
MARKET POTENTIAL OPPORTUNITY ASSESSMENT

REPORT SAMPLE



Note: Product and market definitions can be targeted to client specifications.

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ANALYSIS OBJECTIVES

- ◆ Identify the criteria that are most important in measuring market potential for Bank XYZ expansion;
- ◆ Create an objective, credible methodology for evaluating market potential to guide management decision-making;
- ◆ Determine the relative potential of current market areas relative to specific expansion opportunities;
- ◆ Determine the relative potential of individual block group micro-markets to ensure rational investment in new office locations;
- ◆ Identify specific markets that are most attractive based on the Bank's overall strategy and operating model; and
- ◆ Provide market data that can be used to perform future analysis and market segmentation in current and expansion areas.

Market Potential Opportunity Assessment

PROJECT METHODOLOGY

- ◆ County and city market area were selected for this analysis. Consumer demographic and business information were collected for each of these areas at the block group level. The variables were weighted according to their importance in assessing market opportunity based on the Bank’s overall strategy and operating model. This data was used to score each block group on a scale of 0 (least attractive) to 10 (most attractive) and assign a grade of A, B, C, D, or F. The variables were:

DEMOGRAPHICS	Weight	BUSINESS PRESENCE	Weight
Number of Households	10.0%	Total Number of Small Businesses	30.0%
5 Year Household Growth Rate	10.0%	Average Revenue/Small Business	15.0%
Workplace Population	10.0%	Number of Businesses with:	
Median Household Income	5.0%	SIC 19 Industry 1	2.5%
5 Year Income Growth Rate	5.0%	SIC 29 Industry 2	2.5%
<i>Total Impact of Demographics</i>	<i>40.0%</i>	SIC 39 Industry 3	2.5%
		SIC 49 Industry 4	2.5%
		SIC 59 Industry 5	2.5%
		SIC 69 Industry 6	2.5%
		<i>Total Impact of Business Presence</i>	<i>60.0%</i>

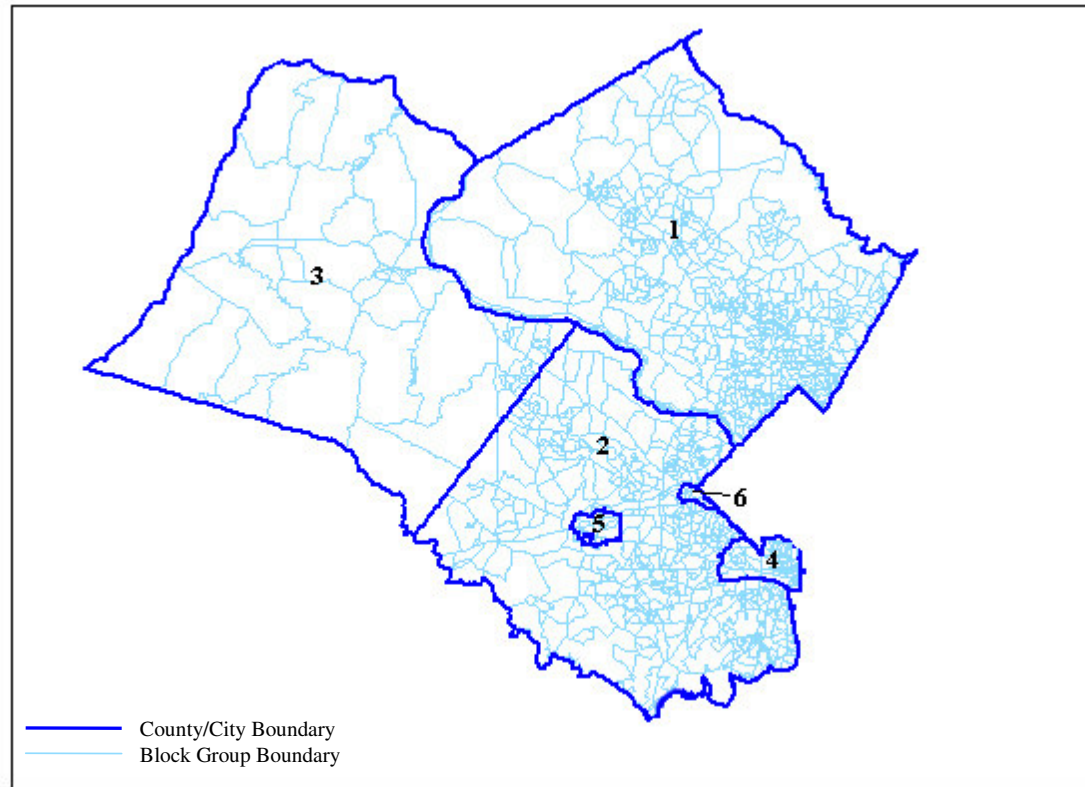
- ◆ Based on the ratings, the most attractive locations were selected for further analysis on consumer and business density, market competitiveness, and planned development. The results were used to generate recommendations on the most attractive areas for Bank XYZ expansion.

Note: The market definitions are presented as samples; the actual data elements and definitions are customized for each client.

Market Potential Opportunity Assessment

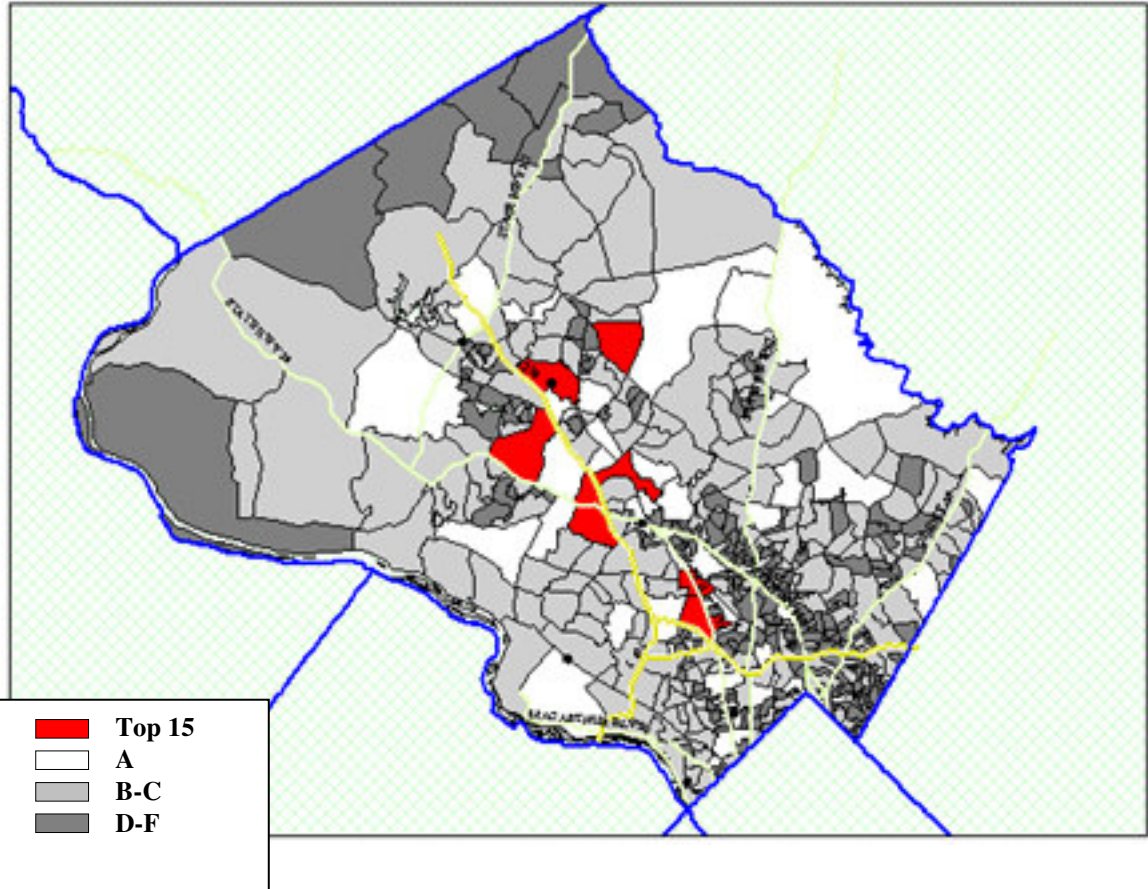
MARKET DEFINITIONS

- ◆ Areas included in this analysis are:
 1. Area 1
 2. Area 2
 3. Area 3
 4. Area 4
 5. Area 5
 6. Area 6
- ◆ A total of 1,057 individual block groups were evaluated within these counties and cities.



Note: The market definitions are presented as samples; the actual data elements and definitions are customized for each client.

**MARKET ATTRACTIVENESS OVERVIEW
Area 1**

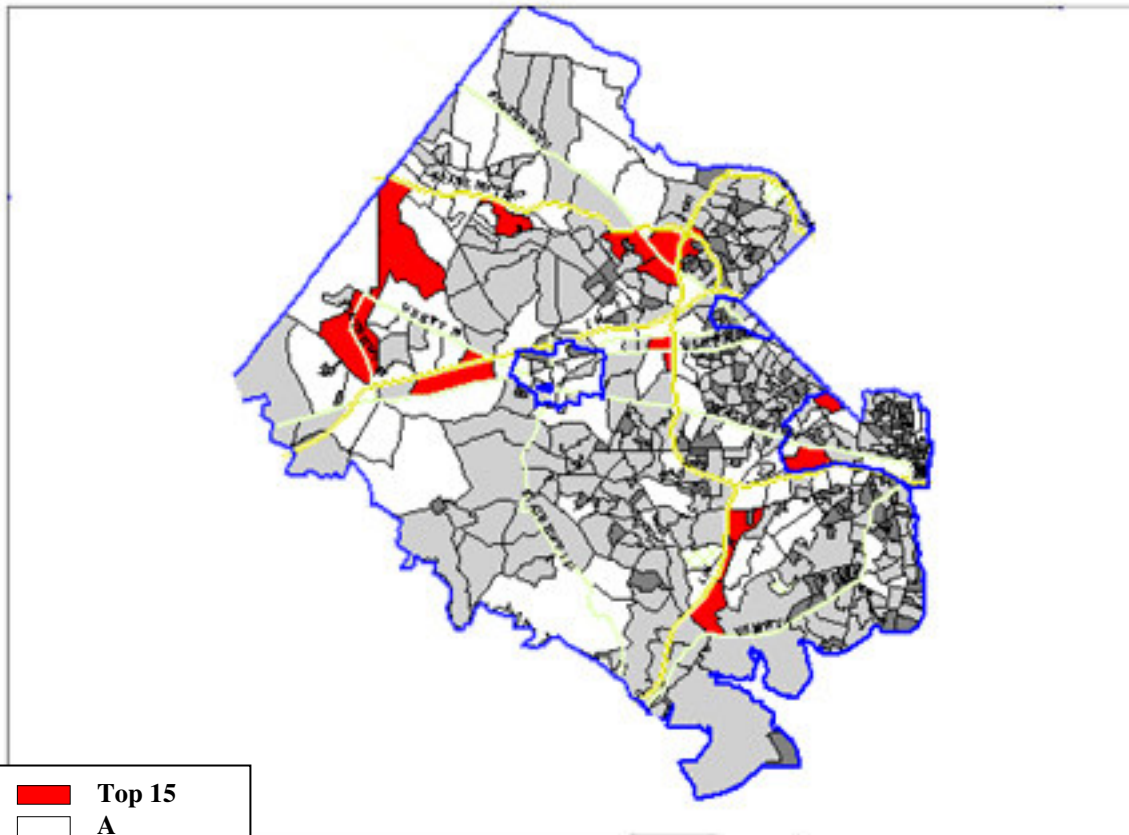


Of the 468 block groups in Area 1, 7 were among the top 20 for the area. The highest potential block groups in County A are concentrated in the middle of the county.

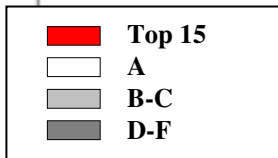
Grade Distribution		
A	51	10.9%
B	67	14.3%
C	157	33.5%
D	171	36.5%
F	22	4.7%
Top 20	7	1.5%

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**MARKET ATTRACTIVENESS OVERVIEW
AREA 2 & INCORPORATED CITIES**



Area 2 has the greatest number of high opportunity block groups. Although they are scattered throughout the area, all are located along major roads in major suburban population centers.

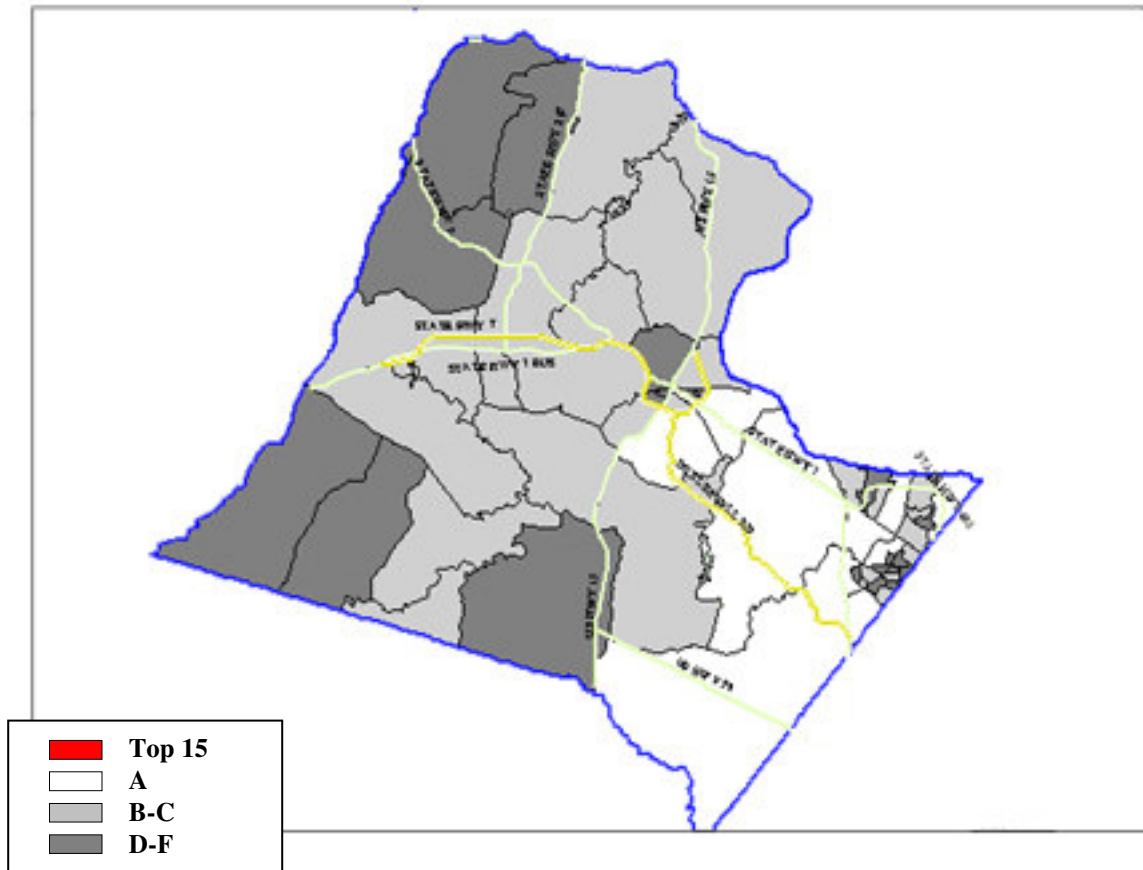


Grade Distribution		
A	112	21.3%
B	111	21.1%
C	143	27.2%
D	153	29.1%
F	6	1.1%
Top 20	13	2.5%

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**MARKET ATTRACTIVENESS OVERVIEW
AREA 3**

The highest potential block groups in Area 3 are concentrated in the eastern portion of the county. This area is experiencing tremendous growth and represents significant business opportunity, but does not score as high as certain Area 2 areas because of currently lower population and business density.



Grade Distribution		
A	11	17.2%
B	7	10.9%
C	21	32.8%
D	23	35.9%
F	2	3.1%
Top 20	0	0.0%

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Market Potential Opportunity Assessment

TOP RATED BLOCK GROUPS

Rank	Grade	Block Group	Location	County/City	Households	HH Growth	Workplace Pop	Med HH Income	Income Growth	Small Businesses	Revenue/Small Bus	Industry 1	Industry 2	Industry 3	Industry 4	Industry 5	Industry 6
1	A+	Market 1	Area 2		A	A	A	C	A	A	A	B	A	A	A	B	A
2	A+	Market 2	Area 2		B	A	A	B	A	A	A	A	A	A	A	A	A
3	A+	Market 3	Area 2		A	A	A	C	B	A	A	A	A	A	A	A	A
4	A+	Market 4	Area 2		A	B	A	B	A	A	A	A	B	A	C	C	A
5	A+	Market 5	Area 1		A	A	A	F	C	A	A	A	A	A	A	B	A
6	A+	Market 6	Area 1		A	A	B	B	A	A	A	A	A	A	B	C	A
7	A+	Market 7	Area 2		A	B	A	B	A	A	A	A	B	A	C	C	A
8	A+	Market 8	Area 1		A	D	A	C	C	A	A	A	A	A	A	A	A
9	A+	Market 9	Area 2		A	B	A	C	A	A	A	A	A	A	B	B	A
10	A+	Market 10	Area 4		A	A	A	D	C	A	B	A	A	A	A	C	B
11	A+	Market 11	Area 2		A	D	A	C	B	A	A	A	A	A	C	A	A
12	A+	Market 12	Area 1		C	A	A	C	B	A	A	A	B	A	B	C	A
13	A+	Market 12	Area 1		A	A	A	C	C	A	A	A	C	A	C	C	B
14	A+	Market 14	Area 2		A	A	A	D	D	A	A	A	A	A	C	A	A
15	A+	Market 15	Area 2		C	A	A	D	A	A	A	A	B	A	C	C	B
16	A+	Market 16	Area 1		A	C	B	D	D	A	A	A	A	A	A	B	A
17	A+	Market 17	Area 4		A	B	B	D	B	A	B	B	A	A	A	B	A
18	A+	Market 18	Area 4		B	A	A	C	B	A	B	B	A	A	B	C	A
19	A+	Market 19	Area 1		A	B	A	F	F	A	B	A	A	B	C	A	A
20	A+	Market 20	Area 2		C	B	A	C	A	A	A	A	A	A	C	B	A

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Market Potential Opportunity Assessment

TOP RATED BLOCK GROUPS COMPETITIVE DENSITY

Rank	Grade	Block Group	Location	County/City	Bank Branches	Households/ Branch	Businesses/ Branch
1	A+	Market 1		Area 2	5	656	47
2	A+	Market 2		Area 2	10	139	50
3	A+	Market 3		Area 2	15	157	26
4	A+	Market 4		Area 2	3	811	75
5	A+	Market 5		Area 1	14	175	18
6	A+	Market 6		Area 1	7	451	20
7	A+	Market 7		Area 2	5	936	27
8	A+	Market 8		Area 1	13	131	20
9	A+	Market 9		Area 2	2	761	69
10	A+	Market 10		Area 1	2	2,049	97
11	A+	Market 11		Area 2	6	380	37
12	A+	Market 12		Area 1	4	123	39
13	A+	Market 13		Area 1	3	604	51
14	A+	Market 14		Area 2	1	1,874	132
15	A+	Market 15		Area 2	8	65	19
16	A+	Market 16		Area 1	7	810	37
17	A+	Market 17		Area 4	1	3,700	169
18	A+	Market 18		Area 2	5	204	34
19	A+	Market 19		Area 1	7	949	20
20	A+	Market 20		Area 2	1	876	187

Note: Branch counts on this page include some branches at the edge of the selected block groups that may not be technically located within the defined area. The quantitative model considers only branches located within the borders of the block group. As a result, branch counts on this page may vary from those presented in the quantitative analysis.

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Market Potential Opportunity Assessment

TOP RATED AREAS

Two local areas appear most attractive overall and were selected for further analysis regarding potential expansion by Bank. They are:

- ◆ Market 1
- ◆ Market 2

Market Potential Opportunity Assessment

MARKET 1

Description:

- ◆ Market 1, adjacent to the western border of Market 2
- ◆ Adjacent to the western side of Airport
- ◆ Contains the areas of One, Two, Three, and the southern portion of Four
- ◆ Traversed northwest-to-southeast by Routes A, B, and C, and north-to-south by Route D



Market Characteristics and Development:

- ◆ During the 1990s, the number of local businesses in Area 14 almost doubled, and the number of jobs in the county grew by 47,000 (115%), significantly faster than in any other jurisdiction in the state.
- ◆ Since 1990 the amount of nonresidential building space has tripled to nearly 30 million square feet. In the 10-year period, the County issued building permits for 4.9 million square feet of office space, 4.7 million square feet of flex and industrial space, and 4.0 million square feet of retail space.
- ◆ Approximately 3 million square feet of the 19 million planned in the Route 28 corridor have been constructed. Along the Route 7 corridor, less than one tenth of the 38 million square feet potential has been developed. Currently, about 330 additional acres are being developed for the speculative market.
- ◆ Route 607 provides an alternative north-south road to Route 28. Currently not completely developed, Route 607 runs from Route 7 and will eventually run to Route 606 and on to the County Parkway. Recently, many upgrades have occurred along Route 607 including the Company A rezoning to office use and the development of an Industrial Park as office instead of industrial.
- ◆ Projected household growth from 2000 to 2005 in several area block groups is in the 30% to 40% range. This rapid residential growth is likely to contribute to significant commercial growth as well.

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Market Potential Opportunity Assessment

MARKET 1

Block Group		Households		HH Growth		Workplace Pop		Med HH Income		Income Growth		Small Businesses		Revenue/Small Bus		Wholesale-Durable		Industry 1		Industry 2		Industry 3		Industry 4		Industry 5		Industry 6		Households/Bank Branch		Small Bus/Bank Branch	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
1	A	1,032	35.8%	1,312	75,776	14.9%	86	\$2,798	7	1	12	4	3	8	0	N/A	N/A																
2	D	527	3.8%	243	61,932	-0.6%	7	\$1,652	1	0	1	0	0	0	0	0	N/A	N/A															
3	A	13,923	34.6%	6,738	90,799	12.5%	80	\$2,254	2	6	14	0	0	4	6	2,321	13																
4	C	567	5.1%	515	47,321	-11.3%	4	\$3,355	0	0	0	0	0	0	0	0	N/A	N/A															
5	C	1,664	23.5%	937	72,574	5.3%	1	\$1,000	0	0	0	0	0	0	6	277	0																
6	D	480	-2.7%	121	69,328	6.0%	2	\$1,655	0	0	1	0	0	0	0	0	N/A	N/A															
7	F	257	-3.1%	67	83,386	9.4%	0	\$0	0	0	0	0	0	0	0	0	N/A	N/A															
8	C	667	-2.4%	226	62,766	9.3%	19	\$1,181	1	0	3	0	0	3	0	N/A	N/A																
9	D	254	0.0%	123	82,292	12.6%	0	\$0	0	0	0	0	0	0	0	0	N/A	N/A															
10	D	408	2.5%	108	85,317	8.7%	0	\$0	0	0	0	0	0	0	0	0	N/A	N/A															
11	A	421	34.2%	6,257	63,585	12.6%	99	\$3,229	10	5	14	9	0	9	2	211	50																
12	A	503	6.2%	189	87,111	8.6%	71	\$2,719	2	1	13	8	0	7	0	N/A	N/A																
13	D	315	6.0%	348	84,375	8.6%	1	\$1,431	0	0	0	0	0	0	0	0	N/A	N/A															
14	D	546	5.1%	135	73,160	8.7%	0	\$0	0	0	0	0	0	0	0	0	N/A	N/A															
15	C	466	1.9%	655	70,150	9.6%	17	\$2,408	1	0	1	0	0	0	0	0	N/A	N/A															
16	C	1,076	8.0%	85	64,099	7.6%	11	\$1,162	2	0	0	0	0	2	0	N/A	N/A																
17	D	438	3.2%	92	70,820	7.0%	0	\$0	0	0	0	0	0	0	0	0	N/A	N/A															
18	A	696	41.8%	2,467	58,256	18.5%	69	\$3,070	8	0	12	0	0	5	0	N/A	N/A																
19	D	965	1.8%	994	58,926	11.9%	0	\$0	0	0	0	0	0	0	3	322	0																
20	C	574	1.0%	162	87,437	5.1%	24	\$1,920	1	2	2	1	0	1	0	N/A	N/A																
21	A	254	35.0%	4,655	65,625	25.3%	136	\$2,717	13	0	22	4	0	13	1	254	136																
22	A	160	2.5%	11,395	44,500	-6.4%	164	\$3,569	26	1	18	1	0	11	0	N/A	N/A																
23	A	2,840	32.5%	1,064	58,343	7.8%	1	\$12,774	0	0	0	0	0	0	1	2,840	1																
24	A	2,285	28.6%	8,541	36,701	3.6%	77	\$2,333	7	2	4	3	2	14	3	762	26																
25	B	1,367	9.1%	2,185	43,343	0.4%	12	\$2,611	2	0	1	0	0	1	2	684	6																

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Market Potential Opportunity Assessment

MARKET 2

Description:

- ◆ Northwestern Market 2, adjacent to the western boundary of Area 14
- ◆ Bordered on the north by Route Z and traversed east-to-west by Route P
- ◆ Contains concentrations of office, industrial, and commercial development surrounded by areas of residential development



Market Characteristics and Development:

- ◆ In Area 11, commercial facilities are clustered along Center Road and Eastern Parkway. The town has several business parks, including Park 1, Area 11 Corporate Center, Village Square, Business Center II, and West Industry. Future development can be accommodated at Park 1, Village Square, and West Industry.
- ◆ Area 11 commercial facilities are clustered along the Parkway, Valley Drive, and South Hills Road. Business parks include Not so Commons, North Park, Lake Center, Southview, Corteland Center, Tech Park and Co-op Center. Several of these parks have additional land for build-to-suit facilities.
- ◆ Transportation improvements focus on the widening of Route T and the improvement of the road's interchanges to accommodate the high growth expected for the area.
- ◆ Two major road construction projects are expected to impact Area 11 by increasing and facilitating traffic flow along the County B Highway: the construction of a four-lane divided highway from Simple Drive to House Road (expected completion Fall 2001), and the construction of an interchange at Cash Avenue and a four-lane divided roadway from Road South to Sunup Hills Road/Sprint Street (expected completion July 2002). In Summer 2001, a project to build an additional through lane on both the north and southbound sides of Route T between Johnston Drive and Edgewood Road was completed.

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Market Potential Opportunity Assessment

MARKET 2 (cont.)

Block Group		Households		HH Growth		Workplace Pop		Med HH Income		Income Growth		Small Businesses		Revenue/Small Bus		Wholesale-Durable		Industry 1		Industry 2		Industry 3		Industry 4		Industry 5		Industry 6		Households/Bank Branch		Small Bus/Bank Branch	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
1	A	4,365	8.2%	1,777	116,808	27.0%	36	\$1,812	1	1	9	0	0	6	2	2,183	18																
2	B	1,888	5.2%	485	119,794	29.4%	14	\$1,655	1	0	3	0	0	0	0	N/A	N/A																
3	C	525	7.0%	567	86,827	22.3%	10	\$910	2	1	2	0	0	2	1	525	10																
4	A	1	0.0%	3,123	87,500	28.6%	84	\$2,750	8	3	17	1	0	11	2	1	42																
5	C	134	-1.5%	304	80,000	19.0%	14	\$1,802	2	0	0	1	0	1	3	45	5																
6	A	2,239	7.7%	2,745	97,024	24.0%	9	\$4,245	0	0	2	0	0	0	4	560	2																
7	C	543	1.1%	437	120,657	32.2%	3	\$917	0	0	1	0	0	0	0	N/A	N/A																
8	A	1,454	12.0%	2,201	87,117	25.5%	47	\$2,428	3	0	3	0	0	1	4	364	12																
9	C	1,137	10.7%	644	73,201	27.5%	0	\$0	0	0	0	0	0	0	0	N/A	N/A																
10	A	1,001	12.7%	797	92,060	26.6%	71	\$3,143	3	4	14	6	0	6	1	1,001	71																
11	A	179	-1.7%	5,042	142,614	32.1%	45	\$2,588	1	2	10	0	0	7	2	90	23																
12	A	1,654	14.8%	2,876	81,195	22.2%	11	\$3,223	0	1	6	0	0	0	2	827	6																
13	A	1,783	2.9%	4,138	79,298	25.8%	86	\$3,211	5	4	20	0	3	11	1	1,783	86																
14	A	1,536	4.7%	4,731	75,656	22.8%	78	\$2,324	5	4	13	5	1	8	5	307	16																
15	A	2,712	25.9%	614	153,357	34.1%	18	\$2,030	0	0	3	0	0	5	0	N/A	N/A																
16	A	1,848	11.7%	16,096	61,165	7.5%	99	\$1,887	4	2	20	26	1	16	6	308	17																
17	A	1,038	0.4%	1,576	85,000	17.1%	69	\$4,267	1	3	16	1	3	15	1	1,038	69																
18	A	2,065	-1.4%	240	60,139	18.0%	67	\$2,398	9	5	34	1	0	7	1	2,065	67																
19	A+	2,282	-0.9%	6,101	97,252	18.4%	219	\$3,693	14	10	51	2	5	26	5	456	44																
20	A	591	6.6%	2,108	185,526	27.9%	30	\$4,843	1	1	6	2	0	9	0	N/A	N/A																
21	A	131	6.9%	5,357	188,125	29.3%	69	\$3,380	4	2	25	1	0	17	0	N/A	N/A																
22	C	436	-1.1%	175	99,580	34.2%	5	\$2,518	0	0	1	0	0	2	0	N/A	N/A																
23	C	1,384	1.2%	633	87,934	24.2%	6	\$704	0	0	0	0	0	0	2	692	3																
24	B	1,109	4.5%	263	56,434	11.8%	55	\$1,872	1	4	9	6	0	7	0	N/A	N/A																

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Market Potential Opportunity Assessment

RECOMMENDATIONS

- ◆ The Bank should focus on site expansion opportunities in Markets 1 and 2 in the short term. These target areas have relatively low competitive density, extremely high household and business growth, and significant planned road and infrastructure development.

Aggregate Statistics

	Households	HH Growth	Workplace Pop	Med HH Income	Income Growth	Small Businesses	Revenue/Small Bus	Wholesale-Durable	Real Estate	Business Services	Health Services	Legal Services	Eng/Acct/Rsch/ Bank Branches	Households/ Mgmt Svcs	Small Bus/Bank Branch	
Market 1	32,035	7.6%	63,030	97,391	26.7%	1,145	\$2,905	65	47	265	52	13	157	42	763	27
Market 2	32,685	24.6%	49,614	74,190	11.5%	881	\$2,812	83	18	118	30	5	78	24	1,362	37

- ◆ Because they are contiguous and connected by a major thoroughfare, focusing on Market 1 and Market 2 will allow the Bank to begin to build a presence in the high-opportunity corridor.
- ◆ Market 2 is also expected to experience substantial growth, and proximity to the Lake development poses significant growth opportunities for the Bank given the low competitive density in the area.

RECOMMENDATIONS (cont.)

- ◆ In the longer term, the Bank may wish to consider expansion opportunities in Area 20. The completion of the interchange construction will cause significant changes in the area. Upscale residential development is expected to bring high income professionals to the area, and its strategic location along I-235 is a major benefit. This area represents substantial opportunity, but it may take several years to materialize.
- ◆ The Bank should consider expansion opportunities along the I-650 corridor in County A and evaluate the deployment of sales personnel within the county to ensure that resources are properly directed to the highest opportunity areas of the market.

ABOUT CPG

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POPULAR SOLUTIONS

- BankRank
- Competitor Profile Series
- Consumer and Business Market Profile
- Market Potential Opportunity Assessment
- Sample Area Analysis
- Financial Performance and Peer Comparison Report
- U.S. Housing Markets Relative Risk Assessment
- Market Potential Analysis (includes Affiliate Market Profile and Expansion Into High Growth Markets)

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