

*RemoteDepositCapture.com*

# Remote Deposit Capture

*Review 2007 / Preview 2008*  
*January 16, 2008*

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 **Metavante**<sup>®</sup> | Image Solutions



The Most Comprehensive  
Check and Imaging Solutions.

**Period.**

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 **Metavante**® | Image Solutions



**Metavante Image Solutions** is the proven industry leader in helping organizations successfully transition from paper to image processing and electronic payments. From payment and document capture to clearing and settlement — and everything in between — Metavante Image Solutions provides the world's most comprehensive end-to-end image-based check and remittance processing, image exchange, risk management, and document and report management solutions for organizations of every size, in all the markets we serve — banking, insurance, energy, transportation, credit, and government operations.

For More Information, please visit [www.metavanteimage.com](http://www.metavanteimage.com)

# About Our Presenters...

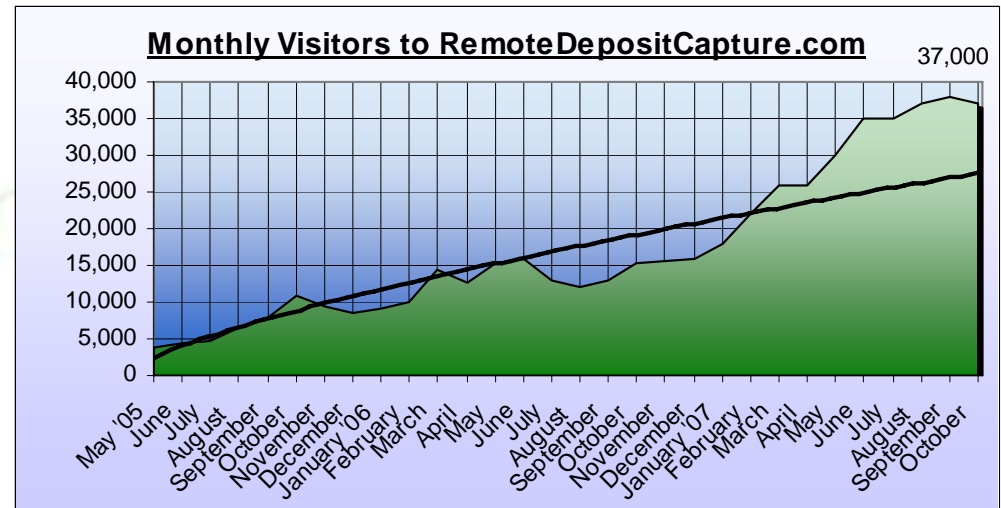
- John T. Leekley
  - Founder & CEO, RemoteDepositCapture.com
- Ed McLaughlin
  - Executive Director, RemoteDepositCapture.com

## •About [RemoteDepositCapture.com](http://RemoteDepositCapture.com)

- Over 5MM Hits Since Launch
- Independent, Unbiased

## •Services

- [RDC Marketplace](#)
- News & Research
- Community Forums
- Solution Provider Directories
- RDC Overviews
- White Paper Central, and more.



# Today's Agenda

- 2007 Review
  - Notable Headlines & Events
  - Trends & Issues
  - Metrics
- 2008 Preview
  - Trends
  - Expected Developments
  - Things to Watch
- Downloads
  - Presentation
  - 2007 Summary of Headlines & Events



# RDC in 2007

## Continued Strong Growth, A Banking Requirement, Confirmed Value

- Smart / Thin Client
  - 2<sup>nd</sup>+ Generation of Services
  - Integrated Solutions
  - Improved Functionality
  - Competitive Pressures
  - Image-Based Clearing
  - Hosted solutions
  - Branch Capture
- Issues / Lessons Learned
- Deployment Options
  - Substantial Demand
  - Back Office Conversion
  - Patent Concerns
  - Scanners!

# Q1 Headlines & Issues

## Trends & Issues

- RDC Gains Momentum
- Check-ACH Fizzles
- BOC Goes Live
- Patent Concerns

## Key Headlines:

- January 10: 2007 Will Be Year of Image Exchange as Banks Accelerate Check Electronification
- January 30: Check-ACH Coalition Gives up on Ambitious Plan for Check Processing
- February 12: DataTreasury Scores Victory before U.S. Court of Appeals for the Federal Circuit
- March 13: Results of the 2007 ABA Banking Journal Community Bank Competitiveness Survey: Bank Success Depends Upon Remote Deposit Capture
- March 16: NACHA Greet's Debut of BOC with Cautious Expectations

# Q2 Headlines & Issues

## Trends & Issues

- RDC Goes Mainstream
- Regulators on the Radar Screen
- The Fed & The Move to Electronification
- Payments Convergence

## Key Headlines:

- April 2: Remote Deposit Capture: Regulators Looking Over The Bank's Shoulder
- April 26: Banks Are Realizing Millions in New Deposits, New Revenues and Cost Saves by Offering Remote Deposit Capture - Banks are Now Able to Quantify Results
- May 3: The Federal Reserve's Report to the Congress on the Check Clearing for the 21st Century Act of 2003 - Report Dated April, 2007
- May 30: Unisys to Develop Next-Generation Electronic Check Payments System for the Federal Reserve
- June 27: The Fed Says Just Four Check Sites Will Handle Paper by 2011

# Q3 Headlines & Issues

## Trends & Issues

- Patent Concerns
- Next-Generation Technologies
- The Move Down-Market
- Lessons Learned

## Key Headlines:

- July 10: Patent Office Validates a DataTreasury Image Exchange Patent
- July 23: CheckFree Improves Check Image Processing Efficiency by Combining Check Capture and ACH Processing Capabilities
- August 22: New RDC Insider Report: Remote Deposit Capture - Converging Payments & Platforms: The Next Generation of Remote Deposit Capture Technologies
- September 6: Best Practices in RDC: The Seven Habits of Highly Effective Deployers Report Published by Celent

# Q4 Headlines & Issues

## Trends & Issues

- Scanners, Scanners Everywhere
- New Business Models
- New Federal Reserve Research
- System Integration

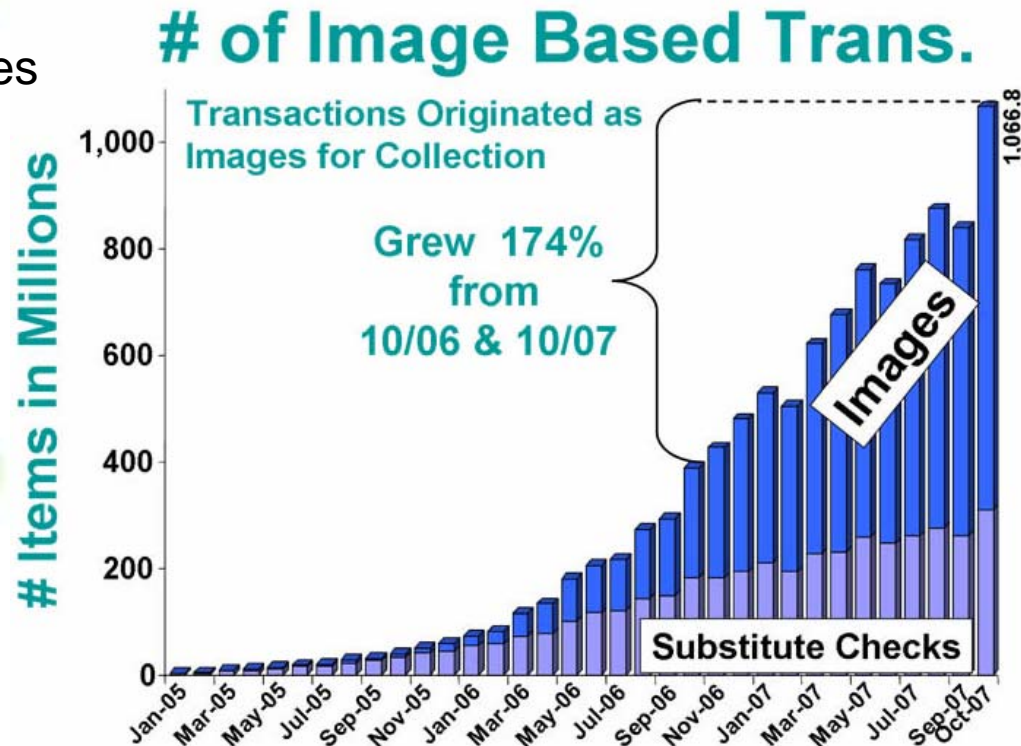
## Key Headlines:

- **October 11:** Wells Fargo's Electronic Check Processing Tops One Million Image Deposits in a Single Day
- **October 25:** BankServ Partners With Capital Payments to Offer Innovative e-Check Processing and Remote Deposit Solutions
- **November:** Several Scanner Announcements from CTS, Digital Check, Panini, Unisys, Epson, RDM and others.
- **December 10:** Federal Reserve Study Shows That More Than Two-Thirds of Noncash Payments Are Now Electronic - Still, more than 33 Billion Checks Written in 2006

# Check Imaging: Exponential Growth

Information Source: [www.ECCHO.org](http://www.ECCHO.org), Federal Reserve

- Approx. 12,000 R/Ts Receive Images (out of 16,000)
- Avg. ~\$1,500 vs. Overall Avg. of \$1,300.
- 40%+ of all dollars processed by check are cleared via Image / IRD.
- 33 Billion Checks written in 2006
- 3 Billion Converted to ACH
- Over \$40 Trillion paid by Check
- \$3.1 Trillion Via Credit + Debit

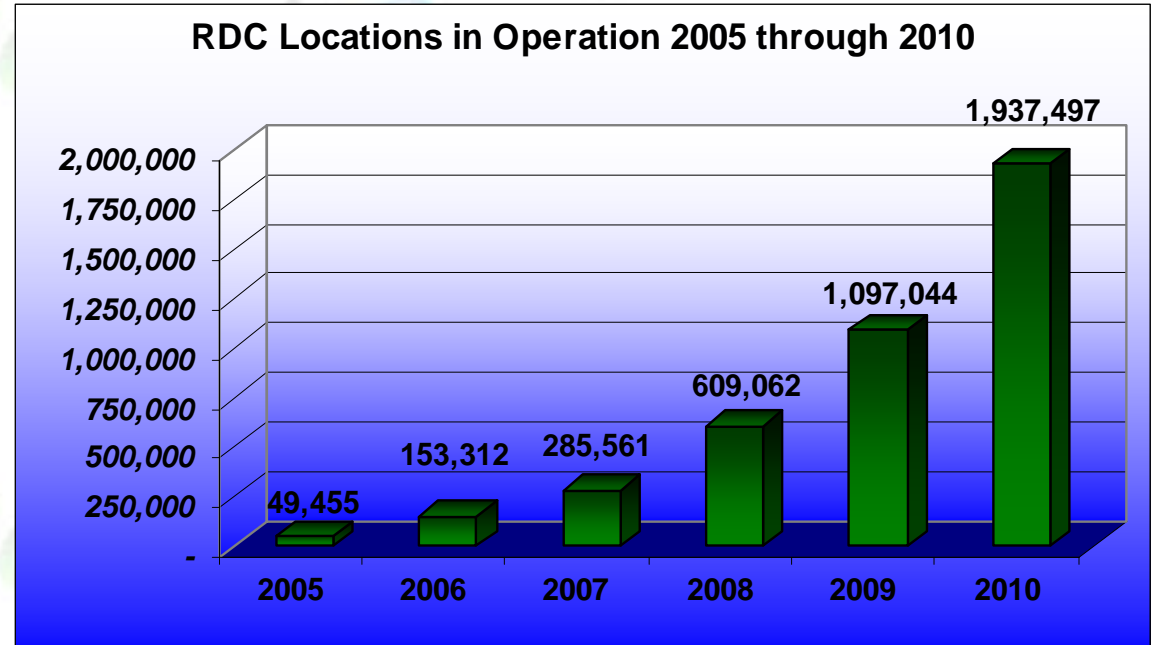


Source: Federal Reserve, NCHA, SVPCO and local / regional exchanges

# RDC Locations, 2005 - 2010

## Key Points:

- 600% Growth through 2010
- 75%+ of All Banks
- Drivers Include Technology, Competition
- Wildcards: Small Biz & Consumer Acceptance



**By EOY 2010, Potential for 1.7MM Corp Locations,  
230K+ Branch Locations**

# Operational Models

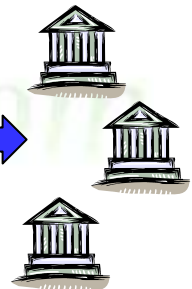
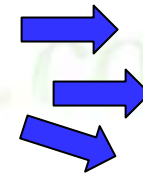
1. Bank-Provided Solution



2. Third Party Processors



3. Third Party as Clearing Agent  
w/ ACH credit



4. End-user Controlled Platform.



# Pricing Trends

- Competition, Technology is Forcing Pricing Lower
  - Per Item Fees \$.04 - \$.15
  - Monthly Maintenance \$20 - \$30
  - Scanner Buy / Rent / Lease \$30 - \$50
  - Scanner / PC Maintenance
- Additional Considerations
  - Additional Functionality
  - Check Storage, Risk
  - Balances, Relationship



***RDC is no longer a stand-alone product, but increasingly becoming part of an overall RELATIONSHIP Pricing Package***

# Functionality & Technology

- Thin client dominate – Next is Web 2.0
- Adoption of SOA – Software architecture by banks and technology partners
- Check & Document Scanners – Move towards integration with documents
- It's about the payment not just the check - Payment processing
- UI (User Interface) – Needs to be more intuitive
- Risk and Fraud – Technology, Legal and Regulation

# Technology Evolution

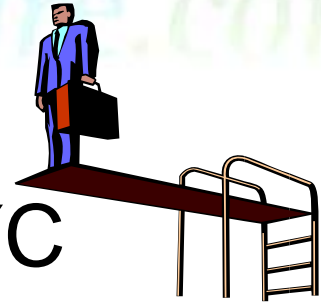
- 1<sup>st</sup> Generation RDC – Challenges
  - Met time to market for October 28, 2004
  - Thick Client – Windows integration
  - Focused on check capture for deposit
  - File Transfer for export of data
- 2<sup>nd</sup> Generation RDC – Current Capability
  - More features and Thin client or Smart Client
  - Capture information about the check.
  - SSO Integration
  - File Transfer for export of data for the most part
- 3<sup>rd</sup> Generation RDC – Next Step
  - “It is about the payment”
  - Use of a service oriented architecture (SOA) for content and application integration integrated as a portal service
  - Capture documents and information associated with the payment.
  - Integration into A/R and ECM systems
  - Multiple workflows to meet customer requirements



2004      2005      2006      2007      2008...

# Industry Risks & Issues

- Patents
- Bank Footprint Expansion & KYC
- Transaction Integrity
- Replicated Items
- Regulation?
- What the skeptics are saying...



# RDC in 2008

## Growth, Empowerment, Competition, Integration & New Developments

- 3rd Generation of Services
- Integrated Solutions
- Smart / Thin Client
- Competitive Pressures
- Biz Model Options
- Segmentation
- New Technologies
- ISOs / Cards

### Trends to Watch:

- Small Biz & Consumer
- Patent Concerns Cont'd
- Scanners?
- Risk & Fraud

# What to Expect in 2008

*- From RemoteDepositCapture.com*

- BAI Transpay
- RDC Summit
- Site Upgrades
- RDC Forums Growth
- More Exposure
- More Content
- Speaking Circuit



# What to Expect in 2008

## *-Industry Perspective*

- Biz Model Options
- Technology – SOA, ASP, Web 2.0
- Focus Upon Risk & Fraud
- Industry Policies / Standards
- Reduced Costs & Pricing
- Check + Card Solutions
- Lawsuits / Precedent
- Patent Issues Will Continue



# Additional ?s & Discussion

If you have additional questions and / or would like to discuss this webinar with industry peers, log into the RDC Community Forums at...

**[www.RemoteDepositCapture.net](http://www.RemoteDepositCapture.net)**

**Basic Registration is FREE.**

# Additional Webinars

## ■ On-Demand Webinar Archive

- RDC 2007 Industry Report
- RDC Legal Agreement Workshop
  - Presenter: Paul Carrubba
- The Market Opportunity of Remote Deposit Capture
- Industry Update: Focus Upon Industry Pricing & Strategies
- Software Provider Roundtable – Focus upon POC Functionality
- Industry Roundtable - In-House vs. ASP Solutions

# Thank-You to our Sponsor....

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# For More Information

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