



# Eagle Net

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## CANADA

### National Credit Union Vision in Canada

Credit Union Centrals in British Columbia and Ontario announced discussions to create a national entity to serve credit unions across Canada, especially to improve liquidity resources for expanded business.

### Canadian Banks Continue International Expansions

Scotiabank has obtained approval to open a Shanghai branch to serve customers in foreign currency services.

Bank of Montreal continues to outline its China strategy to take advantage of growth potential.

Meanwhile, TD Canada Trust's U.S. Banknorth growth slowed and eroded results.

### Immigrants Targeted by Canadian Banks

Immigration represents 70% of Canada's annual population growth and banks are targeting these ethnic groups for retail growth. Current bank preferences by ethnic Canadians are different by city.

	<u>Toronto</u>	<u>Montreal</u>	<u>Vancouver</u>		<u>&lt;10 years In Canada</u>	<u>Total</u>
1.	TD	Desjardins	TD	TD		TD
2.	CIBC	National	RBC		CIBC	CIBC
3.	RBC	RBC	CIBC		RBC	RBC
4.	BNS	Laurentian	HSBC		BMO	BMO
5.	BMO	BMO	BMO		BNS	BNS

Source: Solutions Research Group

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## Icelandic Bank Sets up in Halifax

Glitner Bank HF, Iceland's leading bank, has opened its Canadian headquarters in Halifax, focusing on business sectors – seafood, sustainable energy and offshore supply.

## Ontario Also Precludes Credit Unions

Credit unions and caisses populaires will not be allowed to own insurance brokerages or sell insurance in branches says Ontario Government placing them in the same position as banks.

## CIBC Has Another Security Breach

Customers were notified promptly by CIBC that they had a recent security breach in their computer systems and they should report any unexplained changes in their information and accounts.

## Mortgage Re-financings Continue in Ontario

Statistics for the February – April 2006 period show \$51,586M in mortgage re-financings with the leaders being:

TD Canada Trust 21%

RBC 20%

CIBC/Firstline 17%

Scotiabank 14%

BMO 7%

## Canadian Credit Unions Top Survey

2006 Customer Service Index by Synovate Market Research found credit unions rank higher than banks and other FI's in several customer service categories:

- Overall quality of customer service
- Staff service at my branch
- Information handling and communications
- Financial products & services
- Online banking

Canada's 521 credit unions serve 4.8 million members with 22,000 staff and have approximately 90 billion in assets. Vancity is the largest.

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## Scotiabank Innovates with 100% Mortgage

New down payment free mortgage is now offered.

## Financial Firms Push Banking Status

Dundee Investment Brokers now have Dundee Bank of Canada and has launched full-page ads across Canada, which highlights their new status, the Dundee Investment Savings Account and other support services available exclusively through financial advisors. Their DISA offers 3.85%, no account fees and interest on every dollar with CIDC insurance eligibility.

## CIBC Targets New Canadians

New immigrants are a key target in the Greater Toronto Area for CIBC, especially with new branches and added language capabilities in their delivery channels. RBC Financial Group and BMO Financial Group, earlier last month announced strategies for new Canadians.

## Fraud Protection a Priority with Canadian FI's

FI's continuously evaluate and improve risk weaknesses in all aspects of their virtual business, with special emphasis on payments/card frauds, identity theft, online authentication, as well as on traditional lending verification risks. Card skimming is the largest transactional fraud area (e.g. in 2005 Interac Association members reimbursed \$70.4 million to 72,000 Canadians who were victimized). ATM manufacturers have added a fraudulent device inhibitor (FDI) to prevent skimming devices; next enhanced card drive (ECD) technology scramble card details; intelligent fraud detection (IFD) technology where sensors detect foreign devices; cheque imaging with the ATM deposit; and finally, PIN pad shields to help hide the entry of personal data. Still the big challenge is consumer and business education of frauds and the responsive protection tactics. With borrowers, templates of suspicious data that is red flagged are also more commonplace. In lending, especially mortgages, the amounts are large and tools/processes must be complimented by judgement and institutional verification practices. The Province of Ontario is just passing legislation to protect consumers from identity theft and mortgage fraud – a problem which has cost many innocent people their homes and thousands of dollars.

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## **U.S.A.**

### **New York's Matchmaker for Credit Unions**

A former NCUA examiner, works for FSC's of NY (association of cheque cashers) to build partnerships between credit unions and cheque cashers, where the latter accepts deposits and provides extended service hours. Three small credit unions have signed on and Bethpage FCU, a \$2.3 billion credit union, is close to joining PayNet.

### **Members of U.S. Credit Unions**

CUNA's 2006 National Member Survey shows interesting comparative statistics vs. the non-member population. For example:

67% of members are married (non-member 49%)

85% of members are homeowners whereas 67% of non-members are

This suggests a solid family foundation for credit union business.

### **U.S. Introduces 50-year Mortgage**

Mortgagenewsdaily.com reports that the 50-year mortgage has originated in Southern California in response to skyrocketing house prices and rising interest rates. Since the 40-year mortgage was introduced in 2005 it has grabbed 5% of new mortgages.

### **Brokers Dominate Reverse Mortgages**

Mortgage brokers do 75% of reverse mortgages in the U.S. vs. less than 10% in Canada.

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## CUNA Tests Members

Recently CUNA's Centre for Personal Finance tested some credit union members with a questionnaire. Some sample responses:

- Only 47% knew that credit unions in the U.S. pay most taxes except corporate income and sales taxes
- 54% thought credit unions were not cooperatives

## WesCorp Credit Union has a National Vision

One of America's largest credit unions, WesCorp, has hired ex-CUNA executive Kevin Lytle as VP, National Market Development.

WesCorp has also launched an access support strategy for small credit unions, providing free advisory and information resources and solutions. Additionally, they are expanding partnerships to help small credit unions.

## **INTERNATIONAL**

### Aussie Banks Failing Business

A new Business Banking Sentiment Index by East & Partners shows banks decreasing customer satisfaction & sentiment scores. Out of 100, St. George had the highest at 54.5%, then Bank of Queensland at 49.5% and HSBC with 47.9%. The lowest scores were Citibank at 39.5%, Westpac at 41.2% and BankWest at 41.3%. The overall scores by business segments were micro businesses 35.95%, SME 40.3% and Low Commercial 58.9%.

### U.K. Brokers Not Web Enabled

An IBM Solutions commissioned survey shows nearly half of U.K.'s mortgage brokers don't have a website. 52% of those who have sites received no business via the online channel whereas 36% of brokers got 20% of new business online.

## **THE BOOMER WAVE**

Everywhere I look, search and read today, the world is on a "boomer focus" since the postwar "love children" have began to cross into their fifties and pre-retirement planning. Some of us precede the wave but still represent the splash effect. A recent Toronto Star special highlighted some characteristics of the boomers:

1. Cyberslacking
2. Travel/staying abroad
3. Pursuit of youthfulness
4. Won't Quit! Work or Play
5. Longer Lives

Plus, this segment is caught in a financial squeeze between parents and children. They are tagged the sandwich generation. Interestingly, this family financial responsibility is something us pre-boomers can relate to and are experiencing already. Parents need personal subsidies to live their lives comfortably on their own or in seniors' facilities. Likewise, children generally require down payment support if they are to enter the hot housing markets that we have experienced recently. This three generation financial ladder is real and growing. But look around the FI's, who has really designed the right support empathy and services for the "family sandwich"? Few if any have any family packages even in the transaction area, let alone the inheritance support requirements.

If interested, the Toronto Star highlighted a couple good books, which will help to develop affinity for the "boomers":

1. Mavericks at Work: Why the Most Original Minds in Business Win by William C. Taylor and Polly G. LaBarre, William Morrow and Company
2. The New Philanthropists: The New Generosity by Charles and Elizabeth Handy, William Heinemann

## **GUEST CONTRIBUTION**

In this issue of our E-Journal, we are pleased to include the first in a series of articles from our Alliance Partner, Mark Palmer of PeopleWerx.

### **Web 2.0 – Coming to a Bank/Credit Union near you?**

The next big evolution in the Internet is here to stay and will be knocking at your doorstep sooner than you think – just what is it? And what will be the impact of such an evolution?

In the first of a series of articles, we will hopefully answer these questions and more as we begin to explore Web 2.0 and Financial Services (an interesting combination).

In this article we will begin by providing some definitions of web 2.0 and the technologies that are a part of the evolution. In future articles we will delve deeper into the individual technologies and web services to ensure that you are aware of the possibilities coming from web 2.0 - good or bad.

Web 2.0 can and will change the way technology is developed, sold and used. Technology costs will lower while user adoption rates will increase. Web 2.0 is finally about technology being used as an enabler of work versus the barrier to getting things done.

- It is about simplicity in design and usability.
- It is about connecting people and collaborating to get work done, faster and more efficiently.
- It is based on two-way communication, a combination of “pull” and “push” technology with the controls resting in your customers’ hands.
- Web 2.0 does not recognize size – small business can compete equally on the Internet with big business.
- New businesses can be launched and become a new competitive threat without much notice.

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*"Web 2.0 will become the biggest disruptor to businesses of all sizes and will truly equalize the business playing field." Mark Palmer, CEO of PeopleWerx.*

Corporations are tired of installing big, multimillion dollar software programs that can take years to roll out, cost thousands, if not millions -- and then aren't flexible enough to adapt to new business needs. Corporations are also getting tired of technology not living up to expectations and poor adoption trends by users.

Web 2.0 rewards will go to those that adopt early, experiment, and innovate.

*"Companies that are extremely hierarchical will have trouble adapting," says Tim O'Reilly, CEO of tech book publisher O'Reilly Media, which runs the annual Web 2.0 Conference "They'll be outperformed by companies that don't work that way." Ultimately, taking full advantage of Web 2.0 may require -- get ready -- Management 2.0.*

With our first article, let's start with a simple introduction to the technologies that make up Web 2.0.

All definitions taken from [www.wikipedia.org](http://www.wikipedia.org) (one of the oldest wiki's).

**Blogs:** A weblog, which is usually shortened to blog, is a type of website where entries are made (such as in a journal or diary), displayed in a reverse chronological order. Blogs often provide commentary or news on a particular subject, such as food, politics, or local news; some function as more personal online diaries. A typical blog combines text, images, and links to other blogs, web pages, and other media related to its topic.

Ideal for: sales, marketing, projects, employee communications, and customer communication.



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Corporate blogging is becoming nearly a cliché, as executives from Sun Microsystems chief executive Jonathan Schwartz to General Motors Vice-Chairman Bob Lutz post on their own blogs to communicate directly with customers.

**Wiki's:** A wiki is a type of website that allows users to easily add, remove, or otherwise edit and change some available content, sometimes without the need for registration. This ease of interaction and operation makes a wiki an effective tool for collaborative authoring. The term wiki can also refer to the collaborative software itself (wiki engine) that facilitates the operation of such a website (see wiki software).

Ideal for: project spaces, customer extranets, self service portals, product knowledge centres, human resources programs, policy and procedures, Customer RFP/RFI, and Knowledgebases.

Walt Disney, investment bank Dresdner Kleinwort Wasserstein, and scores of other companies use wikis, or group-editable Web pages, to turbo-charge collaboration.

**Podcasting:** Podcasting is the method of distributing multimedia files, such as audio programs or music videos, over the Internet using either the RSS or Atom syndication formats, for playback on mobile devices and personal computers. The term podcast, like 'radio', can mean both the content and the method of delivery. The host or author of a podcast is often called a podcaster. Though podcasters' websites may also offer direct download or streaming of their files, a podcast however is distinguished by its ability to be downloaded automatically using software capable of reading RSS or Atom feeds. Usually a podcast features one type of 'show', with new episodes released either sporadically or at planned intervals such as daily or weekly. In addition, there are podcast networks that feature multiple shows on the same feed.

Ideal for: Internal and external communications, mobile or just in time learning initiatives, recording sales meetings.

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**RSS:** (Real Simple Syndication or Rich Site Summary) is a simple XML-based system that allows users to subscribe to their favourite websites. Using RSS, a Webmaster can put their content into a standardized format, which can be viewed and organized through a RSS-aware software.

A program known as a feed reader or aggregator can check a list of feeds on behalf of a user and display any updated articles that it finds. It is common to find web feeds on major websites and many smaller ones. Some websites let people choose between RSS or Atom formatted web feeds; others offer only RSS or only Atom.

**Rich Internet applications** (RIA) are web applications that have the features and functionality of traditional desktop applications. RIAs typically transfer the processing necessary for the user interface to the web client but keep the bulk of the data (i.e. maintaining the state of the program, the data etc.) back on the application server.

RIAs typically:

- run in a web browser, or do not require software installation
- run locally in a secure environment called a *sandbox*
- can be "occasionally connected" wandering in and out of hot-spots or from office to office.

The notions behind Web 2.0 clearly hold great potential for businesses -- and peril for those that ignore them. Potentially, these Web 2.0 services could help solve some vexing problems for corporations that current software and online services have yet to tackle – improved communication, lower cost of ownership, workforce productivity, and so much more.

Financial services can certainly view these technologies as new ways to invest in better communications with the employees and customers. In addition, workforce productivity and performance can be greatly enhanced by applying the concepts and tools of Web 2.0 to sales, marketing, human resources, project teams, and strategic planning.

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In our next article, we will cover off the role of blogging as a powerful tool for sales, marketing, and general communications. The benefits to your brand could provide the differentiator you have been looking for – stay tuned.

Oh, by the way – a quick Internet search revealed that there are very few, if any, Banks or Credit Unions that have adopted Web Blogs as a strategic marketing tool. Should be fun!

Some blogs to check out:

[www.chicagofedblogs.org](http://www.chicagofedblogs.org)

[www.bankersonline.com/blogger](http://www.bankersonline.com/blogger)

[www.banktech.com/blog](http://www.banktech.com/blog)

[www.bankrate.com](http://www.bankrate.com)

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