



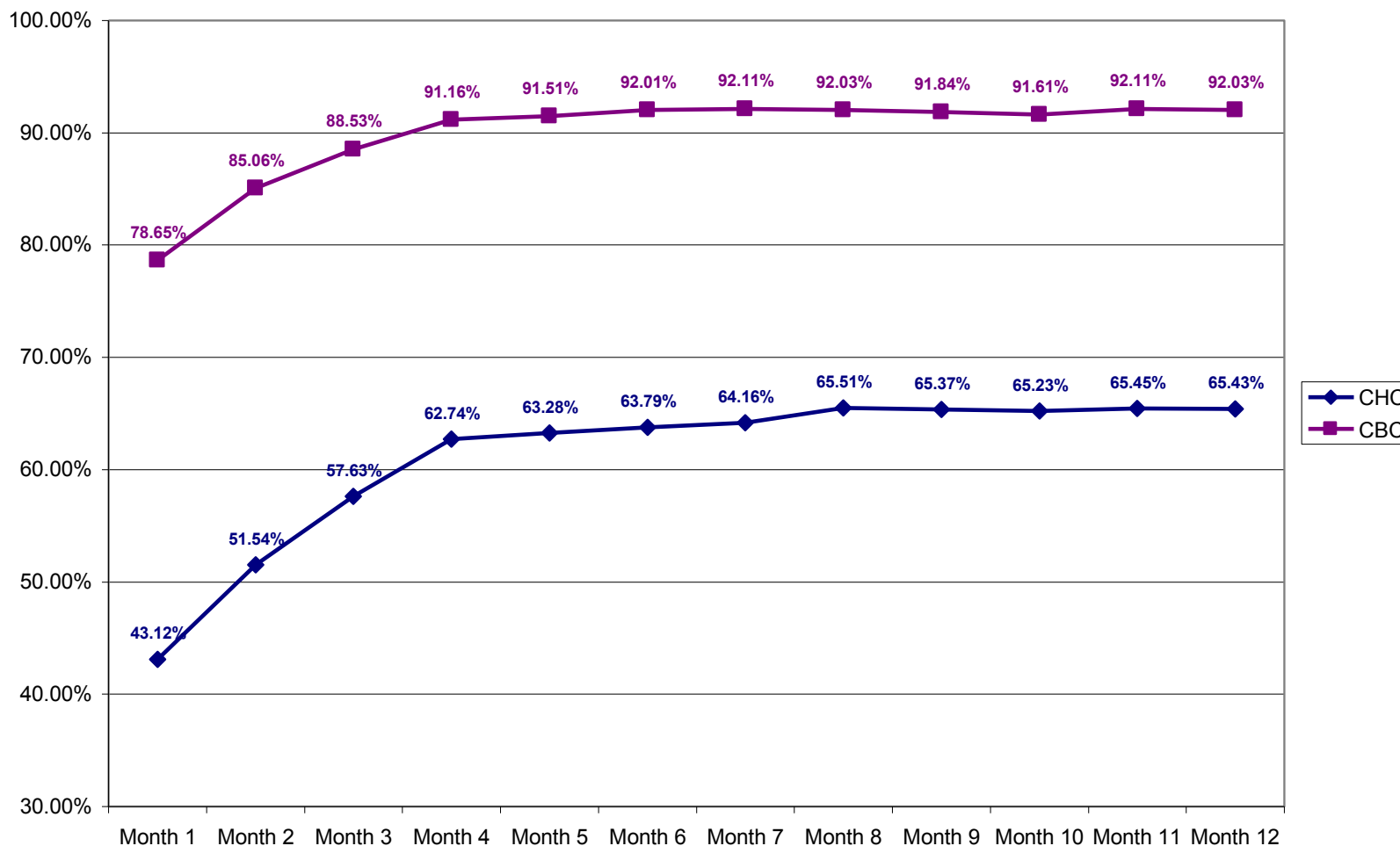
# New CBC & CHC Checking Online Services Enrollment Analysis

(Accounts Opened Between 12/01/07 to 2/28/08)

Prepared by Daleth Aponte

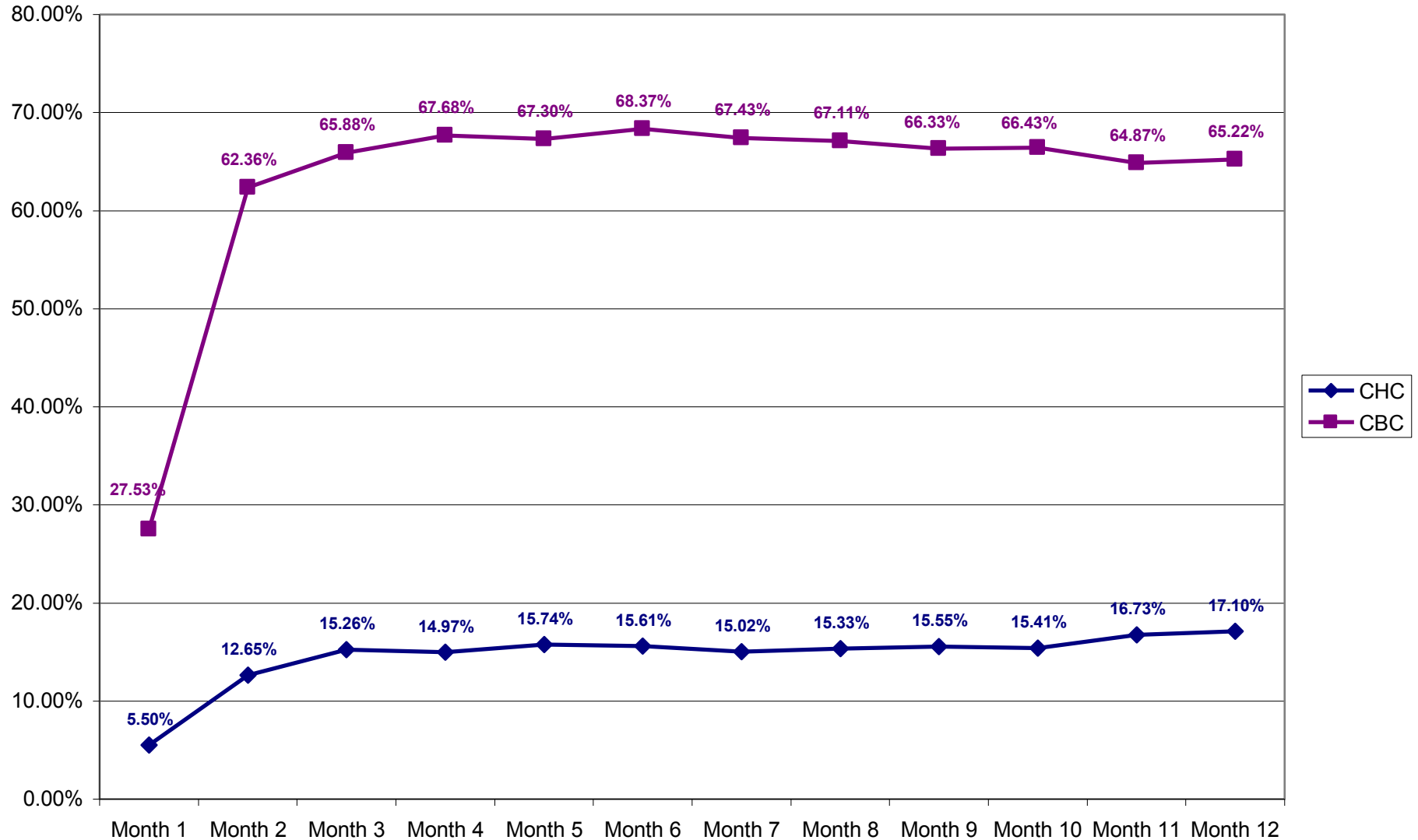
The chart below illustrates the % of CHC and CBC checking accounts enrolled in online banking. Month 1 is the subsequent month the account was opened. For example, if account was opened in January, month 1 is February. This supports the correlation between CBC as a % of total checking and enrollment in online banking. As the % of new CBC accounts decline so does enrollment for online banking. After the 4<sup>th</sup> month, the incremental increase in the enrollment rate drops off for both types of accounts.

**% of New CBC & CHC Accounts Enrolled in Online Banking**



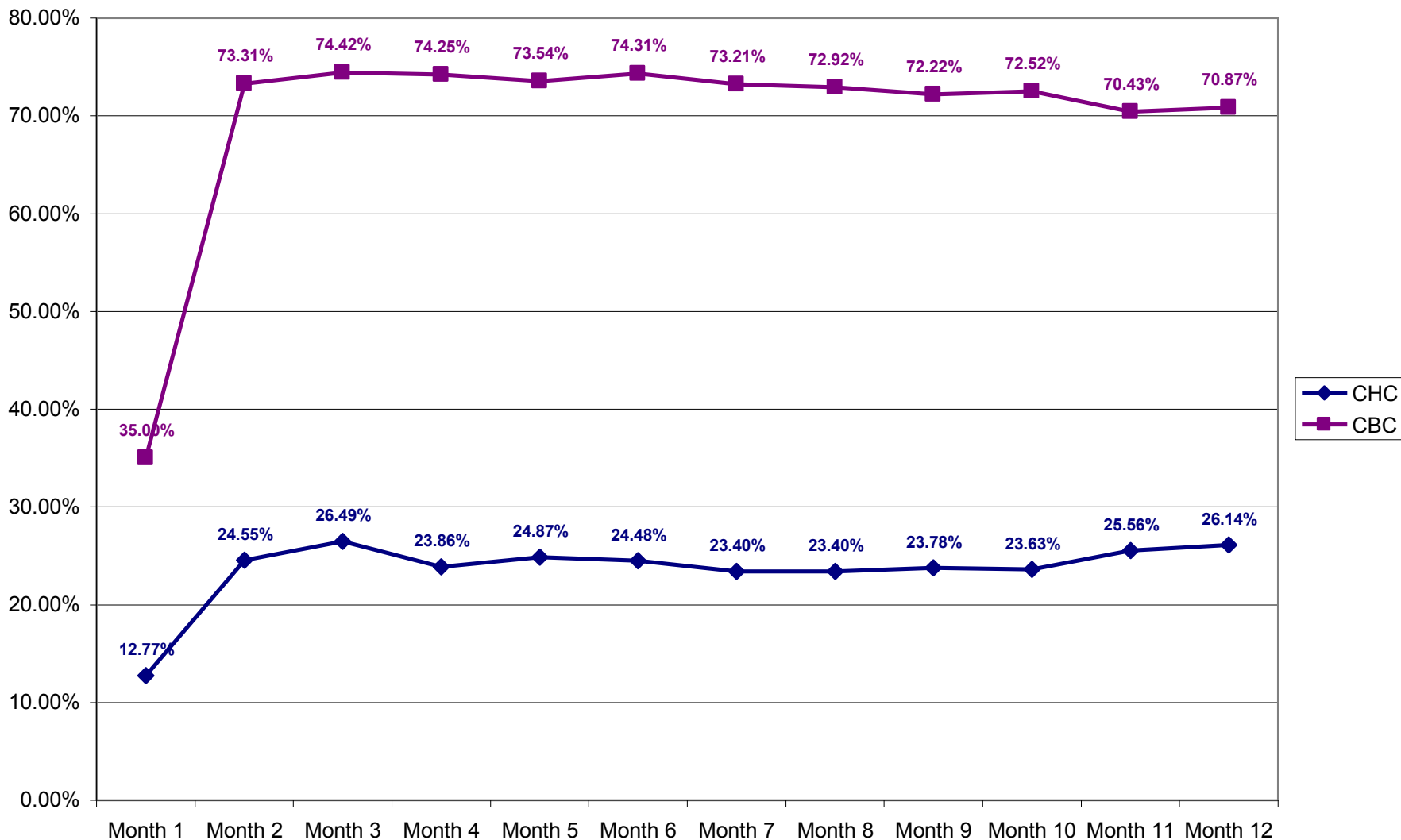
This chart shows the % of new CBC and CHC accounts enrolled in bill payment. The gap in bill pay enrollment is much greater than the gap in online banking.

### % of New CBC & CHC Accounts Enrolled in Bill Payment



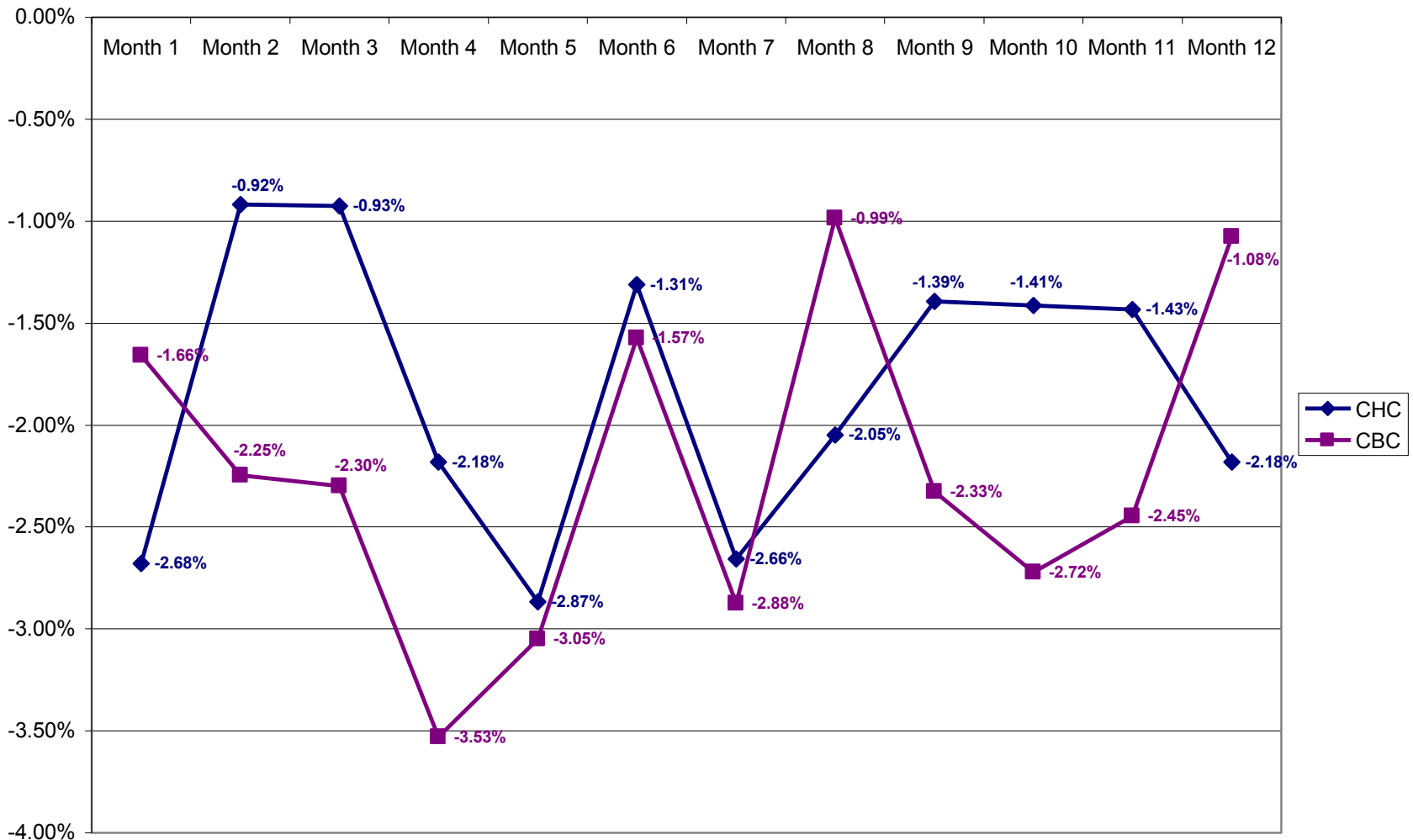
This chart is based on accounts enrolled in online banking, and shows the % of online account users also enrolled in bill pay. This clearly shows that CBC account members enrolled in online banking are almost three times more likely to also enroll in bill pay.

### % of Online Banking Users Enrolled in Bill Payment



This chart shows the % change in the number of accounts from the previous month. The annual attrition rate for the CBC was 23.76%, and for the CHC it was 19.94%. So, although the CBC had a higher enrollment of online services, it did not result in a higher retention rate. What this statistic may be telling us is that a fraction of members who open a CBC, once they realize they are not meeting the transaction requirements have a higher propensity to close the accounts.

**New CBC & CHC % Change from Previous Month**



The two tables below show the top four consumer segments (expanded) for each account type. Both groups share three of the top four consumer segments. Nonetheless, the CBC group has a larger proportion of HHs with higher incomes. Yet I do not think this explains the vast disparity in the enrollment of online services. The CBC's incentives are the main reasons for the gap in online services enrollment. So the question is, what kind of incentive can we give to new CHC account holders to encourage them to enroll.

### CBC

| Consumer Segments         | %      |
|---------------------------|--------|
| Younger Middle Market     | 15.46% |
| Older Middle Market       | 13.49% |
| Younger Upscale           | 13.49% |
| High Income Credit Driven | 11.84% |

### CHC

| Consumer Segments         | %      |
|---------------------------|--------|
| Younger Fee Driven        | 12.63% |
| Younger Middle Market     | 12.29% |
| Older Middle Market       | 10.58% |
| High Income Credit Driven | 10.24% |

| Description               | Income Range      | Age Range |
|---------------------------|-------------------|-----------|
| Younger Fee Driven        | < \$30K           | 18 - 34   |
| Older Fee Driven          | < \$30K           | 35 - 44   |
| Lower Income Depositor    | < \$30K           | 45 - 64   |
| Low Income Credit Driven  | \$30K - \$49,999  | 18 - 34   |
| High Income Credit Driven | \$50K - \$100,000 | 18 - 34   |
| Younger Middle Market     | \$30K - \$99,999  | 35 - 44   |
| Older Middle Market       | \$30K - \$99,999  | 45 - 54   |
| Middle Income Depositor   | \$30K - \$99,999  | 55 - 64   |
| Retired Depositor         | <=\$99,999        | 65 +      |
| Younger Upscale           | \$100K +          | 35 - 54   |
| Older Upscale             | \$100K +          | 55 +      |

The two tables below show the age distribution, in descending order, of the two checking account types. The CHC account holders are younger. The % of account holders in the 18 – 35 age group for the CHC and CBC are 41.9% and 32.03% respectively.

**CBC**

| <u>Age Range</u> | <u>%</u> |
|------------------|----------|
| 36 to 45         | 29.13%   |
| 26 to 35         | 20.06%   |
| 46 to 55         | 18.77%   |
| 18 to 25         | 11.97%   |
| 56 to 65         | 11.97%   |
| 66 to 75         | 4.85%    |
| 76 to 85         | 2.27%    |
| 86 to 98         | 0.65%    |
| 0 to 17          | 0.32%    |

**CHC**

| <u>Age Range</u> | <u>%</u> |
|------------------|----------|
| 18 to 25         | 22.22%   |
| 36 to 45         | 19.87%   |
| 26 to 35         | 19.19%   |
| 46 to 55         | 18.52%   |
| 56 to 65         | 13.80%   |
| 66 to 75         | 3.37%    |
| 76 to 85         | 1.68%    |
| 0 to 17          | 1.01%    |
| 86 to 98         | 0.34%    |