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Redesign: UMe CEO Robert Einstein, at the Burbank credit union's headquarters, which were rebuilt in 2010.

PHOTO BY DAVID SPRAGUE

BANKING ON IT

With customers doing many transactions online, banks are spiffing up branches to lure them back inside.

By MARK R. MADLER
Staff Reporter

Been inside your neighborhood bank branch lately? If you're like many people, probably not. But if you were to venture in, you would probably be surprised.

Take for instance what **Wells Fargo & Co.** is doing with its neighborhood banks. They are small at just 1,000 square feet – and friendly. Staff roam around carrying Wi-Fi connected tablet computers to assist customers, large screen ATMs abound and there are private areas for handling personal transactions. After closing, the store remains accessible for automated transactions.

The San Francisco bank opened the first of these formats in April in Washington, D.C. and is in discussions to open a couple in the San Fernando Valley.

In an era when fewer customers are going to branches and instead are using ATMs, going online and, now, accessing their accounts via mobile phones, banks and credit unions are experimenting with their brick-and-mortar branches.

Not only are they downsizing to serve fewer customers, but they also are going high-tech and trying to meet the higher customer service expectations generated by Apple and Nordstrom stores of the world.

"We are constantly looking for the most modern appeal and

upscale appearance," said **Evelin Martinez**, a district manager with Wells Fargo whose region includes the San Fernando Valley.

The upgrades have started with Wells Fargo, **JP Morgan Chase & Co.** and other large banks, which following the financial crisis in 2008 took it on the chin in terms of public perception. They are doing more to be customer-centric and make services available when and where customers want them.

But the changes are now trickling down to the regional and community bank level. Even credit unions have gotten in on the trend, and with good reason. Fewer customers may be coming in, but financial institutions can't afford to abandon branches, where high-profit products such as home mortgages and retirement plans are sold.

"There are incentives to create an environment where they sell rather than do transactions," said **Mark Maness**, executive vice president with **Consultants and Builders Inc.**, a Duluth, Ga. architectural firm that designs bank and credit union branches in the southeast part of the country.

This strategy is reflected in branch design. Waiting areas take cues from hotel lobbies with large comfortable chairs, open floor plans, natural light coming through floor-to-ceiling windows and complimentary drinks and snacks. Banks and credit unions alike will have staff members roaming to greet customers.

"We have a concierge desk always staffed and offering water

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Customer Service: Kristal Austria, right, greets customer at Logix credit union.

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and gourmet coffee when (customers) come in," said **Dave Styler**, chief executive at **Logix Federal Credit Union**, based in Burbank and with branches throughout the greater Valley region.

UMe Federal Credit Union in Burbank did an extensive remodel in 2010 of its main building. Working with an area architectural firm, windows replaced a solid wall and offices were built to look onto the main lobby area so that people were not locked away in a closed environment, said President and Chief Executive **Robert Einstein**.

Comments about the building have been overwhelmingly positive. Einstein recounted meeting a Burbank resident who opened at an

account with UMe because he liked the building so much.

"We speak in a manner that connects with people," Einstein added.

Getting a plan

For decades, the traditional bank and its branches were designed and built from a conservative approach that exuded strength and security – solid buildings with simple interiors that said, "Your money is safe with us."

The transactions done in these branches were simple as well – such as opening a checking account or cashing a paycheck.

When **Chuck Rosen**, chief operating officer at **Community Bank**, started his banking career as a teller in 1969, a line of 50 to 100 people waiting for a teller was not uncommon.

"These were old-fashioned banks with individual teller windows with their own single line," Rosen said. "One side (of the branch) was teller operations; the other was the branch manager and the loan officers."

Those everyday transactions are now handled through direct deposit and online access, causing banks and credit unions to rethink how they use their space. Customers need to be reminded of the services available at branches.

Maness said good branch design starts



BRETT CONWAY, a principal with Craft Architects in Seattle, worked with a credit union in British Columbia that uses a facial recognition program to match members with their photos so they are no longer asked for an ID when doing a transaction. "That can improve the experience of meeting with a banker."

with the floor plan.

Walk into a McDonald's and you will see all their products up on the menu board. That is not always the case with banks, so the design should provide information on what else is available to customers, he said.

"There needs to be a well-thought-out customer trail so they know what they are looking at," Maness added.

A consistent layout contributes to that trail – placing loan officers, say, or the tellers, in the same section of a branch so that customers can know just where to find them. Wells Fargo uses this strategy, as does Logix credit union which makes for a cost-effective design.

"No matter which branch (customers) will recognize it as a Logix branch," said Styler, the chief executive.

Consistency, however, does not mean cookie-cutter. Fitting into the neighborhood and reflecting the population and its banking needs is another core principle in branch design.

Wells Fargo makes a point of putting up murals and artwork showing historical images taken from where the branch is located. In Studio City, for example, the mural shows a film crew from the 1920s, the old Republic Pictures lot and Los Angeles firemen circa 1947.

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SPECIAL REPORT BANKING & FINANCE

In a less affluent community in the Valley, say Pacoima or Panorama City, Wells Fargo serves an immigrant population that is learning about banking for the first time. So the bank provides financial literacy classes, said **Marla Clemow**, a senior vice president and regional representative.

"Our classes on educating the consumer is something we do more of in those particular markets," she added.

Chase, too, has made strides in reflecting the neighborhood with its new bank branch format unveiled this year in the Union Square section of San Francisco. With its hotel lobby feel and a 7-foot high curving video wall, the branch fits in with the surrounding upscale retail shops.

"Banks have drawn inspiration from retail stores and others outside the industry to create welcoming spaces that often combine an open-concept layout with interactive technology," said **Mike Townsend**, a spokesman with the **American Bankers Association**, the industry trade group based in Washington, D.C.

Human touch

Bank design now features space for new technology as well as human staffers.

Chase and Wells Fargo have rolled out



Financial institutions can't afford to abandon branches, where high-profit products such as home mortgages and retirement plans are sold. "There are incentives to create an environment where they sell rather than do transactions," said **MARK MANESS**, executive vice president with Consultants and Builders Inc.

large-screen ATMs that dispense money in denominations other than \$20 bills. The Wells Fargo branch in Studio City provides two computer terminals available for people to check their accounts.

Brett Conway, a principal with **Craft Architects** in Seattle, which has financial institution clients, worked with a credit union in British Columbia that uses a facial recognition program to match members with their photos so they are no longer asked for an ID when doing a transaction.

"That can improve the experience of meeting with a banker," he said.

The technology revolution, however, isn't for every financial institution.

While conceding that there is a drop in customers coming to Logix credit union branches, Styler said that his institution is not heavily investing in technology.

"We are still focused primarily on the face-to-face experience," he added. "We will always have tellers."

When **California United Bank** opened a new branch and loan production office in Orange County in August, great care was taken with the look and design in order to create an atmosphere that businesspeople appreciate.

By using chrome, dark walnut wood green accents, and historical photos on the walls, the Encino financial institution conveys a modern but conservative look and feel consistent at all eight of its branches.

While there is a big-screen television in the waiting area, California United shuns the high-tech banking approach favored by the larger, national chains for one emphasizing a personal touch, said Chief Operating Officer **Anne Williams**.

Smaller banks such as California United are more apt to go that route because they serve a business clientele with transactions requiring human assistance, she said.

"They (the large banks) are building all over the place and get more value with the technology rather than have people at a teller line," Williams added. "But it is more impersonal."

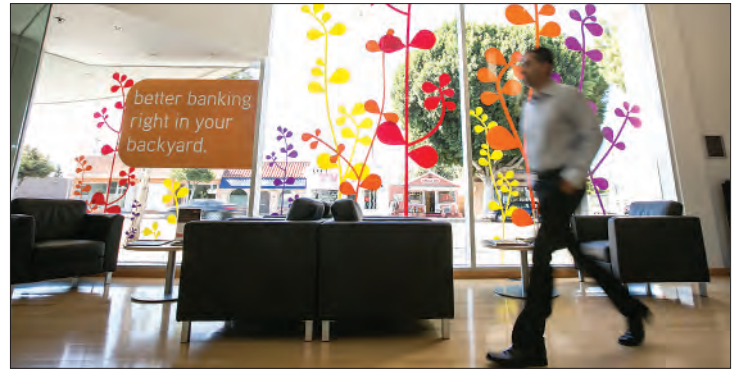


PHOTO BY DAVID SPRAGUE

Like Home: The waiting area of UME credit union in Burbank.

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SPECIAL REPORT BANKING & FINANCE

On the Money

By **MARK R. MADLER** Staff Reporter

Aaron Birney makes his contributions to the banking industry without ever approving a loan or mortgage, cashing a check or counting out \$100 in singles. Birney instead makes it a better experience for bank customers in the work he does for the Los Angeles office of **Gensler**, a San Francisco architectural firm. As a design director in the retail studio, Birney works on a team that creates the banking environment — from the waiting areas and teller lines to the loan offices. Emerging patterns that Birney sees as the finance industry recovers from the recession are smaller branches that borrow from retail establishments. “It’s a really fascinating thing to see that trending movement,” he said. Birney began his design career right after college when he was hired on at the New York office of Gensler. He came west to Los Angeles for what was to have been a temporary assignment and stayed. Gensler’s banking clients are a mixed bag of large, national chains with established ideas of what they want their branches to look like, and smaller regional banks that want to leverage the expertise that Gensler has from working with financial institutions around the world. Gensler has done designs for **Adu Dhabi Commercial Bank** in the United Arab Emirates, **First Federal Savings Bank** and **Cathay Bank** in El Monte, among others.

Question: when you started your career did you picture yourself doing bank branch design work?

Answer: No, but it is a really interesting challenge. In the past 10 years the focus in the banking industry has been going toward a more retail-like environment. To have the ability to do free-standing buildings, like in retail, is a phenomenal opportunity.

What have been some features that banks have borrowed from the retail side?

Transparency. Especially since the recession in 2008, transparency means a lot of things in the banking industry, especially with the design: floor-to-ceiling clear glass that opens up the entire banking hall and brings the environment into the banking hall — as well as being able to see clearly as you’re driving by what’s happening inside — gives people an ease of entering.

So the financial crisis was an element?

I think it absolutely influenced it. I think prior to 2008, banks were starting to dabble with some of these ideas. The money was coming in and everything was working well and there was real resistance to make larger scale changes than there is now. Since 2008 and going through (the recession) there has been a refocus on the customers and what customers’ needs are.

In what other way is it the retail world reflected in banking?

It’s also about the service and the offerings they have. One big trend is about cross-selling financial services with mortgages and some of these other elements they are starting to perform in the banking environment. It’s very reminiscent of bundling retail merchandise together.

What have been some challenges you’ve faced with this type of design work?

Early on I worked with the PNC (Financial Services) Group in New York. One of the big attributes for them was looking into the idea of sustainability and how that affected the demographic they were going after. More recently we are working with a confidential Chinese American bank here in Los Angeles, and the focus is on the consumer again but in



PHOTO BY THOMAS WASPER

Showcase: Architect Aaron Birney at the downtown L.A. office of San Francisco design firm Gensler.

a different way. First generation immigrants growing into a mass market and how do you bridge those two together. That’s been an interesting and fascinating problem.

Why’s that?

Learning not only the culture and challenges we need to overcome from a design standpoint, then also bridging that with the mass market to help them figure out a model to grow.

What have you learned from those challenging assignments?

You learn about the cultural differences between how we bank and how some of the other countries bank. You start to see that banks are more open-minded about spending that money on the upfront process and being able to understand there is going to be a large return on that investment in a few years. In the past it had been a difficult battle to sell to a client about why (they) need to spend all that money in the up-front portion, not understanding the return.

How is security incorporated into a branch design?

It’s definitely a discussion with the design team as early as possible about how much security involvement they want. It has to come from the bank themselves how to define it. From the design side what we are trying to continue to push is yes, we need to be secure but we don’t want to have the experience of walking into a bank and you feel like someone is sitting there and watching you.

What’s the process of working with a bank when designing a branch?

The big thing when a client comes to us is to understand what their needs are. Some clients come with an already established program and know what they want. Some banks are really looking for us to leverage the expertise we have in the banking industry and come back to them with proposals on how to make the programming more efficient, a little bit

AARON BIRNEY

TITLE: Design Director

COMPANY: Gensler, Los Angeles office

BORN: Boca Raton, Fla., 1976

EDUCATION: Pratt Institute, B.A. in architecture

CAREER TURNING POINT: Move from New York to Los Angeles

MOST INFLUENTIAL PEOPLE: Elon Musk, a visionary with big ideas influencing change

PERSONAL: Married with two children

INTERESTS: Traveling/Fly Fishing

better, a little bit more open, more transparent. Those keywords and descriptors will help bring people into their branch.

On the projects you’ve done, what are some of your favorite features?

I think the amenities spaces are crucial. Some of the multi-functional spaces are also very interesting. It is about creating efficiencies. It is a similar idea to sustainability; use the footprint that you need and figure out how to create multi-functional spaces within that footprint that can serve all the needs that you have. I enjoy those kinds of difficult puzzles.

Are you seeing this primarily with the large, national banks or are regional and community banks getting into it?

The larger banks are at the forefront of some of this stuff and pushing some of these ideas. The other half of the smaller banks are trying to catch up with the larger banks. You have that stratification between those different groups. It’s interesting there are a few smaller banks that are starting to make larger changes. A couple of visionary people within those smaller banking environments are pushing some of these ideas,

like how to get more community involvement through creating seminars or book signings or some of these other programmatic features.

How do you integrate technology into bank design?

From a design standpoint the big challenge is knowing people are using ATMs and automated tellers and using that as a tool to get people inside the bank. Some banks are looking at not having external ATMs anymore; bringing them back into the branch so you can have that draw from customers and have the opportunity to start the conversation and talk to them about the other services within the bank.

What is your background?

I was originally in the construction industry. I went back to school to become an architect. I graduated from the Pratt Institute (in Brooklyn) and started working in the Gensler office in New York. I was there for three and half years and came out to Los Angeles to work on a temporary project and ended up staying.

What made you interested in going back to school to become an architect?

It was a fascination with building, a fascination with design. I think being able to have the idea and vision and execute that vision is something I admire and respect. That’s one of the things that motivated me to get back into it and get the education.

Ultimately, what intrigues you about your specialty?

I think it’s a changing environment; it’s very similar to retail. It’s also bridging the gap between a kind of hospitality environment; almost a lounge-like environment is what’s starting to happen. You see those two worlds collide against together.

This interview has been edited and condensed for clarity and space reasons.

SPECIAL REPORT BANKING & FINANCE

Branching Out

Different banks and credit unions have opted for various styles as they makeover their brick-and-mortar facilities in the era of online banking. Here are three institutions that have taken their own unique approaches.

PHOTOS BY DAVID SPRAGUE

UMe FEDERAL CREDIT UNION

3000 W. Magnolia Blvd., Burbank
Facility: Single headquarters office with 25 employees serving 12,600 members
Architect: Gensler, Los Angeles
Completed: 2010

The transformation of UMe's single office coincided with a rebranding of the financial institution that was known since its 1940 founding as Burbank Community Federal Credit Union.

UMe worked with the Los Angeles office of noted San Francisco architecture firm **Gensler** on taking a drab, two-story peach-colored building entered through security doors and creating a community space that combined quirkiness with the feel of an upscale hotel lobby.

A receptionist greets customers, pointing out the coffee bar and a jar of chocolate candy. A children's play area is set beneath a skylight, with blocks for toddlers and iPads for the older kids.

"The parents love it because it's in a central area where they can see their kids," said **Anita Hutchinson**, vice president of marketing.

UMe also shows off its pet-friendly attitude by having a jar of dog biscuits next to the chocolate, as well as a wall near the teller area decorated with photos of customers with their animals — be it dog, cat, or in one case, a pig.

Everything is accented by a vibrant orange, purple and yellow color scheme, chosen because they were not typical of credit unions. The idea is to emphasize openness yet still provide privacy for taking care of personal financial transactions.

"We looked at blue. We looked at green. We wanted to do something off the beaten path," Hutchinson said.

In early August, the credit union hosted a networking mixer for other credit union executives. This was the first look many of those executives had inside the brightly colored building with the warm color scheme and large, well-lit waiting and teller areas.

"I had one tell me this was the best building he'd ever seen," said UMe Chief Executive **Robert Einstein**.

Added Hutchinson: "I wanted to high five him right there."

— Mark R. Madler



This page, clockwise from top left:
 The credit's union entrance; a customer talks to a banker; children play in waiting area; dogs allowed; a playful pin-up board.



COMMUNITY BANK

2800 N. Hollywood Way

Facility: One of 16 Southern California branches

Architect: In-house facilities department

Completed: August 2013

Community Bank has put the finishing touches on the remodel of its Burbank branch to give it an updated and modern look – and an atmosphere for the business clients who visit.

In addition to new carpeting and paint, the office now boasts a redesigned conference room, additional offices for underwriters and private offices for relationship managers.

Before the remodel the managers had been in open cubicles that did not afford much privacy, said **Chuck Rosen**, chief operating officer at Community Bank.

“It is more professional and aesthetically pleasing for the customers and employees,” he said.

Community Bank, based in Pasadena and with offices from Los Angeles south to Redlands, has been remodeling or relocating its older offices over the past two years. Burbank is the last of those to be completed.

Some are free-standing buildings, such as in Burbank, which is near Burbank Bob Hope Airport. But for those locations doing much more business-to-business transactions they are in office building lobbies or on the upper floors.

Even as a business bank, Community has not ignored the new technologies revolutionizing retail banking. The institution already offers online banking and mobile check capture and is looking into adding automated tellers – machines with a video screen in which a customer can interact with a teller remotely if the need arises.

“That is not for every market and not for every client,” Rosen said.

The Burbank office may trail some others in adopting new technologies as it is very much a business branch and the bankers spend their time in the field visiting clients, he added.

Rosen is approaching 45 years in the banking industry having started as a teller himself while in college in 1969 and worked in Community's Burbank branch. He's seen the evolution of branch design from that of a conservative institution projecting the image that one's deposits were secure to that of a contemporary look and feel in relation with today's lifestyles.

Staying relevant was among the reasons why the bank remodeled its Burbank offices.

“There is not anything special but we have to respond to our growth in that office and make sure it was pleasing for the clients and employees,” he said.

– Mark R. Madler

Top: The bank's North Hollywood Way entrance.

Left: The interior was recently renovated and features traditional burnished wood.



SPECIAL REPORT BANKING & FINANCE

**JP MORGAN CHASE & CO.**

1014 S. Westlake Blvd., Westlake Village
Facility: Local branch office.

Architect: Gensler
Completed: 2013

Step into the new Chase Bank branch in Westlake Village and you are presented with a rather un-bank-like setting.

Sure, there are tellers, but what about that waiting area with the four large, comfortable chairs set beneath a deluxe interior? Nearby is a drink bar with coffee and iced tea and lemonade. And what about those large-screen ATMs – the next generation of automated banking kiosks.

In addition to the standard deposits and withdrawals, these machines dispense cash in multiple denominations – not just twenties – and can pay bills as well, in 11 languages. These kiosks do not use a numeric keypad familiar to ATM users but are controlled by touchscreens much like an iPad.

"That technology we have patented, so it is ours," said **Marcia Lansdon**, a market manager with Chase for part of the San Fernando Valley.

The Westlake Village branch is located in a building that had once been a Blockbuster Video store. It's among four that have opened this year, with another three expected by year's end.

Since 2008, when Chase acquired troubled

savings and loan Washington Mutual, the New York institution has been on a growth path throughout Southern California and has about 50 branches in the Valley area.

Chase has introduced new services not offered by Washington Mutual, such as personal banking in which clients work with a dedicated team on their financial needs – and the branch design reflects those ambitions.

Chase has completed different levels of renovations for the private banking customers, Lansdon said. At the branch on Topanga Canyon Boulevard in Woodland Hills, for instance, there was a complete remodel of the downstairs.

"The client can meet with the (banking) team there or we can take them upstairs into private offices," Lansdon said.

Also new to the California market is the ability for bank staffers to immediately issue new debit cards to customers who had lost or had one stolen instead of waiting for a replacement.

Chase took these steps in an era that has transformed who walks into a bank branch. Gone is the day when customers deposited or cashed their paychecks by hand every Friday. Now, customers have more complex transactions that cannot be done through a machine.

"Affluent customers like that hands-on approach we give and the value through the advisors they see face-to-face," Lansdon said.

— Mark R. Madler

Clockwise from top left: The bank branch's exterior; customer at oversized ATM with touch screen; a teller helps two customers; modern waiting area.