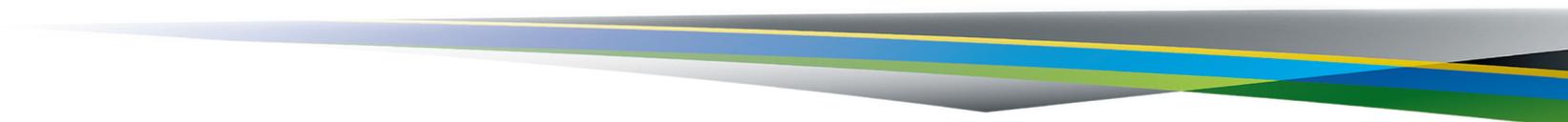




Close Loans With Your Account Holders Before Your Competition

October 22, 2014



Stay with us for Q&A at the end of this presentation.

A video replay of this webcast will be sent to you within the next week.

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Presenter



Stephen Nikitas

Senior Strategy Director

- 30+ years experience in strategic planning, marketing, public relations and executive speechwriting
- Provides consultative services to banks and credit unions
- Develops marketing and retail strategies, and campaigns to grow targeted portfolios

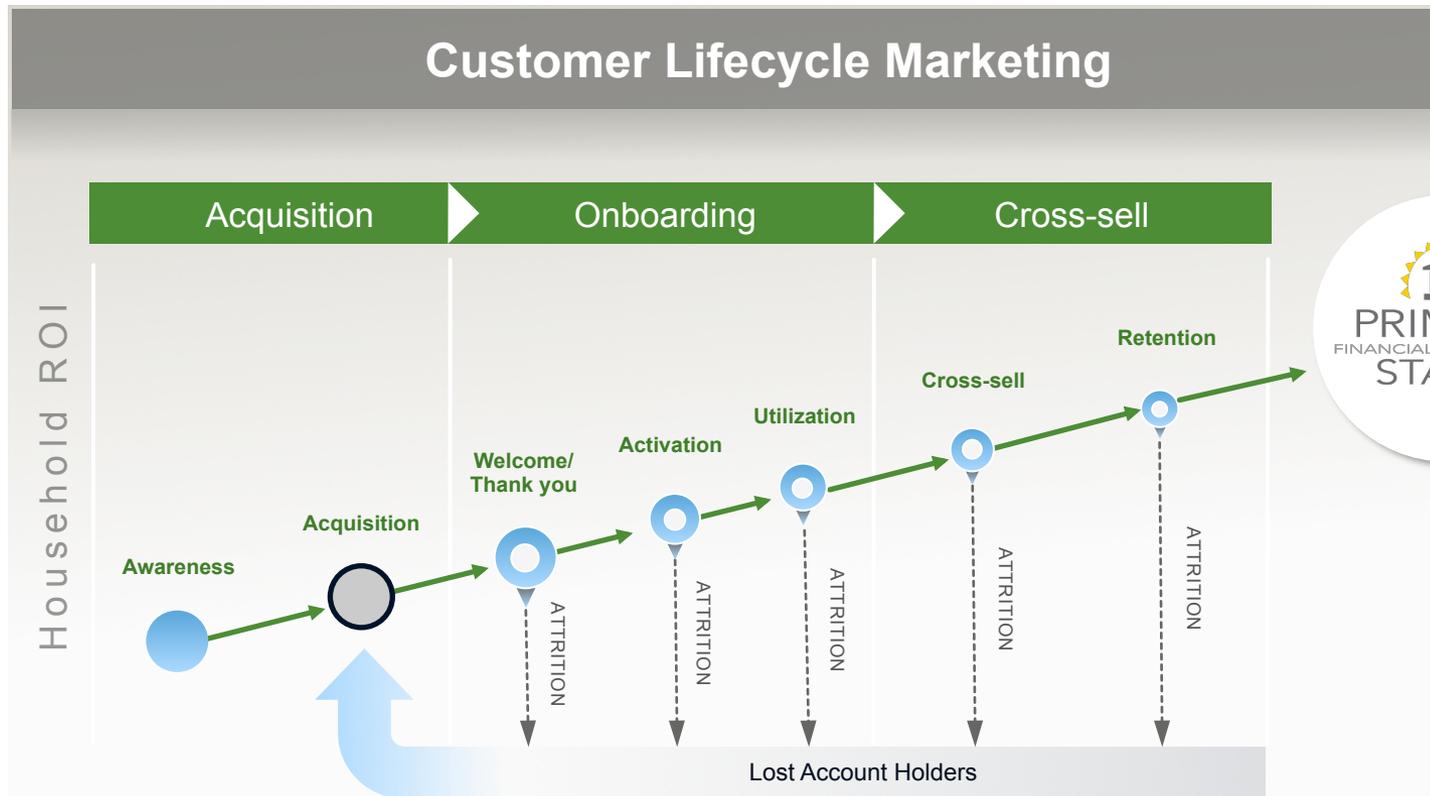
Today's Agenda

- Harland Clarke's marketing philosophy
- Loan-to-deposit/share ratios
- Shopper Alert™: How it Works
- Shopper Alert activity analysis
- Shopper Alert results
- Q&A

Harland Clarke's Core Marketing Philosophy: Customer Lifecycle Marketing

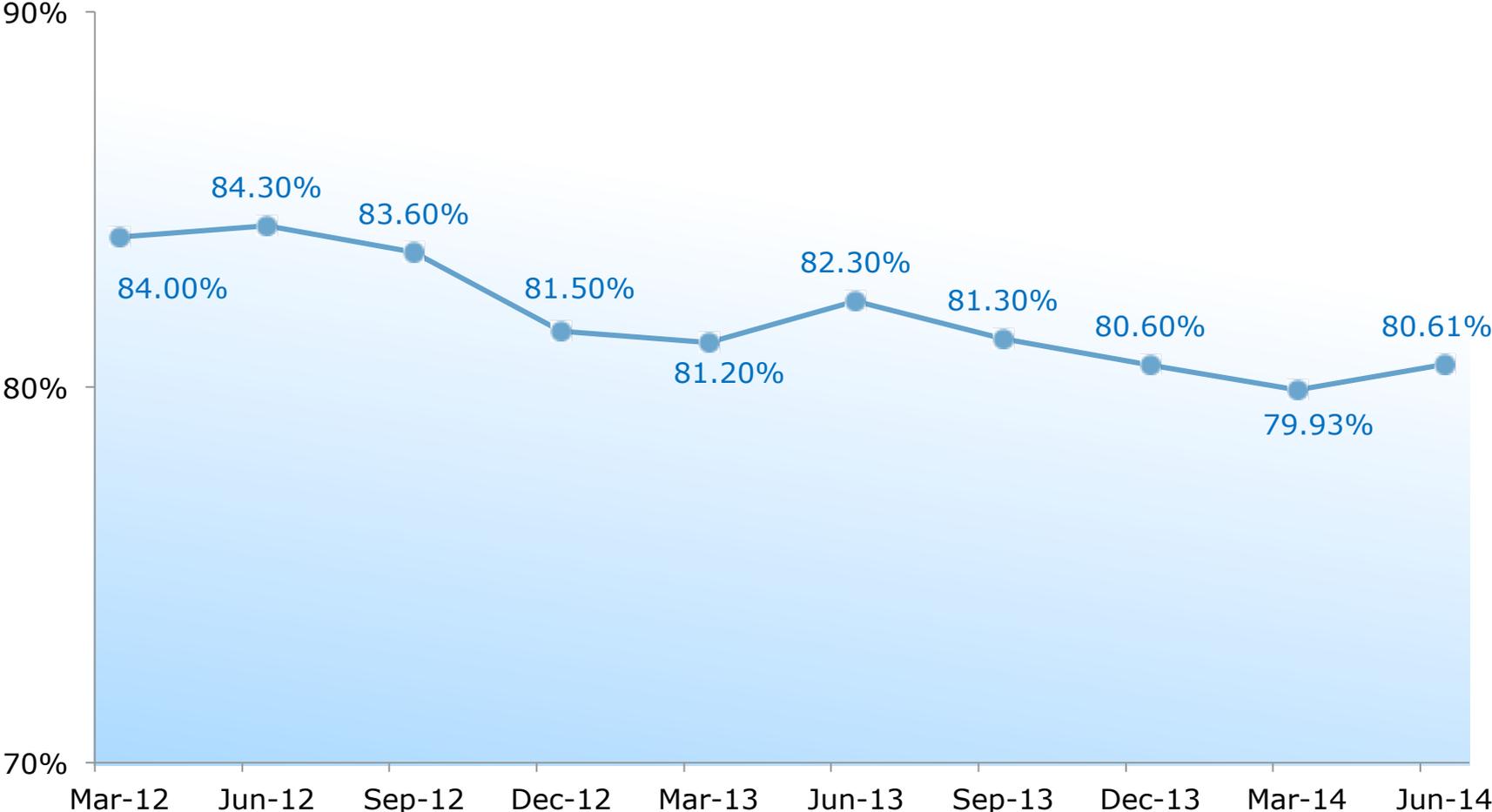


- A complete suite of marketing solutions across the entire customer lifecycle
- Loan marketing solutions in the acquisition/cross-sell phases of the customer lifecycle



Bank Financials

Loan-to-Deposit Ratio

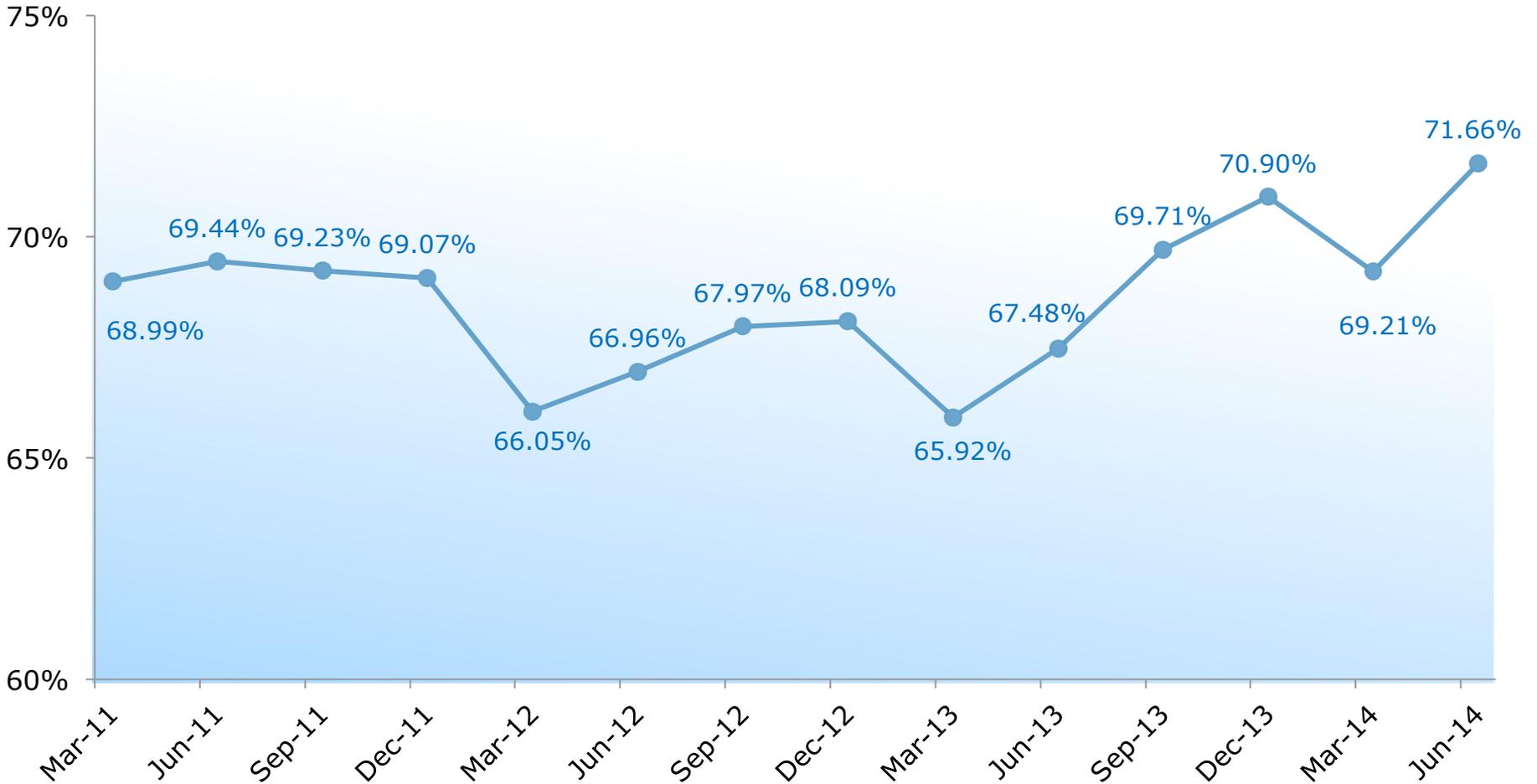


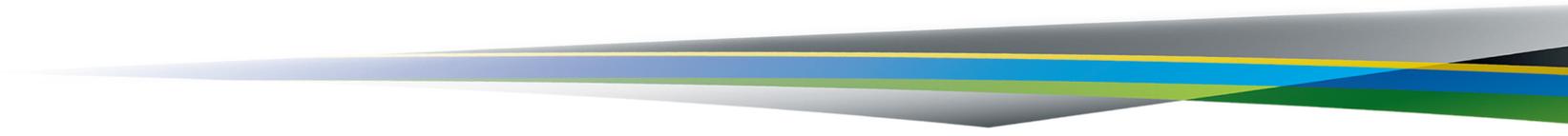
Source: FDIC



Credit Union Financials

Loan-to-Share Ratio



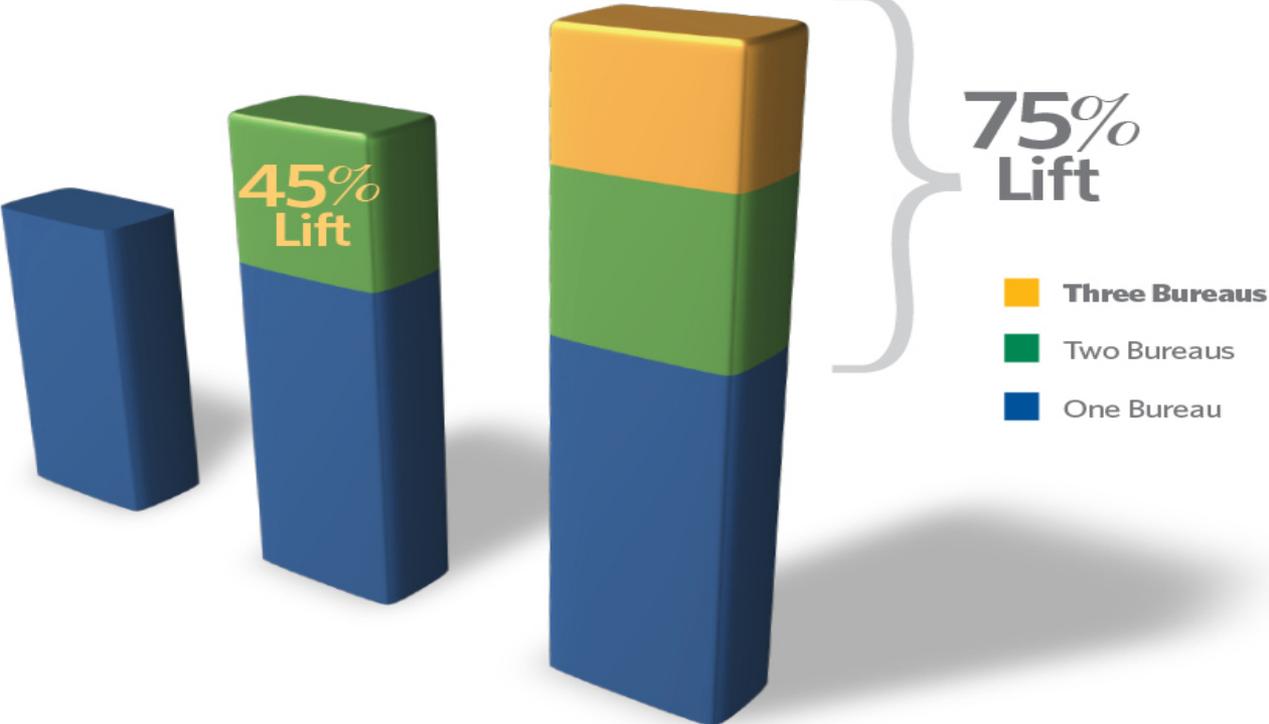


The Shopper Alert Solution

How Does Shopper Alert Work?



Tri-Bureau Access Significantly Improves Marketing Campaign Lift



Key Benefits of Shopper Alert

Data-driven marketing that gets results

- Reach account holders at the **exact moment** they are considering competitive offers
- Credit inquiries from all **three leading credit reporting agencies**
- Using YOUR credit underwriting criteria **reduces decline rates**
- **Timely marketing deployment** - communications are sent within 24 hours of receiving the inquiry alert
- **Multichannel execution** using direct mail, email and/or phone
- **Higher conversion rates** by leveraging existing relationships and brand recognition
- Measure campaign results to **monitor campaign's ROI**



Loan Marketing Response Rate Drivers



Pre-selection Considerations

- Regulatory issues
 - Compliance involvement
- Offer requirements
 - Firm rate offer
 - Minimum dollar amount
- Lending department involvement
- IT department involvement

Pre-selection Requirements

- Indication that the consumer is **pre-selected or pre-qualified** for an offer
- Listing the offer terms and conditions, including interest rate
 - Can include a range of interest rates for which the consumer may qualify
- Minimum dollar amount of credit for which the consumer has been qualified
 - Inform consumer may be qualified for more; indicate a range
- Eligibility requirements that include a statement that credit may be denied after response if the consumer:
 - Does not meet the select criteria – i.e., income, employment, long-term value
 - Does not meet other pre-established credit criteria
 - Does not furnish the required collateral as specified

Credit Bureau Application Process

- Required to use Harland Clarke loan marketing solutions
- Pre-selections generate a lower decline rate than ITA offers*
- Only needs to be done once
- Receive assistance from Harland Clarke client management

Sample Letter

- Best practice creative design, features the rate as the offer
- Daily fulfillment to ensure compliance with fair credit reporting regulations
- System alert triggers a mailing within 24 hours
- Quick-to-Market letter versions are available



John Smith
(XFULLNAME2)
(XADDRESS1)
(XADDRESS2)
(XCITY), (XSTATE) (XZIP)-(XZIP4)

Right Here, Right Now!
You're pre-selected*
for a mortgage loan as low as
3.25% APR



Dear John Smith,

It's the perfect time to get a mortgage—because as a YourFI Name customer member, you're pre-selected* for an APR as low as X,XXX%¹ to buy a new home or reduce the payment on the home you live in now. Plus we'll waive up to \$X,XXX.XX off your closing costs².

Great Mortgage Rates—And Great Mortgage Options
At YourFI Name, you have lots of choices—whether you're buying new, refinancing, or just making a few improvements!

- ✓ Conventional fixed-rate first mortgage—same low rate for the life of your mortgage.
- ✓ Adjustable-rate mortgage (ARM)—lower rate for the first few years of your loan.
- ✓ Home Equity Line—a variable-rate credit line that's available when you need it to make home repairs, upgrades, or improvements.
- ✓ Home Equity Loan—like an equity line, but with a fixed rate and predictable monthly payment.
- ✓ FHA Loan—lower down payment and closing costs, easier to qualify.

Call The Lender You Know, Start Saving Now!
For local decision-making, a fast closing, and dependable service, work with the local lender you already know. We have convenient locations and a friendly, helpful staff ready to help you save money. Call 800-000-0000 before rates go up!

Sincerely,
Signatory Name
Signatory Name
Signatory Title

Home Sweet Home
Use your pre-selected YourFI Name mortgage to buy a bigger home, smaller home, or enjoy a lower payment on your existing home.

Act Now!
Accept this offer by (Month XX), (Year), and save up to \$XXXXX more in closing costs.³

Locations

Branch Location1
Address
Phone Number

Branch Location2
Address
Phone Number

Branch Location3
Address
Phone Number

Pre-Selected for John Smith

Accept your YourFI Name Mortgage today.

CALL: 800-000-0000

CLICK: yourfiiname.com/mortgage

COME IN: Convenient locations to serve you

HURRY—offer ends April 28, 2014!

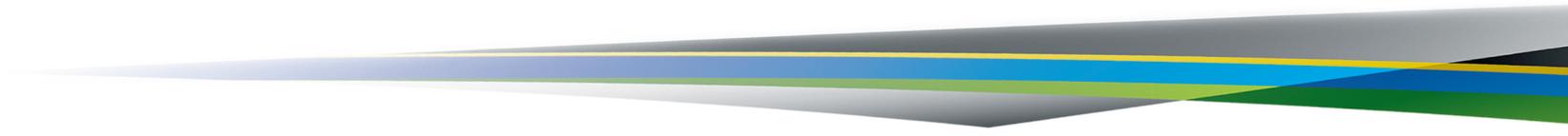


You can choose to stop receiving "prescreened" offers of credit from this and other companies by calling toll-free 1-888-567-8688. See PRESCREEN & OPT-OUT NOTICE⁴ on other side for more information about prescreened offers.

Harland Clarke does not offer legal advice. Information contained within this document does not constitute legal advice. Please consult with an attorney.

Expand Your Reach With Shopper Alert *Prospector*

- Market loans to prospects in the service area who are loan shopping
- Offers the benefits of Shopper Alert, including personalization
- Experience higher trigger volume
- Set your criteria based on budget, credit screening and products
- Look-back reports include prospect opportunity size



Shopper Alert Activity Analysis

Typical Response Results With Shopper Alert

Credit inquiries made in the last 30 days

Inquiry Type	Count	Percent of File
Mortgage	3,802	52%
Auto	816	11%
Bankcard	1,806	25%
Installment	897	12%
Total	7,321	100%

571 new loans

Estimated number of new loan applications generated based on historical campaign response rate of 7.8% data

Many variables impact campaign success. The information contained is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.

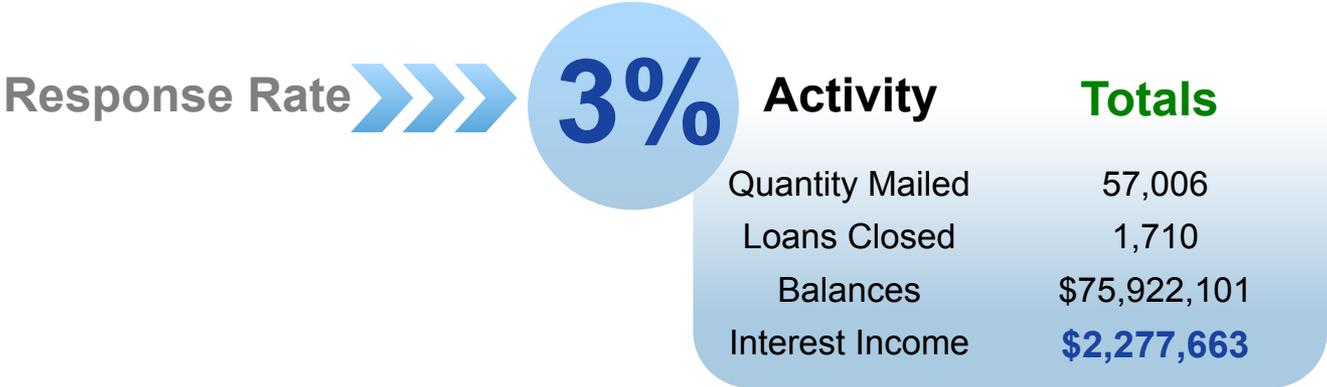
Typical Response per Credit Score With Shopper Alert

Credit inquiries made in the last 30 days

Inquiry Type	Count	Percent of File
<620	1,528	20%
620-639	486	7%
640-719	2,604	36%
720+	2,702	37%
Total	7,320	100%

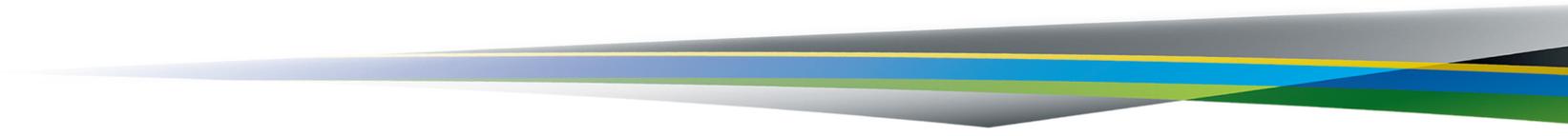
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Shopper Alert Response Analysis – Annual Projections



Harland Clarke data

Many variables impact campaign success. The information contained is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.



Shopper Alert Results

Shopper Alert Results

Large Northeast Regional Bank

- \$13.5 million in assets
- More than \$111 million in loans
- ROI exceeding 2,000%

Bank in Texas

- \$5 billion in assets
- 12 months using Shopper Alert
- More than \$6 million in new mortgage, auto or personal loans

Many variables impact campaign success. The information on earnings or percentage increases contained within are provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.

Shopper Alert Results

Credit Union in California

- \$8.1 billion in assets
- More than \$15 million in funded loans

Credit Union in Maryland

- \$1 billion in assets
- 10.1% application rate

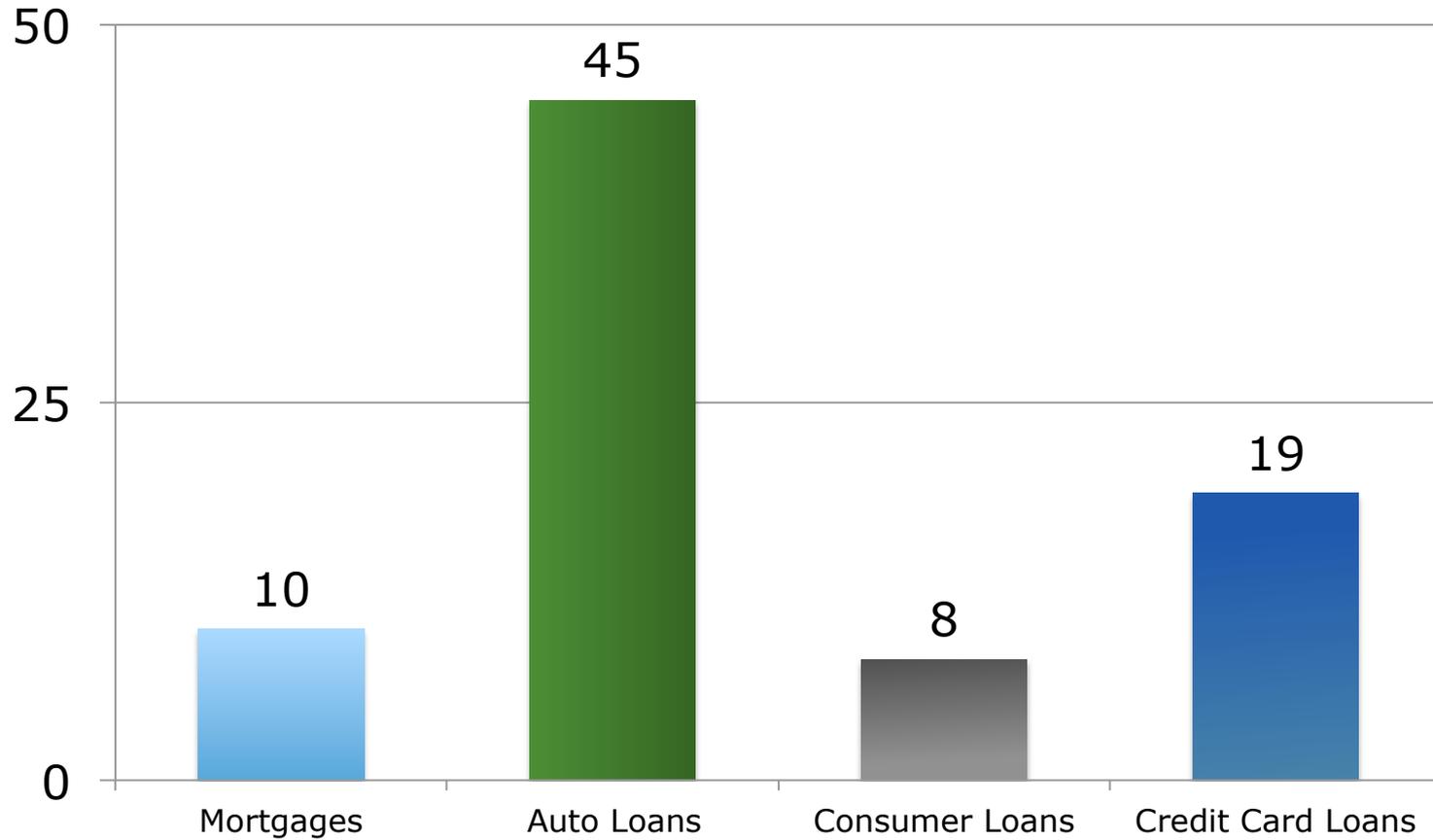
Credit Union in New Jersey

- \$400 million in assets
- Nearly \$4.9 million in new loans in process or already closed
- Borrower-to-member ratio grown by nearly 6%
- Consumer loan portfolio increased by 11%

Many variables impact campaign success. The information on earnings or percentage increases that is contained within this case study is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.

Shopper Alert – HAR-CO Credit Union

Number of Loan Applications (Through September 30, 2014)



Shopper Alert Summary

- Reach account holders or prospects when they are shopping
- All three credit bureaus
- Mail, email and phone options
- Four loan types
- Preselected loans
- Monthly reporting

The Harland Clarke Advantage

- ✓ Includes all three credit bureaus
- ✓ Typically costs less than \$100 per loan*
- ✓ Extends offers within 24 hours of an inquiry alert and before your competitors can book the loan
- ✓ Identifies targets based on your credit criteria. Offers turnkey execution from analysis to measurement
- ✓ Customized, award-winning creative to reinforce your brand and messaging
- ✓ Multichannel: direct mail, email, phone
- ✓ Comprehensive measurement and performance reporting

Q&A

**Press *1 on your phone or
use the chat window and send your question to “All Panelists”**

Stephen Nikitas, Senior Strategy Director

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