

FUN PARADE

by [Steve Brown](#)

We have always enjoyed parades. They are fun to take part in and most are fun to watch. Like a parade, bankers each day are bombarded with noise and endless data they must interpret and react to. While we try to focus on having fun around BIG, some data is worthy of monitoring as it marches past. Bankers should feel free to use the following information at lunch today, or as a way to strike up small talk with customers. For instance, did you knowÂ...

Â•About 50% of all banks in the country now sell insurance

Â•Banks booked \$80B in insurance fee income last year

Â•Bank of America has enrolled 4.3mm customers in its "Keep the Change" program and acquired \$400mm in new savings accounts

Â•ING opened 587k new online savings accounts in the 4Q

Â•Money continues to gush into the country, as can be seen by low spreads on junk bonds. Spreads have collapsed to a record low of Treasuries plus 242bp, about half the average of the past 5Ys

Â•About 31% of online banking customers will leave their bank if they are given a promotional gift by a competing institution, such as ID theft insurance, higher interest rates or lower fees

Â•Some 14% of bank customers switch banks every single year

Â•Image exchange is exploding so fast, that the FRB now expects to process about 75% of forward check presentments as images by the end of 2008

Â•Nearly 40% of people who have home-equity lines of credit have not used them in the past 12 months

Â•Studies show 62% of people choose convenience over rates when selecting their primary bank

Â•About \$650B in subprime loans will reset to higher interest rates by 2009.

Â•Nearly 30% of the FDIC and OCC's employees will be eligible for retirement in the next 5Ys

Â•In an effort to reach young consumers, Wells Fargo has a page on MySpace.com

Â•A new study finds online banking is outpacing every other banking channel ever launched, zooming along at a blistering 27% annual growth rate

Â•Customers are contacting their bank 10% more over the past 4Ys, as online banking and other channels are increasingly adopted and leveraged by customers

Â•Research finds that 35% of people will use mobile banking in the next 3Ys, as phones become mobile wallets

•A study of 200 banks finds deposit growth from current customers was only 0.5% over the past 12 month period and that 34% had below-average deposit growth even though they paid above average rates

•Studies find about 80% of banks use the same or virtually the same process to renew a loan credit as they do to board the loan in the first place, adding additional expense and effort

We hope you have enjoyed this parade and it is now safe to cross to the other side of the road. Now, where did we put that candy the carload of clowns tossed out their window on their way by our seating area?

BANK NEWS

Regulation O

Changes to the regulation was approved by the Fed that drops several statutory reporting and disclosure requirements for insider lending. The new rule no longer requires the inclusion of details of extensions of credit to executives when filing Call Reports.

Facebook

The social networking site Facebook.com is starting a peer to peer lending service that will be available exclusively to registered Facebook members. The service is being provided by Lending Club Corp. (CA).

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