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**WASHINGTON
BANKERS ASSOCIATION**

“A Sea of Change: Issues and Answers To Bank Distribution and Delivery Channels”

December 5, 2017



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Distribution and Delivery Channels

Industry Headwinds

Continuing Themes

- Economic Environment
- Interest Rate Environment
- Regulatory Environment
- Political Environment
- Competitive Environment
- Risk Management
- Technology/Cyber Security
- Capital Requirements
- Shareholder Expectations



Distribution and Delivery Channels

Historical Effective Funds Rate

Effective Federal Funds Rate

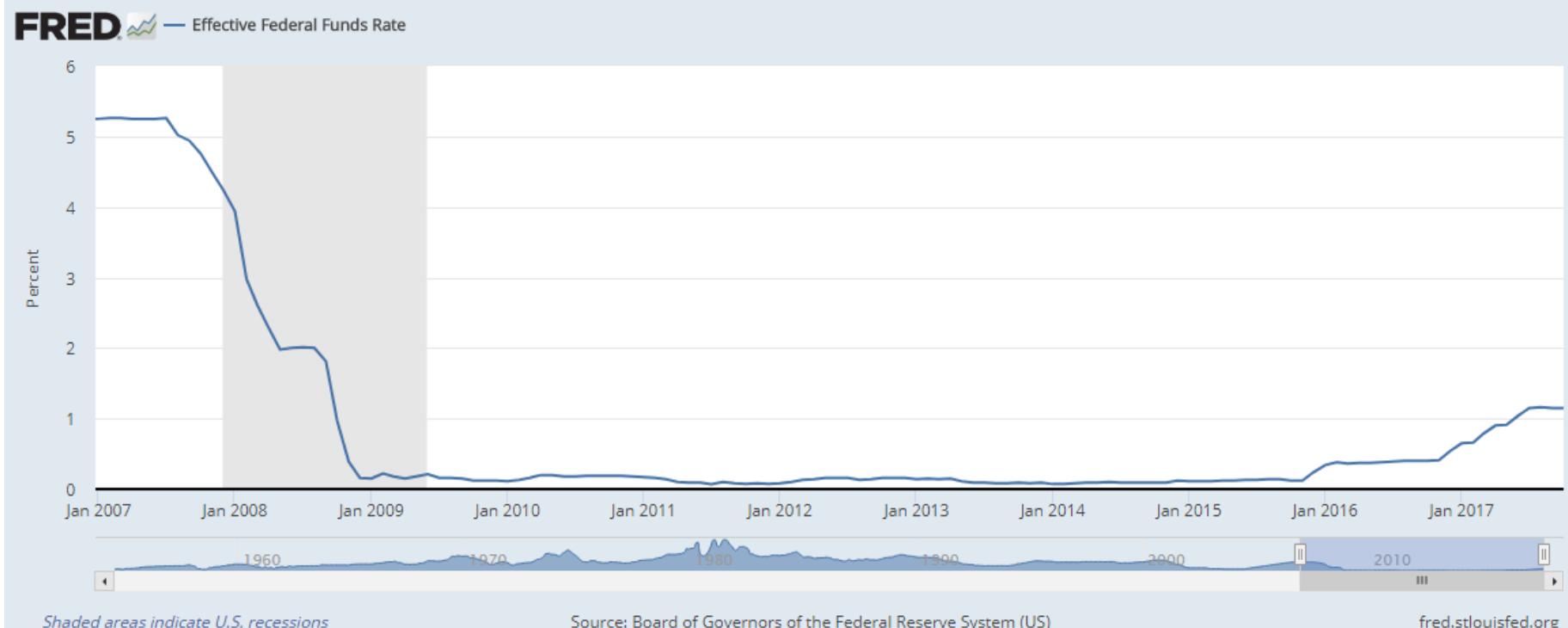


Source: fred.stlouisfed.org

Distribution and Delivery Channels

Historical Effective Funds Rate

Effective Federal Funds Rate



Source: fred.stlouisfed.org

Distribution and Delivery Channels

Market Overview – Washington

Deposits Summary Trend

Total Deposits at June 30,							
	2013 (\$000)	2014 (\$000)	2015 (\$000)	2016 (\$000)	2017 (\$000)	CAGR(%)	One Year Growth(%)
Deposits (\$000)							
1 Bank	112,815,672	117,617,615	130,084,983	140,103,646	150,746,083	7.52	7.60
2 Thrift	2,201,659	2,682,819	3,012,823	893,898	930,025	(19.38)	4.04
3 Savings Bank	2,695,859	2,630,024	2,006,915	2,037,862	2,164,847	(5.34)	6.23
4 Total Bank and Thrift Deposits	117,713,190	122,930,458	135,104,721	143,035,406	153,840,955	6.92	7.55
5 Credit Union	31,311,225	32,879,342	35,399,525	38,764,881	43,167,347	8.36	11.36
Branches (actual)							
6 Bank	1,793	1,755	1,725	1,720	1,694	(1.41)	(1.51)
7 Thrift	37	45	49	20	18	(16.48)	(10.00)
8 Savings Bank	35	33	22	23	22	(10.96)	(4.35)
9 Total Bank and Thrift Branches	1,865	1,833	1,796	1,763	1,734	(1.80)	(1.64)
10 Credit Union	106	105	101	92	NA	NA	NA
11 Avg. Bank Branch Size	62,920	67,019	75,412	81,456	88,988	9.05	9.25
12 Avg. Thrift Branch Size	68,021	68,113	70,701	68,180	77,372	3.27	13.48
13 Avg. Bank and Thrift Branch Size	63,117	67,065	75,225	81,132	88,720	8.89	9.35
14 Average Credit Union Branch Size	295,389	313,137	350,490	421,357	NA	NA	NA

Source: S&P Global Market Intelligence and FDIC

Distribution and Delivery Channels

Market Overview – Washington

Market Demographic Trends

	Base 2010	Current 2018	Projected 2023	% Change 2010 - 2018	% Change 2018 - 2023
1 Total Population (actual)	6,724,540	7,445,877	7,895,312	10.73	6.04
2 0-14 Age Group (%)	19.45	18.57	18.16	5.71	3.71
3 15-34 Age Group (%)	27.62	27.04	25.76	8.38	1.03
4 35-54 Age Group (%)	28.20	25.83	25.59	1.42	5.05
5 55-69 Age Group (%)	16.44	18.58	19.06	25.13	8.77
6 70+ Age Group (%)	8.29	9.99	11.43	33.43	21.37
7 Median Age (actual)	37.20	38.40	39.50	3.23	2.86
8 Total Households (actual)	2,620,076	2,919,671	3,104,092	11.43	6.32
9 <\$25K Households (%)	NA	16.32	14.66	NA	(4.45)
10 \$25-49K Households (%)	NA	19.98	18.09	NA	(3.76)
11 \$50-99K Households (%)	NA	30.76	29.44	NA	1.77
12 \$100-\$199K Households (%)	NA	24.24	26.24	NA	15.12
13 \$200K+ Households (%)	NA	8.71	11.56	NA	41.16
14 Average Household Income (\$)	NA	95,301	106,672	NA	11.93
15 Median Household Income (\$)	NA	69,697	76,521	NA	9.79
16 Per Capita Income (\$)	NA	38,104	42,723	NA	12.12
17 Total Owner Occupied Housing Units (actual)	1,673,920	1,854,975	1,969,396	10.82	6.17
18 Renter Occupied Housing Units (actual)	946,156	1,064,696	1,134,696	12.53	6.57
19 Vacant Occupied Housing Units (actual)	265,601	271,285	275,183	2.14	1.44

Source: S&P Global Market Intelligence and Nielsen

Distribution and Delivery Channels

Market Overview – Washington

Business Demographics

NAICS Code	Description	Total Estabs.	Establishments with employee count in the following range:								
			1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 plus
1 11	Forestry, Fishing, Hunting, and Ag. Support	1,413	1,043	143	102	73	27	15	9	1	0
2 21	Mining	179	91	36	29	15	3	3	2	0	0
3 22	Utilities	295	144	51	43	36	10	6	2	1	2
4 23	Construction	21,370	14,659	3,250	1,797	1,162	307	156	26	11	2
5 31	Manufacturing	7,021	2,962	1,251	986	930	422	325	106	30	9
6 42	Wholesale Trade	9,152	4,656	1,771	1,293	948	307	135	33	6	3
7 44	Retail Trade	21,774	9,137	5,604	3,622	2,006	753	529	119	3	1
8 48	Transportation and Warehousing	5,171	2,948	798	627	484	165	105	24	12	8
9 51	Information	3,332	1,721	471	487	343	144	93	38	22	13
10 52	Finance and Insurance	9,598	5,792	2,049	1,056	448	127	83	31	8	4
11 53	Real Estate and Rental and Leasing	10,425	7,905	1,585	591	245	71	26	2	0	0
12 54	Professional, Scientific, and Technical Services	21,178	15,055	2,787	1,748	1,019	323	184	48	10	4
13 55	Management of Companies and Enterprises	1,077	368	155	146	164	107	69	30	19	19
14 56	Administrative, Waste Management and Remediation	9,544	5,883	1,530	942	627	286	181	75	12	8
15 61	Educational Services	2,832	1,402	518	448	296	106	45	6	3	8
16 62	Health Care and Social Assistance	20,521	9,927	4,572	2,946	1,816	689	419	78	36	38
17 71	Arts, Entertainment, and Recreation	2,932	1,604	402	346	325	124	102	19	6	4
18 72	Accommodation and Food Services	16,703	5,233	3,520	3,688	3,368	718	145	17	12	2
19 81	Other Services (except Public Administration)	17,148	10,479	3,942	1,776	745	141	58	4	1	2
20 99	Unclassified	675	653	17	5	0	0	0	0	0	0
Total Establishments		182,340	101,662	34,452	22,678	15,050	4,830	2,679	669	193	127

- 56% of Businesses in Washington have less than 5 employees, and 95% of Businesses in Washington have less than 50 Employees

Source: US Census data

Distribution and Delivery Channels

Market Overview – Washington

Deposit Market Share

Rank	Institution	Type	Branch Count	At June 30, 2017		
				Deposits in Market (\$000)	Average Deposits per Branch (\$000)	Market Share (%)
Rank	Institution	Type	Branch Count	Deposits in Market (\$000)	Average Deposits per Branch (\$000)	Market Share (%)
1	Bank of America Corporation (NC)	Bank HC	171	33,023,671	193,121	21.47
2	Wells Fargo & Company (CA)	Bank HC	153	18,397,887	120,248	11.96
3	JPMorgan Chase & Co. (NY)	Bank HC	203	17,393,198	85,681	11.31
4	U.S. Bancorp (MN)	Bank HC	184	16,096,115	87,479	10.46
5	KeyCorp (OH)	Bank HC	155	10,946,087	70,620	7.12
6	Washington Federal, Inc. (WA)	Bank HC	91	5,692,327	62,553	3.70
7	Columbia Banking System, Inc. (WA)	Bank HC	75	5,421,205	72,283	3.52
8	Umpqua Holdings Corporation (OR)	Bank HC	95	5,017,150	52,812	3.26
9	Banner Corporation (WA)	Bank HC	87	4,708,535	54,121	3.06
10	W.T.B. Financial Corporation (WA)	Bank HC	26	4,063,803	156,300	2.64
11	Heritage Financial Corporation (WA)	Bank HC	61	3,796,623	62,240	2.47
12	HomeStreet, Inc. (WA)	Bank HC	35	3,164,010	90,400	2.06
13	Mitsubishi UFJ Financial Group, Inc.	Bank HC	22	2,654,963	120,680	1.73
14	Peoples Bancorp (WA)	Bank HC	25	1,408,200	56,328	0.92
15	East West Bancorp, Inc. (CA)	Bank HC	4	1,400,239	350,060	0.91
16	Yakima Federal Savings and Loan Association (WA)	Savings Bank	10	1,382,451	138,245	0.90
17	Cashmere Valley Bank (WA)	Comm'l Bank	11	1,304,216	118,565	0.85
18	Opus Bank (CA)	Comm'l Bank	17	1,204,840	70,873	0.78
19	Olympic Bancorp, Inc. (WA)	Bank HC	21	1,010,684	48,128	0.66
20	Zions Bancorporation (UT)	Bank HC	1	982,612	982,612	0.64
21	First Financial Northwest, Inc. (WA)	Bank HC	9	856,324	95,147	0.56
22	First Northwest Bancorp (WA)	Bank HC	11	826,581	75,144	0.54
23	Timberland Bancorp, Inc. (WA)	Bank HC	22	819,208	37,237	0.53
24	Skagit Bancorp, Inc. (WA)	Bank HC	11	804,779	73,162	0.52
25	FS Bancorp, Inc. (WA)	Bank HC	12	793,087	66,091	0.52
Total For Institutions In Market			77	1,734	153,840,955	88,720

Source: S&P Global Market Intelligence and FDIC

Distribution and Delivery Channels

The Distribution and Delivery Channel Crossroad

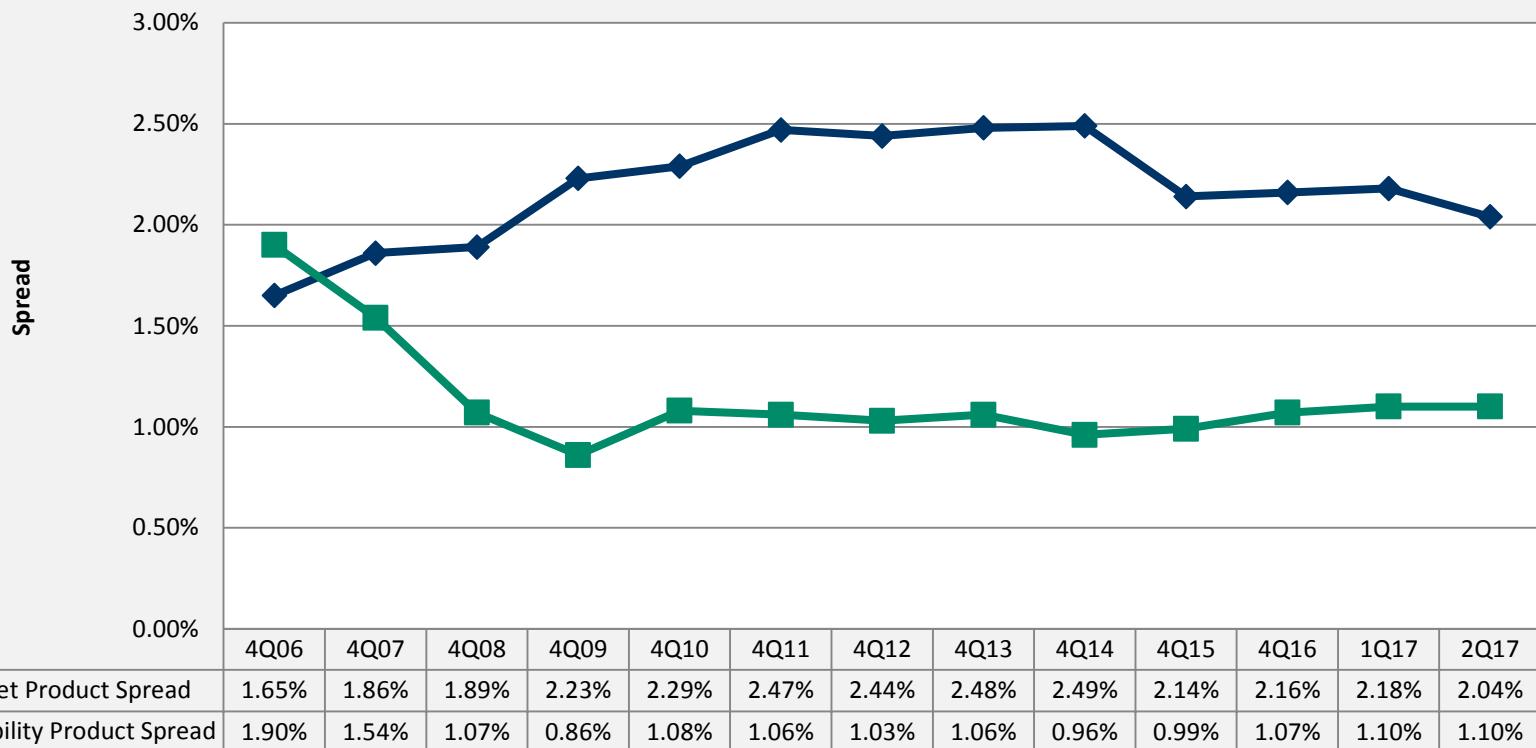
Facts

- Branch transactions continue to decline.
- Branches will not totally go away, but the number of branches will continue to decline.
- Branches are becoming more consultative and less transactional.
- Physical branch size continues to shrink.
- Technology continues to drive a greater majority of banking transactions.
- Technology, and its utilization, is inevitable, and it will continue to advance at an ever increasing pace.
- Distribution expectations are different for various age groups and market demographics.
- For example, small-to-medium size business needs are often different from consumers needs.
- Millennials are getting older and will greatly influence the use and direction of banking delivery channels.

Distribution and Delivery Channels

Economic, Interest Rate, and Industry Outlook

Impact on Bank Products - Asset & Liability Product Spreads



Source: TKG Profitability Peer Group

Distribution and Delivery Channels

Trends in Number of Institutions

Institutions, New Charters, & Mergers

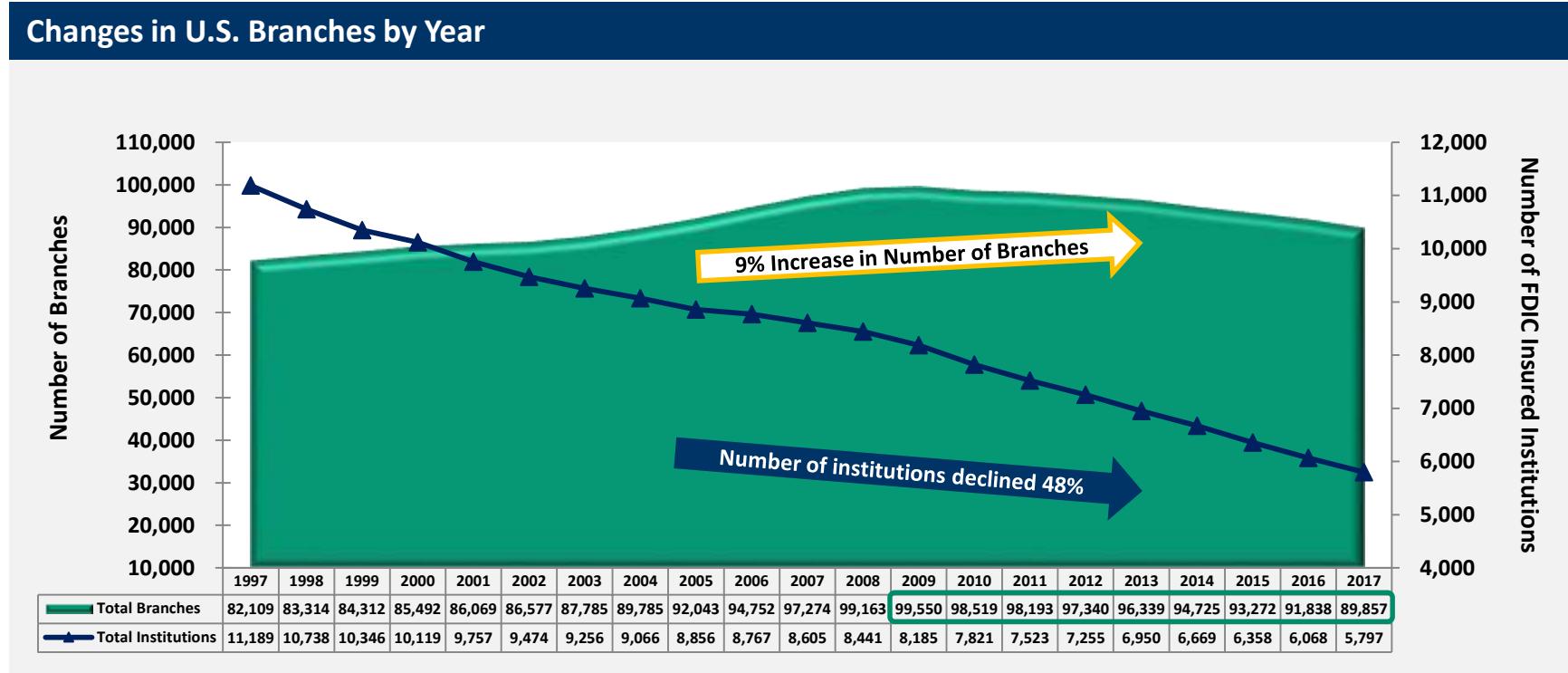
Institutions, New Charters, & Mergers									
	Commercial Banks			Savings Banks			Total Number of Institutions		
	New	Charters	Mergers	New	Charters	Mergers	New	Charters	Mergers
Count	Count	Count	Count	Count	Count	Count	Count	Count	Count
1990	12,343	163	389	2,815	28	64	15,158	191	453
1991	11,921	105	443	2,561	9	72	14,482	114	515
1992	11,463	72	425	2,390	8	84	13,853	80	509
1993	10,959	58	501	2,262	9	111	13,221	67	612
1994	10,452	50	548	2,152	18	109	12,604	68	657
1995	9,941	102	606	2,030	9	116	11,971	111	722
1996	9,528	145	552	1,926	12	108	11,454	157	660
1997	9,143	187	598	1,780	12	127	10,923	199	725
1998	8,774	188	557	1,690	33	114	10,464	221	671
1999	8,580	230	416	1,642	40	80	10,222	270	496
2000	8,315	190	452	1,589	33	81	9,904	223	533
2001	8,080	126	354	1,534	20	63	9,614	146	417
2002	7,887	91	276	1,467	4	56	9,354	95	332
2003	7,767	110	224	1,414	8	49	9,181	118	273
2004	7,628	122	261	1,348	6	58	8,976	128	319
2005	7,523	166	269	1,310	13	41	8,833	179	310
2006	7,397	178	305	1,283	16	37	8,680	194	342
2007	7,279	164	282	1,255	17	39	8,534	181	321
2008	7,076	89	261	1,229	9	32	8,305	98	293
2009	6,829	25	152	1,183	6	27	8,012	31	179
2010	6,519	9	184	1,139	2	13	7,658	11	197
2011	6,275	3	165	1,082	0	31	7,357	3	196
2012	6,072	0	172	1,011	0	36	7,083	0	208
2013	5,847	1	203	965	1	29	6,812	2	232
2014	5,607	0	238	902	0	35	6,509	0	273
2015	5,338	1	264	844	0	40	6,182	1	304
2016	5,113	0	221	800	0	30	5,913	0	251
YTD 2017	4,969	4	144	768	0	22	5,737	4	166

Source: FDIC, 2017 data year-to-date as of Sept 30, 2017

Distribution and Delivery Channels

Trends in Number of Institutions and Branches

Changes in U.S. Branches by Year



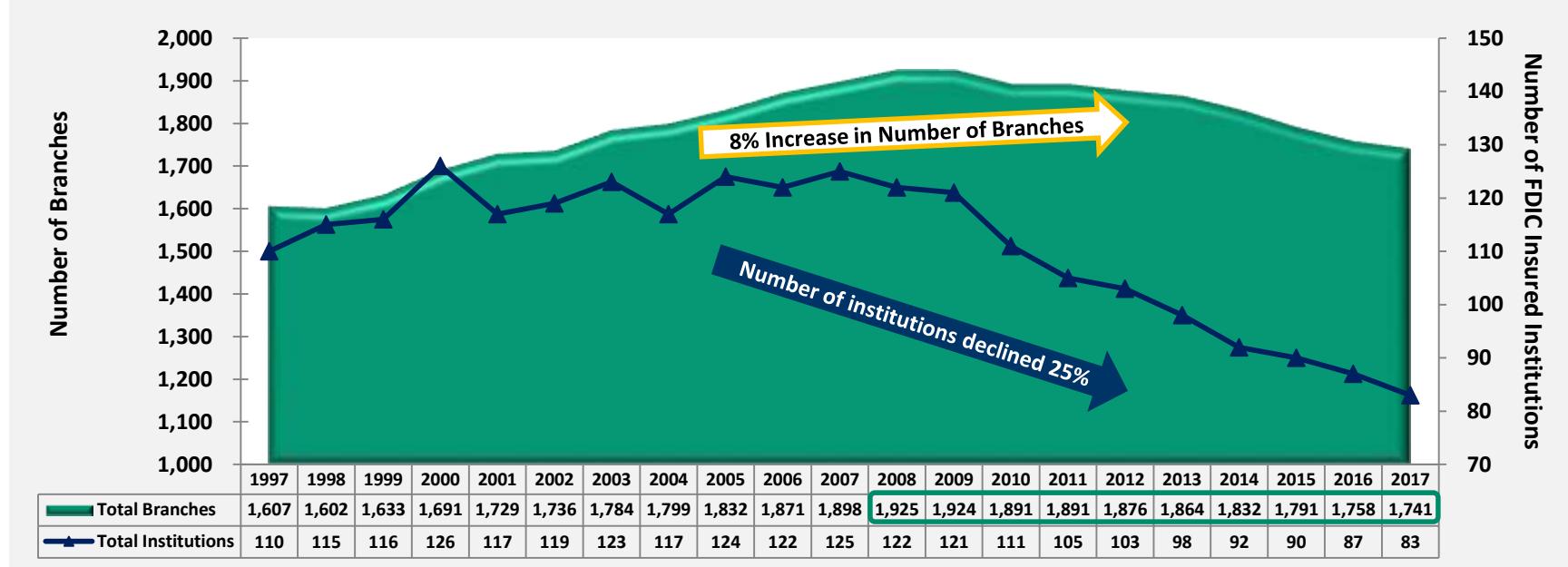
- Branch decline over past several years is predominantly driven by acquisitions and subsequent branch footprint consolidations of large financial institutions.
- Future branch consolidations may result from changing demographic trends and technology utilization.

Source: FDIC

Distribution and Delivery Channels

Trends in Number of Institutions and Branches

Changes in Branches by Year: WASHINGTON

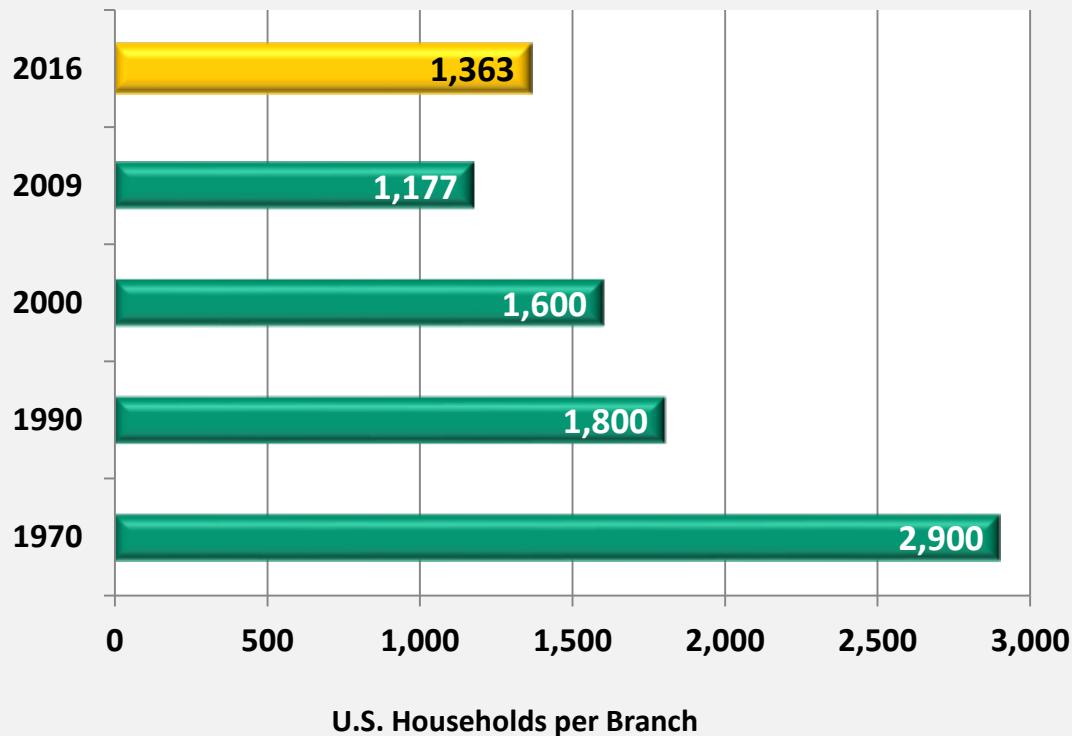


Source: FDIC

Distribution and Delivery Channels

Impact of Branch Consolidation

A Shift in U.S. Households per Branch



- The pace of branch growth has far outstripped population growth for decades as the number of U.S. Households per branch has declined by more than 50% from 1970 to 2016.
- Since 2009 there has been an increase in U.S. Households per branch. This is due to the decreasing number of branches.

Source: S&P Global Market Intelligence , FDIC

Distribution and Delivery Channels

Trends in Branch Structure

Changing Branch Styles and Sizes

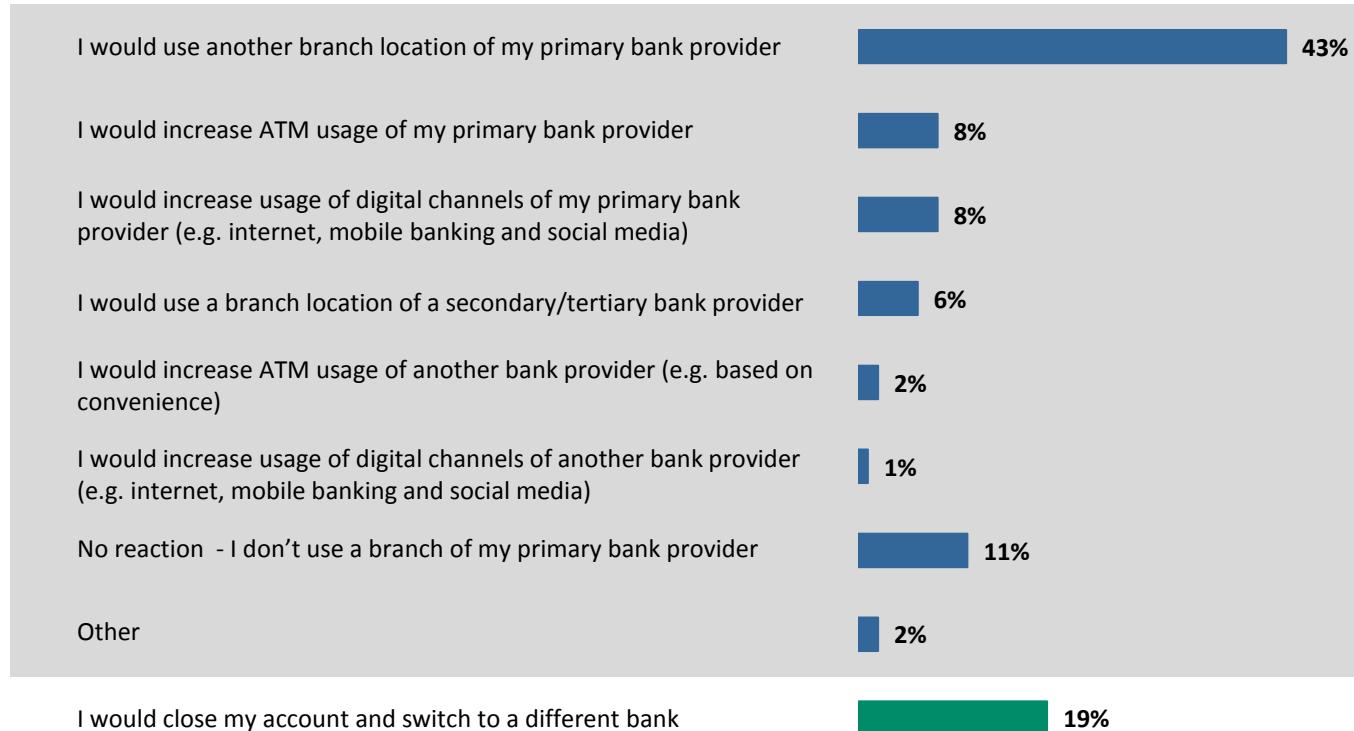


Source: The Kafafian Group, Inc., Capital One Bank, PNC Bank

Distribution and Delivery Channels

The Branch Experience

A strong majority of consumers would not switch banks if their local bank branch closed



81%
Would not
switch
banks

Source: 2015 Accenture Banking Shaped by the Customer

Distribution and Delivery Channels

The Branch of the Future

Consumers want human interaction at the bank branch of the future

The vast majority (86%) of consumers report that they will use the branch in the future

Survey Question: Why do you anticipate you will use branches two years from now?

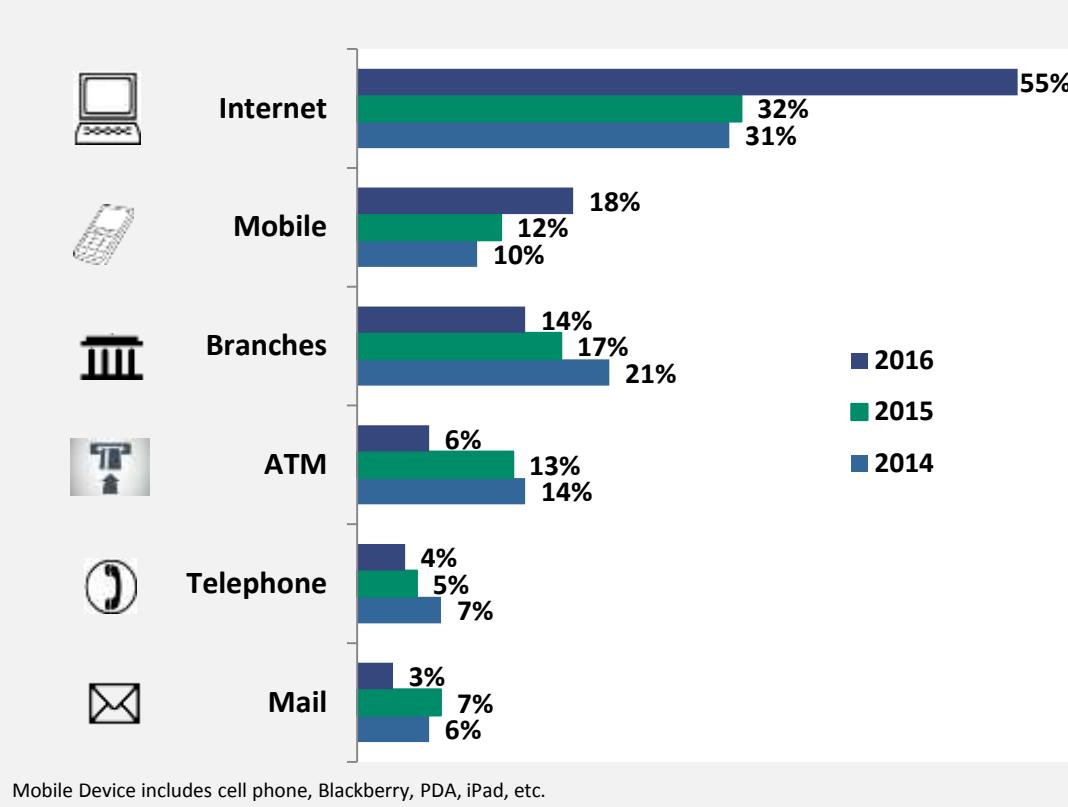


Source: Accenture Consulting 2017 North America Consumer Digital Banking Survey

Distribution and Delivery Channels

Changes in Banking Methods

Preferred Banking Method



- Ranked second behind online banking, mobile banking exceeds branches as consumers' preferred way to bank, with about one in five people taking to their mobile devices to conduct their banking business.
- Customers use the branch for more complex or high-value transactions such as: open an account, apply for a loan, product and investment advice and problem resolution.*

Source: American Bankers Association

Distribution and Delivery Channels

Trends in Branch Models

The Consultative Feel of the Branch

- Branches are becoming more consultative and sales outlets.
- Banks are optimizing their branch networks by adapting both the location of branches and branch formats to client needs.
- Branch formats will incorporate self-service technologies that match customer profiles for convenience.



Source: Novantas December 2014 The Financial Brand

Distribution and Delivery Channels

Emerging Trends – Customer Service

Community Banks Often Tout Great Customer Service But Customers Feel Differently.

A recent survey shows that banks lag behind other well known companies.

- Two-thirds of respondents said their primary bank was inferior to other companies that offer great customer service.
- Almost one out of three had a complaint that was not completely resolved.
- Three-fourths of respondents had issues with basic products such as checking accounts, credit cards, mortgages or debit cards.
- Erroneous fees, missing or misapplied payments and fraud topped the list for service problems.
- Almost three-fourths of complaints required at least two interactions.
- Unresolved issues led to 63% of respondents to reduce usage or leave.

What to do?

- Avoid passing customers off to another employee too many times.
- Create a list of the 50 most-common questions with the names of two employees who are best able to address each issue.
- Develop a call center by moving around existing employees.



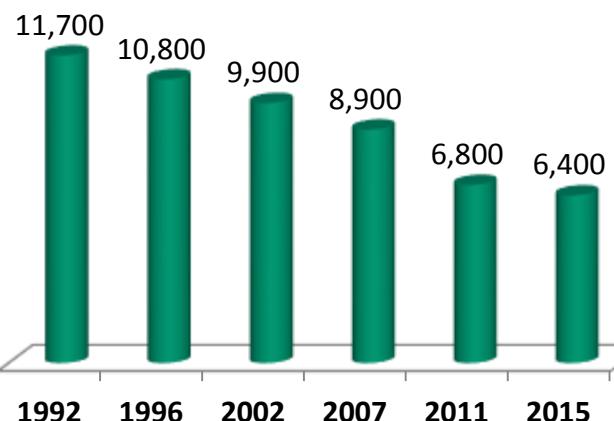
Source: American Banker, Carlisle & Gallagher Consulting Group

Distribution and Delivery Channels

Trends in Branch Transaction and Costs

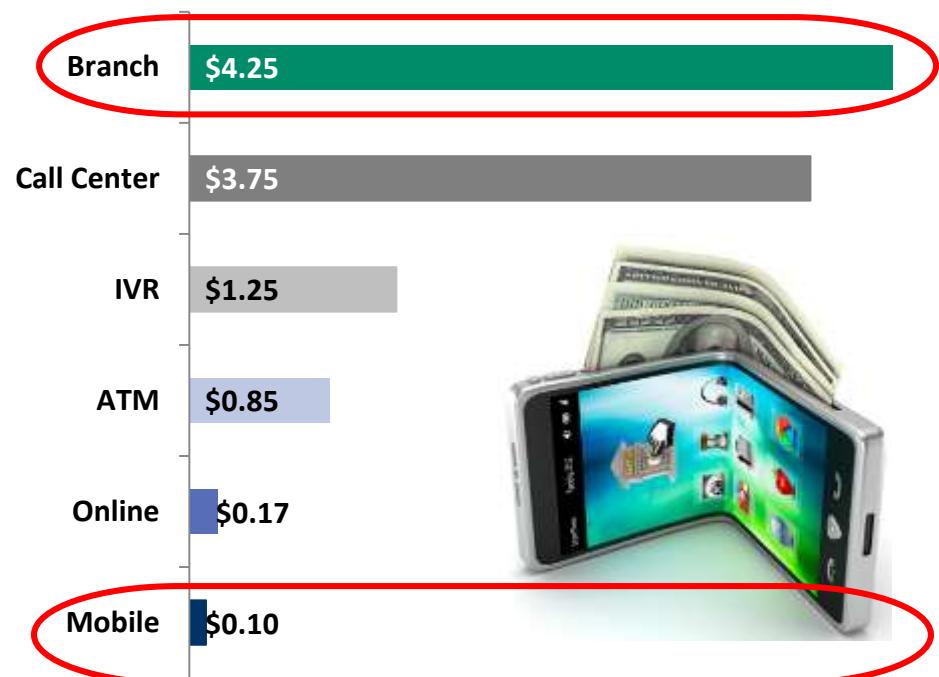
Monthly Teller Transaction has Declined 45%

Monthly Teller Transaction Volume Decline 45% Since 1992



Use of Mobile Banking - \$4.15 Cost Savings Per Transaction

Per-Transaction Cost by Banking Channel



Source: 2015 FMSI Teller Line Study, Fiserv, Javelin Strategy & Research Identifies Mobile Deposit Changing the Role for Branch Interactions

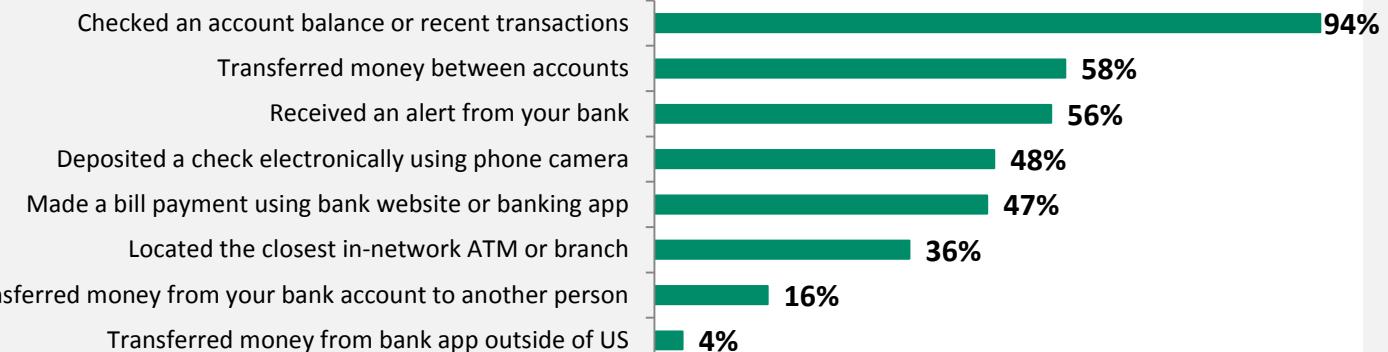
Distribution and Delivery Channels

Use of Mobile Banking

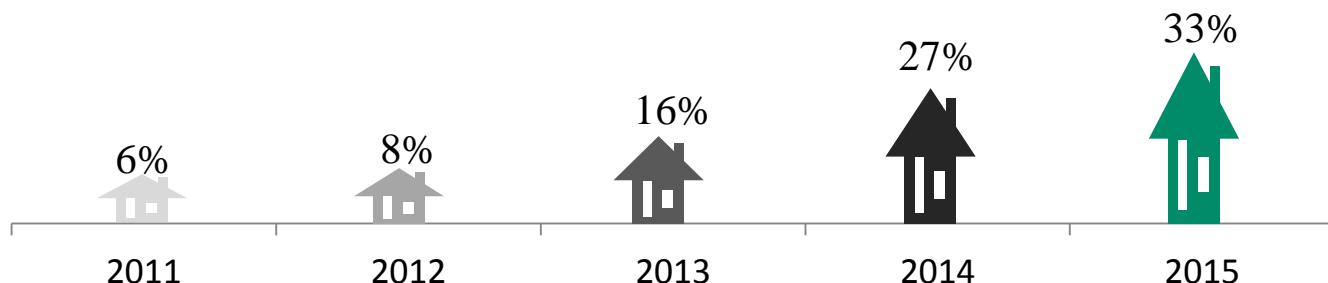
79% of Online Households Have a Smartphone, an Increase of 66% in the Last Year



Mobile banking features customers used during the past year



Percentage of Online Households Paying One or More Bills Through Mobile Device



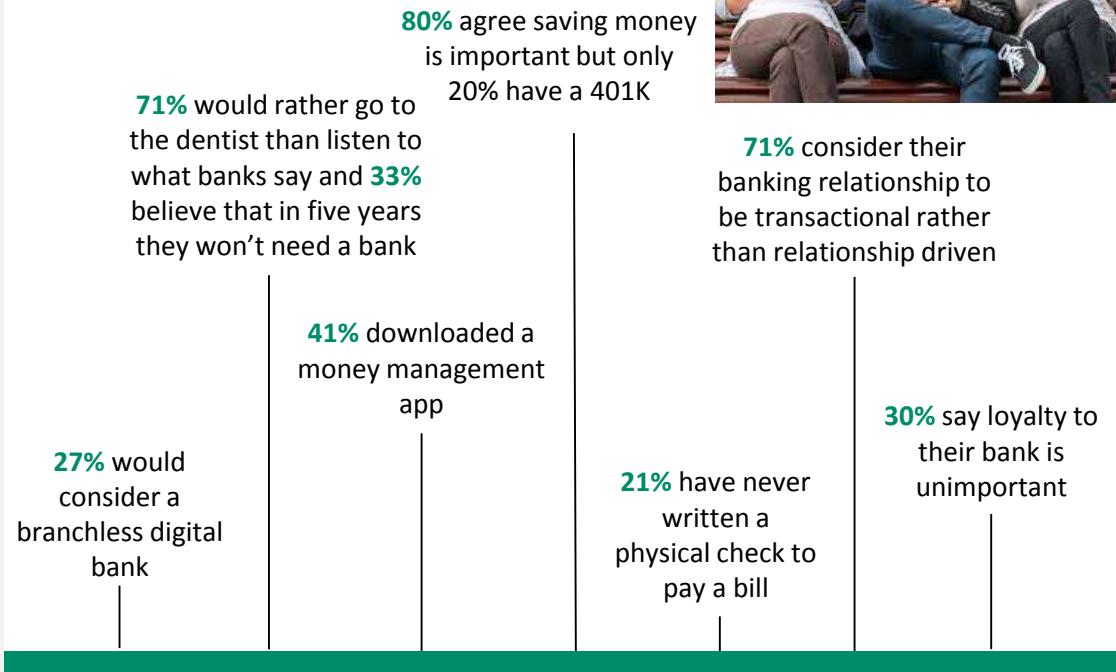
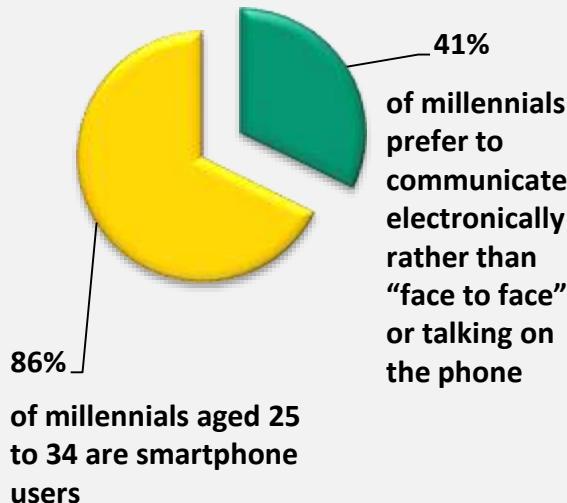
Source: Board of Governors of the Federal Reserve 2016 Consumers and Mobile Financial Services 2016, Fiserv Mobile Billing and Payment: Consumer Preferences 2016

Distribution and Delivery Channels

Millennials – Banking Relationship

Millennials

Electronic Usage



Source: First Data 2015 White Paper on Millennials (Business Intelligence, Accenture Digital Banking Survey, Temenos, Bankrate, PriceWaterhouse Cooper Survey of college graduates)

Distribution and Delivery Channels

Millennials – Banking Relationship

Millennials Want a Banking Experience that is Touchless, Revolving Around Digital Media

- Real-time information on their accounts.
- Mobile apps with check capture, account-to-account transfers and bill pay.
- Real-time text alerts for specific events (deposit, low balance, etc.).
- Free, online personal/financial/money management tools.
- Online loan quotes, preferably with direct or linked assistance and a minimal requirement for personal information.
- Online account opening and bill pay.
- Online and/or mobile appointment setting, with email and text reminders, for those times when a millennial is ready to sit down at the branch.
- Prefer options and control when it comes to their card usage.
- Want to be able to flip through their email and gather information on the fly.



Source: First Data 2015 White Paper on Millennials (Business Intelligence, Accenture Digital Banking Survey, Temenos, Bankrate, PriceWasserhouse Cooper Survey of college graduates)

Distribution and Delivery Channels

Competition for the Retail Bank Customer

The Role of Technology in Changing Consumer Behavior and Tie to “Shadow Banking”

Never before have customers had so many choices of where to borrow, store and transmit money. To borrow from Bill Gates, “Banking is essential. Banks are not.” These new competitors are further proof of the transformation of the competitive landscape. Integration of these services with core banking products are key (think partnership, not adversary). It is still too early to determine the financial viability of some of the business models of these competitors.



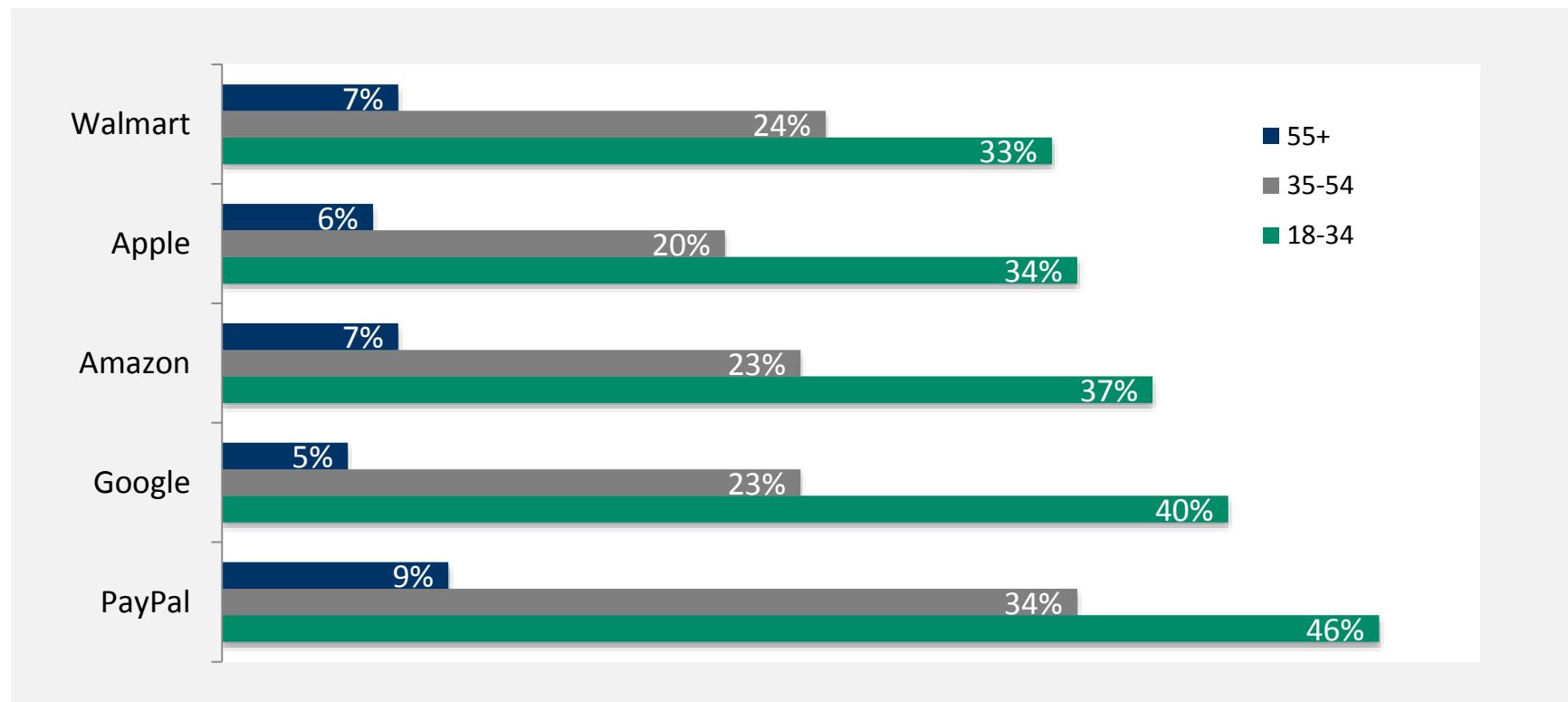
Source: The Kafafian Group, Inc.

Distribution and Delivery Channels

Competition for the Retail Bank Customer

The Role of Technology in Changing Consumer Behavior

Percentage of banking customers who would be "likely or very likely" to bank with one of these companies (if they offered such services)



Source: Accenture survey of 3,846 bank customers in North America, March 2014

Distribution and Delivery Channels

Emerging Trends – Technology

TKG's View

- Core systems remain the backbone of a bank's operations:
 - Negotiate the best contract.
 - Aggressively work with the vendor to make the highest and best use of the system.
- Delivery channels are not profit centers but are necessities.
 - Failure to deliver will negatively impact your bank's reputation
- Social media will drive marketing
 - Banks will need to participate in a deliberate manner
- Management information that is focused, timely and actionable will be essential for making informed decisions.
- Data security will be the biggest challenge as banks manage multiple distribution systems.
 - This will be a never-ending battle which will need to be addressed continuously, comprehensively and expeditiously
- Business continuity preparedness will be ever more essential.

Source: The Kafafian Group, Inc.

Distribution and Delivery Channels

Emerging Trends – Rise of the Niche – General Bank Growing Extinct?

Case Studies: Niche Banking



BofI Holding, Inc.
San Diego, CA

	2015 FY 6/30/2015	2016 FY 6/30/2016	% Change
1 Total Assets	5,823.7	7,599.3	30.5%
2 Net Loans	5,031.9	6,409.1	27.4%
3 Total Deposits	4,451.9	6,044.1	35.8%
4 Net Income	82.7	119.3	44.3%
5 ROAA (%)	1.61	1.75	8.7%
6 ROAE (%)	18.20	19.32	6.2%
7 Niche	Branchless banking, using a direct and channel partner (i.e. BofI Advisors, etc.) strategy.		



CoBiz Financial, Inc.
Denver, CO

	2015 FY 12/31/2015	2016 YTD 9/30/2016	% Change
1 Total Assets	3,351.8	3,452.5	3.0%
2 Net Loans	2,658.5	2,793.6	5.1%
3 Total Deposits	2,741.7	2,937.2	7.1%
4 Net Income*	26.1	26.2	33.8%
5 ROAA (%)	0.83	1.03	24.1%
6 ROAE (%)	8.77	12.33	40.6%
7 Niche	Small to mid-sized businesses, their owners and their personal wealth management and protection.		

*annualized for 2016

Source: TKG analysis of S&P Global Market Intelligence data and Company Reports

Distribution and Delivery Channels

Emerging Trends – Omnichannel Banking

What Is Omnichannel Banking?

- Omnichannel banking establishes a platform for customers to conveniently access information and resources across multiple points of contact.
 - ✓ Allows for institutions to track and monitor customer behaviors to evaluate trends and statistics.
 - ✓ Provides marketing department the data necessary to launch focused marketing campaigns.
 - ✓ Can lead to more efficiencies through automation, while driving the customer experience and keeping up with the demands of current and prospective customers



Source: The Kafafian Group and <https://www.nectarom.com/omni-channel-marketing/>

Distribution and Delivery Channels

Emerging Trends – Omnichannel Banking

Omnichannel Momentum

- According to CSI's Banking Priorities Study, 23% of respondents listed pursuing omnichannel experience as their biggest challenge in 2017.
- Cultural shift in banking to more efficient and cohesive experience (less transactional facing interaction).
- More than half of the Banking Priorities respondents (57%) stated that implementing customer relationship management ("CRM") software was their No. 1 omnichannel strategy
- Mobile banking adoption and online account opening/funding, 47% and 46% of respondents, respectively, stated they were pursuing these strategies in the coming year.
- 61% of millenials say that mobile banking has made tracking and spending their money better according to *Millenials in Banking* survey from the American Bankers Association (ABA).
- 23% of respondents stated that the lack of a mobile app is the main barrier to bank engagement.

Source: CSI – Banking Priorities Study

Distribution and Delivery Channels

2017 Strategies and Trends

Recent CSI Survey

- CRM
- Mobile Banking
- On Line Account Opening
- Online Lending
- Interactive ATMs
- Self-Service Kiosks

Source: CSI

Distribution and Delivery Channels

Concluding Comments

Is Your Bank Relevant?

- Are you willing to adapt to the technology necessary to remain relevant to your customers and the marketplace?
- Do you have the products and services necessary to attract new customers, while serving the needs of existing customers?
- Do you have the information necessary to make informed decisions, i.e. an MCIF or CRM system?
- Can you measure the profitability of your LOBs, organizational units, branches, products, and customer account relationship?
- Are you continuing to deploy the digital delivery that will improve the overall customer experience?
- Are you using customer analytics to drive digital delivery and sales?
- Can you attract, retain, develop and reward the human capital necessary to execute your strategy and remain relevant?



Source: The Kafafian Group, Inc.

Distribution and Delivery Channels

Today's Presenter

Robert E. Kafafian – President & CEO



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Mr. Kafafian is President and CEO of TKG. For the past 40 years he has consulted with and advised more than 500 financial institutions in over forty states. Instrumental in the design and development of a nationally established bank profitability software product, Mr. Kafafian is recognized as a leader in the performance measurement field of the banking industry.

A frequent writer and speaker on a variety of banking subjects, Mr. Kafafian teaches at the Pennsylvania Bankers Association's Central Atlantic Advanced School of Banking, the AMIffs Institute, America's Community Bankers Center for Financial Studies, the Stonier Graduate School of Banking, the American Bankers Association's School of Bank Marketing and Management, the Maryland Bankers Association's Advanced School of Bank Management, the New York Bankers' Association Management School for Career Development and the New Jersey Bankers Association's Data Processing School.

His previous positions include: Controller, First National State Bancorporation (now Wells Fargo & Company); Director of Budgeting and Profit Planning, United Jersey Bank (now Bank of America Corporation); Vice President, Bradford Trust Company (now Bank of New York Mellon Corporation); President & CEO, The Q Group, Inc. (merged with Hopper Soliday & Co./Tucker Anthony Sutro Capital Markets); President-Consulting Services and Managing Director-Investment Banking, Tucker Anthony Sutro Capital Markets (now RBC Capital Markets).

Mr. Kafafian received his B.A. in Business/Economics from Moravian College, and his MBA in Finance from Fairleigh Dickinson University. He is Past President of the Board of Directors of the Association for Management Information in Financial Services (AMIffs), a member of the Financial Managers Society Strategic Issues Council, and is an active Board member of a number of other corporations, professional, community, and academic organizations. Additionally, Mr. Kafafian has written a book, published by AMIffs titled, *Keys to Community Bank Success: Utilizing Management Information to Make Informed Decisions*.