




Presentation materials and video replay will be provided within one week

Have questions? Use the questions panel  We'll field them as we go and during the Q&A recap at the end of the call

Cashing In On Your Check Program

A Harland Clarke Webcast Series

February 23, 2016

Proprietary / Confidential

Today's Presenters



Gwen Cuffie
Vice President
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Senior Strategy Director



Corbin Christensen
Executive Director
Strategy and Planning



Debra Corwin
Vice President
Product Marketing

Agenda

- Check writers: The Opportunity
- Maximizing your check program
- Q&A

Check writers are critical to the profitability of your financial institution

- Better understand your check writers
- Gain maximum revenue from your check program
- Exploit untapped marketing opportunities

Who Are Your Best Customers?

Who has the greatest account loyalty?

Who carries higher account balances?

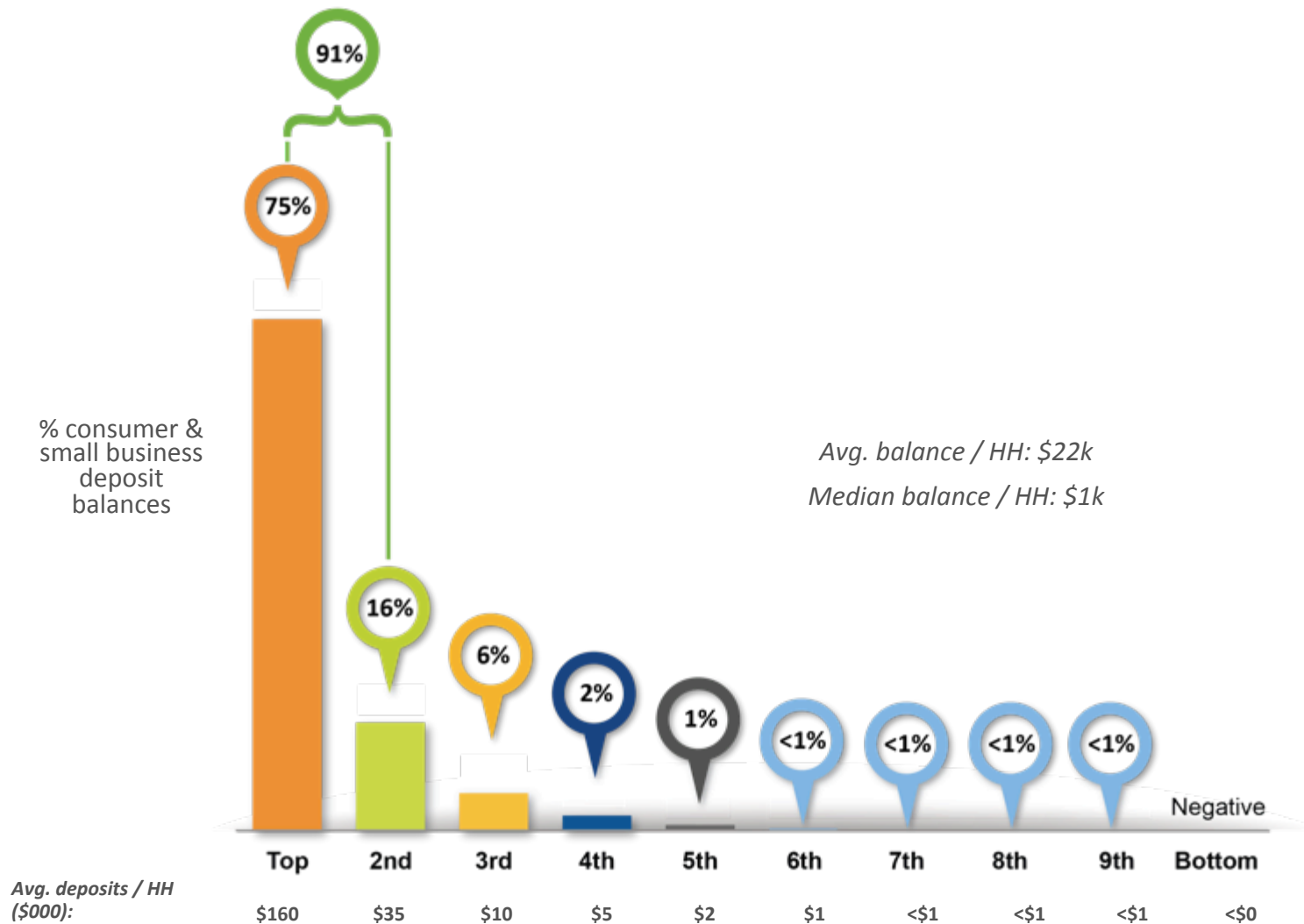
Who has greater cross-product penetration?

Who has higher investable assets?

Who considers your financial institution their PFI?

Check Writers!

20% of Account Holders Hold 90% of Deposit Balances



Check Writers: Your Key to Profitability

Check writers are more loyal¹

Check writers carry higher balances²

Check writers have more products³

Check writers have more investable assets⁴

1 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011.

2 Nielsen/HC check behavior study, 2014

3 Harland Clarke/Nielsen, Why You Shouldn't Write Off Check Writers, 2015

4 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011

Check Writers are More Loyal

87%

87% write checks on their primary account ¹

41%

41% have been with their PFI for 10 years or more²

¹ Nielsen/HC check behavior study, 2014

² State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011

Check Writers are More Affluent



Flourishing Families

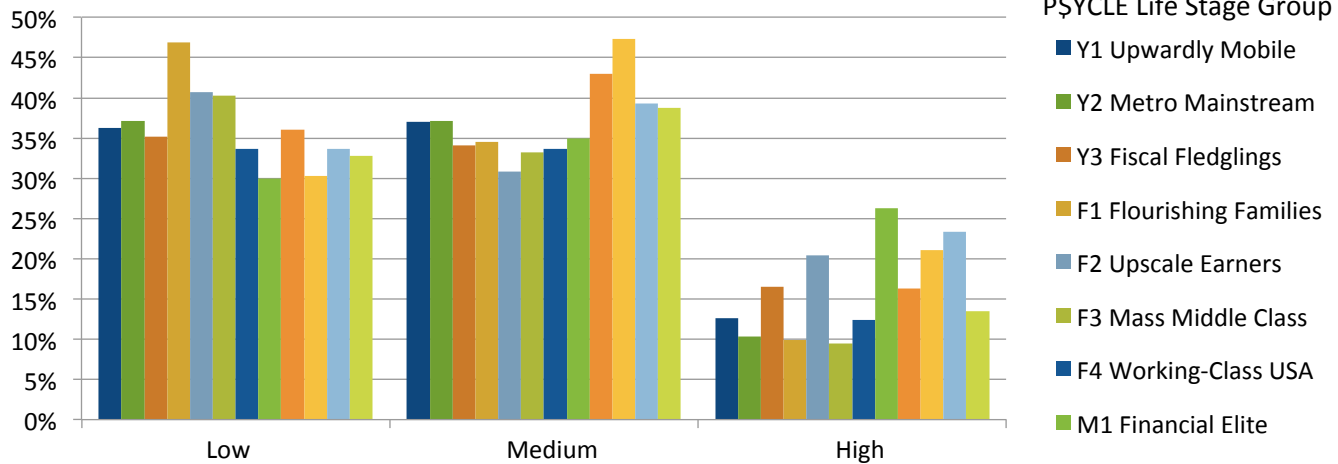


Upscale Empty Nesters



Financial Elite

Check Writing Behavior by Life Stages



Check Writers Own More Products



Frequent check writers acquire nearly five financial products and services from their PFI – approximately two more services than non-check users¹

PFI's win approximately 50% of new product sales²

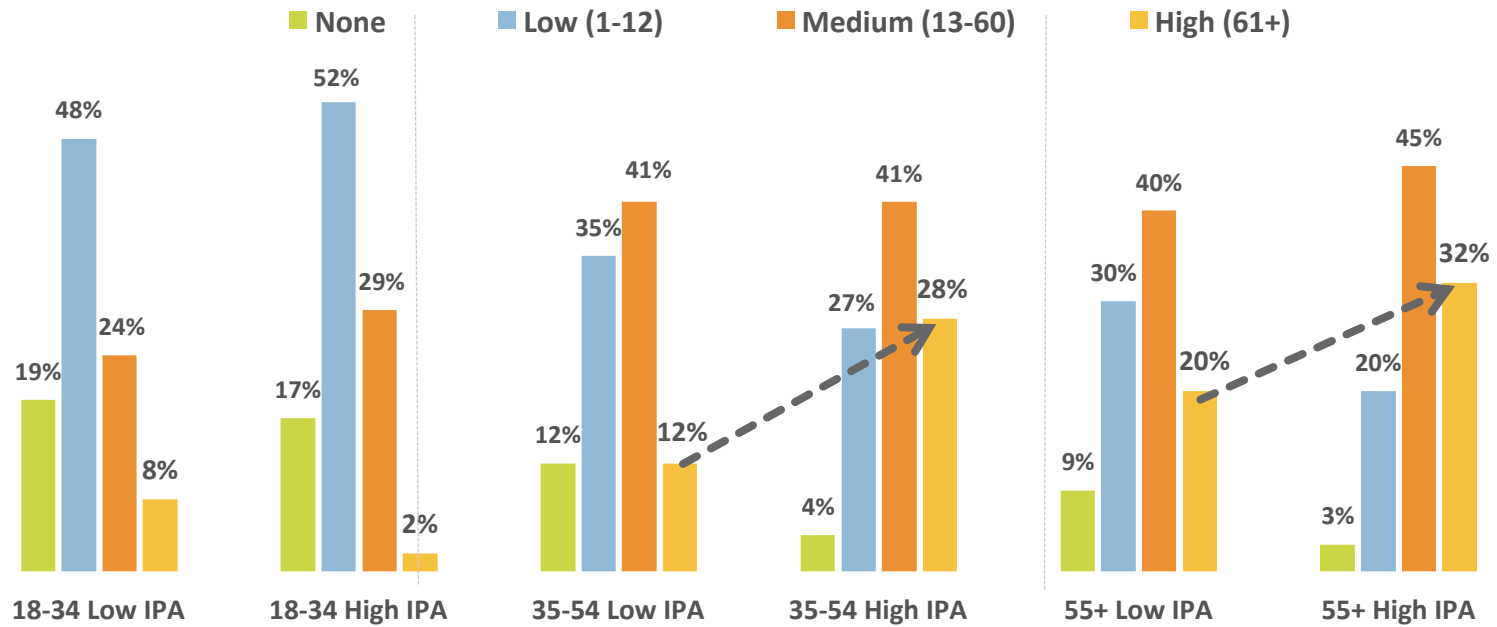
¹ Harland Clarke/Nielsen, *Why You Shouldn't Write Off Check Writers*, 2015

² *ibid*

The More Affluent You Are, the More Checks You Write



How many total checks have you written from your primary checking account in the past 12 months?



IPA=Income Producing Assets Base: All respondents (1,504) *Low IPA <250,000 High IPA >250,000

Check Writers are your Most Important Account Holders



Greater loyalty¹ • Higher balances²

More products³ • More investable assets⁴

And their affluence is more highly correlated to check writing than age

1 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011.

2 Nielsen/HC check behavior study, 2014

3 Harland Clarke/Nielsen, Why You Shouldn't Write Off Check Writers, 2015

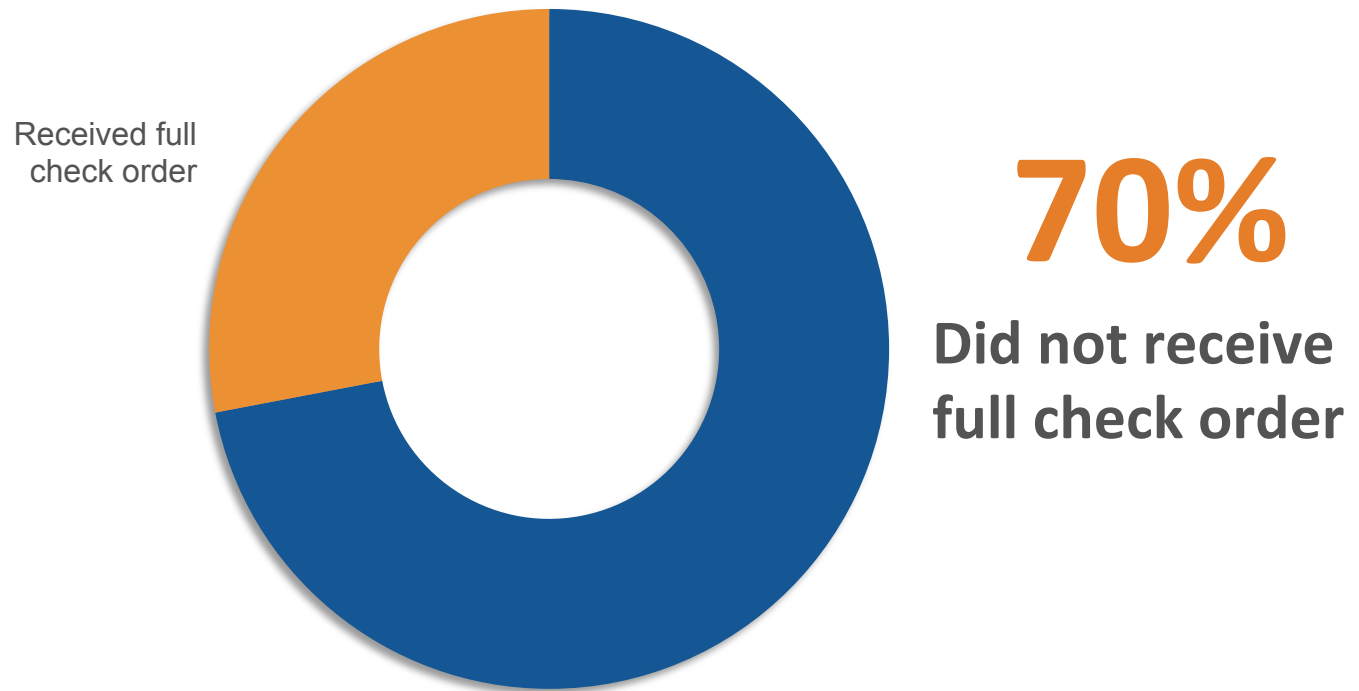
4 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011

Quick Poll > > >

30%

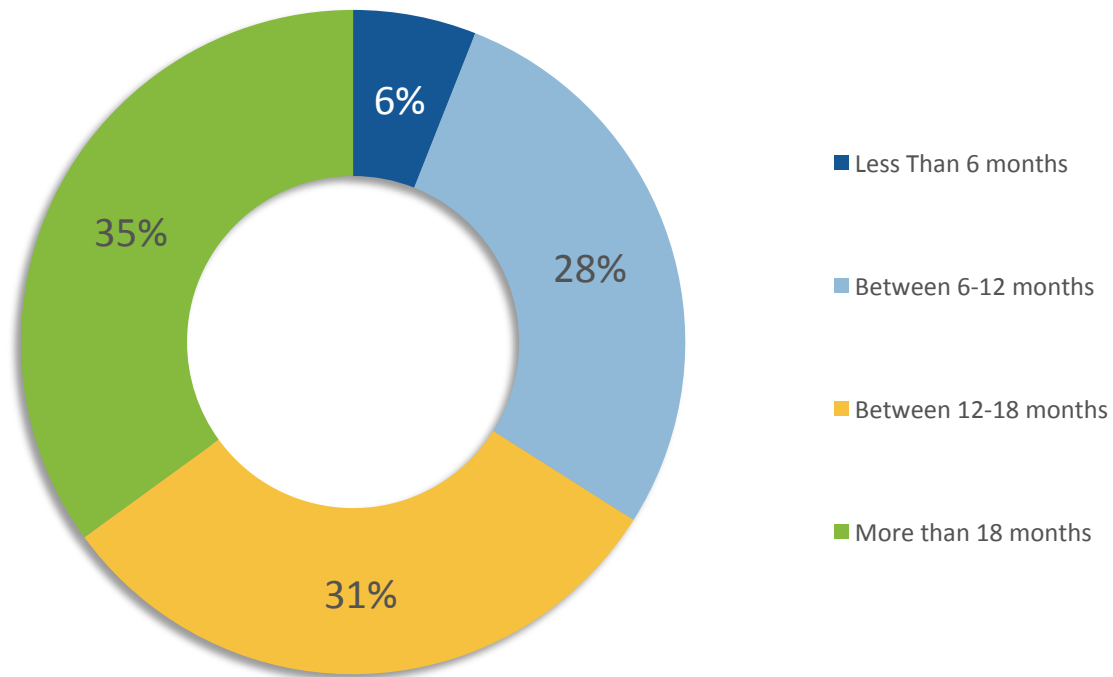
A 70% Opportunity

Check Purchase at Account Opening



And Opportunity at Each Reorder

Consumer Reported Reorder Cycles



\$1 Million Missed Opportunity?

$$1,000 \times .70 \times 12 \times 10 \times \$10 =$$

\$840,000

For illustrative purposes only, using hypothetical assumptions. Your lifetime value will vary.

Quick Poll > > >

And Impressions Lost

YOUR NAME
123 YOUR ADDRESS
ANYWHERE, U.S.A. 12345

101
000-00000

Date _____

Pay _____ \$ _____

to the order of _____ Dollars

Your Community Financial

For _____

⑆000000000⑆ 1234567890⑆

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- Visit any **Community Financial branch**
- Call **1-800-555-0000**
- Visit **www.communityfinancial.com**

Register TRANSACTION

A record of deposits and items

Numbered from _____ to _____

Dated from _____ to _____

4100002 8/2007

1000 Dollars

00000000

How Can You Achieve Maximum Value From Your Check Program? > > >

Your Check Program Performance



Increase New Order Capture Rates

Order
capture

TRAINING: emphasize the importance of check writing in defining primary financial relationships and how critical it is to capture the check order at new account opening

EDUCATION: educate employees on the benefit of account holders purchasing checks through your financial institution

ACCOUNT HOLDER EXPERIENCE: examine your entire account opening process (training, education, experience, welcome kit), including the check ordering process

INCENTIVES: incent to reinforce training and ensure new account representatives are motivated to offer and sell checks

Reduce Expenses

Unnecessary waivers = lost revenue
Reducing waivers improves check program profits
Best-in-class check programs < 5% waivers



Expense
Reduction

ACCOUNT TYPE ensure account holders are in the correct account type (would they qualify for an account plan with a check benefit?)

DIRECT CONTACT facilitate direct contact with Harland Clarke (online and phone/VRU), where waivers are not allowed

PERFORMANCE track performance at the branch level

TRAINING conduct additional training at bottom-performing branches/regions

PERIODIC ASSESSMENTS conduct reviews with your branches to understand why waivers are happening and identify opportunities to improve

Online Channel Optimization for Reorders

Channel
Optimization

- > > Improves branch efficiency
- > > Outperforms branch channels by \$8.00¹ in average order value
- > > Open 24/7
- > > Consumer-placed orders are more accurate (fewer errors on check imprint information)

Migrate Reorders to Online

Marketing

How do we move account holders online for reorders?

- Fully integrate your online banking system with Harland Clarke's check order site
- Promote online order capability on your web site
- Utilize available banner space within online banking
- Use statement messages to promote alternate channels
- Revise wording on teller receipt to include online options
- Create shortcut URL for check ordering - www.yourfi.com/orderchecks
- Train your branch staff to sell online ordering as a benefit
- Use in-branch merchandising and other methods to promote online reorders

Custom Checks Strengthen Your Branding

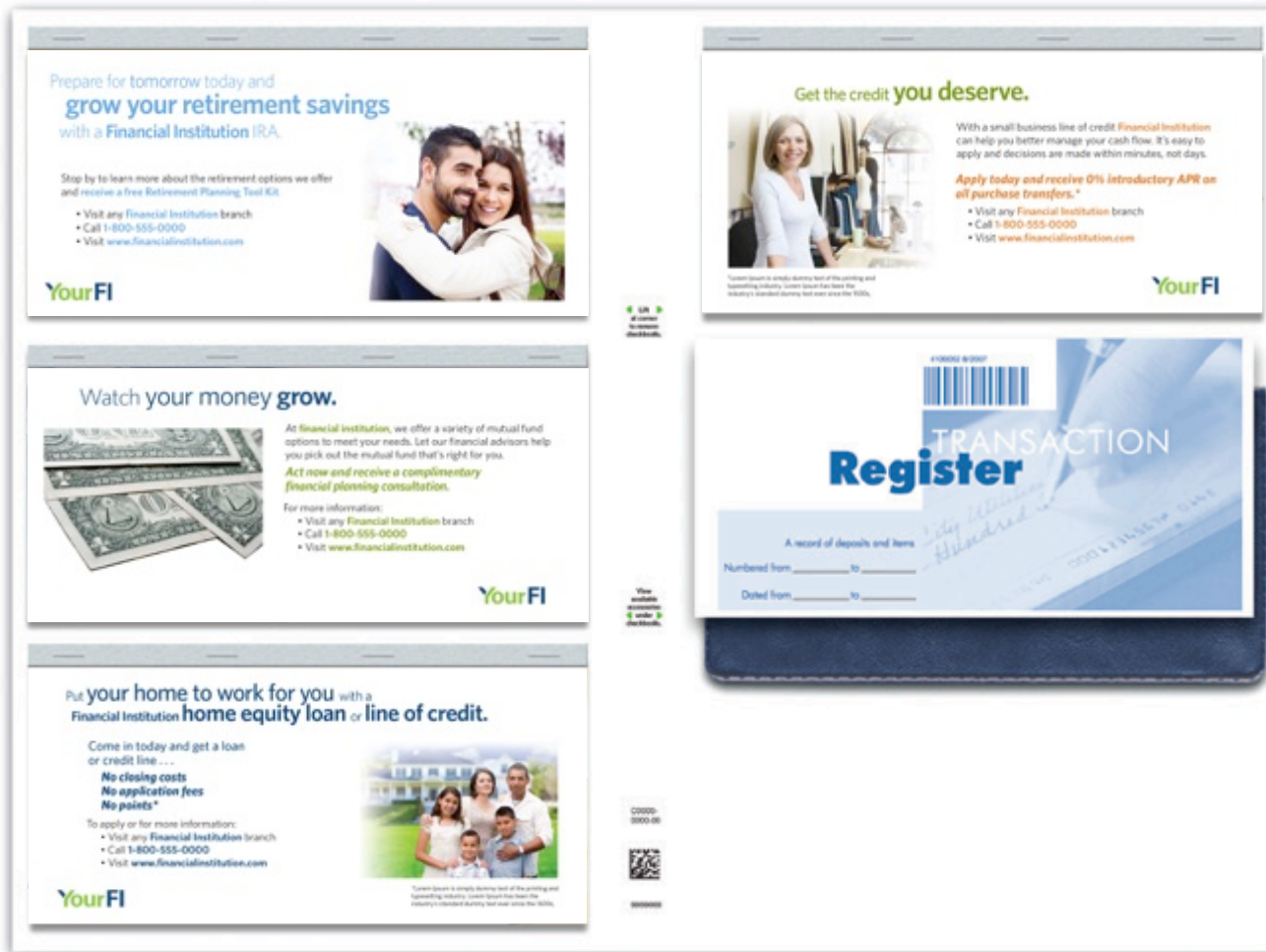


Boost the impact with color branded logo



Express your community connection with custom scenic designs

CheckFolio is Now a Marketing Vehicle



CheckFolio gives you high message visibility

Frequency - every time a check is written / new check pad accessed

Longevity – for the life of the check order

The Bottom Line

20% of account holders **drive profitability**¹

These high value check customers write checks

Embrace the importance of check writers at every level of your organization

Include checks in every account opening

1 FMCG case study analysis over the last three years of multiple BHC's household-level customer databases

Q & A Wrap Up

Type your question in the questions panel 

Gwen Cuffie

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Senior Strategy Director

Debra Corwin

Vice President, Product Marketing

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and previous events.

Thank You > > >