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INSTANT ISSUANCE CASE STUDY

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**GreenBank Instantly Issues Unembossed MasterCard Debit Cards**  
*Pilot Metrics Lead to 52 Branch Launch*

February 2011

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## THE CHALLENGE

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GreenBank is based in Greeneville, Tennessee and has 63 branches across eastern and middle Tennessee, as well as one branch in Bristol, Virginia, and one branch in Hot Springs, North Carolina. Green Bankshares, Inc., with total assets of approximately \$2.6 billion, is the holding company for GreenBank.

GreenBank became one of the largest independent commercial banks in its market by focusing on customer service and innovation. The bank actively promotes the use of check cards with new customers. In 2007, GreenBank began researching long term strategies that would increase debit card activation and usage. At that time, nearly 33% of new customers were not using their cards. The bank felt it was important to

explain the benefits of a debit card to new customers during account opening, but that the effectiveness of this customer education was limited because of the 7 to ten days new customers waited for their new cards to arrive in the mail. In addition, the card activation and PIN selection processes required additional steps, contributing to the delay in customers using their new debit cards.

According to Frank Snyder, Retail Banking Manager, the bank's challenge was to improve the card issuance process and encourage immediate card usage by delivering a personalized debit card in the branch at the time a new checking account was opened. In order to achieve this goal, it was important to find a technology partner with proven experience in launching instant card issuance programs on a large scale. The new system and the card issuance process would require acceptance by customers, merchants and branch personnel, especially the bank's IT staff. The system would have to be compatible with GreenBank's existing account opening process and Jack Henry, the bank's core processor.

"We had tried just about everything to promote debit card usage. We thought instant issuance might be the right tool to get new customers using their check cards from the start of the banking relationship."

Frank Snyder, Retail Banking Manager



"We had to bring all the pieces together and develop a plan that would work for everyone," said Christy Lewis, support specialist at GreenBank. The solution would differentiate the GreenBank brand from the competition and reinforce the message that "GreenBank is Tennessee's Most Convenient Bank."



## THE SOLUTION

GreenBank needed a hands-on evaluation of the hardware, software and support capabilities before deploying an instant issuance system across its network of 63 branches. The bank felt it was important to work with an experienced solutions provider who had the resources to support each branch when the system was installed.

In 2008, GreenBank outlined the criteria for vendor selection which included:

- Proven ease and compatibility with the existing card issuance process including the ability to interface with Jack Henry, the bank's core processing system.
- The ability to support multiple debit card types in one card printer. This would simplify branch operations by eliminating the need to store and manage multiple types of cardstock in the branch.
- Proven, straightforward security features that meet or exceeded MasterCard standards.
- Substantial experience and resources to support a pilot study and the launch of instant issuance at 52 branches over an 18 month period, including operational support at each branch and training for customer service representatives, managers and IT staff.

### Vendor Selection

GreenBank carefully reviewed proposals from three vendors and was particularly impressed with the solution proposed by Datacard Group. The Datacard® CardWizard® instant issuance software had been installed at hundreds of financial institutions and thousands of locations. Datacard Group also demonstrated the FCP 20/20 card printer, which used a patented card printing technology to create personalized, unembossed debit cards with customizable graphics. With this printer, the bank could efficiently issue multiple card types, simplifying branch operations.

GreenBank selected CardWizard because it offered proven compatibility with Jack Henry. CardWizard software also supported instant activation on the bank's debit networks for both signature and

### CARDWIZARD® Software

Leading instant issuance solution for Visa® and Mastercard® debit and credit cards.

Implemented in hundreds of financial institutions and thousands of branches.

For magstripe, contactless, EMV® E compliant cards, and NFC applications.



### FCP 20/20 Card Printer

Creates "flat" unembossed financial cards that comply with Visa and Mastercard operating regulations.

Custom graphics, color card-printing, magstripe encoding, and smart card programming are fully supported.

Enhanced security options are built-in.



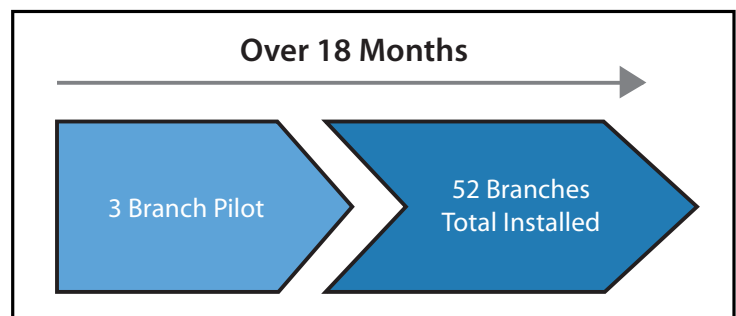
PIN-based transactions, meaning that new customers could make card purchases immediately after opening their accounts.

GreenBank liked Datacard Group's proposed support plan because the company offered resources for each branch installation, including training for customer support representatives, branch operations personnel, and information technology staff. Datacard Group's depot exchange program also enabled the bank to quickly and efficiently handle any hardware maintenance issues-- in the event of a printer failure, the company would simply deliver a new printer via next day shipping, and the bank would ship the problem printer to Datacard for maintenance. GreenBank felt this support model would help to ensure a successful program.

## PILOT STUDY AND IMPLEMENTATION

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GreenBank mapped out an 18 month implementation plan that commenced with a three branch pilot in the second half of 2008. New customers and existing customers needing replacement cards were able to choose from four graphic images in the branch at the time of account opening. Datacard provided installation support and training, and Jack Henry helped track the performance of the instantly issued cards.



When the pilot data was analyzed, the results showed a significant lift in activation and usage rates for instantly issued cards compared to mailed cards. The average days to first use was reduced by as much as 10 days over mailed cards.

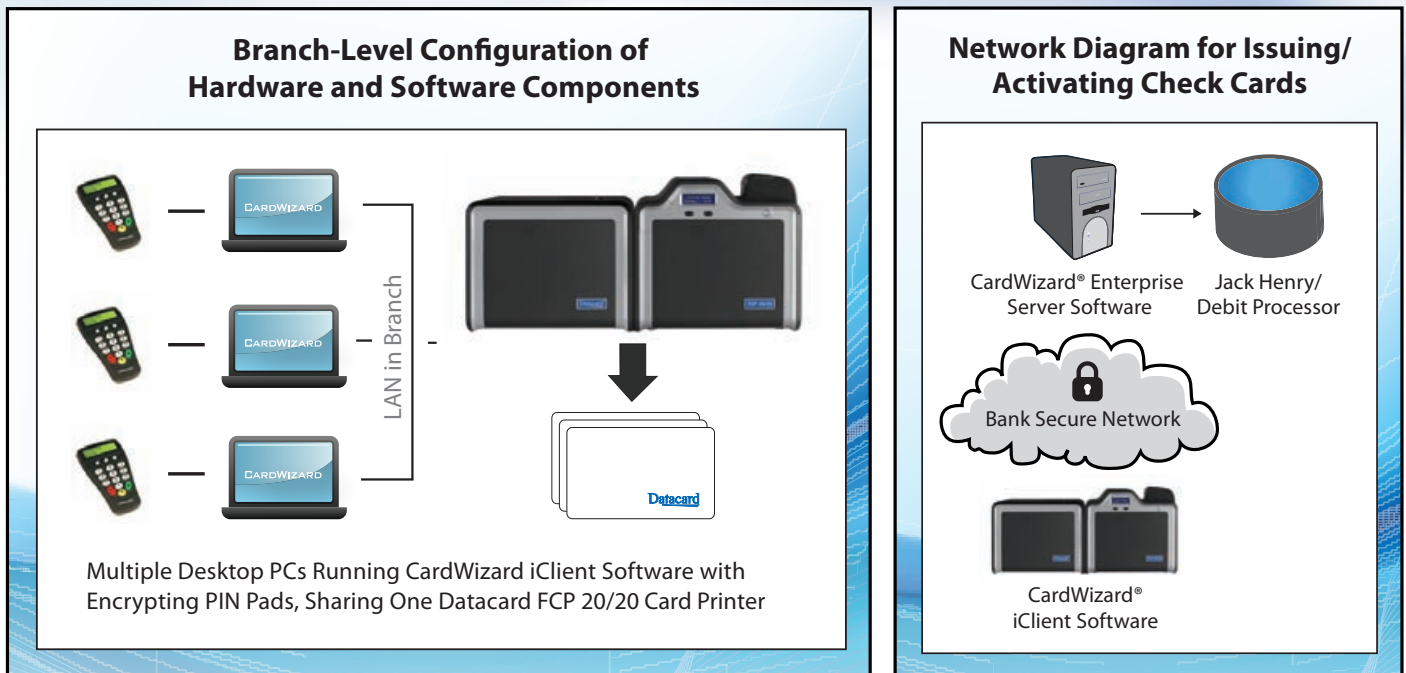
Based on the success of the pilot, GreenBank made the decision to install CardWizard software at 49 more branches in a phased development plan that was completed in 2010. The bank currently has 52 out of 63 branches instantly issuing check cards, and it plans to launch instant issuance at all remaining branches in the near future. Customers can now select from seven card images.



## CARD ISSUANCE PROCESS

When a new checking account is opened, the customer can request to have a Mastercard check card mailed or instantly issued at the branch. The instant issuance workflow occurs as follows:

1. Through the new account application process, the debit card product is selected and set up on the account on the bank's host database (Jack Henry).
2. If the customer wants a card mailed, then the "mailed" option is selected, and the bank's existing process for ordering a mailed card is completed.
3. If the customer selects the instant issuance option, the customer service representative (CSR) opens the CardWizard "iClient" software loaded on the desktop PC.
4. The CardWizard iClient software interfaces with Jack Henry to display the card record information for that customer's new check card.
5. The customer selects a PIN using the CardWizard software encrypting PIN pad.
6. CardWizard software securely transmits the PIN offset data to Jack Henry to update the card record with the customer's selected PIN.
7. The card is then personalized (printed and encoded) in 60-75 seconds, during which time the CardWizard software monitors the card production process, ensuring a "good" card was produced. The card is immediately active for both PIN-based and signature-based debit



## LONG TERM BENEFITS

From the pilot phase through deployment at 52 branches, GreenBank has been pleased with its partnership with Datacard, especially with the company's commitment to making the program a success.

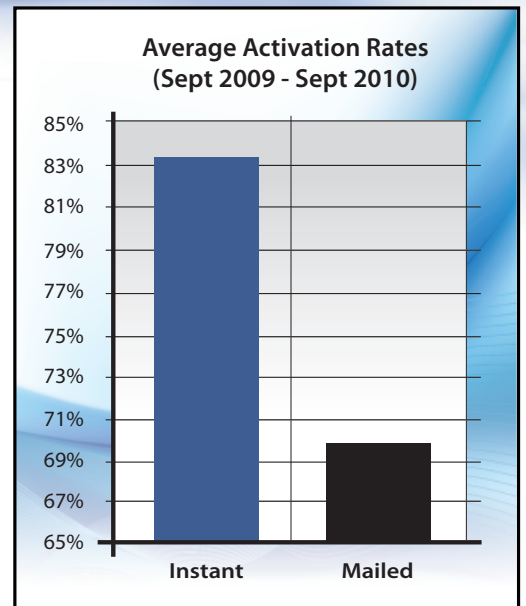
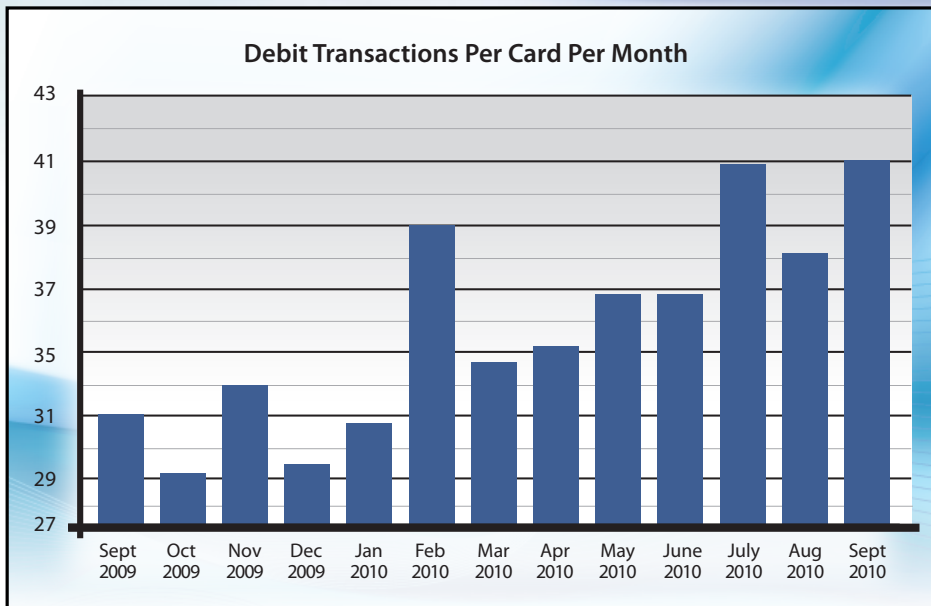
### Improved Debit Card Metrics

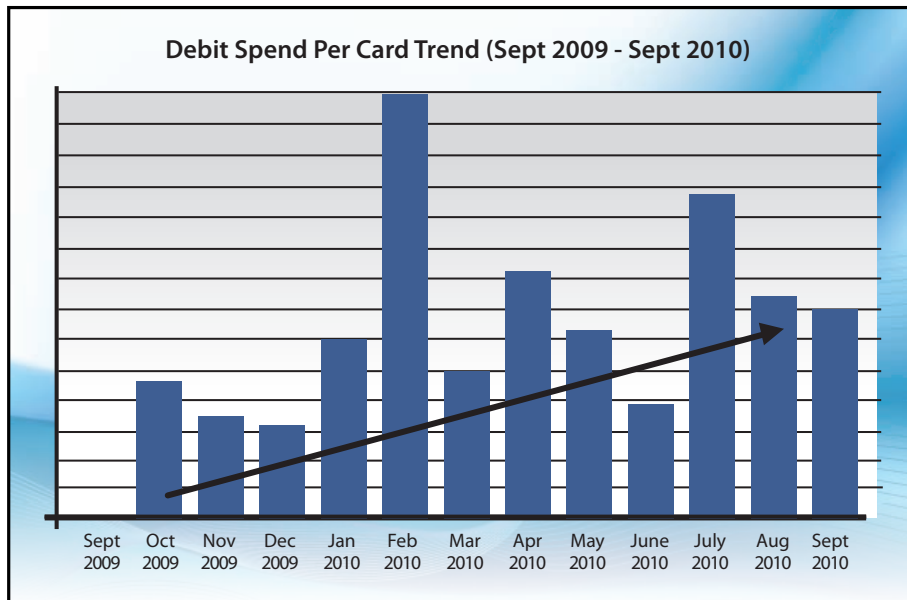
Since implementing instant issuance in 2008, debit card activation rates have increased substantially. Card usage and spend per card also have increased dramatically, as shown in the charts below.

### Ease of Use and Merchant Acceptance

CardWizard software ease of implementation, security features, and intuitive administrative functionality have led to a high level of acceptance by bank staff, both in the branch and in the back office. The card issuance process has been extremely reliable, and technical issues have been minimal. Both customers and merchants have embraced the unembossed, flat card design.

"Customer convenience is always a competitive advantage," said Frank Snyder, Retail Banking Manager. "Instant issuance has not only provided customer convenience, but also boosted debit card use significantly, and that was the goal. Our employees believe in it because they see the results with the customers and in the metrics."





## An Enhanced Customer Experience

GreenBank believes that having the ability to instantly issue debit cards in the bank's branches has provided a unique competitive advantage over other financial institutions.

- Instant issuance has become a key element in onboarding new customers, and the bank's debit card metrics support this strategy. The bank has eliminated the delay for a customer to receive a new card in the mail. By providing a debit card instantly when an account is opened, the CSR can more effectively explain card features and benefits.
- Customers transitioning to GreenBank from other financial institutions are pleased when they don't have to wait a week or more to receive a debit card that can be used for signature-based debit purchases.
- New customers feel more secure getting their debit cards and selecting their own PINs in the branch when opening their checking accounts. Existing customers are delighted when they can get replacement cards immediately, instead of waiting for cards to be mailed.

Christy Lewis said, "The word has gotten around that instant issuance works. I overheard some guy at Wendy's all excited because he got an immediate replacement debit card at a GreenBank Branch. I knew then we made the right decision when we selected the CardWizard software."



# ACKNOWLEDGEMENTS

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