

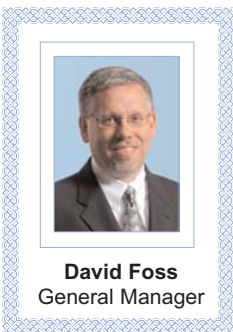
Online Banking: Expanding the Channel with Convenience and Security

With online banking and other online services, the boundaries are gone for financial institutions and we continue to see tremendous expansion in online banking and bill pay programs. Surprisingly, while larger institutions are on 2nd and 3rd generation systems, there are still many smaller community institutions that are coming online for the first time with online banking programs.

One online solution that has the potential to revolutionize the way financial institutions acquire and retain commercial accounts is Remote Deposit Capture. This solution allows financial institutions to setup 'virtual branches' at merchant sites and provide a new level of service to their commercial clients. Retailers using this solution no longer send an employee to the credit union to stand in line to deposit their checks. They can simply and securely scan and transmit the checks from their business locations.

The merchant enjoys better cash flow and immediate access to electronic images, while the credit union keeps their costs low and business members happy. ProfitStars' Enterprise Payment Solutions Group is working closely with our clients to deploy these merchant deposit capture solutions and has hundreds of commercial clients online today.

In terms of security, we believe that close cooperation between financial institutions and vendors is key to managing fraud. Certainly multi-factor authentication will help secure the online channel because it adds another level of comfort for the consumer. In our ProfitStars division, we offer powerful Biometric Identification, Fraud Detection, and Enterprise Risk Management solutions that are all designed to help credit unions in their ongoing battle against cyber-criminals.



Even though more and more consumers are increasingly comfortable with electronic transactions, credit unions must still actively promote their online services, especially newer products such as remote deposit capture which are not that well understood in the business community. The credit union's staff must be well trained and familiar with these electronic services, and act as sales people to promote both the tremendous convenience and security that the online channel offers consumers and businesses.



David Foss is General Manager of ProfitStars, a division of Jack Henry & Associates which provides specialized solutions to banks and credit unions of all sizes and core processors. In this role he is responsible for sales and operations of the current ProfitStars solutions, and for the integration of other acquired companies into the ProfitStars suite of solutions. Prior to assuming his current role, he has served as General Manager of the Complementary Solutions Group, and President of the Open Systems Group at Jack Henry and Associates. Dave began his career in 1985 at NCR as a Systems Engineer installing and supporting core and ancillary banking solutions. He joined Advanced Computer Systems (ACS) in 1989 as a sales manager marketing banking solutions to community banks in the upper Midwest. In 1993 Dave left community banking for a few years to become BancTec's Vice President of Professional Services and later Vice President of Operations managing large remittance processing solutions. In 1999 he arranged the sale of BancTec's community banking division to Jack Henry and Associates and joined JHA at that time.