

CPG's GroCore™: Growing Core Deposits through the Penetration of Underserved Markets

About the Firm

Capital Performance Group is a management consulting firm based in Washington, DC. Our firm provides advisory, planning, analytic, and project management services to the financial services industry. Our professionals possess deep experience in a broad range of functional specialties including strategic planning, sales management, quality engineering, marketing and product development, market research, risk management, operations and technology, compliance and regulatory matters, mergers and acquisitions, and strategic cost management.

What makes CPG Unique

Experience – We are knowledgeable industry “insiders.” Our professionals have an average of over 20 years experience in the financial services industry.

Focus – We are financial services industry specialists. We have developed unique tools and methodologies to address the specific business issues and challenges of this industry.

Practicality – We know what it takes to implement and manage strategic initiatives. We provide hands-on assistance and actionable advice.

For more information, please contact us at 202/337-7870 or info@capitalperform.com.

Capital Performance Group's GroCore™ program is turnkey solution that provides banks with the insight, positioning, and capabilities required to penetrate underserved, high opportunity segments, accelerate core deposit growth, and improve fee income performance.

The Challenge

Many banks are facing a significant funding challenge as they enter 2007. Net interest margins have been contracting for over a year, but banks have been hit particularly hard in the recent quarter as customers have transferred significant balances to CDs and other high-yield products. Analysts predict that the road will remain bumpy for several more periods before funding costs stabilize.

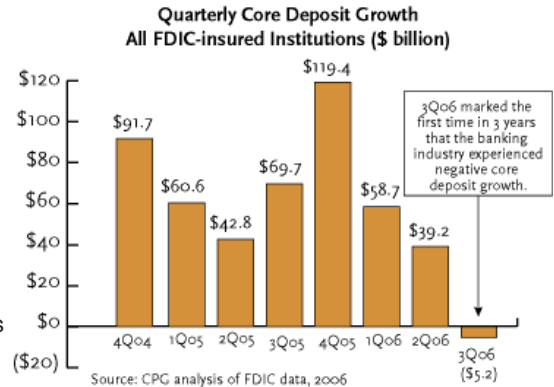
The Opportunity

Recurring billers represent an enormous untapped source of core deposits and fee revenue for banks. Key recurring biller segments include:

- **Community Associations**, including homeowners' associations (HOAs), condominium and cooperative associations, and planned communities.
- **Membership/Dues-collecting Organizations**, including alumni and professional associations and health clubs; and
- **Not-for-profits**, including churches, synagogues, fundraising organizations, and municipalities.

The Catch

Recurring biller organizations have very distinct financial services needs in addition to deposit and investment accounts, including cash flow management, payment/payee management, development loans, tax payment services, account reconciliation and fraud protection services, disbursement services, and other traditional treasury management services. Furthermore, many recurring billers require website development assistance and electronic payment capabilities, including the ability to collect funds and manage accounts across the Internet. Few banks are able to offer such services or can do so effectively.



Aggregate figures for the 250,000+ homeowners' associations in the U.S.
 Operating Revenue \$41 billion
 Deposit Balances \$60 billion
 Investment Balances \$35 billion

The GroCore™ Solution

CPG's GroCore™ positions banks to take advantage of these opportunities. Specifically, we help you to assess, design, and implement recurring biller segment programs.

GroCore™ Deliverables
1. Market and Competitive Analysis
2. Internal Capability Audit
3. Requirements Specifications
4. Business Case Analysis
5. Consensus Regarding Performance Objectives
6. Implementation Plan

With GroCore™, You Get
Segment Value Proposition
Sales & Service Organization Model
Segment Marketing Plan
Product Line Specifications
Marketing Collateral
Sales Leads
Performance Tracking
Training Program Specifications

There are three phases to the GroCore™ program development and implementation approach:

PHASE 1

Opportunity Assessment

Phase I of the program provides:

- Sizing and analysis of prospect groups
- Identification of most promising opportunities
- Credible pro formas to dimension deposit and fee opportunities
- Competitive assessments
- Internal product and capabilities audits
- Go/no-go decision support

PHASE 2

Capabilities & Marketing Program Development

In Phase II, we help you to build:

- Industry segment credibility
- Appropriate and compelling branding
- Custom packaging
- Dedicated sales and customer support
- Alignment of industry verticals and service delivery
- Commitment through focus on the opportunity

PHASE 3

Phase III: Execution

In Phase III, CPG will help you to succeed by leveraging:

- CPG's experience and track record in building and marketing these services
- A tested methodology
- Detailed project plans and milestone tracking
- Specific goals and timetables for the program
- Success measurement

CPG's GroCore™ program will enable you to identify specific prospects; create realistic, aggressive acquisition goals; go to market with a more compelling value proposition; and build your core deposit base among underserved, deposit-rich market sectors.

For more information on CPG's new GroCore™ program, please call us at 202-337-7870 or email us at info@capitalperform.com.

CPG's GroCore™ is one component of CPG's full suite of Business Performance Improvement, Marketing, and Distribution Management Services:

Business Performance Improvement

- Strategic Planning
- Process Reengineering
- Revenue Enhancement Strategies
- Advances Performance Analytics
- Cost Reduction Programs
- M&A Services
- Organizational Restructuring

Marketing

- Value Proposition and Brand Development
- Market, Customer, and Competitor Analytics
- Segmentation and Lead Generation Programs
- Product Development and Testing
- Proprietary Market Research
- Marketing Communications and Implementation Support

Distribution Management

- Distribution System Design
- Sales and Service Program Development
- Build vs. Buy Analytics
- Market Opportunity Assessments
- Implementation Support
- Channel Performance and Productivity Assessment
- Internet and eCommerce Strategies

