



**Where Eagles Soar Inc.
Judy Johnston, Senior Vice President
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New Australian Centre for Financial Studies

The Universities of Melbourne, Monash and RMIT, have announced the establishment of a new Centre in Melbourne to continue to develop world-class expertise and knowledge in the financial services industry. (A great way to escape Canadian winters).

Spring Conferences in Australia

Future Banking 2005 – May 17, 2005

Future Directions in Banking – Feb. 24, 2005 (completed)

International Consumer Credit Card Summit 2005 – April 20, 2005

The Dynamics of the Retail Services Market

2005 Luncheon, Melbourne – March 18, 2005

The Leaders Lecture Series with

David Liddy, CEO, Bank of Queensland – June 8, 2005

All of the above events can be seen at www.charlton.com.au

Canadian's Personal Savings Rate Sinks to 1930's Level

The 2004 rate was 0.4% - one tenth of the 2001 level. Savings have been falling steadily since 1990's. Low borrowing costs have pushed consumer spending and a booming housing market.

Lion Roars Back – RBC Financial Group, Q1/05

First Quarter results of approximately a billion dollars has RBC back on top in terms of profits and capitalization after the previous two disastrous years. Re-engineering the USA operations continues and the U.S. mortgage subsidiary may be sold.

Financial Institution's Corporate Social Responsibility Ratings 2005

Canada's Report on Business announced 2005 rankings with Citizens Bank (VanCity Credit Union) 68, Royal Bank 68, Scotiabank 67, CIBC 65, Bank of Montreal 61, National Bank 61, TD Canada Trust 60, Laurentian Bank 45, and HSBC 44.

RBC & Starbucks Brew Up a Co-Branded Visa

A new co-branded VISA card has been launched, permitting accumulation of reward points, which can be used for food and drinks. The Starbucks Duetto Visa card gives a one-time credit of \$10.00 after the first card purchase.

Another RBC Win – 2010 Olympics

For \$110 million RBC landed the official bank sponsorship rights. Inter-bank competition was intense.

BMO Looking to Build on the U.S. Harris Bank Foothold

Tony Comper, CEO, looks to expand U.S. retail business since Canadian bank mergers continue to be in "Never Never-land".

CIBC Takes Another Public Relations Hit

In CIBC's continuing customer relation's saga, February saw the bank apologizing since clients were unable to get account balances due to a "computer glitch".

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Privacy – Canadian Banks

It appears that CIBC does not stand alone in its colossal customer relationship mismanagement error of mistakenly faxing confidential customer information to a U.S. scrap dealer. RBC, Toronto Dominion & Scotiabank have also had problems with faxes containing customers' personal information going astray. Of more concern, as reported in Direct Marketing News, breach of customer confidentiality may not end at faxes.

Note: As WESI has said in the past, Privacy and the confidential handling of customer information is imperative to a financial institution's relationship with its customers. Banks/Credit Unions need to pay more attention to this critical issue.

Citigroup Gets Boot

Allegations that Citigroup's private bank failed to block money laundering and committed fraud, led to them being kicked out of Japan.

ABA Survey: Traditional Branch Designs Preferred

Most bankers still prefer the traditional branch look. (Do customers?). Customers value service over everything else. Many banks have adopted the sit down teller stations for customers.

Community Banks Undecided on Merchandising Designs

A number have tried modified "retail designs" but are not convinced that it is a standard for rollout. Many community banks have not conducted consumer/business channel preference research around branch designs but have relied on advisory design firms' expertise.

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Credit Unions Launch F.A.S.T.

The team of Paragon FCU, Tellagent (CUSO), Tidel, TRM and Ensenta, worked with Financial Service Centers Cooperative to introduce the Financial Access Service Teller (F.A.S.T.). F.A.S.T. provides all the services of a teller and for multiple credit unions through the same machines – multiple service access kiosks.

Banks and Consultants - ABA Banking Journal

What bankers want:

1. **More tailored work.** Increasingly banks aren't willing to settle for off-the-rack solutions.
2. **More reality in the work.** What banks need today is to take the theory and turn it into reality.
3. **More actionable recommendations.** There is a stronger focus today on implementation of ideas being suggested.

Final Word: Service and Sales

Let's get the sequence straight – service and sales. A culture of customer centric, proactive selling can only be built on a foundation of outstanding service – in the branch, on the telephone, through the Internet and via personal or electronic media. An active sales program push without solid service practices and customer confirmation is an expensive commodity exercise contributing to customer churn. Most CEO's state a strong service vision but implementation of the same does not become a reality in many financial institutions. Service strategies and synergies come from first building the long-term customer relationship we all want. Some try training courses; others try reward & recognition; and there are banks that pay customers when service is not up to their guarantees.

WESI believes in the service portfolio approach – a package of integrated actions that builds and continuously reinforces a true service foundation through people, processes and technology. This has been proven time and time again in our work with clients in a variety of countries. If you would like more details, please contact us.