Bill Direct Executive Overview

(2003)

EBPP Trends

- Electronic billing started in mid '90s

- CheckFree and TransPoint lauched the bill consolidation model

- Credit card issues focused on biller-direct model

- By 2001 biller direct exceeded consolidator model by 50 to 1

The Birth of an Industry

In 1996 CheckFree launched the first eBill consolidator model of Electronic Bill Presentment Payment (EBPP) with BellSouth telecommunications. During the same period, MCI WorldCom launched their first biller direct site. It's been a race for consumer adoption ever since.

Bill Consolidator Model

The bill consolidator model allows consumers to view multiple bills at a single location and pay anyone. The bill consolidator model provides many advantages including; single sign-on to view multiple bills, scheduling one-time and recurring payments and viewing consolidated payment history.
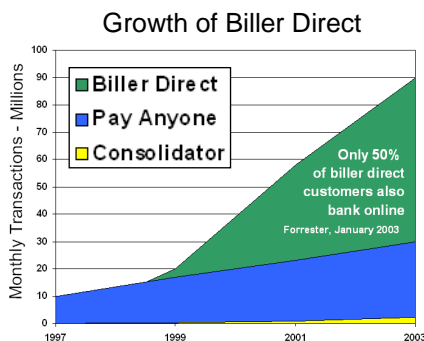
Despite the obvious advantages of the bill consolidator model, consumer adoption has failed to achieve critical mass. The two primary barriers to growth cited by most industry analysts are lack of billing content (eBills) and monthly fees associated with "pay anyone" service.

Today CheckFree, the nations leading eBill consolidator has approximately 250 electronic billers in production. This follows seven years of intensive effort and over $2.5 billion in competitive acquisitions including TransPoint, BlueGill and BofA's bill pay infrastructure. Despite CheckFree's efforts to grow the bill consolidator model, the biller direct model has exploded with over 2,400 biller direct sites made up primarily of credit card issuers, telecommunication providers and utilities (see graph to left).

Biller Direct Model

The biller direct model requires consumers to visit multiple web sites, remember multiple user names and passwords, and enter sensitive information, such as their bank account routing transit number, or their credit card number at multiple locations. Despite these obvious hurdles, the biller direct model has thrived. The primary reasons for success cited by most analysts include; the service is free, the process is complete with both presentment and payment, the consumer receives immediate payment confirmation from the biller and the user's billing account is often immediately credited.

In a January 2003 report, Forrester found that 61% of traditional bank "bill pay" customers were using biller direct site offerings. Growing consumer acceptance of the biller direct model has only catalyzed biller investment in this area. As consumer adoption of the biller direct model continues to grow, consumers will ultimately tire of visiting multiple biller sites to view and pay bills.

Growth of Biller Direct

Monthly Transactions - Millions

- Biller Direct
- Pay Anyone
- Consolidator

Only 50% of biller direct customers also bank online
Forrester, January 2003

Summary

- Yankee Group reports that 62% of customers want FI's to help

- 6 bills is the magic number

- Yodlee can provide instant access to over 2,400 bills including:

  o Credit cards

  o Telephone

  o Long Distance

  o Wireless

  o Electric

  o Gas

  o Water

  o Satellite/Cable

Banking Imperative

Consumers want banks to help them consolidate their electronic bills. Industry analysts believe that once consumers can view 5-7 bills online that consolidation will become an imperative. In January 2003, Yankee Group released a study where 62% of people surveyed wanted their banks to consolidate their bills for them.

Most analysts agree that the magic number is 6 eBills. However, the leading bill consolidator can only provide 2-3 eBills. Additionally, most analysts agree that the road to 6 eBills is a long one for the leading consolidator (having approximately 250 participating billers). In order to obtain the targeted number of 6 eBills, consolidators need to penetrate much deeper into the billing layers.

Billing Layers

Top Billers	Bill Categories	Availability
National = 300	Major Credit Cards & Teleco	2 – 3 bills
Regional = 1,000	Private Label Cards & Large Utilities	4 – 6 bills
Local = 2,000 +	Regional/Local Utilities & Cable	7 – 9 bills
Total 3,300 Billers		

The current growth rate for the bill consolidator model is 1 to 2 new participating billers per month. Additionally most credit card issuers, which represent the highest growth rate and active user rate, have opted out of the bill consolidator model.
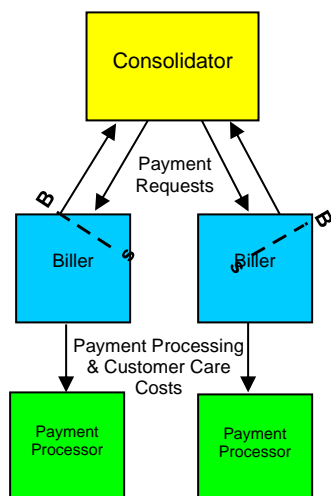
Yodlee's Solution

Yodlee is best positioned to help financial institutions overcome most, if not all, of these barriers. Yodlee provides instant access to over 2,400 electronic bills made up of the nations top credit card issuers, telecommunication providers, cellular phone companies, private-label credit cards, regional gas and electric companies, local water companies, and local cable and satellite providers. This is accomplished by directly accessing the biller's web site, gathering billing data, then consolidating and representing it at the financial institution's web site.

Additionally, billers are in favor of this solution as it increases utilization of their bill pay web sites and decreases cost through the elimination of paper bills and check processing. These benefits are achieved without any integration requirements, high implementation costs or additional transactional costs.

Yodlee BillDirect

BillDirect represents the next generation of Electronic Bill Presentment and Payment (EBPP). It enables banks, brokers, portals, and credit card issuers to consolidate electronic billing content from thousands of biller direct web sites.

**BillDirect
Competitive Advantages**

- Maximum Billing Content
- Lowest Transactional Cost
- Does Not Include "Pay Anyone"

Consolidator

Payment Requests

Biller **Biller**

Payment Processing & Customer Care Costs

Payment Processor **Payment Processor**

New Bills	Bill History			

View Style: Summary View **View Bill History for:** May Show »

Activity Summary

Since last login - 03/18/03

- Citibank Account Online - payment of $20.00 received on 03/19/03.

New Bills   edit bills »

Due Date	Bill	Last Payment (Date)	Amount Due (Balance)	Pay Bill
04/06/03	Citibank Account Online auto-login | view bill | refresh - Last refreshed 2 hours ago.	$1,290.90 (03/28)	$20.00 ($523.18)	Go Pay Bill »
04/11/03	AT&T Wireless auto-login | view bill | refresh - Last refreshed 2 hours ago.	$42.93 (02/26)	$42.93	Go Pay Bill »
04/14/03	WaMu Home Mortgage auto-login | view bill | refresh - Last refreshed 2 hours ago.	$2,141.85 (02/20)	$2,141.85	Go Pay Bill »
04/20/03	PG&E auto-login | view bill | refresh - Last refreshed 2 hours ago.	$69.99 (02/20)	$69.99	Go Pay Bill »

| **Total New Bills:** | | | **$2,309.77** | |

| Washington Mutual
auto-login \| refresh - Last refreshed 3 hours ago. | | | | $1,302.38 |
| **Total Funds Available:** | | | | **$1,302.38** |

This product offers two key advantages:

1. Maximum Billing Content - Ability to access thousands of biller web sites, gather and consolidate billing data for presentment in the bill consolidator model. Yodlee's massive biller directory results in the average consumer's ability to consolidate 7-9 bills.

2. Lowest Cost Model – This product utilizes the biller's web site to process payments. The consumer is linked directly from the consolidator's web site to the biller's "payment authorization" screen. This transfers the transactional cost of payment processing and subsequent payment customer care inquiries to the biller.

BillDirect Premium

**BillDirect Premium
Competitive Advantages**

- Maximum Billing Content
- Includes Pay Anyone
- Maximum Control Over Consumer Experience
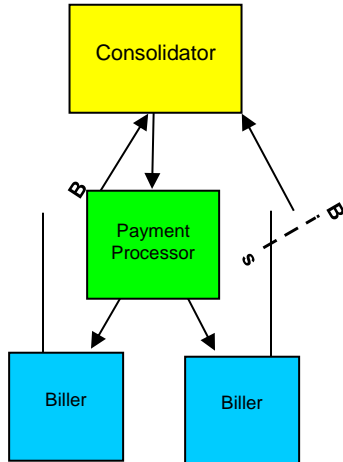
BillDirect Premium is designed to enhance or replace traditional FI pay anyone service with billing content sourced directly from biller's web site and payments originated from the banks master funding account.

New Bills	Bill History

View Style: Summary View **View Bill History for:** May Show »

Activity Summary
Since last login - 03/18/03

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Includes Pay Anyone

New Bills   edit bills »

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04/20/03	PG&E auto-login | view bill | refresh - Last refreshed 2 hours ago.	$69.99 (02/20)	$69.99	Go Pay Bill »
04/21/03	Dudley Dog Walkers edit - Last updated 01/18/03.		$35.00	Pay Now »
Total New Bills:			**$2,309.77**	
Washington Mutual auto-login | refresh - Last refreshed 3 hours ago.			$1,302.38	
Total Funds Available:			**$1,302.38**	

Consolidator

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Payment Processor

B

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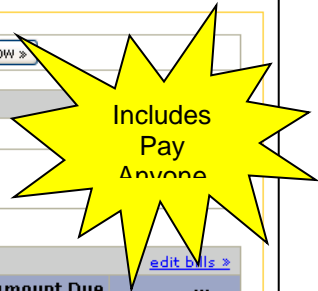
Biller

Biller

This product offers two key advantages:

1. Maximum Billing Content - Ability to access thousands of biller web sites, gather and consolidate billing data for presentment in the bill consolidator model.

2. Pay Anyone Service – This full-featured product relies on a traditional "pay anyone" processor for features like single payments, future dated payments, reoccurring fixed payments, automated payments (eBills required), and consolidated payment history. In this model, the consolidator is responsible for payment processing and subsequent payment customer care inquiries.

Biller Pick List

Billing Calendar

Charting
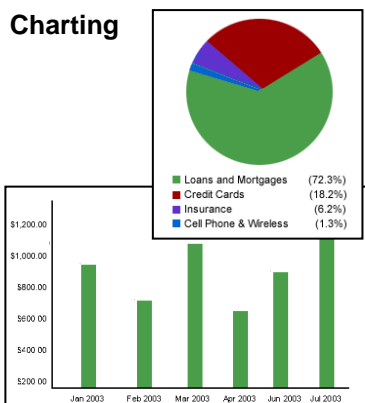
Focus on Ease of Use = Increased Consumer Adoption

Both BillDirect and BillDirect Premium offer exciting new enhancements designed to make registration and new account activation as easy as 1-2-3. These enhancements include:

- Biller Pick List – The biller pick list user interface (UI) has been completely redesigned to maximized new account activation. Following the 80/20 rule, Yodlee will populate the biller pick list with the top 20 billers in each category (i.e. cards, phones, utilities) that make up 80% of the billing activity by region. This redesign has dramatically shortened the new account activation process by allowing consumers to quickly locate relevant billers from a list of thousands. The result has been a 500% increase in new account activations and product utilization.

- Auto-Registration - Consumers no longer need to register at each biller's web site and then return to activate their accounts. Yodlee has designed simple auto-registration forms that capture only basic required information. The consumer's registration request is submitted by Yodlee "behind the scenes" with data conforming to the biller's online registration requirements. Yodlee then updates the eBill status in the consolidator user interface (UI) and begins gathering billing content from the biller's web site. This allows the consumer to register for multiple eBills without having to leave the consolidator's web site.

Improved Consumer Utility

The BillDirect user interface (UI) provides more robust functionality than current competitive bill consolidation services including; the ability to view and monitor unbilled transactional activity, access to 12 months of billing history, alerts, calendar, charting and more…

- Alerts: Consumers can set several types of alerts for bills to remind them of receipt of new bills, payment due dates, remaining prepaid cell phone minutes, credit thresholds, spending thresholds, unusual transactions and more.

- Bill Calendar – This tool provides a visual reference to help consumers more effectively plan their expenses for the month. The calendar view displays a full month calendar for the current month. Notations appear on the bill due date as well as teaser events with bill reminders for previous and upcoming months. The consumer may select any bill notation to view the detail or make a payment or select drop down menus to navigate to different months.

- Charting – This tool provides several visual references with payment history graphs and payment allocation charts. The user may chart or graph billing content several different ways including; single biller and any time period, multiple billers and one month period, or multiple billers and any time period.

Executive Summary

Executive Summary

- Biller Direct is a "killer" consumer application

- It's here to stay

- Bill Manager Standard redirects traffic to FI

- It's highly sticky

- Appeals to mass market

- Gain 360° view of consumer spending

- Bill Manager Premium adds "pay anyone"

- Years ahead of completion

- Is the next "killer" online banking application

In summary, the biller direct model has proven to be a "killer" application for the mass consumer market. In just 5 years, biller direct bill pay has even out paced online banking. Consumers enjoy:

- Free Bill Presentment and Payment
- Flexible payment options including credit card and ACH
- Just in time payments
- Payment confirmation directly from the biller

The Biller Direct model is here to stay!

BillDirect

Yodlee's BillDirect product was designed to maximize all of the consumer benefits listed above and provide additional benefits including; bill consolidation, password consolidation, standardized alerts and expense charting. The benefits to the FI or consolidator include:

- Highly sticky application – same as pay anyone at 1/3rd the cost
- Redirect biller direct activity to your site to up-sell and cross sell
- Gain 360° view of credit card spending, mortgage balance, etc.
- Reach new customer segment not willing to pay for EBPP

BillDirect Premium

Yodlee's BillDirect Premium product is designed to maximize all of the aforementioned benefits with the added benefit of "pay anyone".

Bank bill pay and electronic bill consolidation has yet to achieve critical mass and is many years away from displacing the biller direct model, based on current growth trends and new billing content.

Yodlee's BillDirect product is 10 years ahead of the competition for billing content and 5 years ahead for functionality, including line item alerts and custom charting tools. This product truly represents the next evolution for bill consolidation.

Add to that a robust "pay anyone" service and your organization is positioned to prove out what analysts have been saying for years. Provide a safe and secure place where consumers can view and pay all of their bills and you will have the next "killer" online banking application -- proven to increase customer loyalty and further solidifying your organization as their primary Financial Institution.