

Online Resources Corporation

Banking Expedited Payments - A 12 Month Report Card

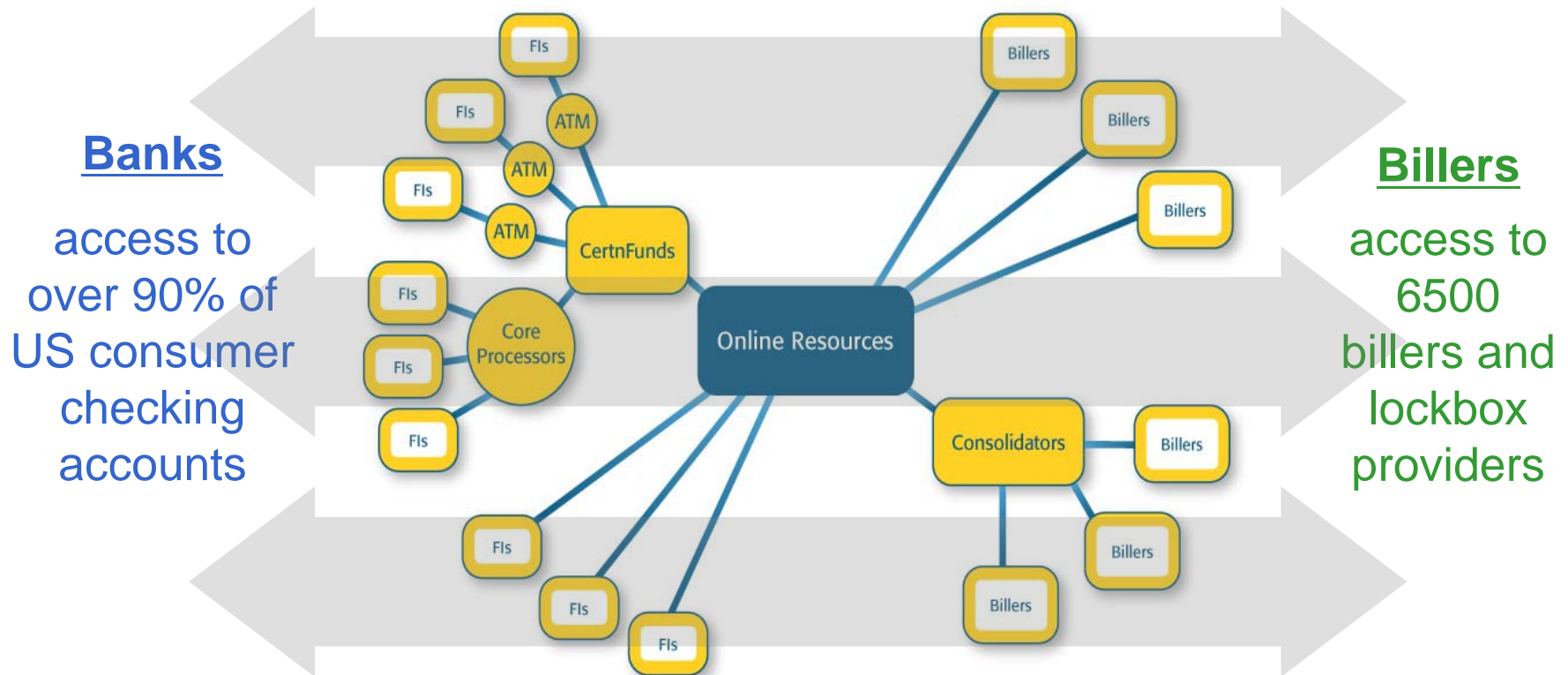
April 8, 2009



Online Resources (ORCC) Serves Both the Financial Institution and Biller Markets

	MARKETS	
SERVICES	BANKING	eCOMMERCE
Information Services <ul style="list-style-type: none"> • Account presentation • Relationship management • Other premium services 	Community Banks & Credit Unions	Large Banks
Transaction Services <ul style="list-style-type: none"> • Bill Payment • Debit • Collections 		Billers & Creditors

End-to-End Online Payments Network



Agenda

- **Defining an Expedited Payment**
- **User Experience Overview**
- **Integrated Solution Results**
- **Marketing Expedited Payments**
- **Consumer Research**
- **Summary / Questions**

- **Definitions Differ Across Industry**
- **ORCC Definition:**
 - **Payment Delivered Faster Than Standard Timing**
 - **Customer Pays a Fee for Faster Delivery**
 - **Typically a Same Day or Next Day Payment**
- **Industry Terms**
 - **Expedited Payments**
 - **Panic Payments**
 - **On-Demand Payments**

Recent Analyst Coverage

- **“Banks Must Add Expedited Payments Now or Lose \$5 Billion in Fees to Billers”** Javelin Strategy and Research, 2008 Expedited Payments Forecast
- **“...consumers appear quite willing to pay \$5 to \$15 to avoid late payment charges and a ding on their credit reports..what was a niche vendor offering three years ago is now a standard capability customers expect”**
Elizabeth Rowe, Group Director of Mercator Advisory Group's Banking Advisory Services
- **“72% surveyed agreed if their bank offered same day payments, they would be more likely to pay bills online”** Online Resources Consumer Survey 2008

ORCC's Expedited Payments Solution

- **ORCC is Leveraging Its Payments Network to Offer an FI-Based Solution**
- **Hundreds of Biller Endpoints Enable Same Day Posting**
- **All Payments Backed by a Comprehensive Payment Guarantee**
 - Covers any Late Fees, Finance Charges, etc.
- **Biller specific cutoff times for same day posting**

Expedited Payments Solution (cont)

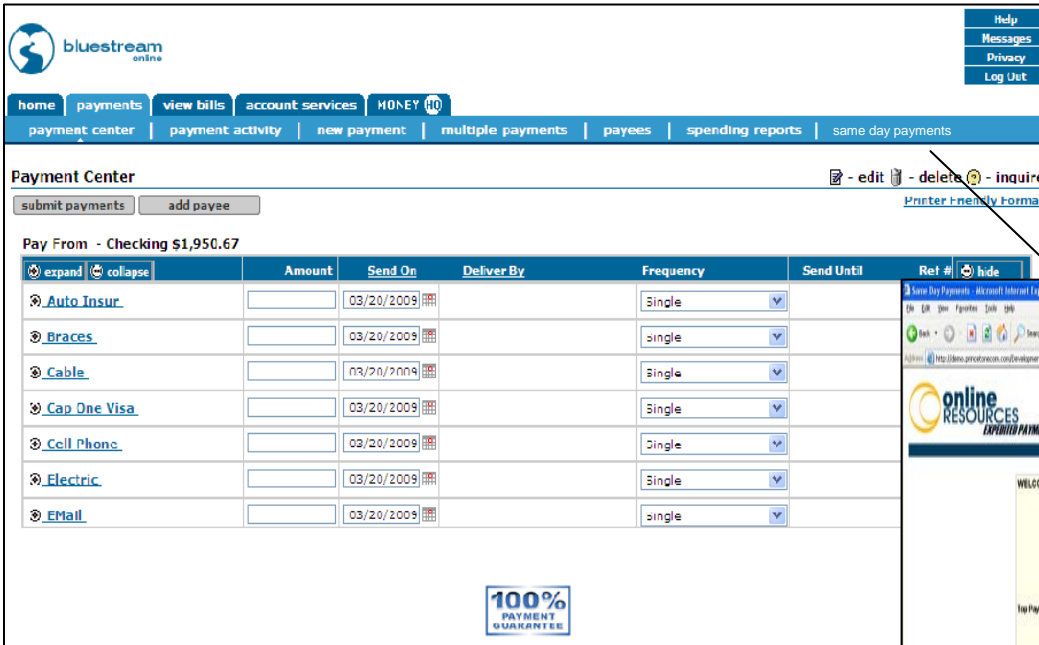
- **Two Product Configurations Available**
 - Expedited Payments API
 - *Integrated* Internet Bill Pay Solution
- **500+ Financial Institutions Currently in Production**
- **Functionality Also Deployed to 3,000+ Walk-Up Payment Centers**
- **FI Consumer Fee (typically \$9.95)**
 - FI receives a revenue share on consumer fee

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User Experience Overview



Lack of Integration Limits Adoption

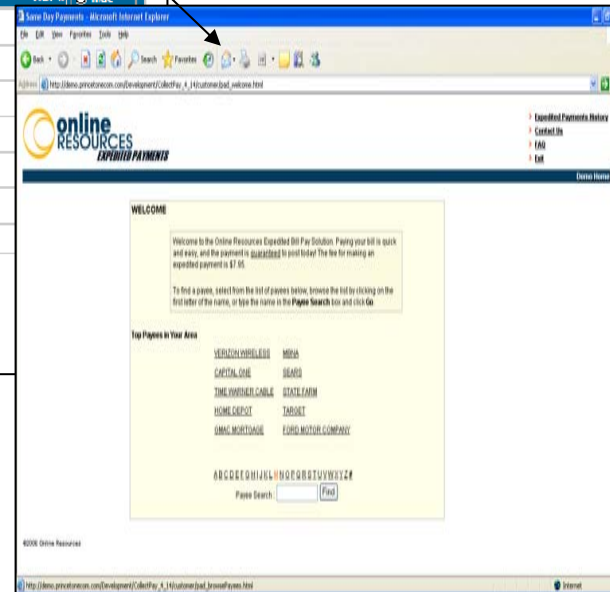


The screenshot shows the 'bluestream online' payment center. The navigation bar includes 'home', 'payments', 'view bills', 'account services', and 'MONEY 40'. Below this, there are links for 'payment center', 'payment activity', 'new payment', 'multiple payments', 'payees', 'spending reports', and 'same day payments'. The main content area is titled 'Payment Center' and includes buttons for 'submit payments' and 'add payee'. A table lists various payees with columns for 'Amount', 'Send On', 'Deliver By', 'Frequency', and 'Send Until'. The table includes entries for Auto Insur, Braces, Cable, Cap One Visa, Cell Phone, Electric, and EMail. A '100% PAYMENT GUARANTEE' badge is visible at the bottom right of the table.

expand/collapse	Amount	Send On	Deliver By	Frequency	Send Until
Auto Insur		03/20/2009		Single	
Braces		03/20/2009		single	
Cable		03/20/2009		Single	
Cap One Visa		03/20/2009		Single	
Cell Phone		03/20/2009		Single	
Electric		03/20/2009		Single	
EMail		03/20/2009		single	

Results:

- Limited FI adoption
- Confusing user experience
- Adoption less than .25%



The screenshot shows the 'Online Resources Expedited Payments' website. The page features a 'WELCOME' message and a list of 'Top Payees in Your Area' including Verizon Wireless, Capital One, Time Warner Cable, Home Depot, Bank of America, and others. A search bar is located at the bottom of the page.

Current UI with Expedited Promotion

Home | Bill Pay | Account Services


Payment Center | Payment Activity | Payees | eBills | Money HQ Reports

Payment Center

Add Payee » Print | Help

Messages (1 new)

Quick Links
[Add Payee](#)
[Make a Payment](#)
[Money HQ Transfer](#)
[Add an Account](#)
[View Demos](#)

Need to pay a last minute bill?


100% PAYMENT GUARANTEE

Payment Account: Joint Checking *7293 Viewing 6 of 8 Payees >

Payee	eBills	Amount	Deliver By	Frequency
American Express	Due Date 06/17/09 View eBill + Add Memo	\$ <input type="text"/>	<input checked="" type="radio"/> 06/18/2009 <input type="radio"/> 06/17/2009 (\$9.95 fee) Expedite	One Time >
AT&T Wireless	Due Date 06/20/09 View eBill + Add Memo	\$ <input type="text"/>	<input checked="" type="radio"/> 06/18/2009 <input type="radio"/> 06/17/2009 (\$9.95 fee) Expedite	One Time >
Cap One Visa	eBill Available Enroll + Add Memo	\$ <input type="text"/>	<input checked="" type="radio"/> 06/18/2009	Weekly >
Electric	+ Add Memo	\$ <input type="text"/>	<input checked="" type="radio"/> 06/23/2009	Monthly >
Gas Card	+ Add Memo	\$ <input type="text"/>	<input checked="" type="radio"/> 06/23/2009	Monthly >
Macy's Credit Card	+ Add Memo	\$ <input type="text"/>	<input checked="" type="radio"/> 06/18/2009	One Time >

[Continue](#)

[Pay a Bill](#)

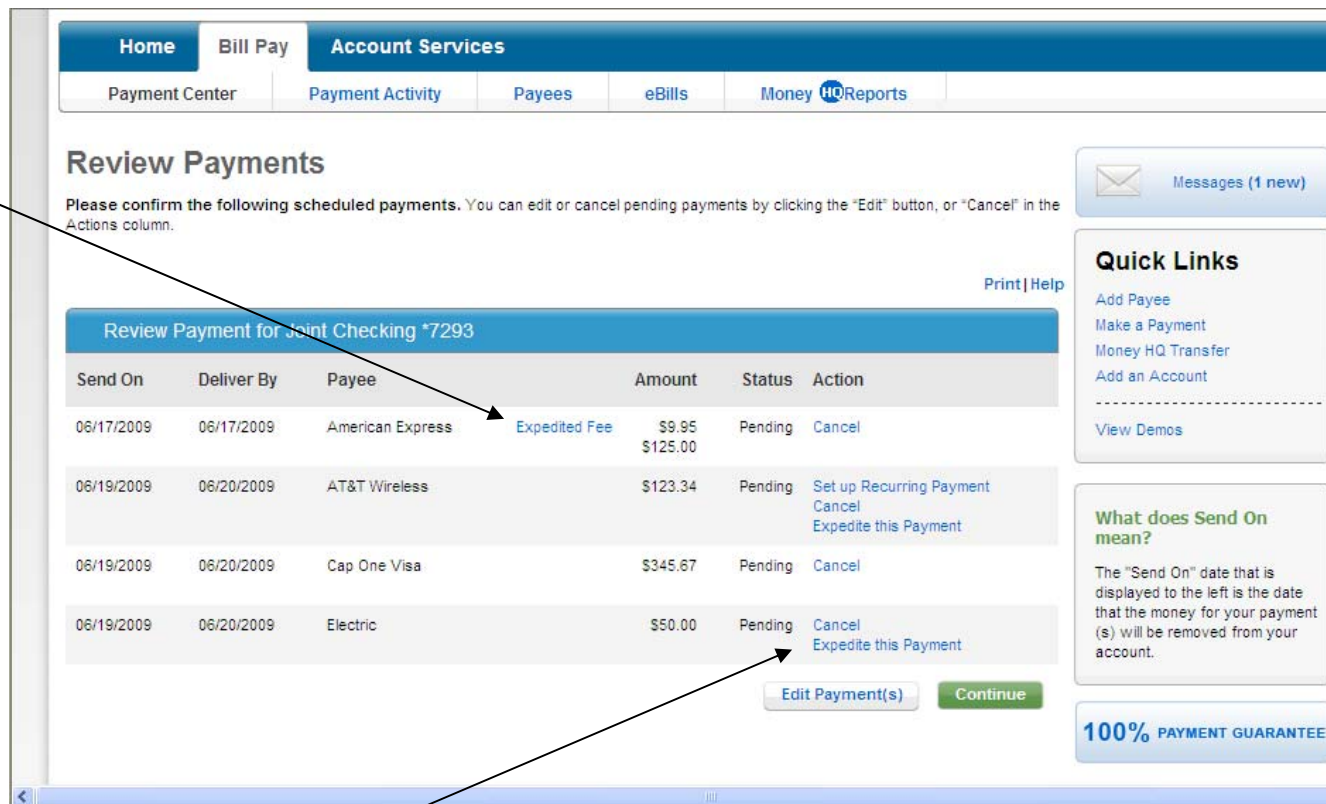
- Ex pay option visually distinguished
- Self-marketing application
- Billor-specific cut-off times are in a rollover
- Secondary reinforcement of the expedited option via marketing

Deliver by

08/28/08

08/26/08 (\$9.95 fee)
Expedite

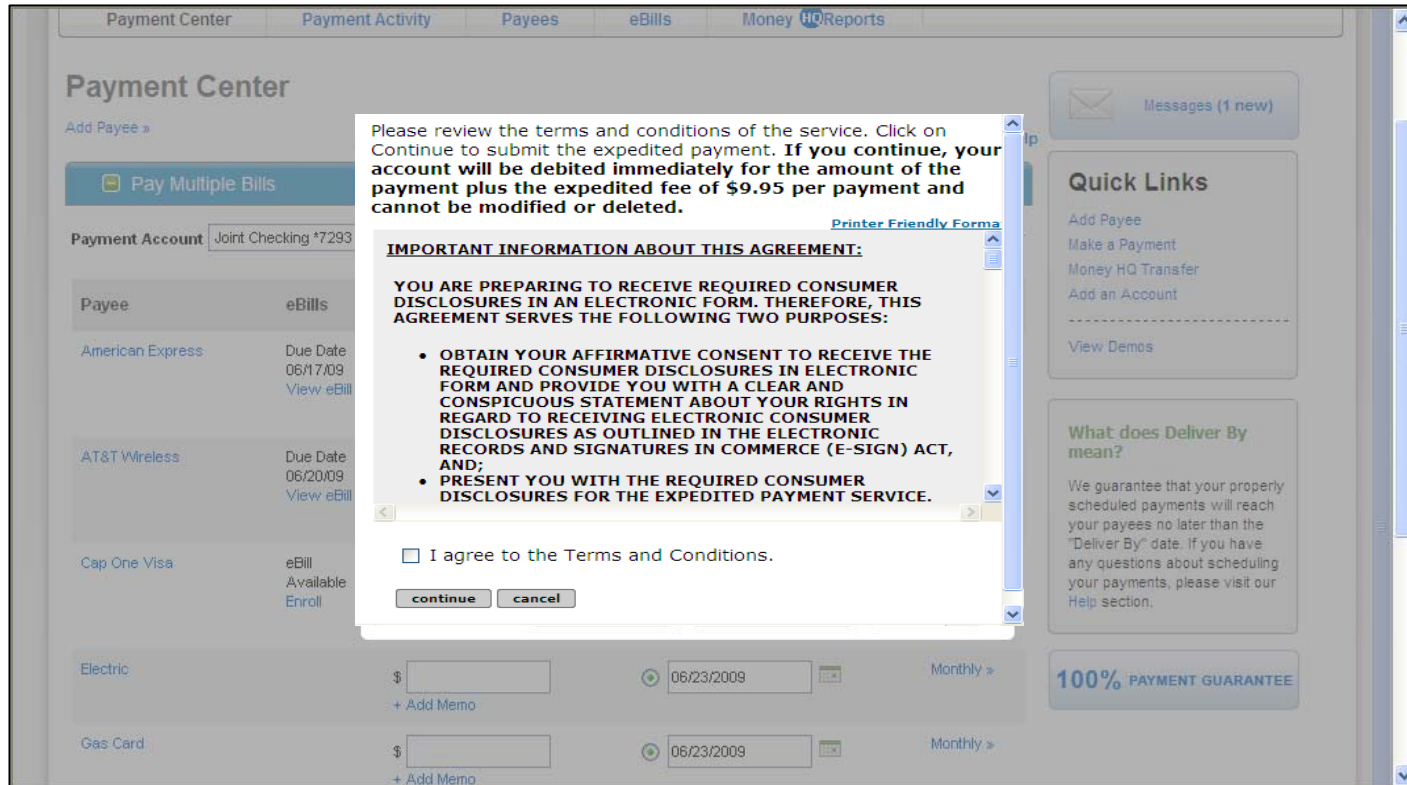
Payment Review Screen



The screenshot shows a web application interface for reviewing payments. At the top, there is a navigation bar with tabs for 'Home', 'Bill Pay', and 'Account Services'. Below this is a sub-navigation bar with links for 'Payment Center', 'Payment Activity', 'Payees', 'eBills', 'Money', and 'HQ Reports'. The main heading is 'Review Payments', followed by a confirmation message: 'Please confirm the following scheduled payments. You can edit or cancel pending payments by clicking the "Edit" button, or "Cancel" in the Actions column.' Below this is a table titled 'Review Payment for Joint Checking *7293'. The table has columns for 'Send On', 'Deliver By', 'Payee', 'Amount', 'Status', and 'Action'. It lists four payments: an expedited fee for American Express, a payment for AT&T Wireless, a payment for Cap One Visa, and a payment for Electric. Each row has an 'Edit Payment(s)' button and a 'Continue' button. On the right side, there are sections for 'Messages (1 new)', 'Quick Links' (Add Payee, Make a Payment, Money HQ Transfer, Add an Account, View Demos), and 'What does Send On mean?' (explaining the date when money is removed from the account). At the bottom right, there is a '100% PAYMENT GUARANTEE' badge. A 'Print | Help' link is also visible.

Send On	Deliver By	Payee	Amount	Status	Action
06/17/2009	06/17/2009	American Express	Expedited Fee \$9.95 \$125.00	Pending	Cancel
06/19/2009	06/20/2009	AT&T Wireless	\$123.34	Pending	Set up Recurring Payment Cancel Expedite this Payment
06/19/2009	06/20/2009	Cap One Visa	\$345.67	Pending	Cancel
06/19/2009	06/20/2009	Electric	\$50.00	Pending	Cancel Expedite this Payment

Expedited Terms and Conditions



The screenshot displays a web application interface for a payment center. A modal dialog is open, displaying the following text:

Please review the terms and conditions of the service. Click on Continue to submit the expedited payment. **If you continue, your account will be debited immediately for the amount of the payment plus the expedited fee of \$9.95 per payment and cannot be modified or deleted.**

[Printer Friendly Form](#)

IMPORTANT INFORMATION ABOUT THIS AGREEMENT:


YOU ARE PREPARING TO RECEIVE REQUIRED CONSUMER DISCLOSURES IN AN ELECTRONIC FORM. THEREFORE, THIS AGREEMENT SERVES THE FOLLOWING TWO PURPOSES:

- **OBTAIN YOUR AFFIRMATIVE CONSENT TO RECEIVE THE REQUIRED CONSUMER DISCLOSURES IN ELECTRONIC FORM AND PROVIDE YOU WITH A CLEAR AND CONSPICUOUS STATEMENT ABOUT YOUR RIGHTS IN REGARD TO RECEIVING ELECTRONIC CONSUMER DISCLOSURES AS OUTLINED IN THE ELECTRONIC RECORDS AND SIGNATURES IN COMMERCE (E-SIGN) ACT, AND;**
- **PRESENT YOU WITH THE REQUIRED CONSUMER DISCLOSURES FOR THE EXPEDITED PAYMENT SERVICE.**

I agree to the Terms and Conditions.

The background interface shows a navigation bar with tabs: Payment Center, Payment Activity, Payees, eBills, Money, and Reports. The main content area is titled "Payment Center" and includes a "Pay Multiple Bills" button, a "Payment Account" dropdown (Joint Checking #7293), and a list of payees with their due dates and eBill options. At the bottom, there are input fields for "Electric" and "Gas Card" payments, each with a date selector (06/23/2009) and a "Monthly" button. On the right side, there are sections for "Messages (1 new)", "Quick Links" (Add Payee, Make a Payment, Money HQ Transfer, Add an Account, View Demos), "What does Deliver By mean?" (We guarantee that your properly scheduled payments will reach your payees no later than the "Deliver By" date...), and a "100% PAYMENT GUARANTEE" badge.

Expedited Payments Are Distinguished in Payment Activity



Welcome, John T. Doe
Email: JohnDoe@gmail.com

[Log Out](#)

Home
Bill Pay
Account Services

Payment Center
Payment Activity
Payees
eBills
Money HQReports

Payment Activity

[Make a Payment »](#) [Print](#) | [Help](#)

Messages (1 new)

Scheduled Payments
Viewing Last 60 Days »

Deliver by +	Send On	Payee	Payment Account	Amount	Frequency	Ref #	Action
6/19/2009	6/18/2009	AT&T Wireless	Joint Checking	\$123.34	One Time	558	Edit Cancel
6/23/2009	6/22/2009	Cap One Visa	Dave's Checking	\$345.67	Monthly	890	Edit Cancel
7/1/2009	7/1/2009	Electric	Dave's Checking	\$87.64	Monthly	709	Edit Cancel
Total Scheduled Payments:				\$579.01			

Processed Payments
Viewing Last 60 Days »

Deliver by +	Send On	Payee	Payment Account	Amount	Status	Ref #	Action
6/17/2009	6/17/2009	American Express Expedited Fee	Joint Checking	\$125.00 \$9.95	Paid	345	Edit Cancel
6/11/2009	6/10/2009	AT&T Wireless	Joint Checking	\$105.25	Paid (eBill)	558	Inquire
6/2/2009	6/1/2009	Cap One Visa	Dave's Checking	\$520.81	Paid	890	Inquire
5/15/2009	5/14/2009	Electric	Dave's Checking	\$67.50	Paid	709	Inquire

Quick Links

- [Add Payee](#)
- [Make a Payment](#)
- [Money HQ Transfer](#)
- [Add an Account](#)
-
- [View Demos](#)

Tax Refund Questions?

The IRS can deposit your tax refund directly into your bank account. This is generally faster, and safer, than having a check mailed to your home address.

What does Deliver By mean?

We guarantee that your properly scheduled payments will reach your payees no later than the "Deliver By" date. If you have

Key user experience learning

- **Integration is critical**
 - Expedited option must be present in the standard payment UI
 - No link to separate page or flow
 - Integrate throughout the Payments tab/pages
- **Be clear about the fee**
 - List the amount of fee and 'fee' label
- **Visually distinguish the expedited and non-expedited option**
 - Easy for the user to see when making payments
 - Easy for user to remember that the option is available
- **Cutoff time should be available but is not always critical**

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Integrated Solution Results



Adoption Varies Across Biller Types

Biller Vertical	% Eligible Payments Going Expedited
Mortgages	2-3%
Major credit cards	1-2%
Retail Credit cards	1%
Utilities	.5%
Telecom	less than .5%
TV/Cable	less than .5%

Other Results

- **50% of payments were sent same day**
- **Average payment amount: \$800**
- **Volume trends with standard payment volume**
- **15th and end of month falling on weekend significantly increases volume**
- **Negligible impact on our call center**

Large Number of Repeat Customers Since Launch

% of Ex Payers	Number Of Payments
28%	2+
11%	3+
5%	4+
Several	20+

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Marketing Expedited Payments



Interim Solution Marketing- Welcome Page



Avoid late fees
and penalties with a
Same Day Payment!

Did you forget to pay a bill? Do you need your payment there today?

We guarantee your Same Day payment will post today avoiding late fees, possible damage to your credit, or even termination of services.

Our Same Day Payment service uses secure encryption technology to ensure your personal information is protected. Plus, with our 100% payment guarantee you will never pay a late fee or penalty for a properly scheduled payment—no questions asked!

Just click on the Same Day Payments or the Payments tab, follow the simple instructions and get your payment there today—guaranteed!

Click through rate 75% higher than other splash pages

Interim Solution Marketing- Banners and Greeting Page

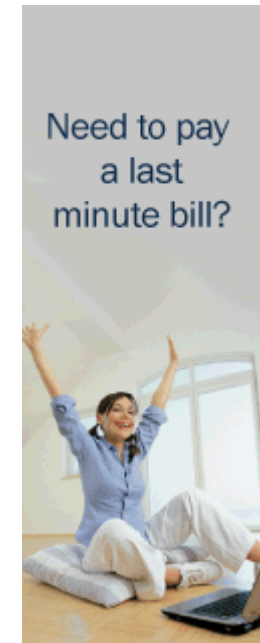


Did you forget to pay a bill?
Are you running out of time?
Do you need your payment
there today?

Avoid late fees, damaged
credit or terminated
service with our
Same Day Payment service.


Get Your Payment There Today

No Thank You



Integrated Solution marketing- Achieved 95% Awareness

GREETING PAGE
Links to Payments Tab



*It's No Secret
Time is money...*

If you've forgotten to make a payment you may have been charged a late fee, or worse yet, had your service interrupted. With Expedited Payments you can solve all your bill paying challenges including:

- Paying bills at the last minute
- Needing your payment to post **today!**
- Avoiding late fees and penalties


Keep your money in your wallet where it belongs and stop paying late fees! With Expedited Payments, we guarantee you will never pay a late fee or penalty for a properly scheduled payment!^{*}

*In accordance with our online payment guarantee

[Pay My Bill Now!](#)

No thank you

SPLASH PAGE
Appears after user clicks on Home Page banner ad



*It's No Secret
Time is money...*

...And if you've forgotten to pay a bill, chances are it's been a costly mistake!

Keep your money in your wallet and stop paying late fees! With Expedited Payments we guarantee you will never pay a late fee for a properly scheduled payment!^{*}

With Expedited Payments you can:

- Pay your bills at the last minute
- Have your payments post on the same business day
- Avoid late fees, penalties, or interruption of service

By not paying your bills online, you are missing out on many conveniences that will simplify your life! To make an expedited payment or a regular bill payment, which is guaranteed to arrive at your merchant in 2-5 days*, just visit our web site, login to the online service, and click on the payments tab to schedule a payment.

We hope you enjoy this new service!

*In accordance with our online payment guarantee. Fees may apply for expedited payments.

"HOME" PAGE BANNER AD
Frame 1

Paying bills at the last minute?



Frame 2

Need your payments to post today?



Frame 3

Expedited Payments can save you time and money!



Frame 4 (links to Splash Page)

Expedited Payments

[Click here to learn more!](#)



WEB SITE BANNER AD
Frame 1



It's No Secret Time is Money...

Frame 2



With Expedited Payments you can:

- Pay bills at the last minute
- Have your payment post today!
- Avoid late fees and penalties

Frame 3



Use Expedited Payments and save time and money!

Frame 4 (links to Greeting Page)




To learn more about Expedited Payments [Click here](#)

Targeted Payee Ads & Emails

Need to pay your Countrywide bill in a hurry?
Get it there fast with an **Expedited Payment!**

[Learn More](#)



Need to make your
Countrywide
payment today?



Use **Expedited Payments**
and get it there **FAST!**

PAST DUE



What Is Expedited Payments?

If you've ever forgotten to pay a bill, you'll appreciate knowing that you can now pay your Countrywide bill on the same day by scheduling an Expedited Payment. Simply click on the payments tab, scroll down to Countrywide and select the date you would like your payment to arrive.*

Additional vendors who accept Expedited Payments will have delivery date options for you to choose from as well.

We hope you'll find the Expedited Payments service easy to use and convenient!

*Fees may apply for Expedited Payments.



PAST DUE

Standard Banner

Large Banner

Splash page
(when banner is
clicked)

Expedited Payments Sweepstakes

- **Ex Payers at FI's that participated were entered to win \$1,000 each time they made an expedited payment over the course of one month**
- **Promotion included:**
 - Statement inserts
 - Posters for branches
 - Banner ads
 - Welcome page ad
 - In-session and Internet emails
- **Result- A 20% increase in expedited volume at participating FI's!**

- Statement Insert



Need to make a last minute payment?

Get it there **FAST** with an **Expedited Payment**, and you could **win \$1,000!**



Get your payment there today with an **Expedited Payment!**

If you've ever forgotten to pay a bill, you'll appreciate knowing that you can now make a same day payment directly through our online application. Simply click on the payments tab, and scroll down to see if your payee accepts Expedited Payments. Payees who do will show a same day delivery option!

During the month of July, you'll automatically be entered to **win \$1,000** each time you make an Expedited Payment!

We hope you'll find the Expedited Payments service convenient the next time you need to get a payment there today!

*Select payees offer Expedited Payments and fees may apply.

No purchase necessary. Void where prohibited. For complete rules visit <https://secure.orcc.com/promo/julyexpay/rules.html>.

In-session Welcome Page



Get your payment there FAST with an Expedited Payment!

If you've ever forgotten to pay a bill, you'll appreciate knowing that you can now make a same day payment directly through our online application. Simply click on the payments tab, and scroll down to see if your payee accepts Expedited Payments. Payees who do will show a same day delivery option!

And, during the month of July you'll be entered to win \$1,000 each time you make an Expedited Payment!

Not right now **Pay My Bill Now!**

*Select payees offer Expedited Payments and fees may apply.
No purchase necessary. Void where prohibited. For complete rules visit <https://secure.orcc.com/promo/julyexpay/rules.html>.

“Don’t Let One Late Payment Ruin Your Credit!”



Don't let one late payment ruin your credit!

With Expedited Payments we guarantee you will never pay a late fee for a properly scheduled payment*, and you can pay vendors like **Countrywide Mortgage, Sprint/Nextel, and Discover!**

With Expedited Payments you can also:

- Have your payments post on the same business day
- Avoid late fees, penalties, or interruption of service
- Preserve your credit

Making an expedited payment is easy. When paying your bills online simply choose the earlier deliver by date, as shown below:

Deliver By 12/01/2008
 11/28/2008 - \$9.95 fee

You're already familiar with all the benefits of online banking and bill pay, so remember to use Expedited Payments when you need your payment to get there fast!

Fees apply for expedited payments.

Key Learning From Marketing

- **Marketing drives awareness and usage**
- **Promote key benefits:**
 - Late fee avoidance
 - Avoid damage to credit ratings
 - Peace of mind
- **Welcome pages during launch helps avoid calls to FI**

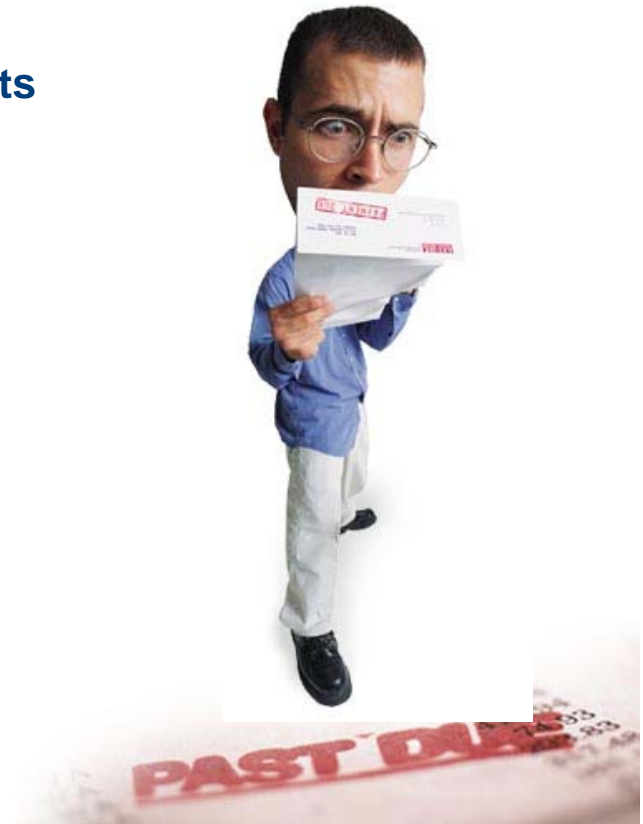
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Consumer Research

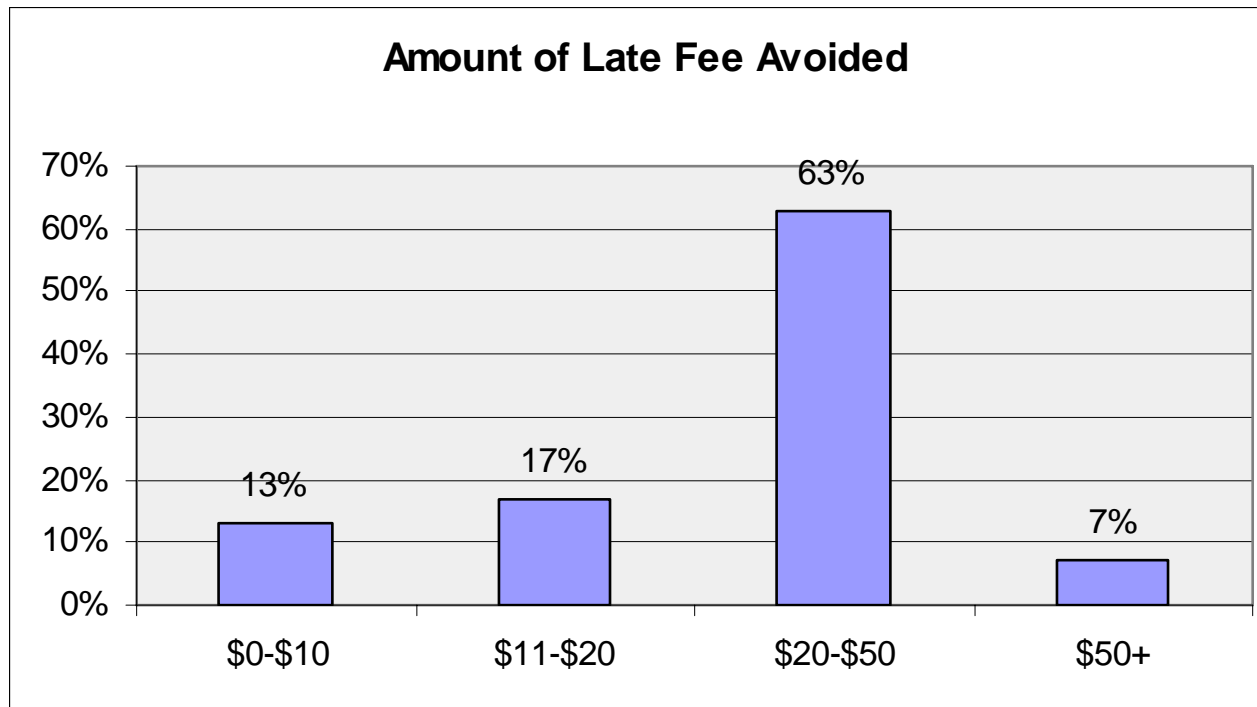


Consumer Demand is High

- **Top Reasons Customers Use Expedited Payments**
 - Avoid Late Fees
 - Avoid Damage to Credit Rating
 - Avoid Disruption of Service
 - Peace Of Mind
- **We've all Been There...**



Most Used the Service to Avoid \$20-\$50 Late Fees



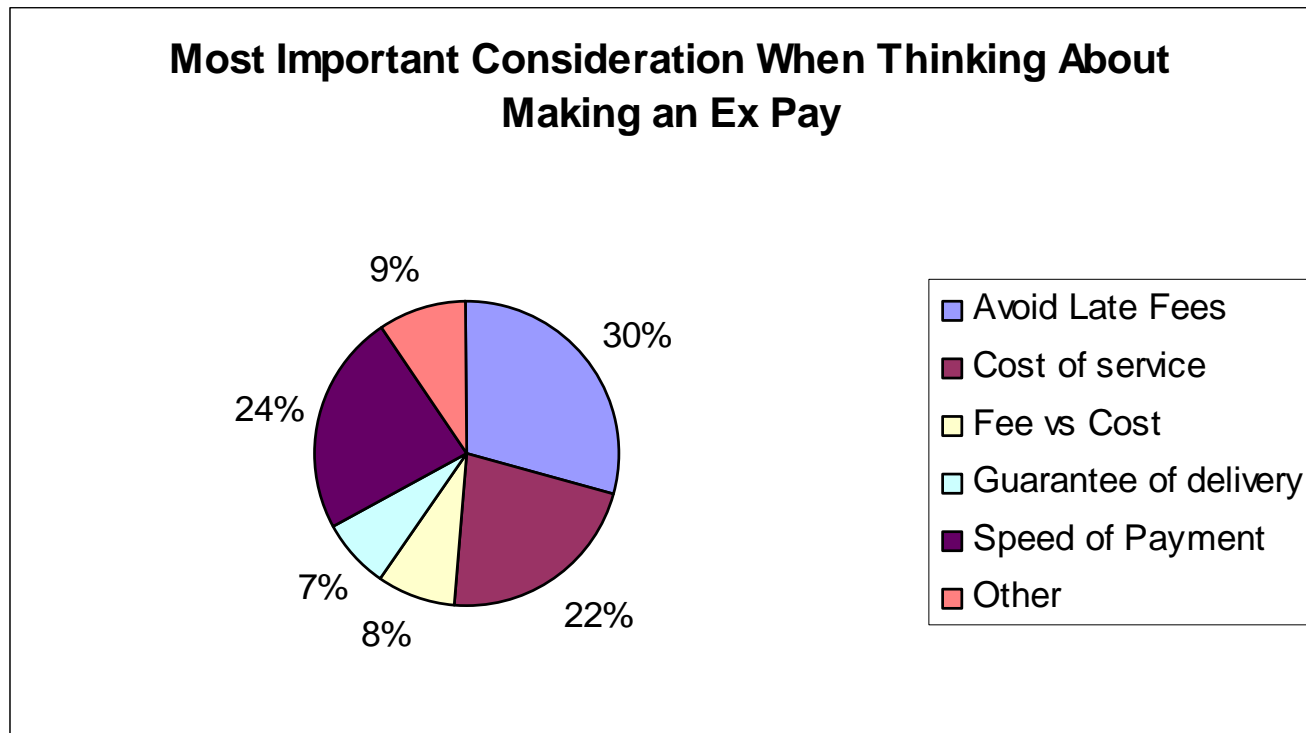
Reducing the Fee Does Not Increase Volume/Revenue

- **Goal: Determine if reducing price would have a greater corresponding increase in volume**
- **Tested \$9.95 vs. \$6.95**
- **Results:**
 - Reducing fee did not increase volume (for any verticals)
 - No change for same day vs. next day delivery
 - Value/cost of late fee and other penalties vs. the Expedited fee is the driver
- **Results supported by independent testing**

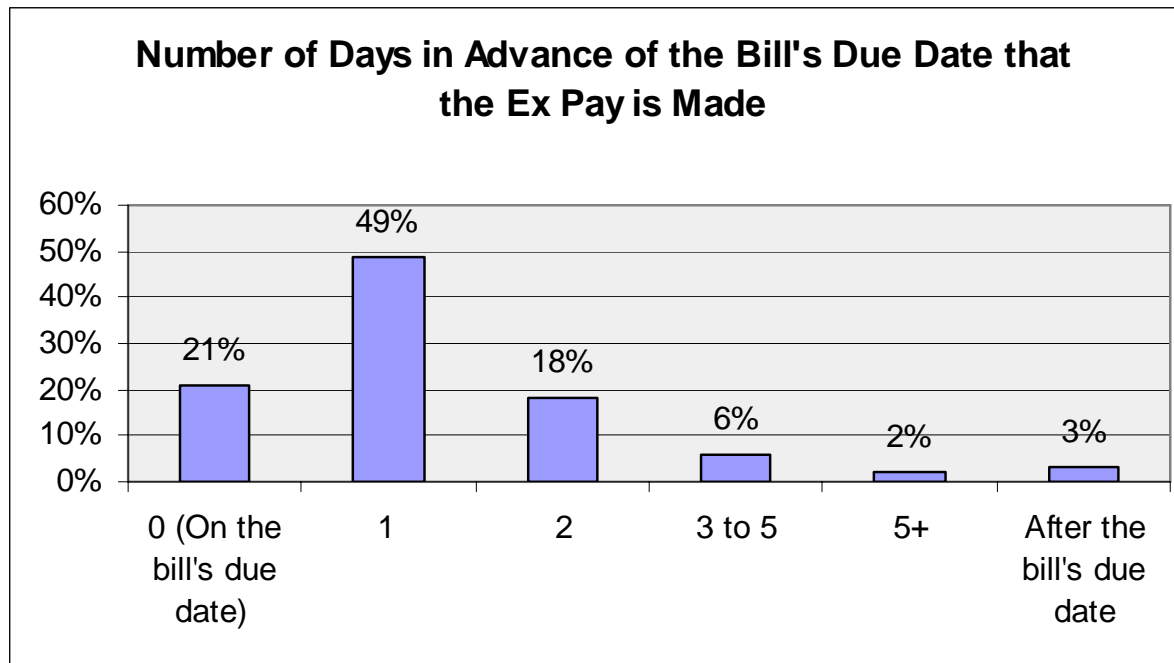
Satisfaction is Very High

- Only 6% of users were dissatisfied with the service
- 78% indicated that they would make another ex pay via their FI
- Main reason for dissatisfaction- expedited fee

Avoiding Late Fees is the Most Important Consideration When Thinking About Making an Ex Pay



Most Ex Payers Make Their Payment One Day Before the Due Date



Consumer Demand – ORCC Survey

- Same Day Payments a Key Driver in Selecting A Primary FI
- 10 Times More Influence than Mobile Banking

National Representative Survey of 1,000 Online Households

<i>Which of the following features is the most important in your selection of which bank or credit union you use for your primary checking account?</i>	Response Percent
Ability to send bill payments from the online banking site and have them arrive on the same day	41%
Ability to view bills at the online banking site	25%
Ability to track spending vs. budget on the online banking site	17%
Ability to open accounts on the Internet	13%
Ability to access account from mobile phone	4%
Grand Total	100%



Key Learning from Consumer Research

- **Most users save a net of \$10-\$40 by using the service**
- **Expedited payment users are happy with the service**
- **Reducing the fee does not result in an increase in volume**
- **People will pay the expedited fee if it is less than the late fees and other penalties**
- **Most people make their expedited payments before the due date**

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Summary



- **Consumers are Demanding Same Day Payment Options**
- **FIs have the Opportunity to Offset the Costs of their Bill Pay Channel**
- **Keys to Driving Expedited Adoption**
 - **Integration into the Existing Standard Payment Flow is Critical**
 - **Integrated Consumer Marketing**
 - **Enable Billers in High Adoption Categories**

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Questions?

