



INTEREST IN ONLINE BANKING FLATTENS

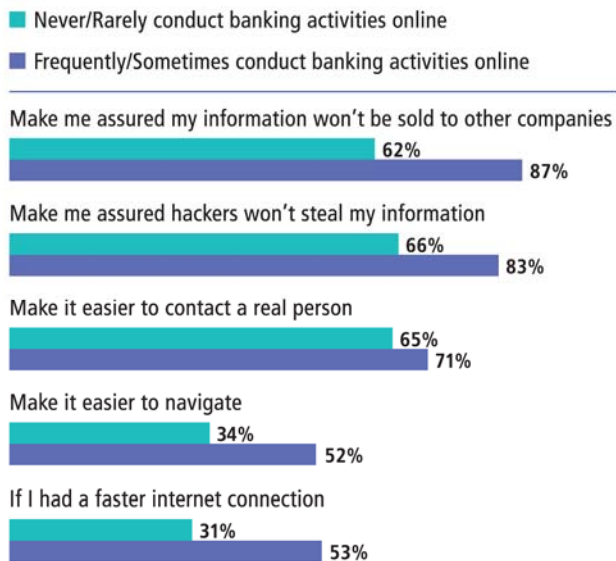
Concerns about Personal Information, Identity Theft, and Services Stall Growth
According to Ipsos Insight's Annual Online Banking Survey

September 6, 2005, New York, NY— After years of dramatic growth in online banking penetration, the percentage of Americans who conduct personal banking activities online remained unchanged during the 12-month period ending August 2005. According to results from a new survey of 1,000 American adults conducted by Ipsos Insight, the global market research firm and member of the Ipsos Group, the reasons behind the stall are concerns about hackers stealing and using personal information and fears that some companies may be selling client records to third parties. Thirty-nine percent of Americans conduct banking online. The results mark the third year of Ipsos Insight's study of online banking behaviors.

The proliferation of "phishing" and highly publicized hacker tactics have thwarted industry efforts to convince customers that online banking is safe:

- 83 percent of survey respondents who conduct their personal banking online reported concerns over protecting their personal information from theft;
- 73 percent of people said personal information theft is a deterrent for them to use online banking;
- survey respondents were equally concerned about banks selling their personal information to a third party, with 72 percent of respondents citing the issue as extremely or very important.

5 Ways to Improve Your Customers' Online Banking Experience



Base: 1,000 American adults



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"The industry needs to convey that they are, in fact, addressing the fundamental issues of personal information protection and theft associated with online banking because the public's misperception is what's deterring growth," said Doug Cottings, Senior Vice President of Ipsos Insight's Financial Services Division. "There are specific ways companies can make online banking a better experience, beginning with assuring customers that their information won't be sold to third parties."

But those who do it, are doing it more

Those who bank online are doing so slightly more frequently. Survey results show the average number of times per month people use online banking to:

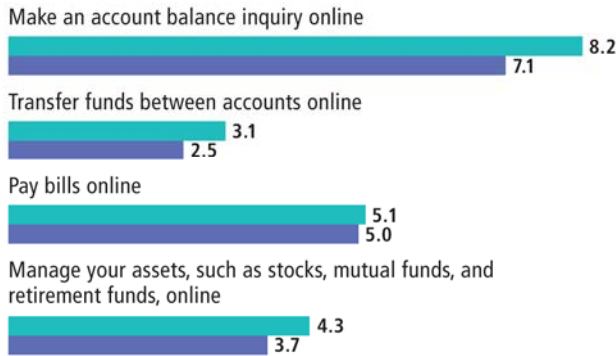
- pay bills is 5.1 times per month in 2005, up from 5 in 2004;
- manage assets, such as stocks, mutual funds, and retirement funds, is 4.3 times per month in 2005, up from 3.7 in 2004;
- transfer funds is 3.1 times per month, up from 2.5 in 2004;
- make balance inquiries is 8.2 times per month, compared to 7.1 in 2004.



Online Personal Banking Activities

How many times per month do you conduct each of the following personal banking activities?

■ 2005 ■ 2004



Base: Frequently or sometimes use the Internet for personal banking

2004 sample size=335 2005 sample size=294



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One area of growth for online banking activities is customers signing up for more new financial and banking services online. Approximately one-third of all new credit card, investment accounts, and mortgages applications were made online.

“Banks’ best option for growing business is deepening existing customer relationships since they are already aware of and experiencing the convenience of online banking,” said Cottings.

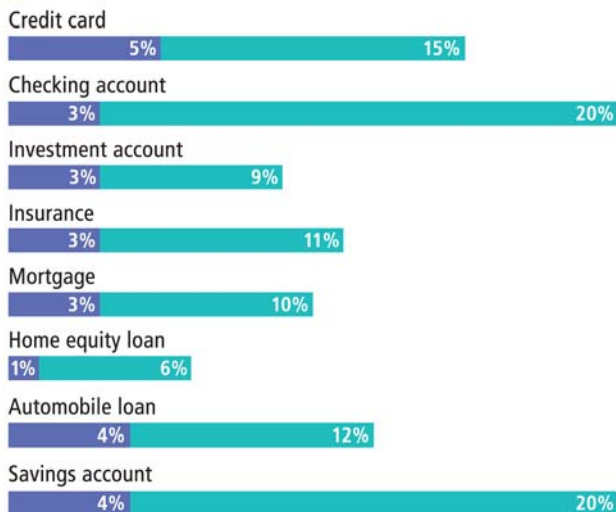
Online banking among various demographics has remained relatively unchanged or decreased:

- Thirty-six percent of females are frequently or sometimes banking online (no change from 2004), compared to 42 percent of males (down from 44 percent in 2004).
- Usage by 18- to 34-year-olds has remained stable, from 54 percent in 2004 to 53 percent in the most recent survey.
- The older demographic has decreased their usage from 21 percent of those aged 55 and older conduct banking online, compared to 26 percent in 2004.

New Banking Products

Which of the following types of financial/banking services have you signed up for in the past year?

■ Online ■ Total



Base: 1,000 American adults



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“People are hesitant to use online banking due to heightened concerns and skepticism of the industry,” said Cottings. “Among 18- to 34-year-olds, there’s the suspicion of banks being too much like Big Brother watching, whereas the older groups don’t think banks are doing enough. With only 39 percent of Americans using online banking, there is tremendous market potential for banks that can allay customers’ fears.”

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Methodology

Data were gathered August 2–4, 2005 using *Ipsos U.S.*

Express, a weekend turnaround omnibus surveying 1,000

American adults ages 18 and older via telephone. The margin of error is +/- 3.1 percent.

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