



RESEARCH



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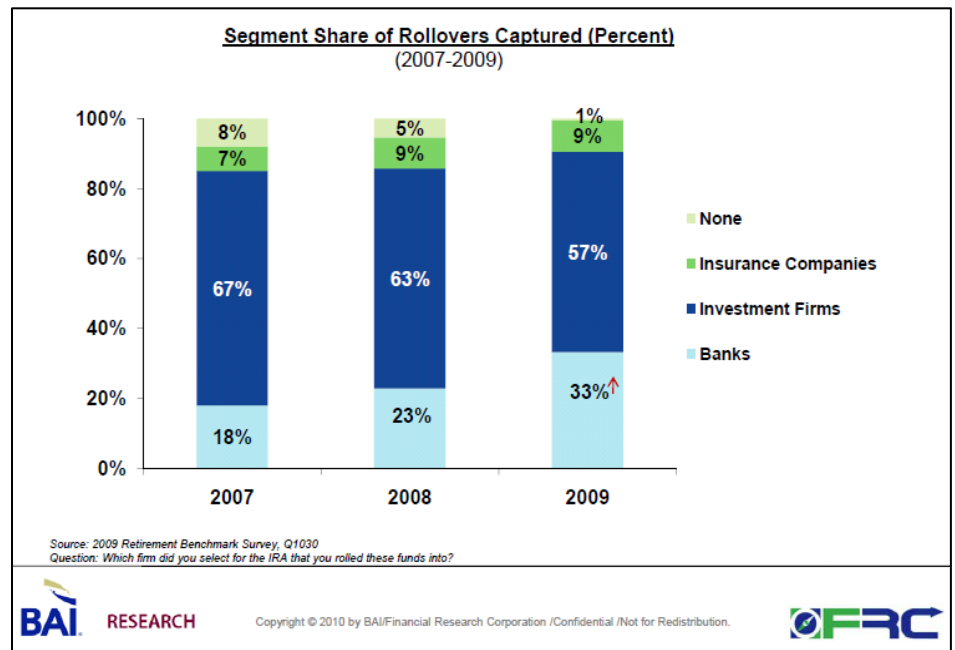
Banks Notched Big Gains in Asset Capture, But May Face Retention Challenges in 2010

New Retirement Consumer Study from BAI and FRC

Chicago, IL and Boston, MA – (February 3, 2010) – BAI Research and Financial Research Corporation (FRC) today announced the release of a comprehensive national consumer study on the U.S. retirement market. The report, entitled *2009 Retirement Study: Capitalize on Market Opportunities*, provides unique visibility into the influences, preferences, and market dynamics that are impacting behaviors and decision making among mass affluent retirement investors today.

The 2009 report builds on the 2007 and 2008 versions and combines historical and current data with insightful analysis of this changing market. Among the key metrics tracked in the report are updated asset share data, investor opinions of suitability of firm types as retirement services providers, and rollover capture and asset consolidation trends. The

study also examines key trends in the retirement asset market by tracking consumer behavior and measuring the competitive performance of industry participants. It consists of a nationwide sample of more than 2,500 mass affluent individuals between the ages of 35 and 70 with



investable assets of at least \$50,000 (excluding defined contribution assets). The online survey was conducted among a nationally representative sampling of consumers by Bellomy Research, Inc.

“Results of the 2009 Retirement Study indicate that banks gained significant traction in the rollover market as their capture rates continue to rise reaching 33%, up 10% from 2008,” said Debbie Bianucci, president and CEO, BAI. “We provide a detailed analysis of the underlying drivers of this trend along with insights into how banks can use this information to strengthen and expand their retirement platforms.”

“Throughout 2009, investors continued to prefer the safety of the sidelines; however, as markets normalize and volatility diminishes, investor appetite for a variety of products with greater market exposure will increase,” said Bruce R. Fador, CEO of Financial Research Corporation. “Going forward, banks and other financial institutions that are able to maintain compelling product offerings and services that are aligned with changing market conditions and investor preferences will be better positioned to retain and grow their marketshare.”

In addition to the marked increases in asset capture that have grown each year since 2007, other key findings in the report include the following, among others:

- For banks denoted as the primary bank, overall wallet share capture among customers with a retirement relationship (76%) is consistently and significantly larger than that of customers without such a relationship (26%).
- Orphan 401(k)s remain an obvious opportunity with \$1 trillion up for grabs and 35% of mass affluent consumers holding an orphan 401(k) account in 2009.
- In the recent downturn, younger investors suffered a deeper retirement confidence crisis than older investors. By understanding how the events of 2009 impacted various investor segments, financial services firms can tailor their product and marketing strategies to build stronger and longer lasting relationships with investors.

About BAI

BAI is the financial services industry’s partner for breakthrough information and intelligence needed to innovate and stay relevant in an evolving marketplace. For more than 80 years, we have focused on advancing the industry by offering unbiased education and research. Our offerings are as diverse as the industry, and include premier events such as BAI Retail Delivery Conference & Expo, ground-breaking research and performance metrics, professional learning and development programs, and in-depth editorial coverage through *BAI Banking Strategies*. *BAI is Bank Administration Institute and BAI Center*. For more information, contact BAI at (312) 683-2469, BAIResearch@BAI.org, or visit www.BAI.org.

About Financial Research Corporation

Financial Research Corporation (FRC), an affiliate of [Mercatus LLC](http://www.Mercatus.com), provides the knowledge to build stronger relationships through product development and management, distribution

solutions, and marketing strategies. For more than 20 years, our insightful research and consulting services have been assisting marketing, product development, and strategic planning professionals in the creation of innovative products and services. Based in Boston, FRC is at the forefront of assisting its clients to comprehend and respond to the rapid changes occurring in the manufacture and distribution of investment products. Our more than 200 clients include the world's leading asset managers and distributors. For more information, contact FRC at (866) 532-8009, frcinfo@frcnet.com, or visit www.frcnet.com.

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