

**OFS Benchmark**

February 2005

Online Financial Services Benchmark: Q4 2004by **Catherine Graeber**

with Elizabeth Davis

This quarter's Benchmark welcomes three new participants in Peer Group B: Bank M, Bank N, and Bank O.

Consumer Online Banking And Transfers

X banks showed quarterly growth of more than X%: Bank I, Bank L, and newcomer Bank M. As for online banking penetration, Bank O garnered the top spot with X% of its customers enrolled. Additional online banking metrics include:

- **Checking account penetration.** Bank A led Peer Group A with X% of its checking account households enrolled in online banking. A strong performer in Peer Group B was Bank M with X% penetration.
- **Activation rate.** Bank D led all participants with an online banking activation rate of X%. In Peer Group B, Bank L led the way, increasing its activation rate by X% to X%.
- **Online banking sessions.** Bank J's online customers continue to be the most active, averaging X sessions per month. Bank O's online base is also much more active than most other participants with X sessions per month.
- **Transfer activity.** X percent of Bank D's online customers scheduled a transfer during the quarter, followed closely by Bank F.

Consumer Online Bill Payment And Presentment

Of the banks that don't automatically enroll online banking customers in bill pay, newcomer Bank N led with X% penetration for online banking households, after a quarter of strong enrollment growth. Bank G also reported robust quarterly enrollment growth of X%. Additional metrics captured include:

- **Active bill pay customers as a percent of active online bankers.** At X%, Bank A continues to lead all participants in this metric. But it just beat out Bank H, which improved this metric by X% during the quarter.
- **Bill pay activation rate.** New participant Bank O edged out Bank E for the highest bill payment activation rate with X%. Bank B led Peer Group A with an X% activation rate. Bank F takes honors for the most improved activation rate, up X% from the previous quarter.

- **Viewing bills online.** X of our participants offer bill presentment and could report on this metric. Bank O replaced Bank H as the leader of the pack with X% of its active bill payers having enrolled to view at least one bill online.

Online Account Aggregation

Bank J led the other benchmark participants that offer aggregation with X% of its online banking households actively using aggregation. Metrics tracked include:

- **Online banking penetration.** Bank J led both Bank C and Bank F by a wide margin and reported that X% of its online banking households are enrolled in account aggregation.
- **Aggregation activation rate.** Activation rates for aggregation dropped at both Bank C and Bank J. At X%, Bank F had the highest activation rate.
- **Number of financial accounts linked.** This metric remained unchanged at all banks during the second quarter. Bank F took top honors, with its aggregation customers linking X accounts on average.

Small Business Online Banking And Transfers

With X% of its small business checking account households enrolled in online banking, Bank A takes the top spot for checking account household penetration. Bank L led the pack with quarterly enrollment growth of X%. Additional metrics include:

- **Checking account penetration.** Second to Bank A was Peer Group B's Bank F. With strong enrollment growth in Q2, it reported that X% of its small business checking account households were enrolled in online banking.
- **Activation rate.** Bank D stayed in the top spot this quarter with an X% activation rate, down slightly from last quarter. It was closely followed by Peer Group B's Bank F and Bank I at X% and X%, respectively.
- **Online banking sessions.** The ranking remained the same this quarter with Bank J's X sessions edging out both Bank A and Bank I, whose small business customers averaged X sessions per month.
- **Transfer activity.** Of those that can report on this metric, Bank D continues to outdistance the rest of the pack with X% of its online small business customers having scheduled a transfer during the quarter.

Small Business Online Bill Payment

Bank L continued strong enrollment growth in online bill pay for the small business segment, up X% for the quarter. Bank D migrated to a new small business platform, which required customers to re-enroll in bill pay, which accounted for the substantial drop in quarterly enrollment growth. Metrics captured include:

- **Bill pay activation rate.** Bank D led in this category, with an activation rate of X% among its online small business customers. Bank I edged out several other Peer Group B banks with an X% activation rate. Bank F showed the most improvement in this metric, increasing the activation rate by almost X% during the quarter.
- **Active bill pay customers as a percent of active online bankers.** Bank H continued to lead with X% of its active small business online bankers actively using bill pay. In Peer Group A, Bank A took top honors at X%.

Forrester Research, Inc.

Online Financial Services Benchmark: Q4 2004

February 2005

by Catherine Graeber

with Elizabeth Davis

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Forrester's Online Financial Services Benchmark: Q4 2004

Consumer Online Banking

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Note: This is a mockup. In the actual report, firms are listed by firm name.	9/30/2004		12/31/2004					
	ACTIVE online banking customers		ACTIVE online banking customers		Average number of sessions per active online banker in the quarter	Percent of active online bankers who scheduled a transfer in the quarter	Average number of transfers per active online banker in the quarter	Quarterly growth in active online banking customers
	Online banking activation rate	Online banking activation rate	Online banking activation rate	Online banking activation rate				
Peer Group A (>US\$200B in assets)								
Firm A	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm B	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group A Average		XX.X%		XX.X%				XX.X%
Peer Group B (>US\$50B-<US\$200B)								
Firm C	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm D	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm E	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm F	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm G	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group B Average		XX.X%		XX.X%				XX.X%
Peer Group C (<US\$50B)								
Firm H	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm I	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm J	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm K	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm L	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group C Average		XX.X%		XX.X%				XX.X%
Peer Group D (Canadian banks)								
Firm M	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm N	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm O	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm P	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm Q	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm R	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group D Average		XX.X%		XX.X%				XX.X%

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Consumer Online Bill Pay And Presentment

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	9/3-/2004				12/31/2004						
	ACTIVE online bill pay customers	Online bill pay activation rate	Percent of ACTIVE online bill payers enrolled in bill presentment	Percent of active online bill payers enrolled to view at least 1 bill (US)/ registered with at least 1 biller (Canada)	ACTIVE online bill pay customers	Online bill pay activation rate	Percent of ACTIVE online bill payers enrolled in bill presentment	Percent of active online bill payers enrolled to view at least 1 bill (US)/ registered with at least 1 biller (Canada)	Average number of bills paid per active online bill pay customer	Average number of payees linked per active online bill pay customer	Quarterly growth in active online bill pay customers
Peer Group A (>US\$200B in assets)											
Firm A	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm B	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Peer Group A Average		XX.X%		XX.X%				XX.X%			XX.X%
Peer Group B (>US\$50B-<US\$200B)											
Firm C	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm D	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm E	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm F	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm G	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Peer Group B Average		XX.X%		XX.X%				XX.X%			XX.X%
Peer Group C (<US\$50B)											
Firm H	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm I	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm J	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm K	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm L	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Peer Group C Average		XX.X%		XX.X%				XX.X%			XX.X%
Peer Group D (Canadian banks)											
Firm M	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm N	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm O	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm P	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm Q	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Firm R	XXX,XXX,XXX	XX.X%	XX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%	XX.X	XX.X	XX.X%
Peer Group D Average		XX.X%		XX.X%				XX.X%			XX.X%

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Small Business Online Banking

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	9/30/2004		12/31/2004					
	ACTIVE online banking customers	Online banking activation rate	ACTIVE online banking customers	Online banking activation rate	Average number of sessions per active online banker in the quarter	Percent of active online bankers who scheduled a transfer in the quarter	Average number of transfers per active online banker in the quarter	Quarterly growth in active online banking customers
Peer Group A (>US\$200B in assets)								
Firm A	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm B	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group A Average		XX.X%		XX.X%				XX.X%
Peer Group B (>US\$50B-<US\$200B)								
Firm C	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm D	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm E	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm F	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm G	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group B Average		XX.X%		XX.X%				XX.X%
Peer Group C (<US\$50B)								
Firm H	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm I	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm J	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm K	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm L	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group C Average		XX.X%		XX.X%				XX.X%
Peer Group D (Canadian banks)								
Firm M	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm N	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm O	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm P	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm Q	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Firm R	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X%	XX.X	XX.X%
Peer Group D Average		XX.X%		XX.X%				XX.X%

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Small Business Online Bill Pay And Presentment

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	9/30/2004		12/31/2004				
	ACTIVE online bill pay customers	Online bill pay activation rate	ACTIVE online bill pay customers	Online bill pay activation rate	Average number of bills paid per active online bill pay customer	Average number of payees linked per active online bill pay customer	Quarterly growth in active online bill pay customers
Peer Group A (>US\$200B in assets)							
Firm A	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm B	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Peer Group A Average		XX.X%		XX.X%			XX.X%
Peer Group B (>US\$50B-<US\$200B)							
Firm C	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm D	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm E	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm F	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm G	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Peer Group B Average		XX.X%		XX.X%			XX.X%
Peer Group C (<US\$50B)							
Firm H	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm I	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm J	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm K	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm L	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Peer Group C Average		XX.X%		XX.X%			XX.X%
Peer Group D (Canadian banks)							
Firm M	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm N	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm O	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm P	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm Q	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm R	XXX,XXX,XXX	XX.X%	XXX,XXX,XXX	XX.X%	XX.X	XX.X	XX.X%
Peer Group D Average		XX.X%		XX.X%			XX.X%

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Account Aggregation

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	9/30/2004		12/31/2004				
	ACTIVE aggregation customers	Aggregation activation rate	ACTIVE aggregation customers	Aggregation activation rate	Average number of sessions per active aggregation customer in the quarter	Average number of financial accounts linked per each active aggregation customer	Quarterly growth in active aggregation customers
Firm A	XX,XXX	XX.X%	XX,XXX	XX.X%	XX.X	XX.X	XX.X%
Firm L	XX,XXX	XX.X%	XX,XXX	XX.X%	XX.X	XX.X	XX.X%
Average		XX.X%		XX.X%			XX.X%

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