

Making Payments Work For You

Jason O'Brien, SVP of Payments, SWBC

Scott MacWilliams, VP, Merchant Sales & Acquiring, Visa



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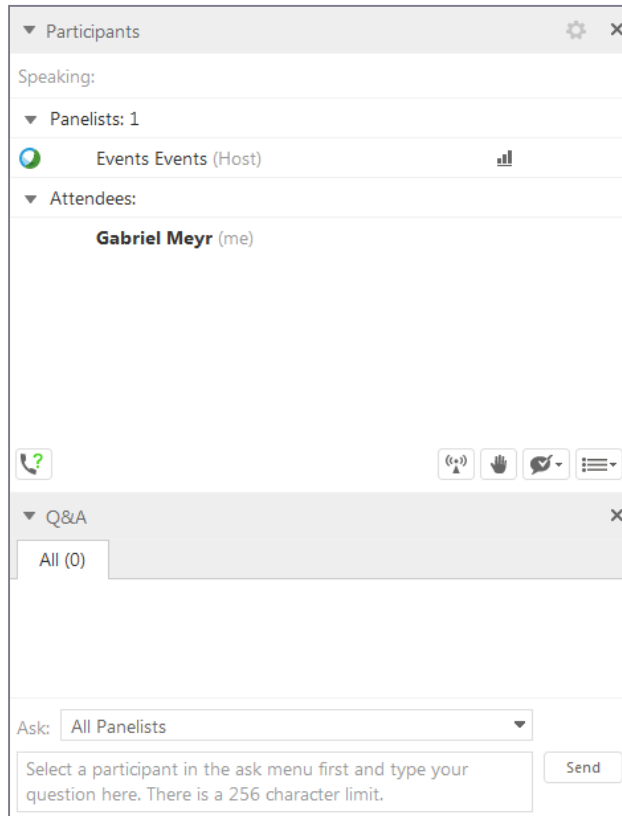
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Slide Link

Today's slides can be found online at:

<http://bit.ly/11-14-SWBC-Visa>

We Encourage Questions



Use the
Questions Box
located on the right side of
the screen, to type your
comments or questions.

You Might Also Be Interested In

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The movement's membership base is growing. How are credit unions responding?

[A Strategy To Score Swipes And Savings](#)

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[Branching, Swiping, And Indirect Lending](#)

Five can't-miss data points this week on CreditUnions.com.

[Credit Cards By The Numbers \(2018\)](#)

Although credit card penetration rates held steady at 17.3%, credit card loan balances increased 9.1% annually.

Tell Us What You Think!



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Making Payments Work for You

**Convenient Payments and
Cards**

November 14, 2018

Presented by:



Speakers Panel



Jason O'Brien
SVP of Payments
SWBC



Scott MacWilliams
VP, Merchant Sales
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Visa



Sam Taft
AVP, Analytics & Business
Development
Callahan & Associates
Moderator

Agenda



- Why are member convenience and debit cards relevant now?
- How you can deploy a payment strategy that includes cards?
- How to make the finances of cards work for you?
- Wrap Up
- Questions



Why are member convenience and debit cards relevant now?



Debit Today

Debit is the most frequently used payment method across nearly all ages segments

- Debit has evolved from being a youth-focused payment method to mass adoption
- Of the 170.8 million U.S. debit users, 74% (126 million) use Visa¹
- Visa Debit is the most frequently used payment method for all household and personal bills²
- Bill Payers use, prefer, and have high satisfaction with plastic²
- Companies are using real-time payments (i.e., disbursements to debit card) to drive differentiation and attract and retain customers³

Debit Usage is Age Agnostic

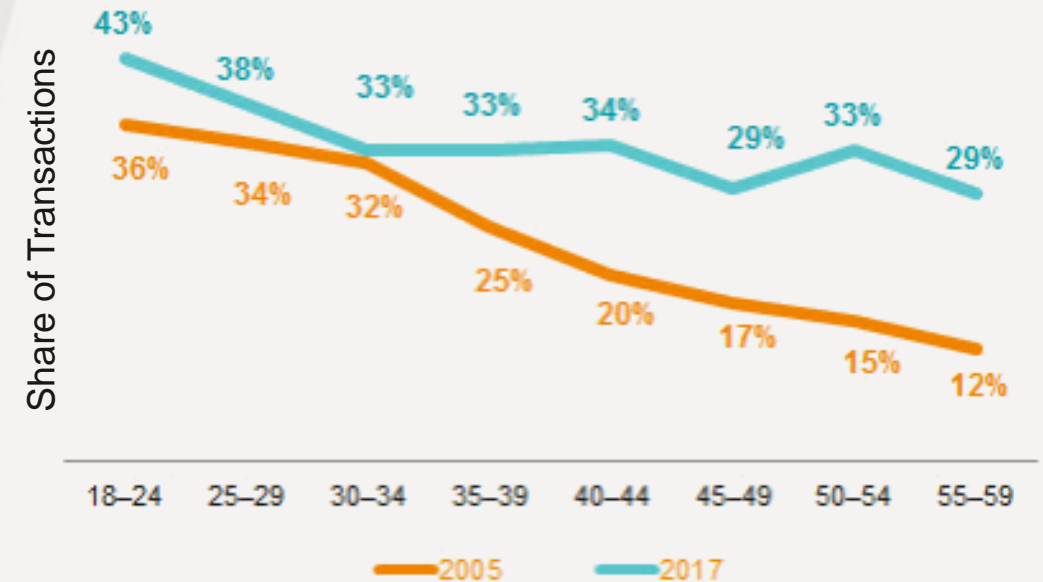


Chart Source: Consumer Payments Panel – 4 Quarters Ending 2Q 2017. Base: Debit Card owners
¹ Simmons National Consumer Study, Fall 2017, (National Representative Sample of 24,127 U.S. adult consumers age 18+) Have used a Visa, MasterCard, or Discover debit card in the last 30 days.
² Visa Bill Payment Research 2017
³ Roadmap to real-time payments, Visa commissioned research with Aite Group (June 2018)

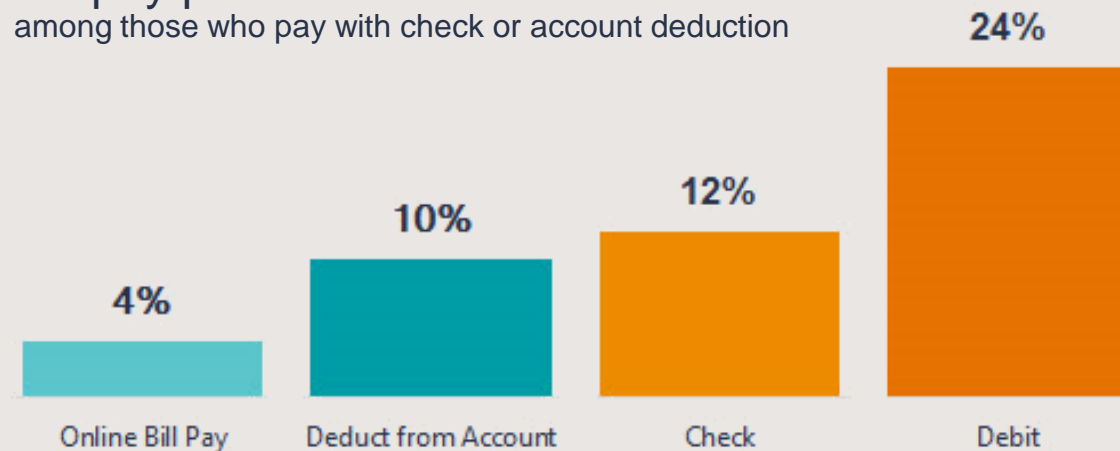
Bill payment choice and the customer experience

Ease of use

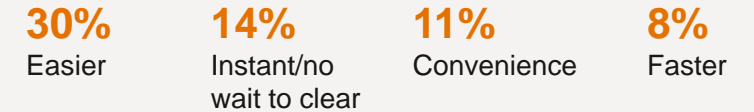
Debit is perceived as easier to use. **31%** of consumers used Debit cards to pay at least one bill in the past month. In fact, the top reason checks are used is because no other method is accepted.

Bill pay preference

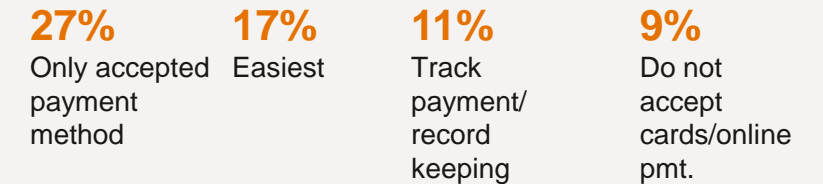
among those who pay with check or account deduction



Why consumers want to use Debit



Why consumers use checks



Source: Phoenix Bill Pay Choice Insights, 2015 Base: Bill payers who are card active
 *Average of preferred payment method across electric, gas, oil, water, rent, charity property/life/health insurance and auto loan

Payments



Credit Unions' Abilities



Significantly
Impact

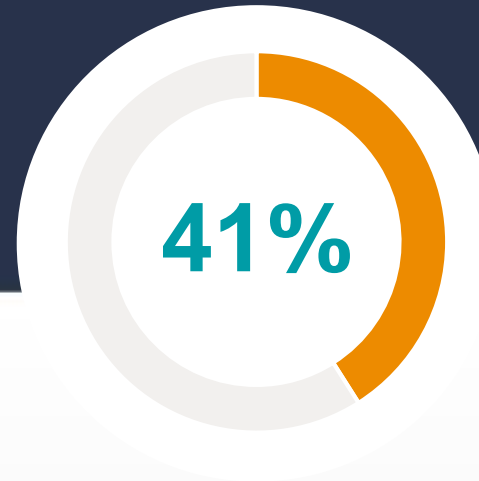


Member Experience

Value of Experience for Financial Services



Reason for Closing
#1 Reason



Reason for Opening
#1 Reason

Improving Payment Experiences



Expand Supported Channels

- Give Member Access When and Where Needed



Adopt Cards Acceptance

- Deliver On Member's Expectation of a "Normal" Means of Payment

Channels



Technology Driven Convenience

- Web and Mobile Payment Application
— Bacon Loan Pay

FEATURES:



Guest pay



Save and manage
funding accounts



Single or recurring
payments



Account integration



ACH and
card-based payments



Responsive design



Secure user
registration



Single sign-on
with home banking



Text payment reminder



How do you deploy a payment strategy that includes cards?



Core Integrations



- Process payment from agent screens
- Create payment workflow efficiencies
- Posting files for automating account credits

Go Beyond Debt Repayment

Accept card payments for:



Account funding

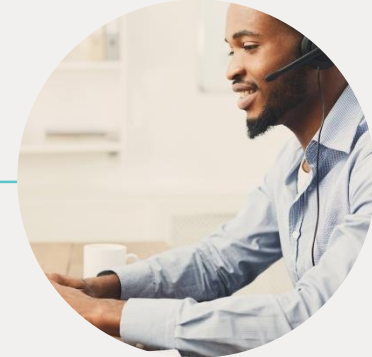


Re-financing fees

Mortgage fees



Collections

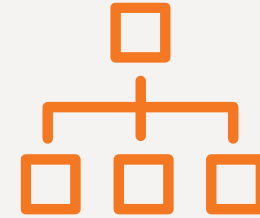


Two Approaches to Adoption



The Infection Approach

- Start Small & Address Biggest Needs
- Typically Starts in Collections
- Shows Results Quickly
- Grow as Organization is Ready



Top Down Demand

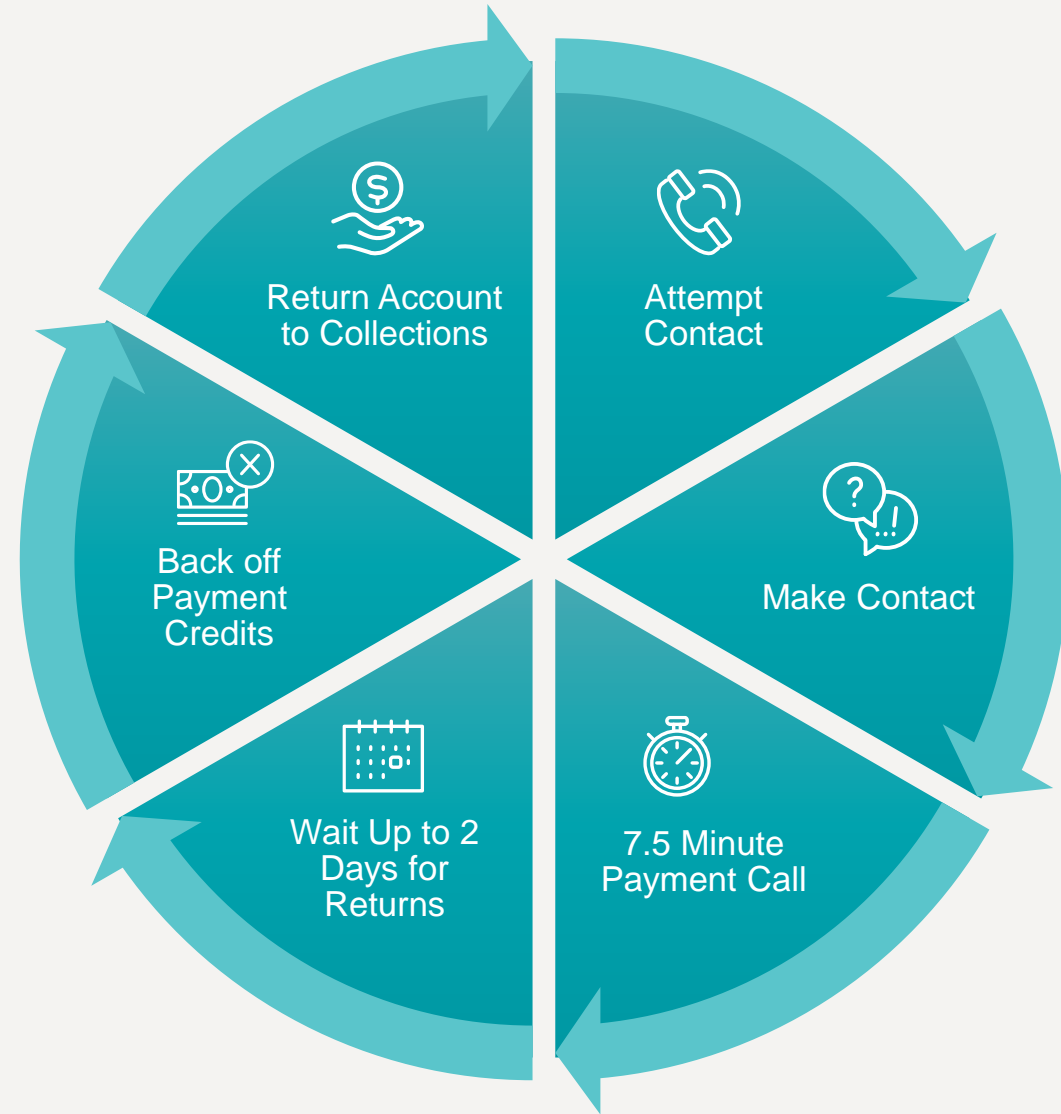
- C-Level Drive for Broad Acceptance
- Longer Deployment Schedule
- Risk of Analysis Paralysis
- Larger Upfront Resource Investment

Why Does it Start in Collections?

- Shorter call times optimize agents' efforts
- Significant reduction in work caused by returns

Cut
80%
from customer
call times¹

Impact of Return On Collections?



Rollout Strategy

COLLECTIONS

Offer debit for collections



- Most significant cost savings
- Reduced call times
- Reduced number of callbacks
- Better customer experience

PHONE

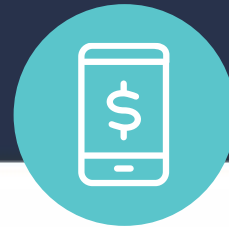
For agent assisted calls



- Significant cost savings
- Reduced call times
- Reduced number of callbacks
- Better customer experience

IVR

Offer debit for IVR



- Significant cost savings
- Reduced call times
- Better customer experience

CHECK WRITERS

Incentivize e-statement signup with recurring debit as payment option



- Can reduce sending out costly monthly statements by incentivizing with recurring debit payment option
- Offers customers convenience

ONLINE

Offer debit digital mobile channel

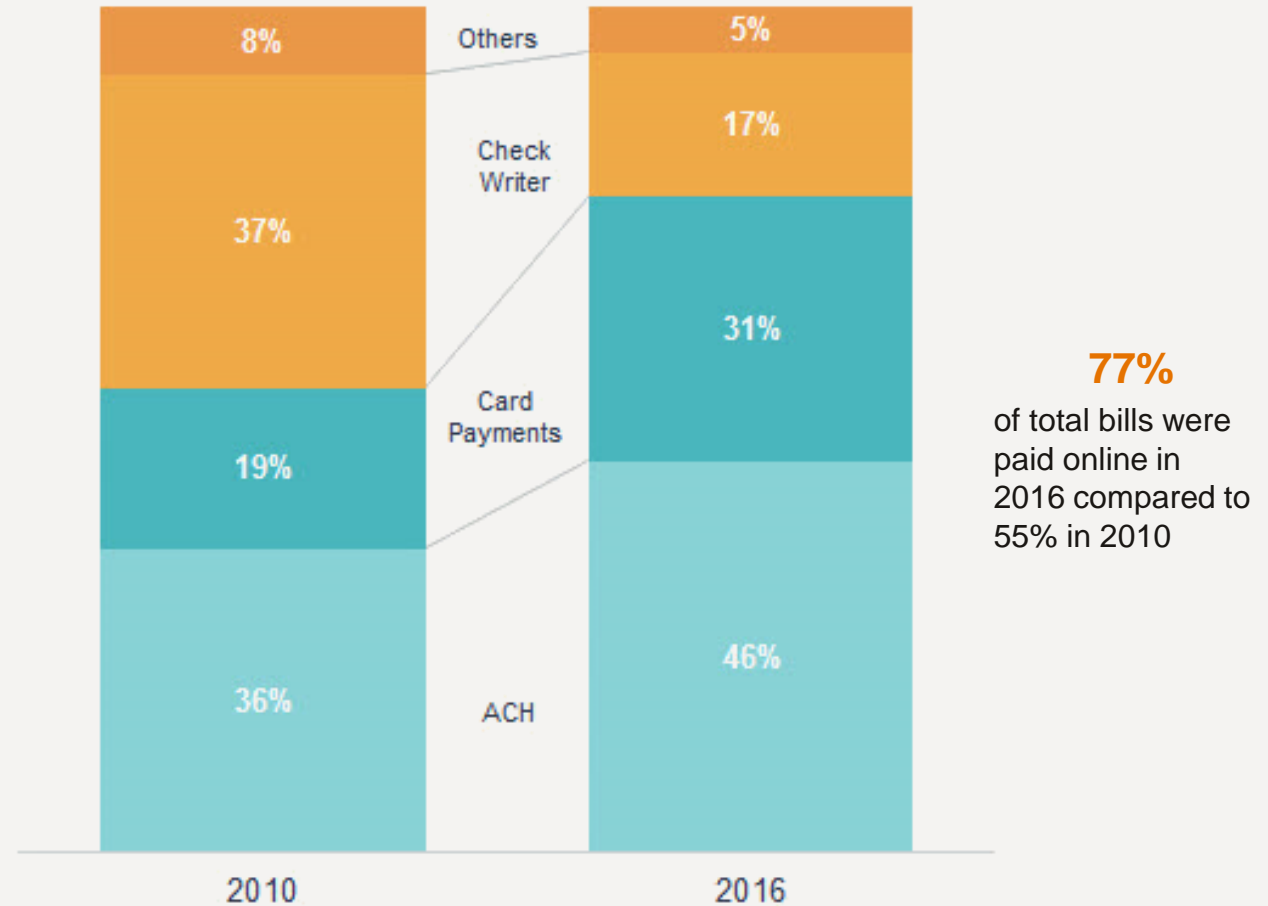


- Generates cost savings
- Reduces call volumes
- Allows more customer options

Visa complements other payment options

Consumers prefer to pay their bill online either with ACH or Card payments

Increased acceptance of cards is NOT expected to result in fewer ACH payments



Source: Aite Group surveys of 2,429 U.S. consumers in Q3 2016, 4,696 consumers in Q3 2010. Other category consists of cash and money order.



How to make the finances of cards work for you?



Customer Experience and Demand



Intuitive interface
and quick and
quick ability to pay



Trust in the
technology



Multi-channel
offerings

The Value of Convenience and Cards



Leverage Visa's Newest Pricing to Provide Savings on Processing Costs

Power Efficiencies Through Payment Integrations

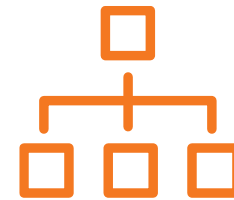


How SWBC Can Help with Expenses



Provide Self-Service Technologies to Deflect Calls

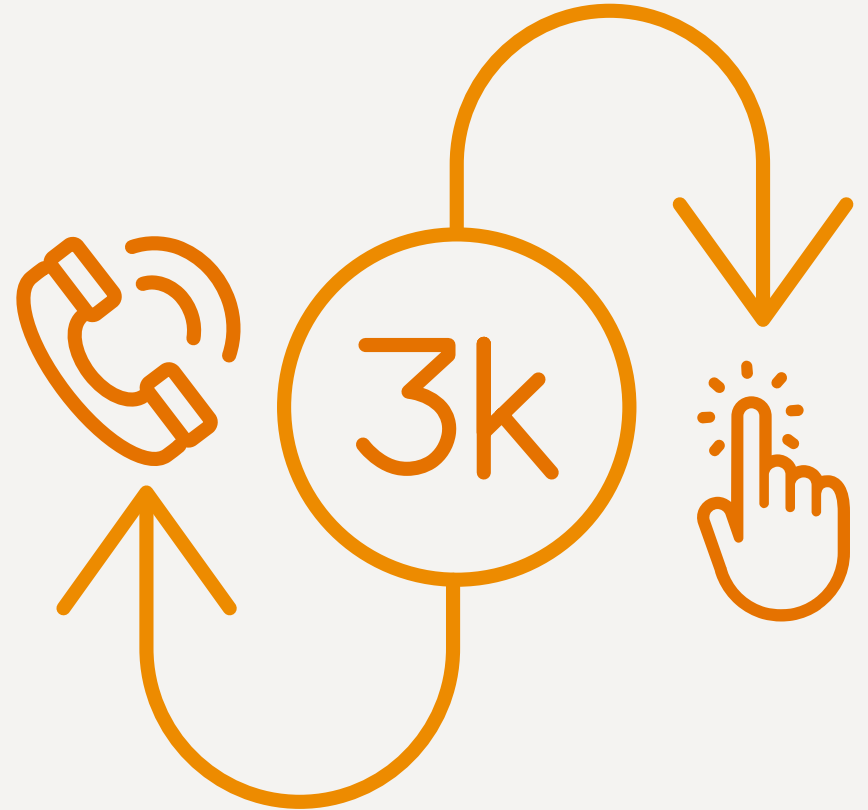
Drive Consistent Recon Operations For Multi-Channel Operations



Comprehensive Deployment

Large Northeast Institution

- Redirected more than 3,000 calls per month to self-serve



Summary

3 Takeaways

- Understanding the Importance of Payment Convenience
 - Customer experiences have large impact on financial services
- Deploying Payment Strategies
 - Starting small can provide big wins
- Comprehensive Impact on Expenses
 - Leveraging convenience and cards to offset non-value add expenses

SWBC Payments

- Payments Overview

- Efficiently transmit funds from third-party institutions to your members' accounts.
- Expands your ability to originate, track, and process ACH and card-based payments.

- Compliance and Fraud Protection

- PCI-DDS
- NACHA Preferred Partner
- OWASP (Level 3)
- WCAG
- BSA/AML

SWBC Payments Technology

- All-in-one payment application provides everything your front line and back-office staff need
- Faster processing of debit and credits with third-party institutions
- Clean and consistent reconciliation

The image displays the SWBC AUTOPILOT portal interface. At the top, the 'AUTOPILOT' logo is visible, along with navigation links for 'Administrator', 'Settings', 'Institutions', 'Accounts', 'Users', 'Rates', and 'Policies'. Below this is a 'My Essentials' section with icons for 'View Team', 'Asset Recovery', 'Reporting', 'Payments', 'Insurance Tracking', and 'Manage Users'. The 'My Stats' section contains two charts: 'Mortgage - Policy Placed Policies' and 'Mortgage - Policy Lender Conversion'. The 'My News' section features 'Notifications' and 'Application Alerts'. At the bottom, there is a 'Users' management screen with a 'Create User' button and a table of users. A smartphone is overlaid on the right side of the screen, displaying a 'Search Insurance' interface.

???

Questions?





Contact SWBC to discuss how convenience
and cards can work for you:

[swbc.com/payments](https://www.swbc.com/payments)

or

866-316-1162



PAYMENT SOLUTIONS SERVICES