The State of In-Store Banking

1987

1997

2007

Dave Martin
Executive Vice President
NCBS
### 20 largest programs by # of locations

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo</td>
<td>635</td>
</tr>
<tr>
<td>Citizens / Charter One</td>
<td>527</td>
</tr>
<tr>
<td>US Bank</td>
<td>505</td>
</tr>
<tr>
<td>Bank of America</td>
<td>392</td>
</tr>
<tr>
<td>SunTrust</td>
<td>343</td>
</tr>
<tr>
<td>TCF</td>
<td>244</td>
</tr>
<tr>
<td>Woodforest National Bank</td>
<td>230</td>
</tr>
<tr>
<td>First National Bank Texas</td>
<td>225</td>
</tr>
<tr>
<td>Chase</td>
<td>199</td>
</tr>
<tr>
<td>WAMU</td>
<td>165</td>
</tr>
<tr>
<td>5/3</td>
<td>106</td>
</tr>
<tr>
<td>Zions Bancorp</td>
<td>84</td>
</tr>
<tr>
<td>Guaranty Bank</td>
<td>84</td>
</tr>
<tr>
<td>Downey Financial</td>
<td>75</td>
</tr>
<tr>
<td>People’s Bank</td>
<td>74</td>
</tr>
<tr>
<td>Dickinson Financial</td>
<td>69</td>
</tr>
<tr>
<td>National City</td>
<td>55</td>
</tr>
<tr>
<td>Provident Bankshares</td>
<td>55</td>
</tr>
<tr>
<td>International Bank of Commerce</td>
<td>54</td>
</tr>
<tr>
<td>UnionBanCal Corp</td>
<td>52</td>
</tr>
</tbody>
</table>

Source: ncbs
A Few Relevant In-Store Banking Statistics
Too Few People Realize:

- In dual head-of-household families, the female is the primary shopper 72% of the time.
- 61% of these women work full or part time away from home.
- Females have equal say in the financial decisions of 75% of ALL U.S. households.
- 40% of U.S. households are managed entirely by women.
Want a case study?

In 1995, 2% of home buyers used the internet to look for a home.

In 2005, 77% of home shoppers went on-line and 25% first found the property they bought on the internet.

As the banking world becomes more “virtual”, in-store branches actually become more valuable.
Technology will enable new products and delivery models. The real technology transformation underway is not in new gizmos and gadgets, but in the daily evolution of individuals' and companies' behavior that often passes unnoticed.

Oh, now that is cool!
Welcome, Cynthia Martin

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Here’s how Deposit@Home works:

1. Log on to usaa.com, Keyword: Deposit@Home and follow the easy instructions on how to use the service.
2. Sign the back of the check and mark it "For deposit only to USAA account number [your account number]."
3. Scan both sides and you’re done. The deposit is immediately credited to your account.

**Get Started Today**
Humble suggestion:
You will not beat these guys on price or with “better” online services!
Just what exactly are in-store branches paying rent for?

Rent is paid for access to a retailer’s customer base.
There are scores of reasons to be bullish on the future of in-store branches.

That being said, there is confusion, uncertainty, and other agendas that do bear paying attention to.
A Grocer Revs Its Financial Service Engine

BY KATE BERRY

Though not as closely watched by the banking industry as Walmart Stores Inc., the supermarket giant Kroger Co. has been marketing financial services, and some in the industry have begun to take notice.

Observers say Kroger is distinguishing itself by selling its own brand of mortgages, home equity lines of credit, and pet insurance at 24 stores in the Cincinnati area — essentially competing against its in-store bank partners. (In fact, banks have branches in most of those stores.)

“It’s certainly something that’s raising eyebrows,” said Dave Martin, the executive vice president and chief training consultant at NCBS, an in-store bank consulting unit of SunTrust Banks Inc. “Banks are not thrilled in this instance to see their partners pro-

See page 21
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Issued by RBS National Bank, an affiliate of The Royal Bank of Scotland

PrivacyGuard is a service provided by Trilegiant Corporation in conjunction with Alliance Marketing Association

KPF Mortgage, LLC
Kroger has 49% ownership interest in KPFM.

Provided by Petfirst Healthcare
Understanding the Bentonville Behemoth
Wal-Mart’s Mantra

Helping the Underserved is Who We Are and What We Do

“If we work together, we’ll lower the cost of living for everyone…

…we’ll give the world an opportunity to see what it’s like to save and have a better life.”

Sam Walton
Who are the Unbanked, Underserved Customers?

Unbanked 9 - 20% of U.S. Households\(^1\)

70% of US HH Incomes <$35K are Unbanked\(^2\)

Unbanked Customers Shop Wal-Mart

Past 30 days\(^2\)

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Unbanked</th>
<th>Banked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Family Dollar</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>

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\(^1\) Synergistics Dec 2005; \(^2\) GAO 2002; \(^2\) Scarborough Research March 2006
**EDLP Philosophy Creates Substantial Savings**

<table>
<thead>
<tr>
<th>Service</th>
<th>Price/Rate</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Orders</td>
<td>$ 0.46</td>
<td>$ 0.75</td>
</tr>
<tr>
<td>Money Transfers</td>
<td>$ 9.46</td>
<td>$ 15.00</td>
</tr>
<tr>
<td>Payroll Check Cashing</td>
<td>$ 3.00</td>
<td>$ 6.00</td>
</tr>
</tbody>
</table>

*The Wal-Mart Money Services customer savings story:*

A customer earning $300 per week
- Cashes a payroll check
- Sends money to Mexico (or elsewhere)
- Purchases money orders

Can save over $450 a year (3%+ of their annual income) at Wal-Mart
Wal-Mart MoneyCenters Planned for High Volume Transaction Stores
Closing Thoughts