the homeowners association.

The TowneBank installation, which included design, installation, training, and migration to a production environment, was completed over a three-week timeframe.

"The speed at which the project was completed was truly amazing," said Keith Horton, Executive Vice President, TowneBank. "Carreker offered us a turnkey solution – from consulting – to pricing – to set up – to installation; and throughout the entire process they were there to answer all of our questions."

Horton continued, "With NeXGen Remittance we can now reap the benefits that were for many years realized only by large and mid-sized banks because smaller banks like us were typically unable to justify the costs of image enabled remittance processing platforms."

Creating a Level Playing Field

Major advancements in technology and dramatically lower costs of image application software and related hardware have created a level playing field for community banks, and forward-thinking organizations like 1st Centennial and TowneBank are seizing that opportunity.

NeXGen Remittance uses advanced image workflow and character recognition technologies to process retail, wholesale, and exception payments on a single integrated platform. Through leveraging several of Carreker's industry-leading payments technologies into an integrated, low-cost platform, NeXGen Remittance offers small-to-medium sized institutions a range of functional capabilities that have traditionally been limited to the large bank domain.

NeXGen Remittance supports a wide array of low-to-high-speed check capture devices, provides highly customizable wholesale remittance processing capabilities, incorporates Carreker's best of breed image recognition and quality inspection tools, and offers the latest payment clearing options which include Automated Clearing House (ACH) and Accounts Receivable Conversion (ARC).

In 2004 Carreker and BISYS formed an alliance enabling BISYS to resell Carreker's NeXGen Remittance payments processing platform to its bank clients. The Bisys Platform, of which the Carreker NeXGen Remittance solution is part of, is endorsed by the American Bankers Association (ABA), through its subsidiary, the Corporation for American Banking (CAB).

