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BSG Financial Endorses Final Overdraft Guidance

*—Provider of overdraft protection programs already
in compliance with best practices—*

LOUISVILLE, KY., Feb. 28, 2005 – BSG Financial, LLC, provider of the OverdraftHonor® courtesy overdraft program – the “Responsible Approach™” to customer and risk management, announced today its endorsement of and full compliance with the Joint Guidance on Overdraft Protection Programs by the Federal Reserve Board, Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) and Office of the Comptroller of the Currency (OCC), as well as a separate guidance published by the Office of Thrift Supervision (OTS).

The final guidance, which was issued Fri., Feb. 18 by the federal bank and credit union regulatory agencies, is intended to assist financial institutions in the disclosure and administration of overdraft protection services. The issuance explicitly states that its application is intended for all overdraft programs, both disclosed and undisclosed – an inclusion that is a distinction from the previously released proposed interagency guidance – which means all depository institutions with any kind of overdraft protection program will be subject to the guidelines.

“We are encouraged by the thoroughness of the guidelines, and along with our responsible and compliant program, anticipate an increase in more consistent, consumer-friendly programs industry-wide,” said Barrett Nichols, founder and CEO of BSG Financial. “All financial institutions, from community-sized institutions to money center banks that typically have undisclosed programs, will benefit from this clarity. This is, in our opinion, especially good news for consumers, who can now expect the same level of service through a fully-compliant, disclosed overdraft program.”

According to Mike Alvey, president and COO of BSG Financial, the guidelines are a positive reinforcement to banks and credit unions that it is perfectly acceptable to offer a disclosed overdraft program, provided the institution administers it correctly. Areas of prior uncertainty – such as providing the overdraft service at ATMs, tellers and at point-of-sale – have been clarified. With the assistance of a reputable program provider, all of the guidance’s best practices may be implemented without risk.

Among the guidelines that Alvey views as especially favorable to both consumers and the institutions is the requirement to monitor accounts and provide such reports as usage volume, profitability and credit performance.

“BSG Financial has always believed that accurate reporting is an essential element of a well-run program, distinguishing us from our competitors,” said Alvey. “BSG Financial’s OverdraftPro™ data collection and customer management software, the ‘power’ behind the OverdraftHonor program, is the only patented strategy engine software of its kind on the market today.”

“Our software has always performed every one of the requirements stated in the new guidance,” said Nichols. “Because of OverdraftHonor’s scalability, BSG Financial is uniquely qualified to help all financial institutions, regardless of size or core processor, increase customer satisfaction and enhance revenues.”

BSG Financial has successfully implemented its OverdraftHonor program in financial institutions throughout the U.S. According to Nichols, BSG Financial’s solid record of success, coupled with its “Responsible Approach” and industry-leading software, should make a financial institution’s decision to disclose an overdraft program an easy one.

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About BSG Financial, LLC

Louisville, Ky.-based BSG Financial, LLC is a provider of programs and marketing services to the financial industry that help increase profitability, while enhancing customer relations. Its flagship program, OverdraftHonor®, is a proprietary courtesy overdraft program unique in its responsible approach to customer and risk management, profitability and ongoing technical and customer service. In addition, BSG Financial offers other profit-enhancing programs that increase retail account openings; outsource collections; repair damage caused by identity theft; and reduce institutional costs.

BSG Financial is privately owned and has offices in Kentucky, Florida, Texas, Massachusetts, Missouri, North Carolina and Pennsylvania.

For more information about the company, visit www.BSGfinancial.com.