



**Harris
Bank**

Innovative Practices for Reaching Immigrants

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- BMO
 - Canada's first bank, and one of the largest banks in North America with over C\$260 billion in assets
 - A strong retail franchise, with over 1,100 branches across Canada
- Harris Bank
 - One of the largest community bank networks in Illinois with 160 locations
 - Nationally recognized provider of personal trust and private banking services
 - Over US\$30 billion in assets, ranking #36 in the U.S.

Harris in the Hispanic Market

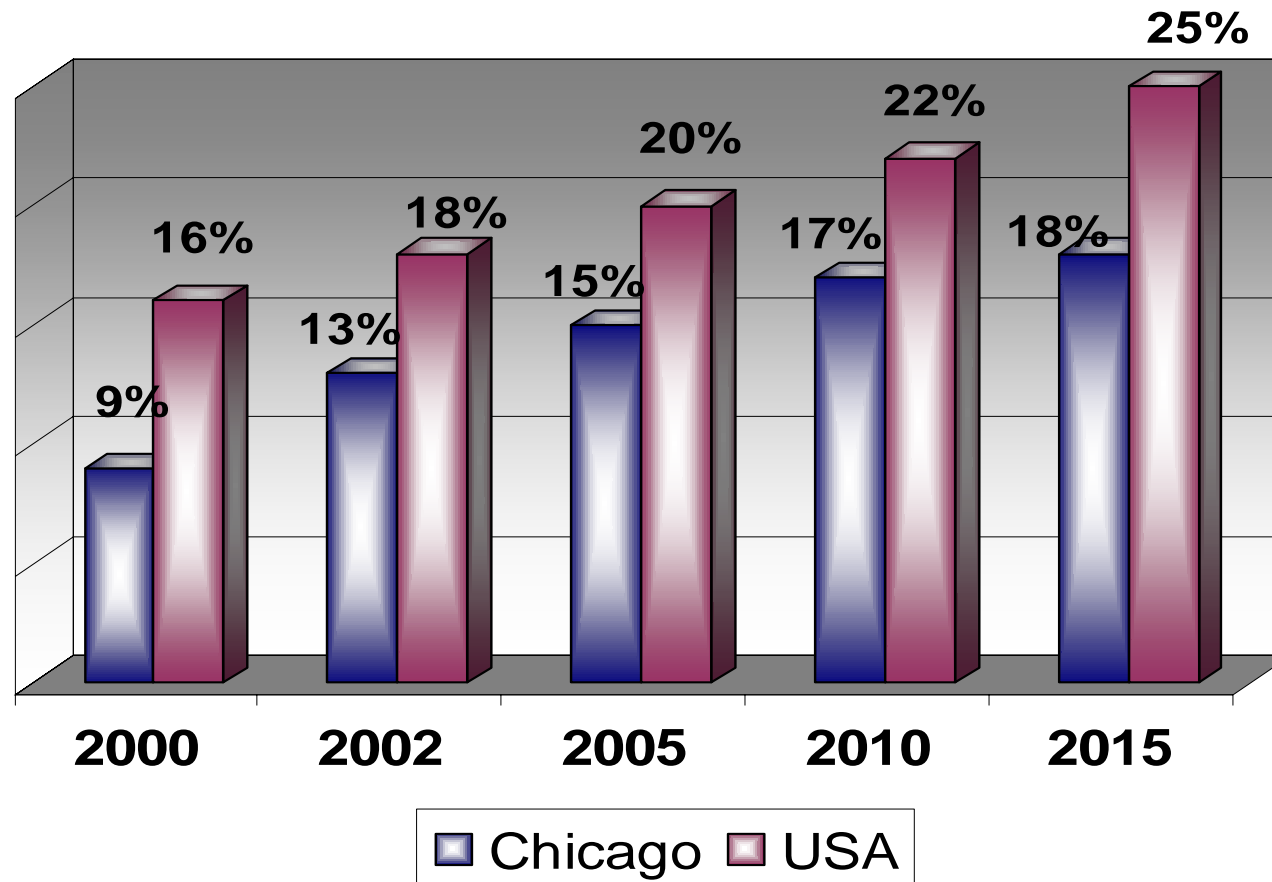


- First major Chicago bank to enter this market
- Since 1999 . . .
 - Established 24 bilingual branches
 - Introduced bilingual call center
 - Launched Spanish-language website
 - Created Spanish-language collateral
 - Initiated wide range of community outreach
 - Developed relevant product offerings

Sizing the Opportunity



Projected Growth of Hispanic Population as Percentage of Total Population



Chicago Hispanic Demographics Mirror US



- Cook County is the 3rd largest Hispanic County in the US, with over 1 million residents
- Population projected to grow 61% by 2010
- Since 1990, suburban population has grown 55% vs. 19% in the city
- By 2005, suburbs and city will be at parity
- 69% of new residents (1990-2000) in the six county region were Hispanic



- The most fundamental aspect of Harris' initiative is expanded physical distribution
 - 24 designated 'bilingual branches'
- A customer friendly mix of alternative channel and traditional branch banking alternatives helps to overcome a traditional fear of financial institutions
 - Bilingual Call Center, Website, ATMs
- Our goal is to make the entire buying process comfortable for Hispanics
 - Spanish language brochures/collateral materials, presented in a culturally sensitive way
 - Spanish language capability in all channels
- And our marketing programs support this in TV, radio and print

Challenges We Faced at Start-Up



- Lack of bilingual staff
- Lack of marketing materials in Spanish
- High turndown rates for loan and deposit products
- Poor wire transfer capability
- Limited knowledge of banking services in some segments of the Hispanic market
- Low recognition of the Harris Bank brand in the Hispanic market



Services

- Bilingual branches
- Bilingual customer service call center
- Spanish language Website
- Bilingual Bankers in key areas
 - Retail
 - Mortgage
 - Small Business
 - Commercial

Marketing

- Image and product campaign launched on television and radio



Products

- CD Secured Loan
- Specialized Wire Transfer Service
- Deposit and loan product enhancements
 - Acceptance of Matricula Consular and IFE Card
 - First Time Borrowers Program

Community Outreach

- Community partnerships
- Financial literacy programs
 - Seminars in Money management, Purchase your first home, Managing your checking account, Investments, etc.

What we learned: What works



- Financial education
- Need critical mass to be successful
- Access
 - Physical access critical to serve new immigrants
 - Inner-city and minority neighborhood branches
 - Convenient hours: open late/on weekends
- Marketing
 - Use wire transfer services to attract newly arrived
 - Partner with community groups for outreach
 - Reach out on the customers' terms, i.e. culture and language
 - Build everything on personal relationships

What we learned: What doesn't work



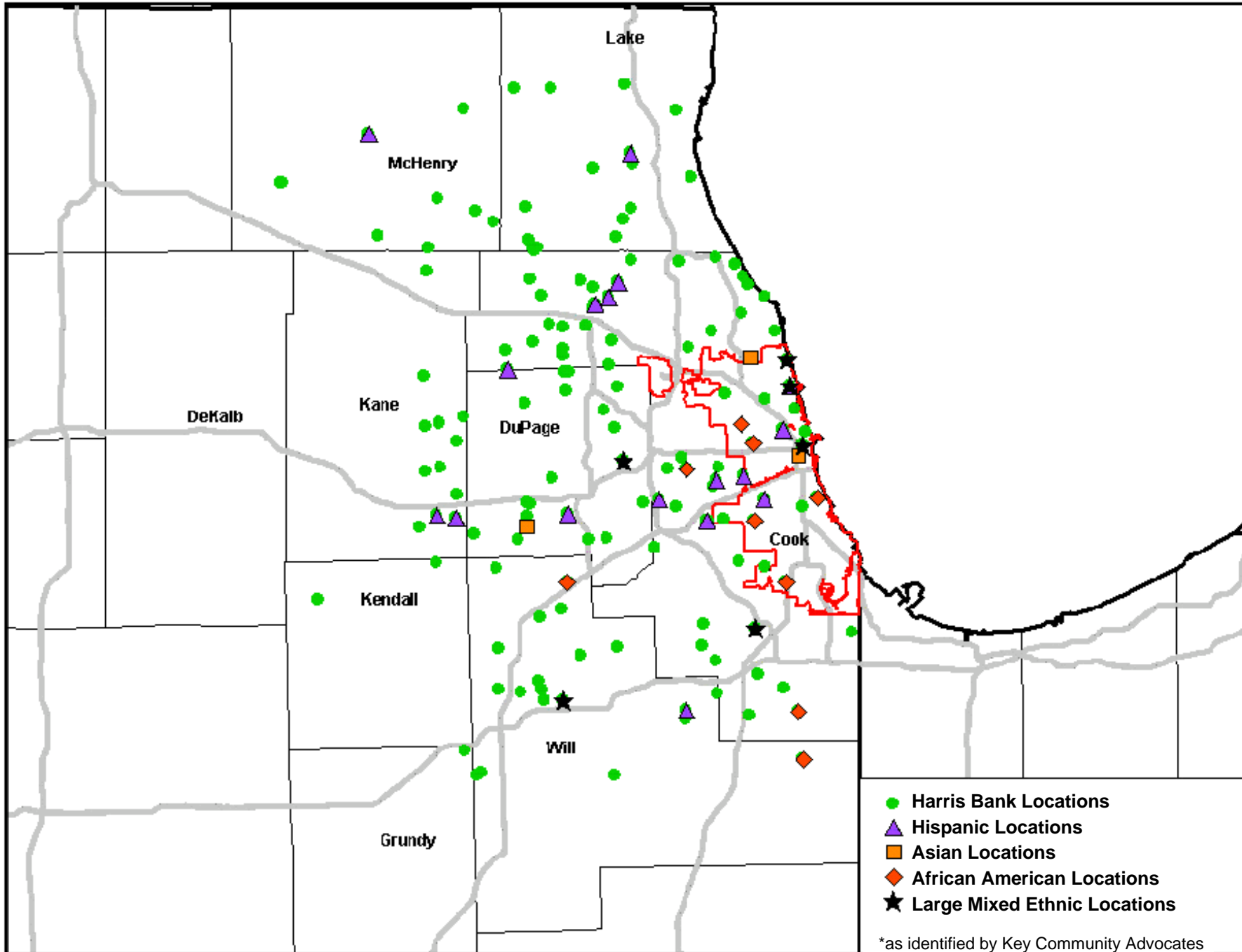
- Phone and on-line banking, particularly for new immigrants, is no substitute for neighborhood branches
- Simply sponsoring events vs. community partnerships that may include sponsoring events
- Short-term commitments
- Ignoring segment differences (i.e., un-established needs vs. newly established needs)
- Failing to distinguish between credible established potential partners and those seeking a “deep pocket”

Other Benefits



- Harris Express - offering basic financial services (Check cashing, Money orders, Wire transfers, Bill payments, etc.) to the those who cannot or do not wish to use a bank
- Special Markets Group - oversees the increase in the use of minority vendors and suppliers by the bank and works to position the Bank to pursue the diverse markets of Chicagoland
- Advanced Function ATM - offering basic financial services on an ATM
- Bank of Montreal has made significant inroads with the Asian population in Canada.

Key Ethnic Branches*



In Summary . . .



- Great market
- Understanding and commitment is key
- Continuously evolving . . .



Questions?