



**AFFLUENT SEGMENT A PRIORITY FOR EUROPEAN BANKS IN 2010,
DESPITE 2009 FALL IN REVENUES**

FOR IMMEDIATE RELEASE

London, 4 February 2010 – The second annual Efma - Finalta report released today finds affluent segment revenues fell by an average of 10% for European banks in 2009. Despite this, strategically the affluent segment is more important than ever.

The average decrease in revenues masks a significant variation however, as some banks reported falls of 25% or more. A limited number of banks managed to record growth, although few by more than low single digits. The report finds banks in Eastern Europe experienced a larger fall than their Western European counterparts.

Furthermore, the report shows affluent customer satisfaction fell by an average of 2.6% in West Europe in 2009. After a period of consecutive annual increases in customer satisfaction, this means banks have lost over two years worth of gains. This drop can be attributed to reputation damage, increasingly demanding customers and the performance of investment products and quality of advice.

However despite the set backs, for 76% of banks, the affluent segment is of more, or significantly more, strategic importance than 12 months ago. This is primarily due to the shift away from wholesale to retail deposit funding models as a result of the crisis.

Undoubtedly, the crisis and subsequent downturn present a unique set of challenges for affluent segment heads. For those which manage to maintain a balance between short and long term pressures, assuming economic conditions continue to improve, recovery should come relatively quickly. For those which focus on the short-term, for example selling high upfront fee products and “churning” investments, the damage could be long lasting.

“The focus on ‘back to basics’ banking means the mass affluent segment is more important than ever as a source of sustainable revenues”, says Remus Brett, Finalta Director. “However, a recovery in revenues will be dependent on improvements in customer satisfaction. This starts with executive commitment and includes incentive systems and improvements in the advisory skills of relationship managers”.

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A copy of the second annual **Efma-Finalta Affluent Segment in Europe Report** is available on request. Graphics also available.

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About Finalta

Finalta is an independent advisory company that specialises in providing benchmarking and best practice consulting to financial institutions. Finalta provides retail banks with fact-based analysis and practical recommendations designed to support rapid performance improvement.

For further information, please visit www.finalta.eu



About Efma

Efma promotes innovation in retail finance in Europe by fostering debate and discussion among the main players involved in change. Formed in 1971, Efma comprises 2,960 different brands in financial services worldwide today, including 80% of the largest European banking groups.

Through regular events, publications, and its comprehensive website, the association provides retail financial service professionals with answers to their questions about the main issues at stake in their business: multiple distribution strategies, customer approach, CRM, product and service marketing and improving profitability.

Efma is above all a dynamic association, providing a great opportunity for discussion and exchanges without any commercial constraints. It provides its members with a wide range of exclusive services as well as discount rates on non-gratuitous activities. The loyalty of its members as well as their permanent financial support are the best proof of its efficiency. www.efma.com