



For Immediate Release
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***BITS Paper Spotlights Emerging Banking Technology:
Account-to-Account Transfers***

WASHINGTON, DC, May 4, 2005 — BITS, a nonprofit consortium of 100 of the largest financial institutions in the US, announced today it has published a paper on a promising emerging financial services technology: account-to-account or “A2A” electronic funds transfers.

A2A electronic funds transfers enable consumers to transfer funds between bank accounts they hold at different financial institutions or into other individuals’ accounts. Today, some services allow for inter-bank transfers while others are limited to transfers within a single financial institution.

A2A services are gaining popularity as consumers become more comfortable with online banking. Consumers are already using A2A products and services because of their lower cost, convenience and options for “one-stop” financial shopping.

“Nearly 5 billion consumer-to-consumer checks are written each year, so A2A has tremendous market potential,” said Catherine A. Allen, CEO of BITS. “It is critical that financial services executives understand this complex and growing market.”

The BITS paper, “Account-to-Account Services: An Emerging Product Overview,” was written for financial services executives eager to learn how they individually and the industry collectively can make optimal use of A2A technology. It was developed by executives at leading US financial institutions, in collaboration with third-party service providers and leading payments networks. The paper covers areas of opportunity, customer benefits, steps the industry should consider to improve A2A services, and customer adoption and risks related to A2A products.

“Financial services executives need to appreciate both the opportunities and the risks in A2A,” said Rodney Chard, executive vice president of Operations and Technology at Whitney National Bank. “This paper will enable our industry to play the leadership role in delivering these valuable services to consumers efficiently and soundly.” Mr. Chard led the team of financial services executives in drafting the paper.

Benefits of A2A services for financial institutions include asset gathering and fee generation in support of a service customers want to use, a relatively low cost of entry and considerable product flexibility.

Among the challenges addressed in the paper are potential increases in fraud, money laundering and security risks. The paper suggests how A2A technology fits into evolving banking regulations, particularly the Bank Secrecy Act.

“Account-to-Account Services: An Emerging Product Overview,” is one in series of BITS papers that help financial institution executives better understand emerging technologies. To view this and other BITS publications, go to www.bitsinfo.org and click on “Publications.”

About BITS

BITS (www.bitsinfo.org) was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. A nonprofit industry consortium that shares membership with The Financial Services Roundtable, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect, acting quickly to address problems and galvanize the industry. BITS’ activities are driven by the CEOs and their appointees—CIOs, CTOs, Vice Chairmen and Executive Vice Presidents—who make up the BITS Executive Committee and BITS Advisory Council.

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