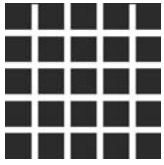


AFTER THE FINANCIAL CRISIS: RESETTING YOUR BANK RELATIONS

REPORT TO RESPONDENTS



PHOENIX-HECHT
Measurements of Performance, Quality & Pricing



® PHOENIX-HECHT

Measurements of Performance, Quality & Pricing

TREASURY MANAGEMENT MONITOR™ AND BANK QUALITY SURVEY REPORT TO RESPONDENTS

This report presents an overview of the findings from the Phoenix-Hecht 2011 Treasury Management Monitor™ survey. The report is provided to the survey respondents who so graciously lent their valuable time and insight to this annual project.

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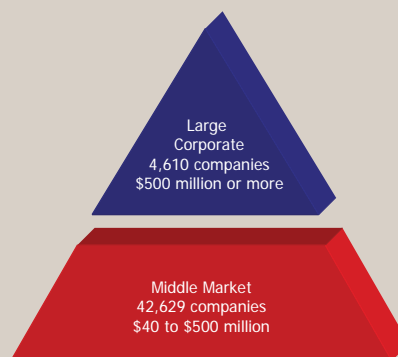
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Monitor Universe

The *Treasury Management Monitor™* annually surveys companies across a broad array of treasury management issues including credit, pricing, quality of service, product usage and future plans and intentions. A detailed assessment for each banking relationship is performed for each of the 2,074 participating companies. The resulting database, combined with historical data, gives Phoenix-Hecht an unparalleled ability to analyze the market for bank services.



HIGHLIGHTS

Credit

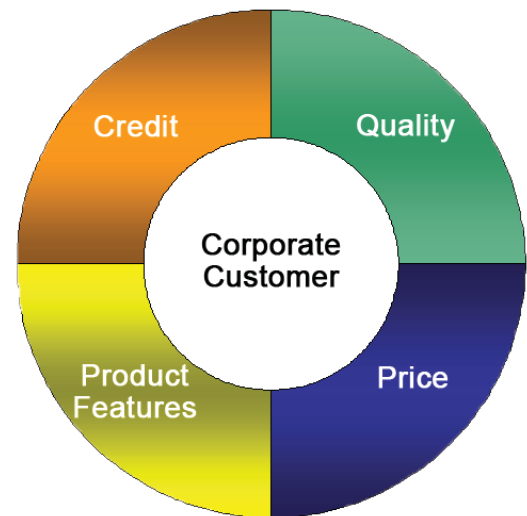
In many companies, the purchase of treasury management services is tied directly or indirectly to the availability of credit from a bank. The current recession and slow recovery have greatly strengthened the connection between credit and treasury management services. Phoenix-Hecht concludes that being a company's lead credit facility gives that bank a very strong competitive advantage for selling services.

Quality

Although banks invest a great deal of money improving product processing quality, it is exceptional customer service, strong relationship management and rapid response to operational issues that are more likely to lead the company to add business with the bank.

Price

The bank's pricing power has held up well in the current environment, but there are now signs that this is changing with an increase in discounting and a slowing of price increases. However, the unknown is how much revenue banks will attempt to extract from corporate customers to help offset revenue losses from increased regulation on the consumer side.



Product Features

As banks have grown larger and products have matured, there is a natural loss of distinctiveness in product offerings. Even relatively new offerings, such as remote deposit, are losing some of their drawing power. Still, there are new delivery products generating corporate interest, especially smart phone based technology.

Key Findings

- Credit is a key driver in the relationship with a bank.
- Availability of bank credit is limited for many middle market companies.
- Quality scores are important to a corporation in maintaining and increasing business with a bank.
- Quality perceptions are improving according to the largest companies but not according to middle market companies.
- New regulations are increasing bank fees historically passed directly to corporations.
- Competitive proposals are keeping the pressure on bank prices.
- The conversion to electronic payments is slowing because of implementation costs.
- Treasury is ready and willing to go mobile provided they have PC functionality.

TREASURY MARKET DYNAMICS

Credit relationships drive a majority of the treasury management marketplace. When new credit packages are negotiated, 62% of middle market corporations and 34% of the large corporate market companies expect to move their treasury management business to the new credit bank.

The *Treasury Management Monitor* asks responding corporations to assign each of their banks to one of the following categories:

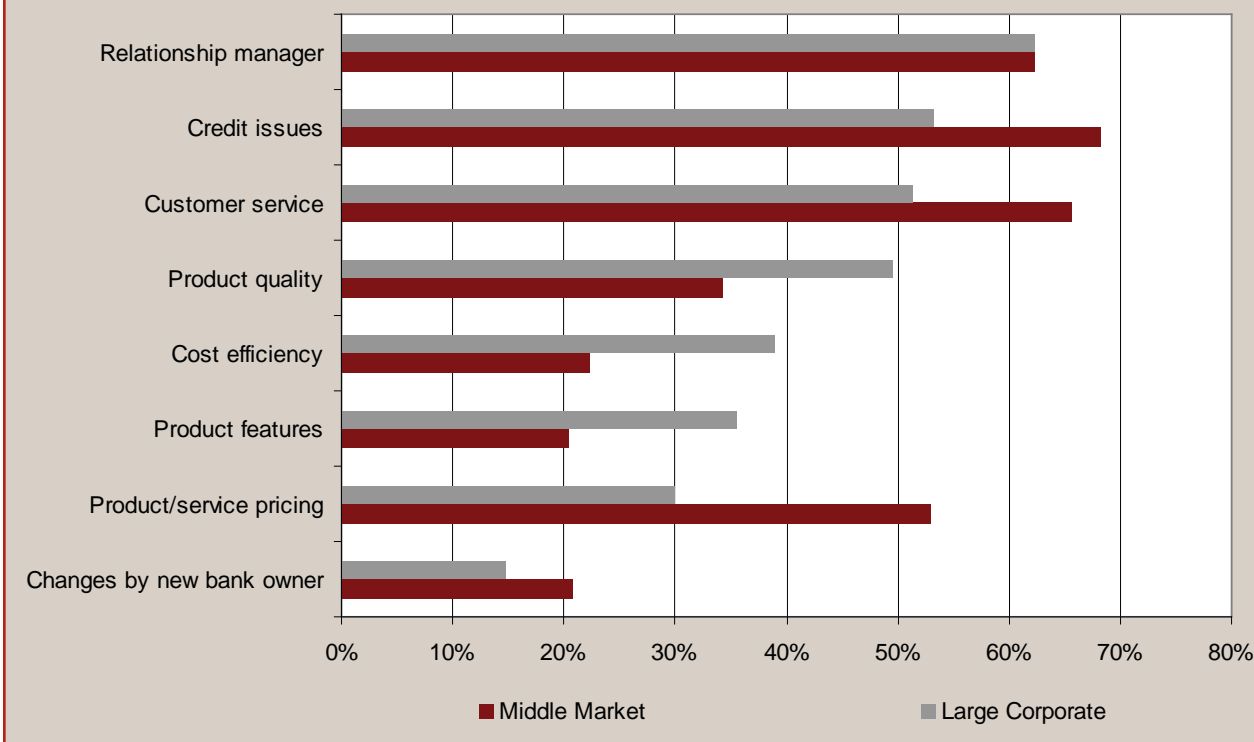
- Prime bank** A principal, long-term provider of banking services.
- Stable bank** Could be replaced only if the company went through a major bank consolidation.
- Marginal bank** Among the first to be considered for elimination should there be a need to consolidate banking relationships.

Classification of Bank Relationships

	Middle Market		Large Corporate	
	2010	2011	2010	2011
Prime	48%	45%	40%	40%
Stable	35%	35%	40%	40%
Marginal	17%	20%	20%	20%

A significant number of companies downgraded their classification of a bank relationship, with 20.8% of the middle market and 28.8% in the large corporate market doing so during the past two years. The three most important reasons for the downgrades are consistent across both market segments: (1) a deterioration in customer service, (2) issues with the bank relationship manager, and (3) credit-related issues (availability or loan covenants). These downgrades are troubling because the designation as prime provider is a strong indicator of both the stability of the relationship and the potential for the company to award additional business to that bank.

Reasons to Downgrade a Bank



As we have found in the past, financial executives' expectations of what will occur to the number of their treasury management relationships frequently differ from what actually occurs. Generally, corporations expect to decrease the number of such relationships. This year that is unlikely to occur, especially in the middle market, where tight credit conditions are likely to remain during 2011. Treasury management relationships in the middle market have increased 4.9% during the past two years, while they have significantly declined 4.6% in the large corporate market. We see a number of reasons why these changes have occurred: (1) the large corporate market is much more dependent on the largest banks and sees marginal benefits to using an additional regional bank, and (2) the expanded search for new credit sources in the middle market increases the likelihood of moving treasury management business to the new credit relationship.

Throughout 2010 the credit environment has been improving for the large corporate market sector. That cannot be said for the middle market, where credit conditions remain near recession lows, even though the U.S. economy is in a period of slow expansion. Banks are competing aggressively for credit relationships for companies that are credit worthy, but the banks are very reluctant to lend to weakened corporations whose cash flow and businesses have been negatively impacted by the recession. Another measure of credit stress is the number of companies that are experiencing loan covenant violations. Covenant violations in the last two years at higher stressed companies are occurring at more than two times the rate at low stressed companies. Moreover, corporations' satisfaction with the bank's resolution is extremely low.

Experienced Loan Covenant Violation

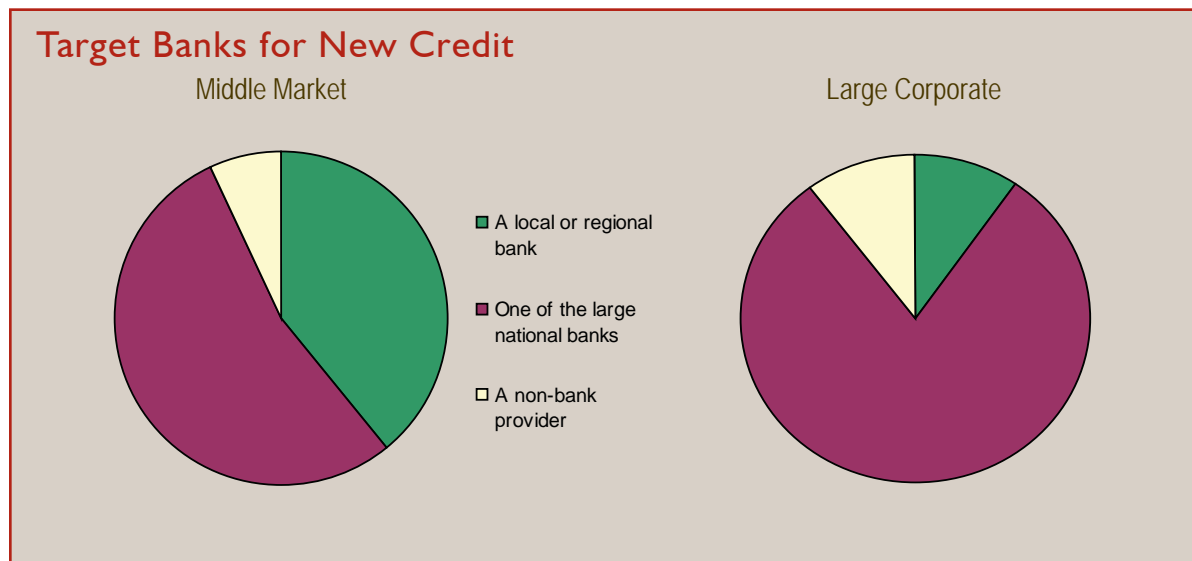
	Low Stressed	High Stressed
Middle Market	22.4%	42.9%
Large Corporate	5.5%	10.6%

Credit Influence

	Middle Market		Large Corporate	
	2010	2011	2010	2011
Have any credit banks reduced or withdrawn credit commitments in the last year?	17.7%	18.1%	27.5%	22.0%*
Have any of your credit banks denied your request for additional credit in the last year?	10.9%	13.9%*	17.2%	14.5%*
If you accepted a credit package from a new bank, would you expect to move cash management business to that bank?	54.3%	61.6%*	31.9%	34.3%*

*Statistically significant

Bank credit sources differ quite dramatically between the large corporate and middle market segments. The large corporate market relies heavily on the largest national banks (80%), whereas there is significant reliance on local or regional banks by the middle market.



From our previous surveys, we know that revolving lines of credit are much more prevalent in the large corporate market, where 75% of companies have them compared to only 50% in the middle market. There is much greater dependence in the middle market on annual renewable lines of credit.

Lines of Credit

	Middle Market		Large Corporate	
	Percent Using	Average Spread	Percent Using	Average Spread
LIBOR plus	64.1%	2.02%	89.5%	1.73%
Prime	18.7%	----	15.5%	----
Prime plus	22.7%	1.88%	19.0%	1.46%
Prime minus	6.6%	0.92%	1.2%	0.46%

Spread as of Aug/Nov 2010

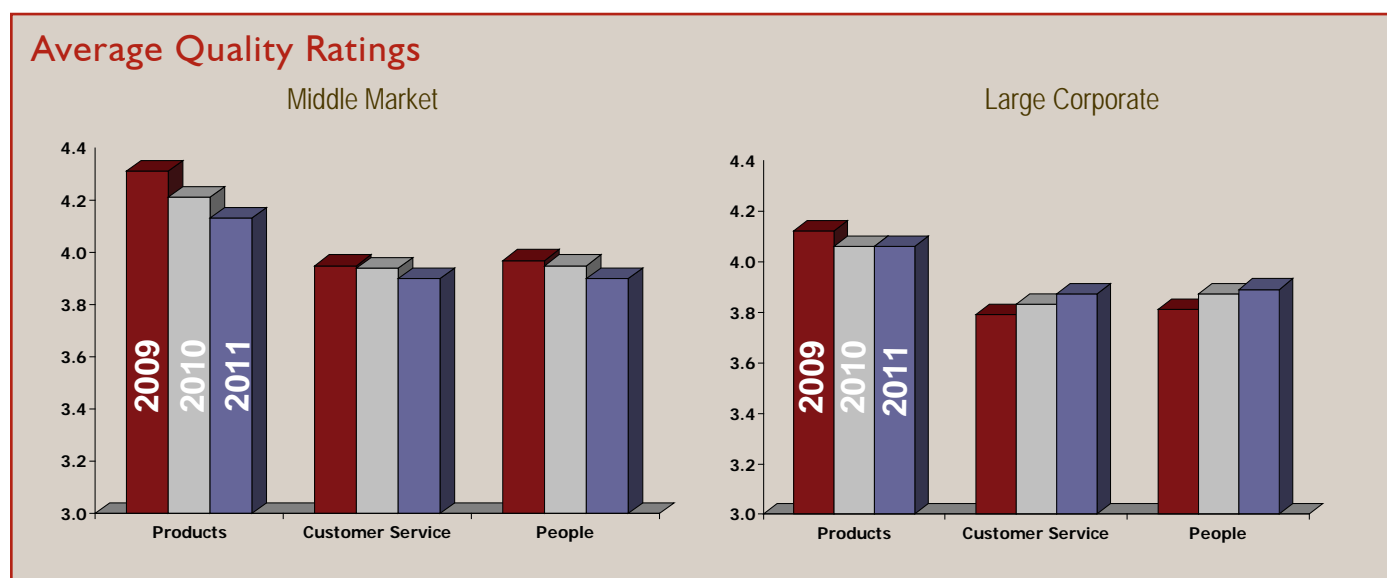
QUALITY

Companies consistently report that the number one factor by which they judge a bank's commitment to the relationship is problem resolution response.

Importance of Bank's Commitment

Scale 1 to 5 (1=low, 5=very important)	Middle Market	Large Corporate
Problem resolution response	4.59	4.66
Credit availability	4.24	4.13
Proactive in introducing new services	3.80	4.04
Calling officer stability	3.97	3.96
Length of relationship	3.82	3.82
Frequency of calling officer visits	3.23	3.26

This directly ties back to why quality scores and relationship manager scores are so important to a bank in maintaining and growing a treasury management relationship. The survey shows a divergence in quality perceptions between the two market segments: the middle market declining, while the large corporate market has improved somewhat. In the middle market, the most significant drops in quality occurred in the product categories, while the large corporate market did not show the same product quality issues and, instead, report better customer service.



The large corporate market did not identify the same product quality issues as did the middle market. In fact, among large corporate market respondents, there is only one statistically significant decline: sweep accounts, where the very low level of interest rates is negatively affecting the corporate perception of the value of this product. We do note there is a very strong up tick in the quality score for remote deposit, as this product has continued to add new features since it was first introduced. There is also a nice increase in customer service evaluations in this market segment, which is likely a reflection of the banks focusing on their largest customers.

QUALITY SCORES

Scale 1 to 5 (1=low, 5=highest quality)

Products	Average Quality Scores		Change in Bank Average	
	Middle Market	Large Corporate	Middle Market	Large Corporate
Wholesale Lockbox				
Speed of processing	4.18	4.13	-0.03	0.04
Accuracy of processing and reporting	4.24	4.09	-0.01	0.02
Timeliness of receiving remittance detail	4.21	4.16	-0.04	0.04
Overall features and capabilities	4.14	4.08	-0.04*	0.01
Wire Transfer				
Timeliness of incoming wire notification	4.28	4.20	-0.02	0.04
Outgoing wire features and capabilities	4.23	4.12	-0.04*	-0.01
Balance Reporting				
Timeliness of information	4.36	4.25	-0.02	-0.01
Overall features and capabilities	4.22	4.11	-0.03*	0.00
Controlled Disbursement				
Timeliness and accuracy of notification	4.33	4.24	-0.02	0.02
Retrieval of archived images	4.14	4.09	-0.05*	0.01
Positive pay exception screening	4.25	4.23	n/a	n/a
Overall features and capabilities	4.22	4.15	-0.03	0.03
ACH				
Speed of error correction	4.14	4.00	-0.05*	-0.03
Overall features and capabilities	4.16	4.03	-0.07*	-0.01
Depository Services				
Accuracy of processing and reporting	4.31	4.18	-0.02	0.00
Remote deposit features and capabilities	4.23	4.13	-0.01	0.11*
Internet Services				
Ease of use	4.14	4.01	-0.02	0.01
Overall features and capabilities	4.13	4.01	-0.01	0.02
Other Services				
Sweep accounts	4.24	4.14	-0.07*	-0.05*
Fraud prevention services	4.19	4.13	-0.02	-0.01
Foreign trade services	3.83	3.77	-0.03	-0.03
Purchasing card	3.83	3.67	0.00	-0.03
On-line short-term investment program	3.82	3.81	-0.07	0.02
Cash vault service	3.81	3.80	-0.03	0.08
Processing of credit card receipts	3.95	3.81	n/a	n/a
Perceptions About Bank				
Product specialists	4.06	4.01	0.00	0.03
Customer service	4.11	4.01	0.00	0.05*
Customer calling program	3.72	3.73	-0.05*	0.04
Timeliness of processing account maintenance requests	3.96	3.83	n/a	n/a
Treasury Management Relationship Manager				
Calling officer knowledge	4.09	4.11	-0.02	0.02
Anticipates service needs	3.68	3.65	-0.04*	0.02
Prompt call follow-up	4.01	3.93	-0.03	0.00
Problem resolution	4.08	3.98	-0.03	-0.01
Accessible when needed	4.02	3.94	-0.02	0.02
Understands your business and industry	3.92	3.96	-0.02	0.02
Overall effectiveness	3.97	3.93	-0.02	0.03

* Statistically significant

Phoenix-Hecht produces a *Quality Index*™ as part of its *Treasury Management Monitor* series. The purpose of the *Quality Index* is to provide a simple means for a corporation to compare individual bank performance by using a letter grading scale ranging from A+ to D. Corporations may obtain their bank's results by contacting the bank directly. Many corporations incorporate a request for the bank's *Quality Index* as part of an RFP process or annual evaluation of the relationship.

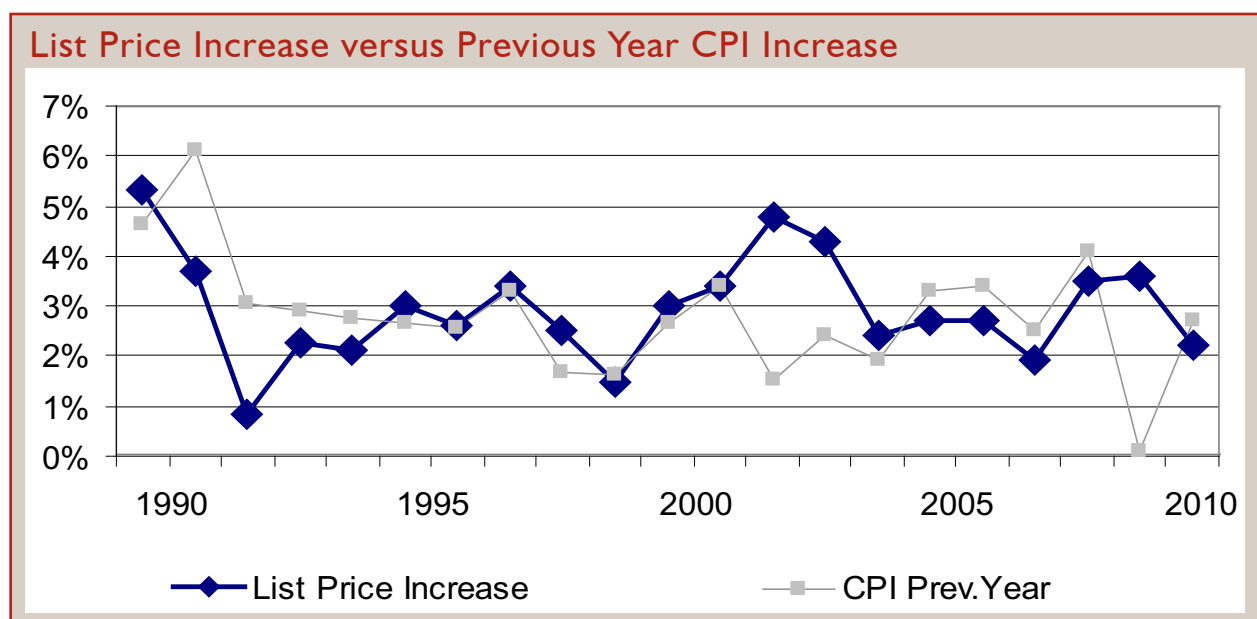
The valuations for three new quality measures, credit card receipt processing, positive pay exception screening and timeliness of processing account maintenance requests, vary considerably.

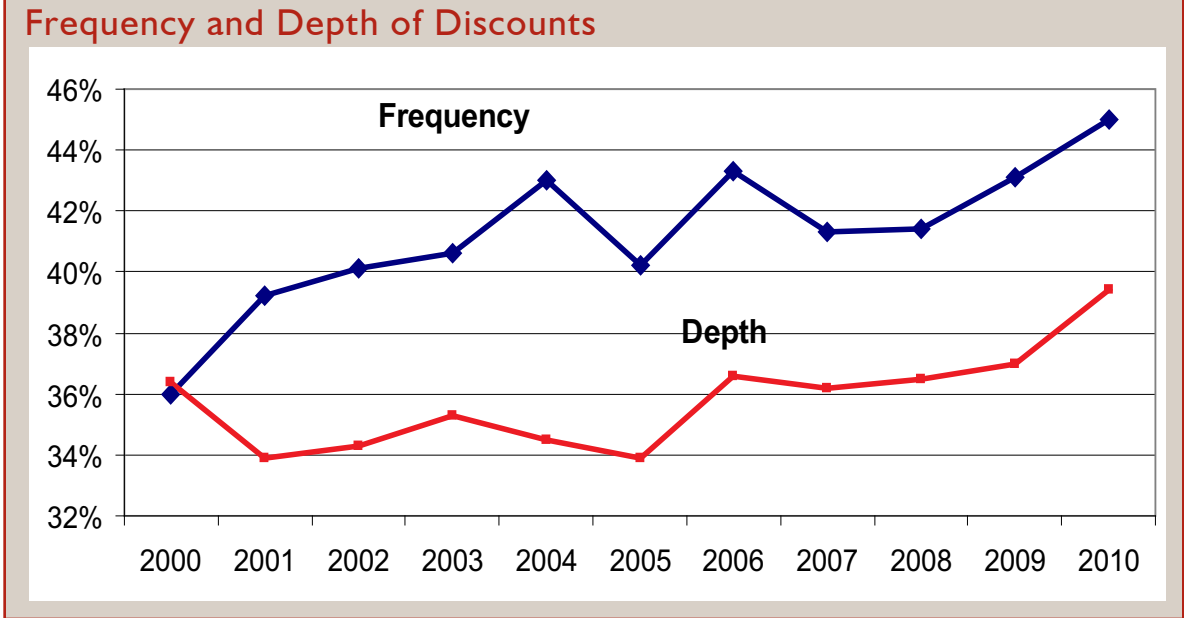
New Quality Index Categories - Bank Averages

Scale 1 to 5 (1=low, 5=highest quality)	Middle Market		Large Corporate	
	High	Low	High	Low
Credit card receipt processing	4.69	2.44	4.38	2.84
Positive pay exception screening	4.74	3.22	4.67	2.55
Timeliness of processing account maintenance requests	4.65	3.34	4.73	2.92

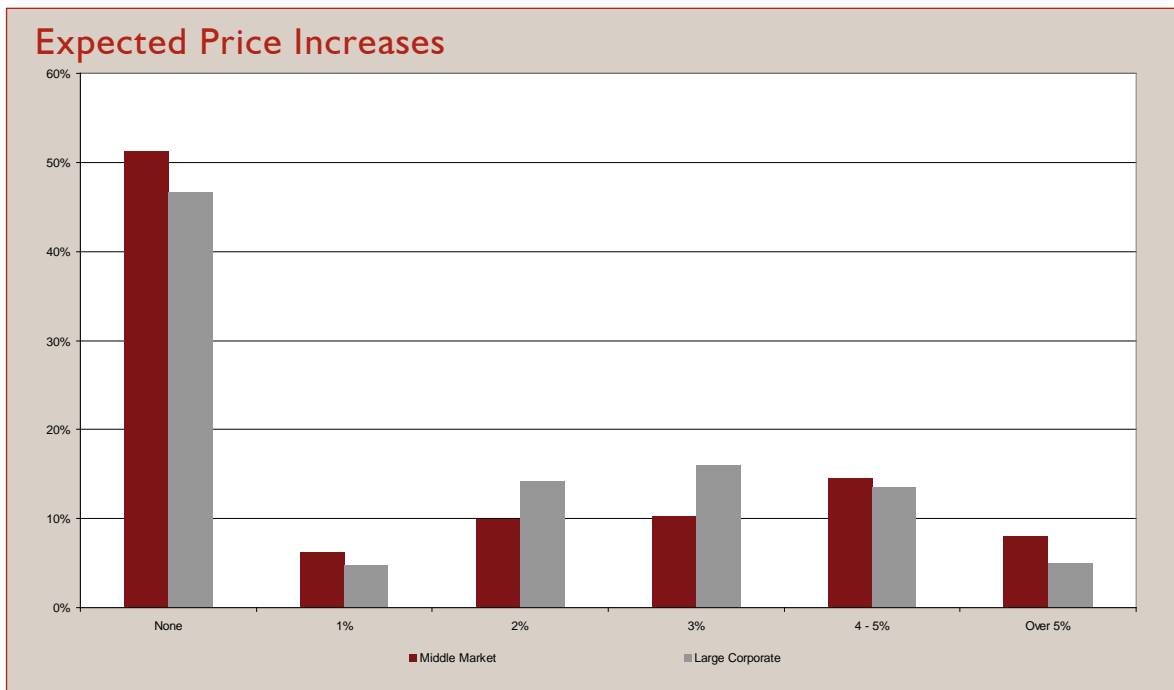
PRICING

Phoenix-Hecht has two sources for pricing information that are collected at slightly different times. In March, we collect data based on account analysis statements used to construct Phoenix-Hecht's *Blue Book of Bank Prices*®. Second, we collect the *Monitor's* survey responses during the fourth quarter. One might reasonably expect these responses to be somewhat different, as in the early part of 2010 the economic recovery was not yet well established, while by late 2010 the economic recovery was consistently moving forward at a very modest pace. The 2010 Phoenix-Hecht *Blue Book of Bank Prices* shows a strong reduction in bank pricing power. There is a significant reduction in average list price increases from 3.5% in 2009 to 2.2% in 2010. This occurred despite a significant jump in the Consumer Price Index from the previous year. *The Blue Book of Bank Prices* also analyzes the frequency with which discounts are offered and the depth of discounts as measured by the percentage discount from list prices.





Somewhat contrary to our results from *The Blue Book of Bank Prices*, the *Monitor* results are less indicative of corporations seeking to hold down price increases but consistent with the *Blue Book's* estimates. In particular a company's requests for competitive bids for new treasury management services showed a statistically significant decline in both the middle and large corporate market segments. We speculate that while formal RFP's are down, companies are still pressuring their existing banks for price reductions. The proportion of respondents expecting no price increases in the middle market is 51.2%, up from 43.1%, and in the large corporate market 46.6%, up from 38.7%. We suspect that a greater number of companies are negotiating multi-year fixed price contracts.



Two regulatory changes are going to have a direct impact on bank fees. The Dodd-Frank Wall Street Reform and Consumer Protection Act authorizes the FDIC to recalculate how it charges banks insurance premiums. This is important to corporations because banks typically pass these costs directly to corporate customers. The new assessment methodology changes the base from deposits to liabilities (assets minus tangible net worth). While the FDIC claims its premiums are neutral to the banks, we suspect that they are not because of expanded insurance coverage on non-interest bearing accounts (unlimited coverage until December 31, 2012 for all banks) and a lack of transparency in the agency's assessment of individual bank risk.

Beginning in July 2011, banks are legally allowed to pay hard interest on corporate deposits, which will increase bank costs. The option to pay interest on corporate demand accounts will impact corporations in numerous ways. Some banks may elect to pay interest to gain competitive advantage, while others will continue using an Earnings Credit Rate (ECR) to offset fees or some combination of the two.

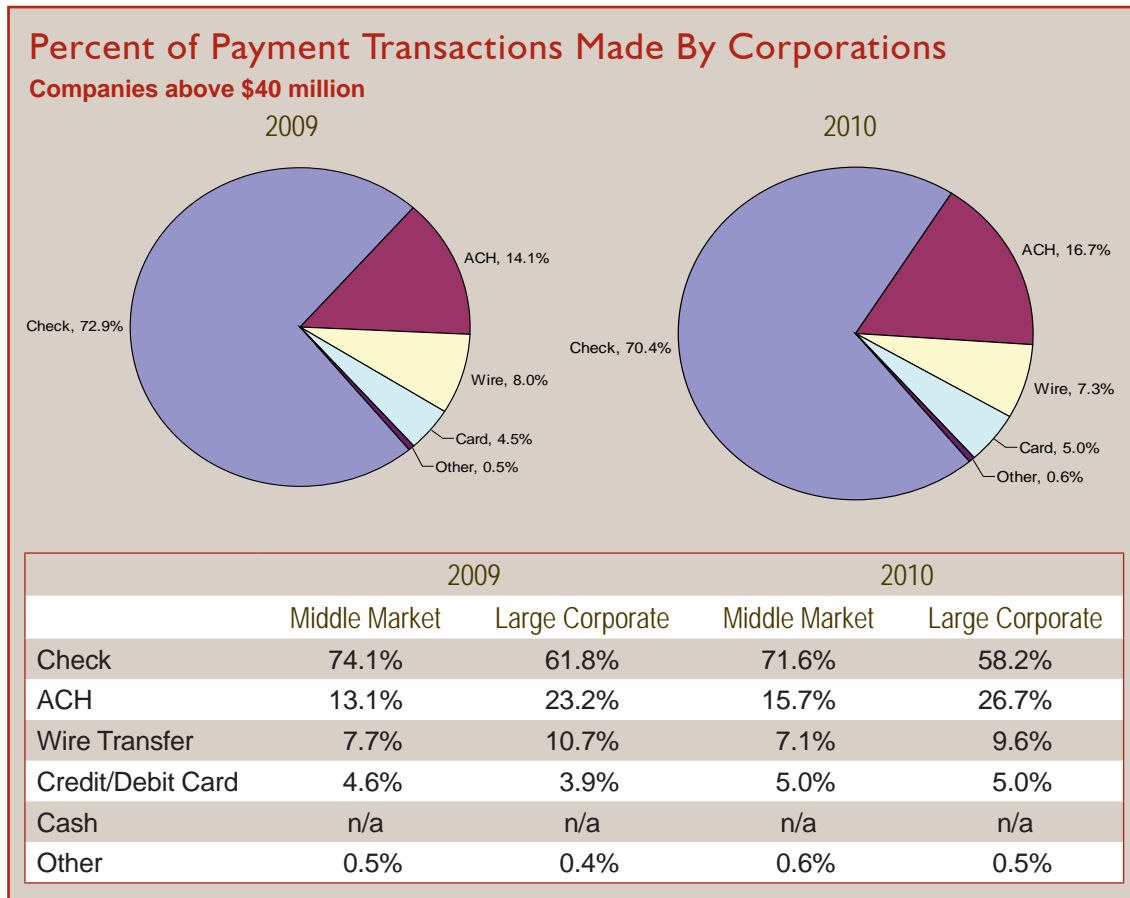
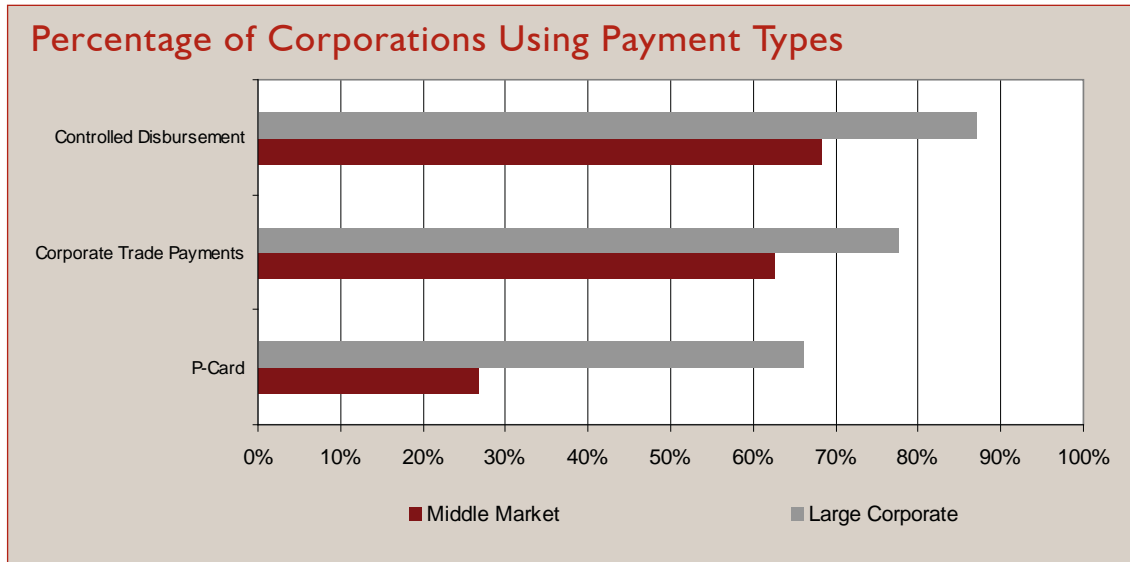
Corporations need to be concerned about how banks are going to recoup lost revenue and increased expenses. In all probability, the banks will attempt to recapture their additional interest cost by a combination of increases in transaction fees (including FDIC charges), tiering the paid interest rate and the ECR based on the size of the relationship, and reducing funds availability on deposits. Reduced funds availability becomes a hidden cost to the depositor since it is a bank revenue source which is hard to detect, especially with many corporations ignoring this component in a low interest rate environment. Float exists and should be valued at the long-term cost of capital and not at overnight borrowing or investment rates.

Corporate Buying Behavior

	Middle Market			Large Corporate		
	2010	2011	Diff	2010	2011	Diff
Company requests competitive bids for new cash management services	45.5%	40.4%	-5.1%	64.5%	56.8%	-7.7%
Company buys new services only from existing banks	77.8%	79.0%	1.2%	68.8%	67.8%	-1.0%
Bank has won cash management business principally because of low prices	23.1%	24.6%	1.5%	26.7%	25.8%	-0.9%
Company has changed banks primarily because of price increases	13.5%	14.0%	0.5%	13.0%	9.9%	-3.1%

CHANGES IN THE USE OF PAYMENT MECHANISMS

The *Monitor* tracks the use of various payment mechanisms to document the shift from paper-based to electronic transactions. The modest decline in the use of checks is part of a long-term pattern, but we note that this decline is very modest. Checks are still the number one payment type and account for the most transaction volume in business-to-business (B2B) payments.



Most experts agree that in the B2B area, checks will continue to dominate for the foreseeable future because of the challenges in dealing with the remittance information flows between trading partners. Banks now clear 95% of paper checks electronically using an image of the check. Some checks can clear as fast as an ACH transaction. Faster check clearing coupled with the remittance imaging capabilities of banks tends to dampen the need for many corporations to accelerate their migration to electronic payments. For many companies, the use of a controlled disbursement check for payments still provides delay value. The clearing time differential between check types is likely to increase as later bank processing deadlines get implemented for regular disbursement checks and banks continue to protect their controlled disbursement customers.

For the last several years, purchasing cards were one of the real growth areas in treasury management and led the conversion to electronic payments. In 2009, we began to see a flattening of P-card adoption rates in the large corporate market. This year's survey reaffirms these results. The lower usage number by middle market companies is related to previous respondents' misunderstanding of a P-card versus a corporate card, since both can be used to pay an invoice.

Purchasing Cards

	Middle Market		Large Corporate	
	2010	2011	2010	2011
Currently using P-cards	32.1%	26.8%	65.0%	66.1%
Currently using a corporate or commercial credit card	n/a	74.1%	n/a	76.7%
Percentage of vendor transactions to be converted	9.3%	9.7%	16.0%	13.7%
Receive a rebate	56.8%	57.0%	81.7%	81.5%
Accept for invoice greater than \$10,000	25.7%	23.7%	26.9%	26.4%

THE CHALLENGE OF ELECTRONIC PAYMENTS

All indications are that the conversion from paper to electronic for B2B payments has gone much slower than electronic pundits had predicted. Why are electronic payments on such a modest growth curve? We see mixed results with regard to the corporate commitment to convert paper-based payments to electronic and wondered why. We began our exploration of this issue by asking our respondents whether their corporations have a commitment to convert from paper payments to electronics, principally through the ACH system. As anticipated, there is a strong commitment, with 49.4% of the middle market and 72.1% of the large corporate market affirming this commitment. Exploring this a little deeper, we wanted to know whether our respondents had over the past two years moved at least 5% of their existing paper checks to electronic form. Here again, we found strong numbers, with the middle market stating that 41.4% had converted at least 5% and in the large corporate market 67.3% had made at least this level of conversion.

We also explored which of three possible issues are most important in holding back the conversion from paper to electronic.

Electronic Payment Importance

Percent rated 4 or 5 (1=low, 5=high)	Middle Market	Large Corporate
Importance of expense as deterrent to converting to electronic payments	38.8%	20.7%
Importance of data processing resources as deterrent to electronic payment	35.1%	55.1%
Importance of electronic payment conversion viewed as Account Payable issue, not Treasury	34.2%	23.3%

Our survey confirms the treasury management industry's commitment to make the paper to electronic conversion. However, this finding appears to be in stark contrast with what is reported by the banks themselves: the treasury management industry is saying one thing and the banking community is not observing a material increase in transaction volume. There is at least the possibility that to the corporate treasurer saying the company is converting to electronic is similar to saying, "I only buy Energy Star Efficient," appliances when, in fact, they may not or convert only a small portion of their transactions.

Finally, we remain unconvinced that the roadblocks to end-to-end electronic payments with standardized remittance detail information have been overcome. In a recessionary economy, some of these roadblocks still appear to be very strong and will continue to slow the conversion to electronic payments.

Roadblocks to Conversion

- The need to employ IT resources (to generate the standardized formats on remittance detail information). Such resources are usually not directly accessible to the treasury payment function and many other corporate projects compete for their availability.
- The conversions tend to be viewed as both expensive and time consuming and likely benefit only a small number of customers or vendors. This issue is also compounded by the lack of economic return, since in the conversion of remittance detail, the cost is born by the payor, while the payee primarily sees the benefit of the detail.
- Treasury's corporate function often does not extend to the actual process of making payments, which is handled by a separate accounts payable area, which treasury does not control.

PAYMENT FRAUD

Fraud declined as a concern in both the middle and large corporate market segments. The reduced incidence of fraud, mainly related to checks, is likely due to increased usage by corporations of fraud prevention technology, especially positive pay systems.

As has been true in the past, most fraud takes place in the area of checks, with both market segments showing more than 80% of their fraud incidence from checks; however, incidents of ACH fraud are increasing.

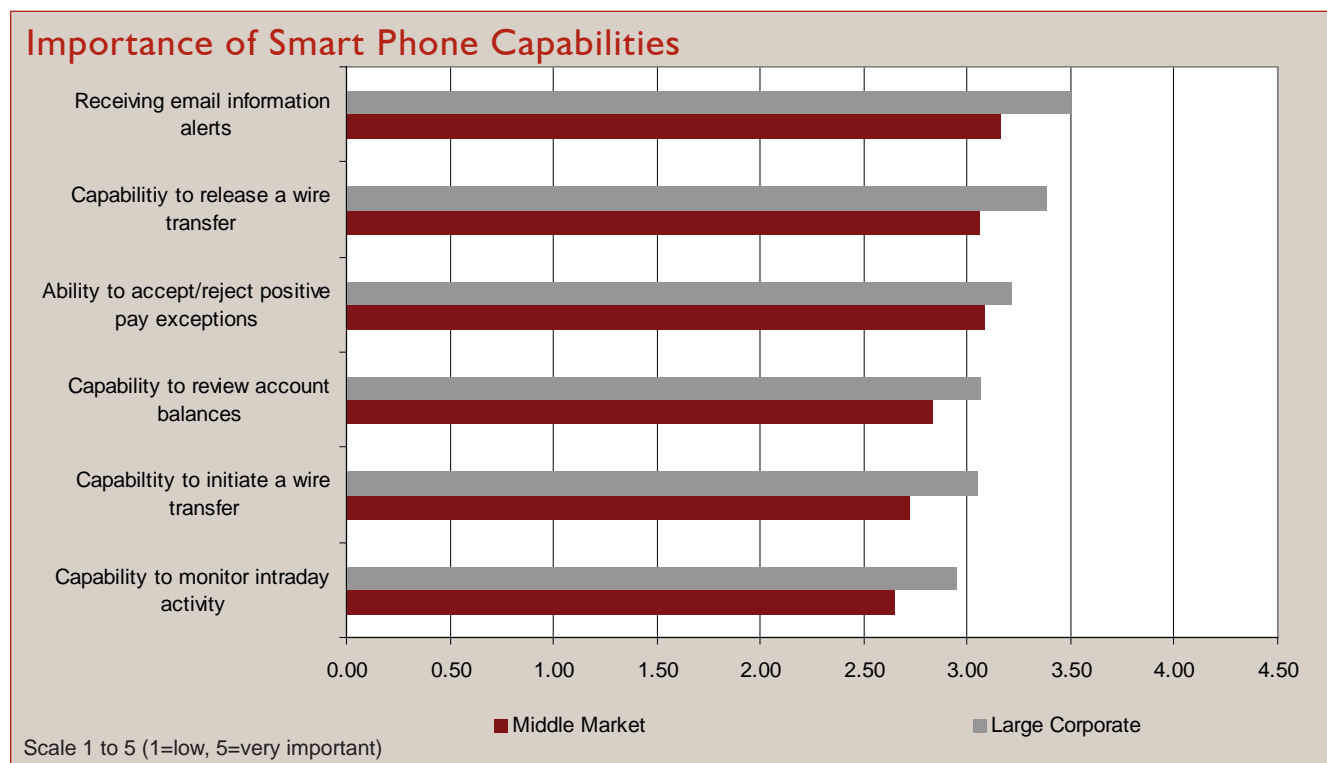
Fraud

	Middle Market	Large Corporate
Have you had a major fraud issue in the past two years?	15.1%	20.6%
Source of Fraud:		
Checks	81.6%	83.0%
ACH	3.3%	10.2%
Wire transfer	8.6%	0.0%
Other	6.5%	6.8%

EMERGING TECHNOLOGIES

There has been significant growth in the adoption of the remote deposit service, with the middle market adding 6.4 percentage points to a new level of 49.7% and the large corporate market adding 3 percentage points to a new level of 55.8%. None of the other product changes we observed are either statistically significant or very noteworthy.

The demand to use smart phones both to monitor transactions and initiate them will be one of the hottest products in the treasury management arena. Of particular importance in treasury managers' eyes is the ability to receive information alerts, release wire transfers, and either accept or reject positive pay exceptions. Treasury managers also want to see smart phone capabilities approach PC capabilities, with 50% of the large corporate market and 44% of the middle market seeing this capability expansion as being important or very important.



In late 2011, the Federal Reserve's wire transfer system is scheduled to be modified to allow remittance detail to be included with the wire, similar to the capabilities already available in the ACH system. The merger of the wire transfer's immediate payment capability and the remittance detail could prove attractive to a relatively small number of users. A key question to be addressed by corporations is whether the remittance detail that is physically attached to the wire itself is a superior solution to an ACH transaction. We also anticipate resistance to this service because of cost issues.

Remit Information on Wire Transfer

Percent rated 4 or 5 (1=low, 5=high)	Middle Market	Large Corporate
Likelihood of using remittance information capability in wire origination	59.1%	61.0%
Likelihood of requesting customers include remittance information with wire payments	59.6%	64.8%
Percent responding "yes"		
Would remittance information capability cause you to move payment to wire system?	14.4%	8.5%
If yes, would move at least 5% of electronic payments to wire?	77.5%	66.4%

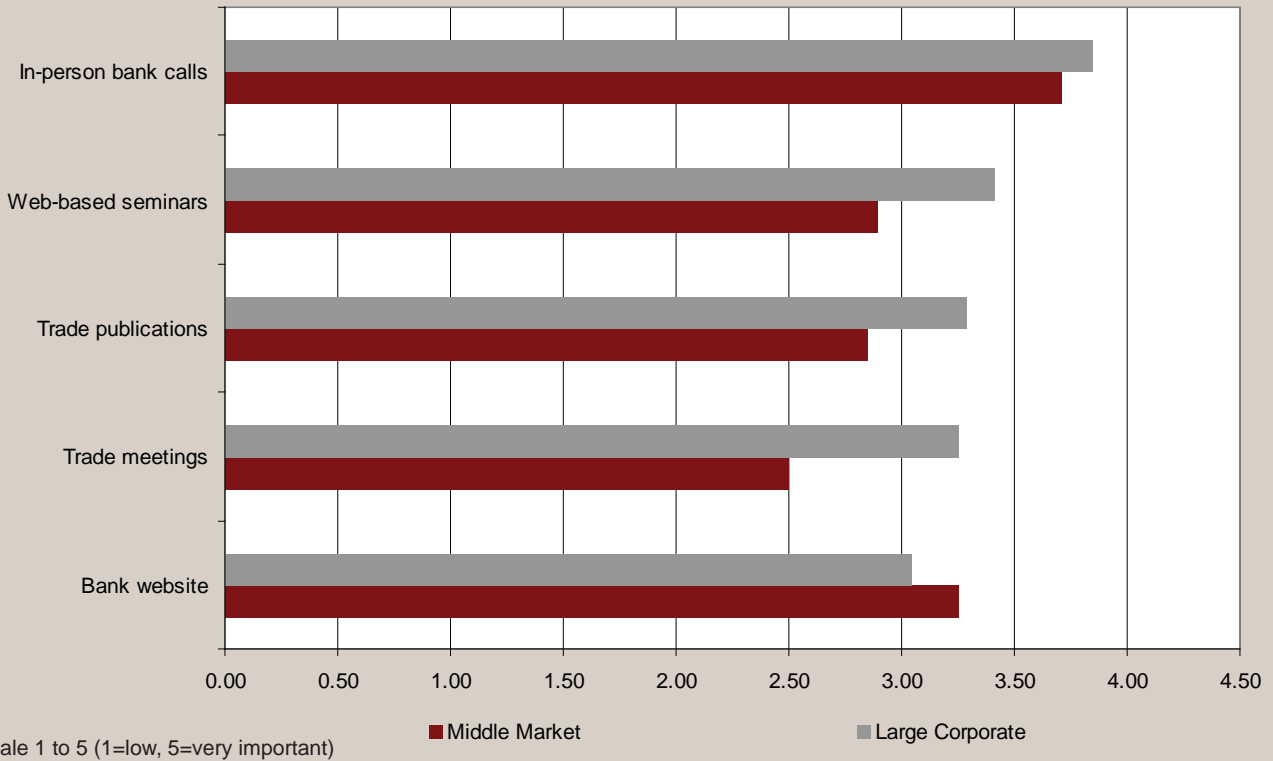
The ACH system will soon permit the origination and receipt of payments between the U.S. and 60 countries in Europe and Latin America, both in U.S. dollars and/or local currency. Generally, these payments will settle in two to five days, depending on the countries involved. This new ACH capability is an alternative to the traditional international wire (SWIFT) payment system. The view of many is that this is a tradeoff of lower cost for added time delay.

Among companies that frequently or very frequently send international payments, there is a great deal of interest in ACH capability to extend ACH payments to countries in Europe and Latin America. This slower but less costly method for international payments could save corporations money if they move payment volumes from SWIFT to the ACH system, especially for low-value payments.

RELATIONSHIP

Although it is expensive for the bank, in-person calling remains the most important way companies obtain information about treasury management. In fact, its importance has actually grown over the past year versus other information sources. Web-based seminars are also more important in the large corporate market (3.41), much more so than in the middle market (2.89).

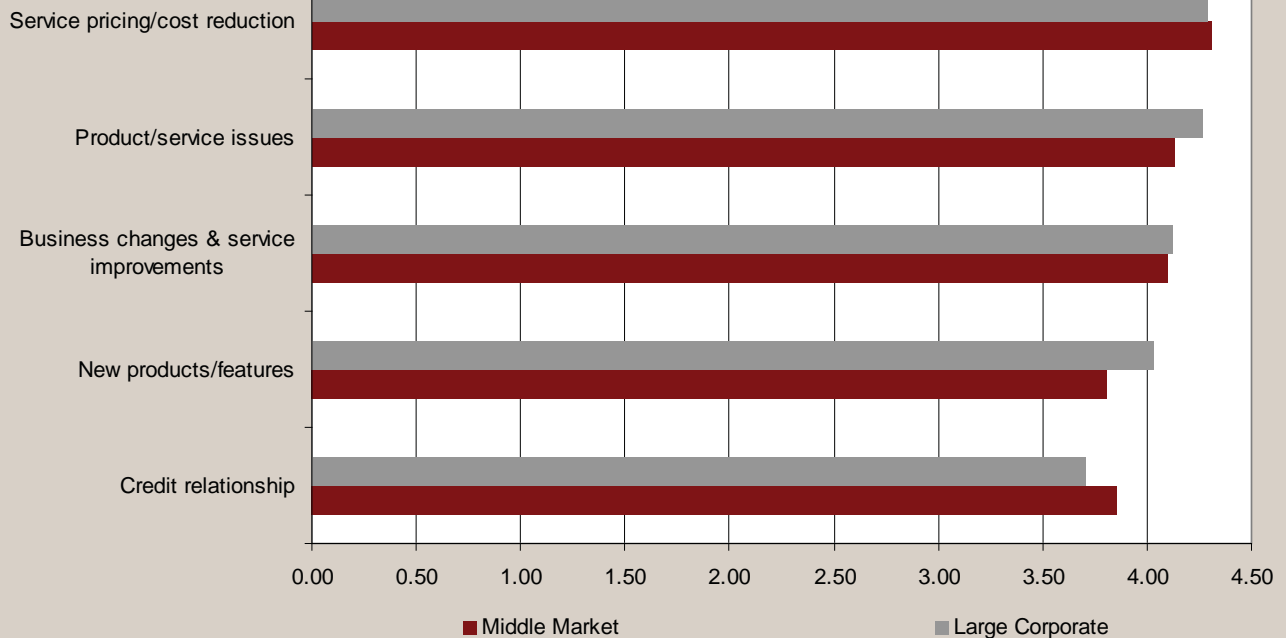
Importance of Information Sources for Treasury Management



The most important topics that corporations wish to discuss during bank calls center around price and service. This included service pricing/cost reduction, business changes and service improvements, and product/service problems as the top three topics in each market. This is not surprising, given the increase in fees over the last two years and the decline in quality.

Sales Call Topics

Importance of discussing:



The *Treasury Management Monitor* reports respondents' likelihood of future plans and intentions on a five-point scale. The list of plans provides a roadmap to the demand for various bank services.

Plans and Intentions

Percentage assigning 4 or 5 rating (Scale 1 to 5, 5-likely)	Middle Market	Large Corporate
Credit		
Increase bank credit capacity	22.5%	24.3%
Expand number of credit banks	10.5%	18.2%
Replace a current credit bank	13.6%	16.5%
Services		
Reallocate cash management business at existing banks	9.2%	20.1%
Add remote deposit service	13.3%	20.0%
Add or change a lockbox bank	10.2%	16.4%
Consolidate data feeds from multi banks to automate task	7.0%	16.3%
Add positive pay to disbursement accounts	19.5%	15.7%
Implement P-card program	12.9%	14.9%
Add or change international services bank	8.5%	14.3%
Add or change a controlled disbursement bank	12.1%	13.5%
Add credit card processing	11.7%	13.2%
Add or change an ACH bank	14.4%	12.2%
Eliminate ACH and check generation through outsourcing	2.4%	7.7%

COMMENTARY

The credit crunch resulting from the Great Depression continues to strain bank relationships, especially for middle market companies. We believe that some of these long-standing relationships will eventually be terminated by the company as credit availability begins to improve and loan agreements come up for renewal. While credit is the primary factor in selecting a bank, the quality and price of services are becoming increasingly more important. Quality of bank services is likely to be less consistent as banks adjust to profit pressures. We see indications of different levels of service quality within the same bank, depending on the size of the company. With the U.S. economy in a period of slow expansion, we are likely to see continuing ripple effects in the market for bank services for an extended period of time.

In managing existing relationship, companies will have more options in how they compensate their bank starting after July when banks gain the legal option to pay direct interest for corporate deposits. In all probability, the banks will attempt to recapture their additional interest cost by a combination of increases in transaction fees, tiering the paid interest rate and the ECR based on the size of the relationship and reducing funds availability on deposits. Companies are likely to see higher FDIC insurance charges based on the new assessment methodology and expanded coverage.

An increasing number of companies are returning to an old belief that being a big fish in a small pond not only gets better service, but also puts them in a better negotiating position on price. We expect that companies with this mind set are likely to see the most from their bank relationships in the current environment.

On behalf of all of us a Phoenix-Hecht, thank you for your contribution to this effort.

METHODOLOGY

From August to November 2010, Phoenix-Hecht conducted its annual survey of treasury management services. The survey respondents are senior financial executives responsible for managing the bank relationships for their organizations. The survey targets public and private U.S. corporations with annual sales greater than \$40 million.

The *Treasury Management Monitor*™ surveys companies across a broad array of issues, including credit usage, pricing, quality of service, product usage and future plans and intentions. A detailed assessment of up to three of its banking relationships is performed for each participating company. Additional data is collected on banks which are actively prospecting for the company's banking business. The resulting survey database combined with historical data gives Phoenix-Hecht an unparalleled ability to analyze the treasury management marketplace.

The *Treasury Management Monitor* is conducted using a written questionnaire, although respondents are given the option of filling out the survey on-line. Approximately 59% of those who filled out the entire survey chose the on-line option. Tests are performed to verify that the on-line responses are not biased versus the written responses. In addition, telephone surveys are performed to increase the number of companies who provide individual bank quality assessments. Some targeting of specific banks is also done by telephone to increase the probability that Phoenix-Hecht could assign letter grades to their quality scores. Only customers of the bank are allowed to provide assessments for the quality evaluations.

The *2011 Treasury Management Monitor* is based on 2,074 completed questionnaires from approximately 4.4% of all eligible companies from the Dun and Bradstreet universe of companies with sales of \$40 million or more. Phoenix-Hecht assigns weights to each of the respondents in the survey to make the final sample representative of all qualified companies. These weights are based on geographic region and sales size.

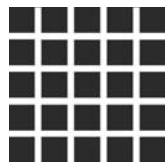
Banks Surveyed

Bank of America	Fifth Third	Regions Bank
BB&T	First Tennessee	Royal Bank of Scotland
BBVA Compass Bank	HSBC (Bank USA)	Sovereign Bank
BMO (Harris)	Huntington	SunTrust
BNY Mellon	JPMorgan Chase	TD Bank
BOK Financial	KeyBank	UMB Banks
Capital One Bank	M & T Bank	Union Bank
Citibank	Marshall & Ilsley (M&I Bank)	US Bank
Comerica	Northern Trust	Wells Fargo/Wachovia
Commerce Bancshare K.C.	PNC Bank	
Deutsche Bank	RBC Bank (USA)	

ABOUT PHOENIX-HECHT

Phoenix-Hecht is dedicated to providing independent measurements of performance, quality and pricing to both banks and their customers. The *Treasury Management Monitor*™ and its *Quality Index*™ is an annual assessment of individual bank treasury management products, customer service, and relationship managers. Subscribing banks generally make their quality assessments available customers and prospects on request.

Requests for performance metrics on lockbox and controlled disbursing providers can be made directly at www.phoenixhecht.com.



PHOENIX-HECHT

Measurements of Performance, Quality & Pricing

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