

## TREASURY MANAGEMENT MONITOR™ QUALITY INDEX™ GRADE SUMMARY

The Phoenix-Hecht® Quality Index™ Grade Summary is based on individual bank quality evaluations gathered by the Treasury Management Monitor™ survey. The bank assessments were provided by financial executives from corporations with annual revenues of \$20 million or more.

The objective of both the Quality Index™ and Summary is to provide the most reliable predictor of a bank's performance relative to its peers. The summary letter grade is a reflection of where the bank ranks relative to all other banks in the marketplace based on the distribution of numeric scores. The rating scale is 1 to 9 with 5 being "Meets Expectations" and 9 being reserved for "Exceptional." The summaries are calculated based on results for 22 questions which comprise the detailed Quality Index™.

The All-Bank Mean table shows the individual Quality Index™ questions organized by category. Each question is assigned to one of five categories. For each bank, a category's average grade is calculated by computing the average score for the questions in the category and then the category's grade thresholds are used to determine the summary grade for that average score. For a bank to get a summary grade, it must have at least half of the questions in that classification pass acceptable variance/sample size parameters. Middle market companies tend to rate their banks higher than large corporates. We account for this with different grade thresholds for each segment.

Corporations can request an individual bank's detailed Quality Index directly from that bank.

All banks do a very reasonable job of meeting customer expectations. The vast majority of numeric evaluations are in the 5 to 8 range. Higher grades are a reflection of how frequently the bank exceeds its customer's expectations. However, just as in EPA mileage standards, individual customer experiences may vary.

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ALL-BANK MEAN BY QUESTION Middle Market    Large Corporate

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PRODUCT OPERATIONS

Timeliness for web-based information reporting	6.66	6.52
Timeliness of incoming wire notification	6.57	6.41
Accuracy of processing for wholesale lockbox	6.53	6.34
Accuracy of payee recognition	6.68	6.67
Speed of ACH error correction	6.44	6.22
ACH positive pay features	6.59	6.39

OVERALL PRODUCT SATISFACTION

Web-based products	6.41	6.34
Wire transfers	6.57	6.41
Wholesale lockbox	6.47	6.34
Controlled disbursement/positive pay	6.66	6.66
ACH	6.54	6.37
Remote deposit	6.64	6.29
Credit card (used for invoice payments)	6.11	6.05

PERCEPTIONS ABOUT BANK

Processing account maintenance requests	6.16	5.97
Customer service	6.37	6.19
In-person calling program	6.23	6.06

TECHNICAL SUPPORT

Web-based reporting and transactions	6.22	6.10
ACH	6.40	6.22
Credit card (used for invoice payments)	6.05	5.97

TREASURY MANAGEMENT RELATIONSHIP MANAGER

Anticipates needs for new/modified services	5.87	5.96
Prompt call follow-up	6.14	6.14
Overall effectiveness	6.10	6.12

SAMPLE REPORT

Middle Market  
Summary Quality Grades

	Product Operations	Product Satisfaction	Bank Perception	Technical Support	Relationship Manager
Bank of America Merrill Lynch	B+	B+	B-	B	C
BB&T	C	B-	B-	C	B
BMO Harris Bank	B	B	B	C	A
BNY Mellon	n/a	n/a	B-	n/a	B+
BOK Financial	n/a	n/a	A+	B	A
Capital One Bank	n/a	n/a	B+	B	B
Citibank	n/a	n/a	D	C	C
Citizens Bank	D	C	C	C	C
Comerica	C	B+	A-	A-	A-
Commerce Bancshares K.C.	n/a	n/a	A	n/a	A+
Fifth Third	B-	B	B	B-	B
First Tennessee	A	A	A+	A	A
HSBC (Bank of USA)	n/a	n/a	C	n/a	D
Huntington	B	B	A	A	A-
JPMorgan Chase	B	B	B-	B	B
KeyBank	B-	B-	B-	C	C
M & T Bank	C	B	A	B	A-
MUFG Union Bank	A-	B+	B	B	B-
Northern Trust	n/a	n/a	C	n/a	B-
PNC Bank	A	A	A	A+	A
Regions Bank	B+	B+	A	B	A
SunTrust	B-	B	B-	B-	B-
TD Bank	A-	B+	B+	B+	B+
US Bank	A	A+	A	A	A+
Wells Fargo	A	A	A-	A	A-

SAMPLE REPORT

Large Corporate  
Summary Quality Grades

	Product Operations	Product Satisfaction	Bank Perception	Technical Support	Relationship Manager
Bank of America Merrill Lynch	A	A-	A	A	A
BMO Harris Bank	B	B	B	C	B
BNY Mellon	B	B	B	B	B-
Citibank	B	B	C	C	B-
Citizens Bank	n/a	n/a	C	B	B
Comerica	n/a	n/a	B	n/a	B
Deutsche Bank	n/a	n/a	D	A	D
Fifth Third	B	B-	B	B	B
HSBC (Bank of USA)	B-	B-	D	C	C
Huntington	n/a	n/a	A	n/a	A
JPMorgan Chase	B	B	B+	C	A-
KeyBank	A-	A	A	A	A-
MUFG Union Bank	n/a	n/a	A-	n/a	A-
Northern Trust	n/a	n/a	B+	n/a	B
PNC Bank	B+	A	A	A	A-
Regions Bank	n/a	n/a	A	B	A-
SunTrust	B	B	B	B	B
TD Bank	n/a	n/a	B+	n/a	B-
US Bank	B+	A-	A+	A	A+
Wells Fargo	A-	A-	A+	A	A+

SAMPLE REPORT

Individual product and service grades along with the numeric score can be obtained directly from your banker for their institution. We recommend use of the quality grades with existing banks, as a starting point for conversations around quality. Many companies also request the Quality Index grades as part of an RFP process.