

# PHOENIX-HECHT PRICING DATA

The Phoenix-Hecht Bank Pricing data and models are designed for multiple applications by bank sales, product management, pricing personnel and senior management. Actual pricing from account analysis statements is compiled from companies with more than \$20 million in annual revenue. Statements are selected from national and regional banks. Pricing data is delivered in August. An annual subscription includes:

- A two-page (Level 1) or five-page (Level 2) pricing analysis for each of the 92 most frequently observed service line items. These line items generate approximately 80% of treasury service revenue.
- Electronic report (pdf), accessible on our Client Services site or your intranet.
- Access to the web-based Bank Price Analysis Calculator™ with the Bid Probability Option.

	PRICING DATA COMPARISON	Level 1	Level 2
Pricing Data Applications	Service Price Summary	•	•
	Average Price Index	•	•
	Discount Trends	•	•
	Current Year Discount	•	•
	Total Market Expected Price Quartiles by Volume	•	•
	Tier 1 Banks Expected Price Quartiles by Volume		•
	Tier 2 & 3 Banks Expected Price Quartiles by Volume		•
	Frequency of Price Report		•
	Exception Pricing Report		•
	Hard Copy Report	•	•
	Electronic (PDF)	•	•
	Microsoft® Excel file of Volume/Price Data		•
		WEB MODEL	
Maximize Revenue	Unlimited Users	•	•
	Geographic Price Adjustment	•	•
	Total Market Percentile Price Report	•	•
	Bank Tier Percentile Price Report		•
	Multiple Product Family Analysis		•
	Current Price Input Option		•
	Bid Probability Option		•
	RFP Data Upload Option		•
Strategically Reprice Existing Customers			
Optimize New Business Bid Strategy			
Set Standard Price For Services			

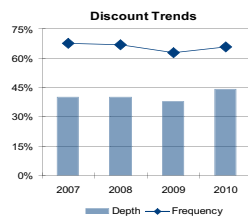
# Understanding the Pricing Data Graphs and Tables

Each analyzed service consists of a presentation of charts and tables depicting observed price data and expected price data produced by statistical regression and geographic location.



Average List Price Index graph shows the changes in national average list price from the base year. The index is calculated by comparing the list price at a particular bank from one year to the next. These changes are then averaged to arrive at the index value for that year.

Level 1 & 2



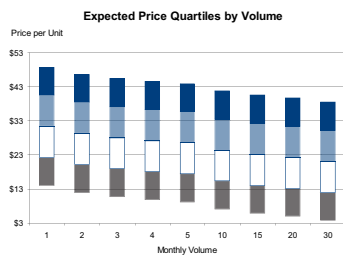
The Discount Trends graph depicts the median percentage discount off the national list price and the discount frequency over the last four years. The median discount percentage is determined from all discounted statements. The discount frequency is the number of discounted observations divided by the total number of observations of the service.

Level 1 & 2



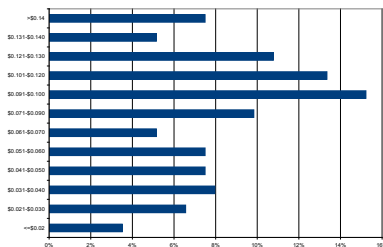
The Current Year Discounts graph illustrates the depth and frequency of discounts for the service. Depth is the discount percentage from the list price. Frequency is the percentage of observations in the discount range.

Level 1 & 2



The Expected Price Quartiles by Volume graph depicts the relationship solely between price and volume. Each bar represents the distribution of prices that would be expected at the indicated volume. White portions of the bar represent the 25th to 50th percentile. Light blue segments represent the 50th to 75th percentile. Taken together, these two represent the middle 50% of expected prices. Dark blue portions represent the upper reaches of expected prices (75th through 90th percentiles).

Level 1 & 2



The Frequency of Price graph shows percentage frequencies of observed prices, most often expressed in concise ranges to meaningfully condense the graph.

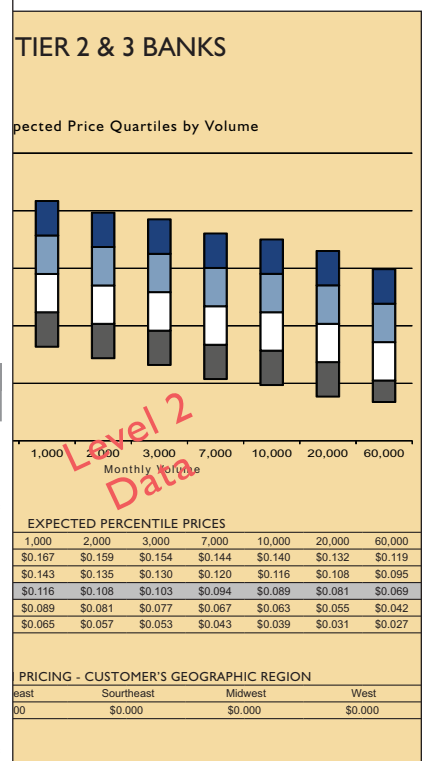
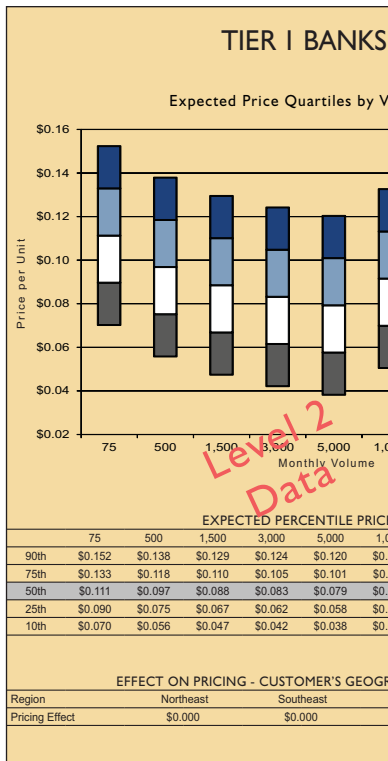
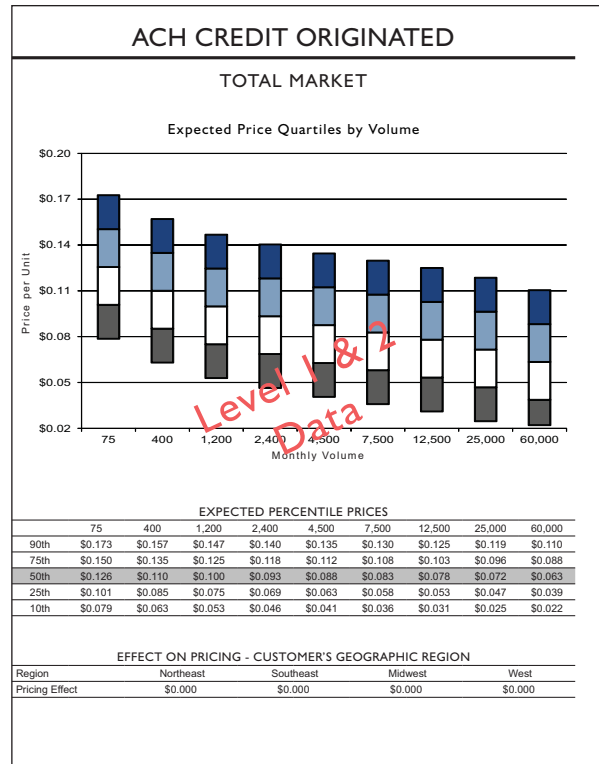
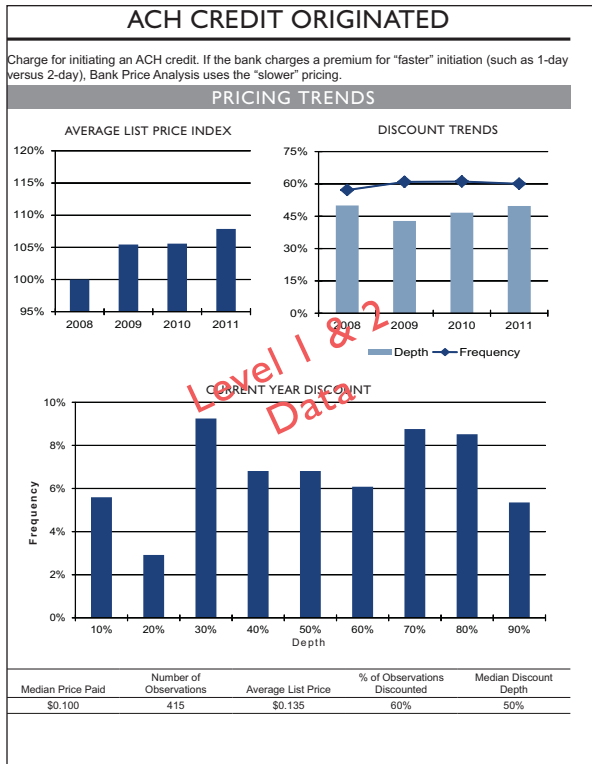
Level 2

EXCEPTION PRICING										
List Price	Volume	Discount	Volume	Discount	Region	Bank	Credit	Industry		
80%	0.000	244,822	445,521	N/A	SE	Tier 1	Yes	TransCom/Electro		
80%	0.040	280,820	54,354	N/A	SE	Tier 2	N/A	Public Admin/Dis		
81%	0.060	254,814	21,017	N/A	SE	Tier 1	N/A	Public Admin/Dis		
80%	0.000	52,810	36,020	N/A	SE	Tier 1	N/A	Public Admin/Dis		
80%	0.044	25,822	8,443	\$550.00-\$2.00	SE	Tier 1	Yes	Services		
80%	0.016	374,710	326,181	N/A	SE	Tier 2	N/A	Manufact/Con		
81%	0.000	92,244	48,074	\$700.00+	SE	Tier 1	Yes	Manufact/Con		
80%	0.000	50,158	37,130	\$350.00+	SE	Tier 1	N/A	Public Admin/Dis		
80%	0.020	42,390	19,340	N/A	SE	Tier 1	Yes	Manufact/Con		
80%	0.000	27,818	7,783	\$350.00+	SE	Tier 2	N/A	Public Admin/Dis		
80%	0.000	14,857	15,385	\$350.00+	SE	Tier 1	N/A	Public Admin/Dis		
80%	0.000	9,876	8,470	\$950.00-\$2.00	SE	Tier 1	N/A	Services		
70%	0.004	27,436	63,960	\$200.00+	SE	Tier 1	N/A	Public Admin/Dis		
70%	0.004	182,741	32,173	N/A	SE	Tier 1	N/A	Manufact/Con		
81%	0.020	160,422	77,495	\$200.00+	SE	Tier 2	N/A	Services		
82%	0.000	98,807	43,083	N/A	SE	Tier 1	Yes	Public Admin/Dis		
77%	0.000	30,847	18,440	\$350.00+	SE	Tier 1	N/A	Manufact/Con		
82%	0.000	20,724	5,040	\$100.00-\$2.00	SE	Tier 2	N/A	N/A		
80%	0.000	506,238	22,182	N/A	SE	Tier 1	Yes	Services		
70%	0.000	195,876	17,186	N/A	SE	Tier 2	Yes	TransCom/Electro		

The Exception Pricing table shows the lowest 10% of prices paid where volume was at least at the median level. The table includes the price paid and volume purchased, the percentage discount that price represents from the offering bank's list price, the overall monthly fees involved with this relationship, the sales size, region, and industry classification of the company, whether a credit relationship exists, and finally a tier 1 to 3 classification of the offering bank.

Level 2

# Pricing Data Reports



# Web-based modeling software

**Phoenix-Hecht Bank Price Analysis Calculator™**  
JimCo

Use the category buttons to select and enter services within the category. Enter the monthly volume of only the service(s) to be analyzed. Current(or proposed) price is optional. Click "Save Data" when finished.

General Account		
Service Name	Monthly Volume	Current Price (Optional)
Ledger Overdraft Fee	0	0
Account Maintenance	21	25
ZBA Master Account	1	50
ZBA Sub Account	20	30
ZBA Transfer	400	0.25
Credit Posting	0	0
Debit Posting	0	0

INPUT ORGANIZED BY PRODUCT FAMILIES

UPLOAD RFP OPTION

Phoenix-Hecht 2011-2012 Phoenix-Hecht Bank Price Analysis™  
Prepared for JimCo  
Northeast Region

Account Maintenance (General Account Services)  
Accounts: 21  
Current Price: \$25.00

	Total Market	Tier 1 Banks	Tier 2/3 Banks
90th Percentile	\$36.66	\$33.81	\$40.96
75th Percentile	\$29.35	\$27.23	\$32.84
50th Percentile	\$21.19	\$19.87	\$23.77
25th Percentile	\$13.03	\$12.52	\$14.70
10th Percentile	\$8.00	\$8.00	\$7.38

ZBA Master Account (General Account Services)  
Accounts: 1  
Current Price: \$50.00

	Total Market	Tier 1 Banks	Tier 2/3 Banks
90th Percentile	\$63.75	\$52.90	\$74.36
75th Percentile	\$51.94	\$43.84	\$60.29
50th Percentile	\$38.77	\$33.84	\$44.69
25th Percentile	\$25.60	\$23.84	\$28.89
10th Percentile	\$13.79	\$14.88	\$14.82

ZBA Sub Account (General Account Services)  
Accounts: 20  
Current Price: \$30.00

	Total Market	Tier 1 Banks	Tier 2/3 Banks
90th Percentile	\$27.62	\$27.87	\$26.12
75th Percentile	\$22.61	\$23.00	\$21.24
50th Percentile	\$17.02	\$17.57	\$15.80
25th Percentile	\$11.43	\$12.13	\$10.36
10th Percentile	\$6.42	\$7.26	\$5.49

A new option to the web based model works in conjunction with Level 2 data to calculate the probability of a particular bid or set of prices being the low bid for treasury management business. A Monte Carlo Simulation is applied to an enhanced regression analysis that also factors in the number and type of other banks likely to also be bidding on the business. The output provides a decision framework to help you formulate a bid or repricing strategy.

## BID ANALYSIS

Number of competing banks submitting bids	4
Number of Tier 1 banks submitting bids	3
Number of Tier 2 & 3 banks submitting bids	1
Your Total Bid	\$191,200.00
<b>Probability that \$191,200.00 will be the Low Bid</b>	<b>64%</b>
75th Percentile of simulated bids	\$218,912.50
50th Percentile of simulated bids	\$201,154.25
25th Percentile of simulated bids	\$182,050.25
10th Percentile of simulated bids	\$165,009.35

## Analyzed Product Families

Account Services  
Deposit Services  
Remote Deposit  
Coin & Currency  
Wholesale Lockbox  
Disbursement Services  
Positive Pay  
Reconciliation Services  
ACH Services  
Wire Services  
Balance Reporting

