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When it comes to financial services the “human touch” still matters.

2006 IBT/MCA Market Pulse Survey Finds U.S. Consumers Still Seek a Face-to-Face Experience From Financial Service Providers

IBT Enterprises and MCA Works, a leading marketing consultancy firm, shared the findings of the second IBT/MCA Market Pulse Survey, which seeks to understand how U.S. adults feel about and use financial services, at the 16th Annual IBT Trends Conference in Atlanta. The survey of almost 700 U.S. adults using financial services found that despite decades of predictions that technology-driven channels like ATMs and online banking would replace traditional banks, 50 percent prefer to bank face-to-face (bank branch, in-store branch and drive through). Thirty percent of those surveyed prefer to bank online, 18 percent opt for ATMs and 2 percent say mail or telephone.

Retail Banking Institutions Remain the Consumer's Financial Hub

Eighty-four percent of U.S. adults say they use retail or commercial banks, 40 percent say they use credit unions and nearly a third (28 percent) say they use securities and investment institutions. Sixty-nine percent of U.S. consumers have designated a retail or commercial bank as their primary financial institution and 19 percent have designated a credit union as their primary financial institution.

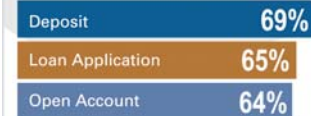
While it is true the vast majority of U.S. adults use multiple channels to conduct their financial transactions, which include the stand-alone bank branch, drive-through windows, in-store banking, online banking and ATMs, 76 percent of Americans “love” or “don't mind” going inside the branch to conduct business. Seventy-five percent of those surveyed said that their financial institution has designed its branch for people like them.

The study showed that consumers preferred face-to-face interaction with their financial institution representatives for more complex

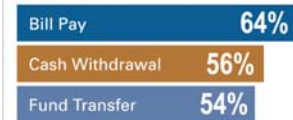
transactions such as making a deposit (69 percent), applying for a loan (65 percent) and opening a new account (64 percent). Automated banking (ATM, online and telephone banking) was most popular with respondents when it came to paying bills (64 percent), cash withdrawal (56 percent) and transferring funds (54 percent).

Favor Face-to-Face

Overall, consumers prefer face-to-face interaction (visiting a branch or drive-through) when executing more complex financial transactions. The specific transactions breakout as follows:



Though more and more, consumers exhibit a preference toward automated services (online, ATM and telephone banking) for more simplistic transactions:



Source: 2006 IBT/MCA Market Pulse Survey

The strong desire to conduct deposits at branches exemplifies the need for well-designed, location-conscious facilities that offer fast and efficient service. More than one-third (38 percent) of U.S. adults most often deposit money while inside the branch and a near equal number (34 percent) most often conduct deposit transactions through the branch drive-through window.

“Savvy banks and credit unions know that having convenient touch points opens greater opportunities for them to delight consumers and increase their share of that consumer's business,” said Mylle Mangum, CEO of IBT. “By offering a robust and integrated channel of banking methods, financial institutions are in a better

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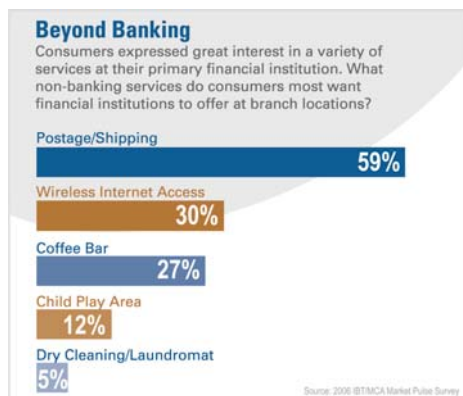
position to solidify their relationships with consumers. Moreover, the delivery channels should match the consumer's life stage/life cycle needs. For instance, drive-through windows are extremely important to families with children."

Relationships are Still "Sticky"

Highlighting the old marketing tenet – "get them early and keep them" – when asked about promotions to switch to another financial institution, 41 percent of U.S. adults said that "no amount of money or promotion could ever get me to switch." However, one-third (33 percent) said they would switch if offered a \$250 gift card and 20 percent said they would switch for 1 percent difference in their interest rate for deposits. Interestingly, 5 percent said they would switch financial institutions for an iPod. And of course, the toaster is now officially dead with only one percent reporting they would switch to a new financial institution in order to receive a new toaster.

When customers do switch financial institutions they do so largely because of life events (50 percent), product and service offering shortcomings (48 percent) or poor customer service or a bad experience (38 percent).

"Despite banking consolidation and automation, institutional relationships still matter because the majority of those surveyed have been with the same bank for the last five years or more," said John Rosen, executive director of MCA Works. "And those who left did so because of dissatisfaction with customer service issues ranging from product offering shortcomings to poor customer experience, so the survey indicates the relationship matters and can be improved."



Convenience is King

Today's fast-paced, multi-tasking lifestyles place a premium on convenience and consumers demand alternative methods of banking to accommodate their schedules and timeframes. The demand for convenience is evidenced by the factors that consumers feel are most ideal when it comes to branches:

- Getting in and out of the branch in less than five minutes (83 percent)
- Accessible parking (68 percent)
- Fast line for deposits only (40 percent)

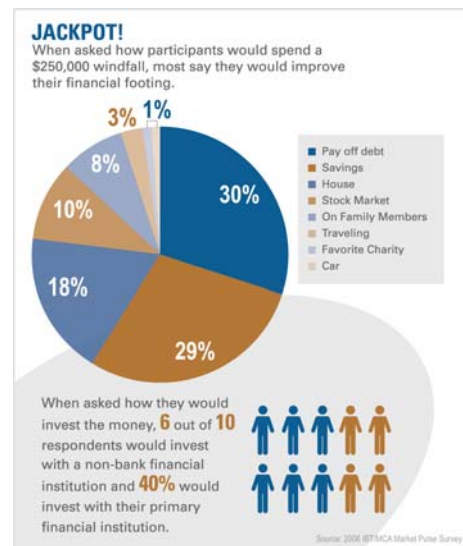
Underscoring the opportunity for branches to support small businesses with valuable add-ons, the majority of U.S. adults (59 percent) said that offering services such as postage and shipping would enhance their visit to their financial institution's branch. Approximately one third (30 percent) said offering wireless Internet access and an almost equal number (27 percent) said that offering a coffee bar inside the branch would make them more excited about visiting their financial institution's branch.

Scattered Satisfaction

Illustrating that personal relationships are less common in the world of financial services today, 54 percent said that they do not have a good relationship with a specific individual at their primary financial institution. However, 60 percent of those surveyed say they have been banking with the same primary institution for five or more years. Of the respondents who indicated a change on their primary financial institution, 44 percent kept all or some accounts open at the old financial institution.

Show Me the Money!

If a consumer wins the lottery, one might be surprised about who that lucky person might call first for financial advice. When asked about unexpectedly coming into a large sum of money (\$250,000), 25 percent of U.S. adults said the first person they would call would be an accountant, 19 percent said a family member, 12 percent a banker, 10 percent stock broker, six percent friend and 1 percent a real estate broker. Interestingly, 27 percent of



those surveyed said they would not call any of these individuals for financial advice.

Investing that money is a little more clear-cut. Thirty percent of Americans said they would likely spend the majority of a \$250,000 windfall to pay off debt and an equal number said they would invest the money in a savings account. Eighteen percent said they would spend the majority of the money on a house. The majority (60 percent) said if they choose to invest any part of the newfound \$250,000 they would do so through an alternative financial institution such as a stock broker or mutual fund company rather than their current primary financial institution (40 percent).

About The 2006 IBT / MCA Market Pulse Survey

Conducted in February and March, the 2006 IBT/MCA Market Pulse Survey is based on an online survey among a nationwide sample of U.S. adults that have an account at a financial institution. Of the 696 participants, 33 percent are from the South, 28 percent from the Midwest, 24 percent from the Northeast and 15 percent from the West. Of the respondents, 51 percent are male and 49 percent are female. The margin of error for the survey is plus or minus 4 percent. The research was conducted by Atlanta-based Arketi Group.

To download a complete copy of the 2006 IBT/MCA Market Pulse Survey report, visit www.ibtenterprises.com/viewpoint.htm.

IBT Welcomes Back Tom Tucker, EVP of Sales and Marketing



IBT is excited to welcome back Tom Tucker. Many IBT clients will remember Tom during his 10 years with IBT in the 1990's as a senior vice president and national sales

manager. Prior to re-joining IBT, Tom was senior vice president of sales for Travelex Currency Services, Inc. Tom has more than 30 years of experience in the financial services industry and a keen understanding of the challenges and opportunities facing financial institutions today. As EVP, Tom oversees the Sales, Marketing and Client Services divisions at IBT.

Tom has also recruited several former IBT colleagues to his team: Randy Tipton, who was previously with IBT for 6 years and has more than 12 years of experience in supermarket banking, will be leading an exciting new division to be announced shortly, and Suzanne Edwards, who was with IBT for 9 years and brings a total of 21 years of experience in the financial services industry, re-joins the Sales division.

It is with great enthusiasm and anticipation for the future that I return to IBT. There are more branch openings now than there have been in the last 10 years, and while there are rumblings of “branch over saturation,” growth continues in all types of branch formats whether in-store, storefront or brick and mortar. Branches remain a critical component of the retail banking strategy. No other delivery channel provides the opportunity to connect with the consumer and build a multi-faceted, life long relationship.

As retail banking has advanced, so has IBT. Building on our 21 years in the industry, we continue to develop products and services that address all aspects of retail banking strategy – from planning to delivery to execution. Later this fall we will be announcing more offerings to help you address specific ethnic market segments and a series of Web-based programs to support your retail execution and achieve your growth strategies.

I look forward to working with you!

Retail Success

In addition to financial institutions, IBT has worked with retailers nationwide on design, branding and merchandising projects. By applying retail best practices to retail branch environments, we help our clients create an engaging and compelling experience that builds consumer loyalty.

Recent specialty retail projects include Carvel and Cinnabon.



IMAGINE



BUILD



TEACH



IBT – If you can **Imagine** it, we can **Build** it and **Teach** you how to be successful in it!

2006 Trends Conference Helps Financial Institutions Turn the Tide for Organic Growth Opportunities

The 2006 IBT Trends Conference, held March 19 – 21 at the Grand Hyatt in Atlanta, GA, brought together representatives from leading financial institutions from all parts of the country. This year's theme of "Changing the Tide: Ideas to Action for Achieving Organic Growth" helped attendees discover winning strategies for robust organic growth in retail banking and take away actionable knowledge for implementing these strategies within their financial institution.

The conference kicked off with keynote speaker **Chip Eichelberger**, who challenged attendees to "gain the edge" in their professional and personal lives. The program continued with an energetic line-up of expert speakers, including:

Manuel Chinaea, Senior Vice President and Director of Marketing for Banco Popular North America, who shared real world case studies on achieving organic growth in targeted market segments.

Lewis Pierotti, First Vice President, JPM Chase and **Lynn Richardson**, Real Estate Manager, Meijer, who discussed ways to build and maintain a successful partnership between financial institutions and retailers.

Jim Ferry, RVP & In-Store Division Manager for KNBT, who shared his five keys to success in in-store banking.

Greg Gray, SVP of Creative Services for IBT, who discussed the importance of design in creating a powerful consumer experience and how innovative design can be used to connect to consumers on an emotional level.

Dr. Rick Brandt, from TalentQuest, who offered insights into organizational cultures and how leaders can create and foster a performance culture.

Gordy Cain, CEO for Printstream, who demonstrated the power of print on demand technologies and how financial institutions can use this capability to save money, uphold brand integrity and ensure regulatory compliance.

Mary Duncan, Vice President of Client Services for IBT, who gave a rousing presentation about the challenges of high turnover in branches and how the right kinds of rewards and recognition not only retain high performance individuals but also build a strong team.

In keeping with the aquatic theme of the conference, attendees were treated to a private dinner and an after hours tour of the new Georgia Aquarium. With over eight million gallons of fresh and marine water, and 100,000 animals representing 500 species from around the globe, the Georgia Aquarium opened in November 2005 as the world's largest aquarium.

The conference was viewed as an overwhelming success by participants and presenters alike, based on completed evaluations. Financial institution executives were able to discuss challenges and opportunities in retail banking, share ideas and network with their peers.

Watch for details on the 2007 Trends Conference coming in late Summer 2006!

Has your organization done something outstanding in retail banking you'd like to share?

Submit your story as a speaking topic for the 2007 IBT Trends Conference. Held annually, IBT's Trends Conference is an executive event composed of engaging speakers and breakout sessions focused on organic growth, opportunities for reaching the unbanked and underbanked, innovations in branch design and how to build and develop a true sales culture.

To submit a speaking proposal or for more information, contact:

Jenny Cathrow

VP of Marketing

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Trends Conference attendees enjoy an evening at the Georgia Aquarium.

IBT Enterprises and TalentQuest Form Strategic Partnership



Many financial institutions are struggling with an employment crunch as they face increased competition for a shrinking talent pool. Attracting, hiring and training the right front-line staff is a continuing challenge for financial institutions of all types and sizes:

- **Nine out of 10** community bank chief executive officers nationwide say it would be hard or very hard to find qualified candidates to fill various management positions, according to a recent survey by the American Bankers Association.
- The Credit Union National Association (CUNA) estimates that the credit union industry as a whole spent nearly **\$330 million** on staff turnover in 2004.

To help clients address this challenge, IBT has partnered with TalentQuest, a human capital consulting and software firm with

over 30 years of experience in performance management – that is, the systems and processes organizations use to select, manage and develop their employees.

“Selecting and retaining talent is one of the biggest challenges corporate institutions face today.”

Mylle Mangum, IBT CEO

“Selecting and retaining talent is one of the biggest challenges corporate institutions face today,” said Mylle Mangum, IBT CEO. “Financial institutions specifically are transitioning from an operationally focused culture to a sales and consultative culture, but for many, that change has yet to be reflected in

their human capital strategy. Through this partnership, IBT helps clients address this growing problem by giving banks and credit unions solid guidance on and best practices for attracting, recruiting, hiring and retaining the right staff.”

In the area of selection, personality assessments have been proven to predict job performance better than any other testing. TalentQuest's Web-based talent management suite enables financial institutions to identify and develop the right talent for their culture and business strategy using a 16 personality factor-based testing approach. Through collaboration with IBT, TalentQuest has been customized to include Peak Performer Profiles™ to help select, manage and develop employees who will be most successful in a retail-focused financial institution environment.

Return on Investment in performance management comes from:

- Smarter hiring: The cost of an unfit hire is 1-5 times the position's annual compensation. This figure does not include the cost of recruiting and training staff or the opportunity cost of being understaffed or inappropriately staffed.
- More targeted measurement and goal setting for employees: Organizations who focus on performance management have roughly **60%** higher return on equity (ROE) and a **40%** higher return on assets (ROA).
- Benefits of more targeted development: High performing employees have a **40% to 80%** greater positive impact on firm performance than average employees.

LIVE WEBCAST

Smart Hiring: Take the Guess Work Out of Candidate Selection.

We'd all like to take the guess work out of candidate selection. But how do you determine if a candidate will ultimately be the right fit for your organization and culture? And what does a Great candidate (as opposed to Good) look like in a retail-focused financial institution environment? IBT and TalentQuest have collaborated on a study that benchmarks the common traits, or DNA, of top performing front-line and managerial employees in financial institutions who have successfully transitioned to a sales culture.

Join IBT and Jon Naphin, VP of Business Development for TalentQuest, for a free Web Seminar to discuss the findings of the study and learn how personality assessments can help you address the recruitment and retention challenges in today's competitive environment, resulting in reduced overhead, improved performance and greater profitability.

Join us for a live presentation:

Wednesday, Sept. 6 at 2 pm ET
 Tuesday, Sept. 12 at 2 pm ET
 Wednesday, Sept. 20 at 2 pm ET

Register online at www.ibtenterprises.com/smarthire

Branch Spotlight: One Georgia Bank Mends Local History with State-of-the-Art Operations

One Georgia Bank is a new community bank that recently opened the doors to a branch in the heart of Midtown Atlanta. The bank features a ground level 2,088 square-foot premier branch located in the newly constructed 1180 Peachtree Building and features a unique historical look into Georgia's past. The bank's floor is comprised of oak lumber reclaimed from historic Georgia barns that date back to the nineteenth century. A constant reminder of Georgia's past, combined with future-facing banking operations, One Georgia Bank takes community banking to a new level of design and functionality. The bank's corporate office is located on the 26th floor of 1180 Peachtree.

"Our vision was to create a branch that is high tech and high touch and to give this facility character that is uncommon in the banking community," said Chuck Lewis, CEO of One Georgia Bank. "The combination of the historical elements of this branch and the leading-edge operations truly make it a one-of-a-kind facility for a community bank. IBT helped us create an exceptional branch that incorporates the vibrancy of Midtown as well as personal elements that support our commitment to providing relationship banking."

IBT completed the construction of the facility in just six weeks. The branch features a number of industry-leading banking operations solutions including:

- Cash recyclers, which operate as a complete cash management tool to deposit, count, verify, authenticate, secure, dispense and balance currency
- State-of-the-art data platforms, coupled with document imaging, that enable customers to make deposits electronically
- Teller pods, which allow for more personal interaction with the customer as compared to traditional teller stations
- Internet access for customers to conduct online banking

For more information on One Georgia Bank, visit www.onegeorgiabank.com.



"Our vision was to create a branch that is high tech and high touch and to give this facility character that is uncommon in the banking community."

*Chuck Lewis
CEO, One Georgia Bank*



Retail Best Practices: The Power of Merchandising

Merchandising can be a powerful part of your retail strategy. When developing a merchandising program, consider how to:

- Create a unique experience through effective merchandising
- Create a platform for launching and growing new and expanded products and services
- Forge an emotional connection with the consumer
- Development of signature elements that can be utilized throughout branch network for brand awareness