



BCG's Commercial Banking Benchmarking Data Products

Overview of TMetrics and CoBRA

BCG TMetrics

Benchmarking of TM business at a service code level, including Deposit volumes and ECR

BCG TMetrics

A performance analytics data product to help shape data-driven strategies

Multi-dimensional analyses of TM business across PxV, Deposits and ECR

Trend analysis and identification of performance gaps vs. peers

Actionable insights and benchmarking at a granular service code level

BCG TMetrics helps deeper analyses of TM business at a service code level



PxV growth and attrition

What is our PxV growth and attrition vs. peers?

Enable measurement and tracking of growth and attrition across discrete drivers to better understand underlying patterns



Cross-sell and penetration

What are the opportunities to increase cross-sell and penetration?

Support initiatives to drive cross-sell, improve revenue mix, and better penetrate client base



Pricing

How does pricing compare with competition?

Understand pricing position relative to peers at a granular service code level and service family level



Deposits and ECR

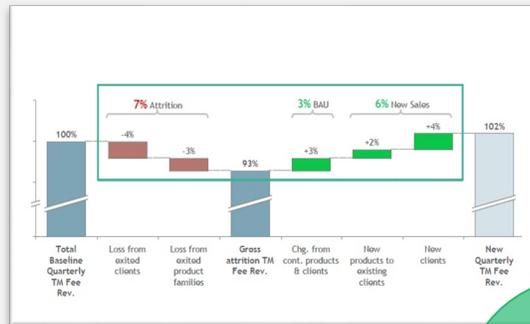
How can we perform better on Deposits and ECR related decisions?

Help drive deposits growth and control attrition by identification of specific drivers; Assess ECR competitiveness to support rate setting

TMetrics is a specialized Treasury Management analytics and benchmarking product

Illustrative benchmarking outputs

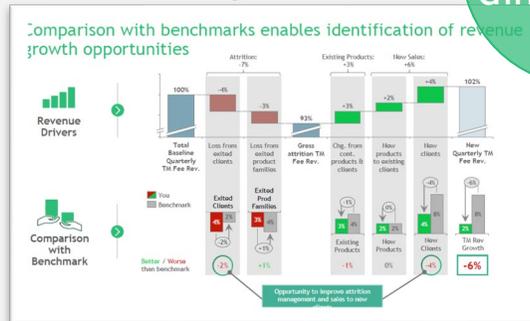
Attrition: PxV and Deposits



Product Penetration



Growth: PxV and Deposits

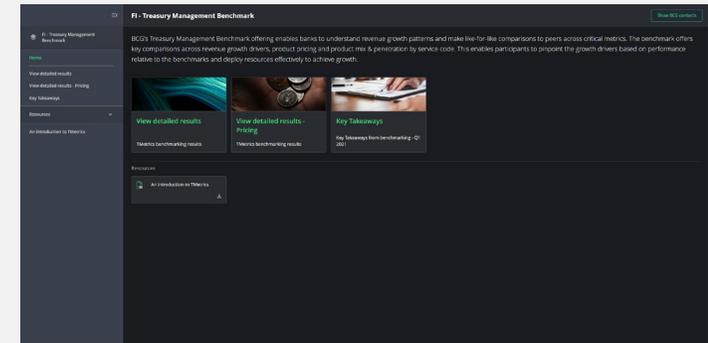


Four key dimensions

Pricing



Dynamic online tool for customized analysis and deep-dive



Three options to deliver insights and benchmark data



Quarterly delivery through web-based dynamic and interactive visualization portal



Annual management report with customized performance de-briefing



On-demand customized drill-downs into specific areas of interest

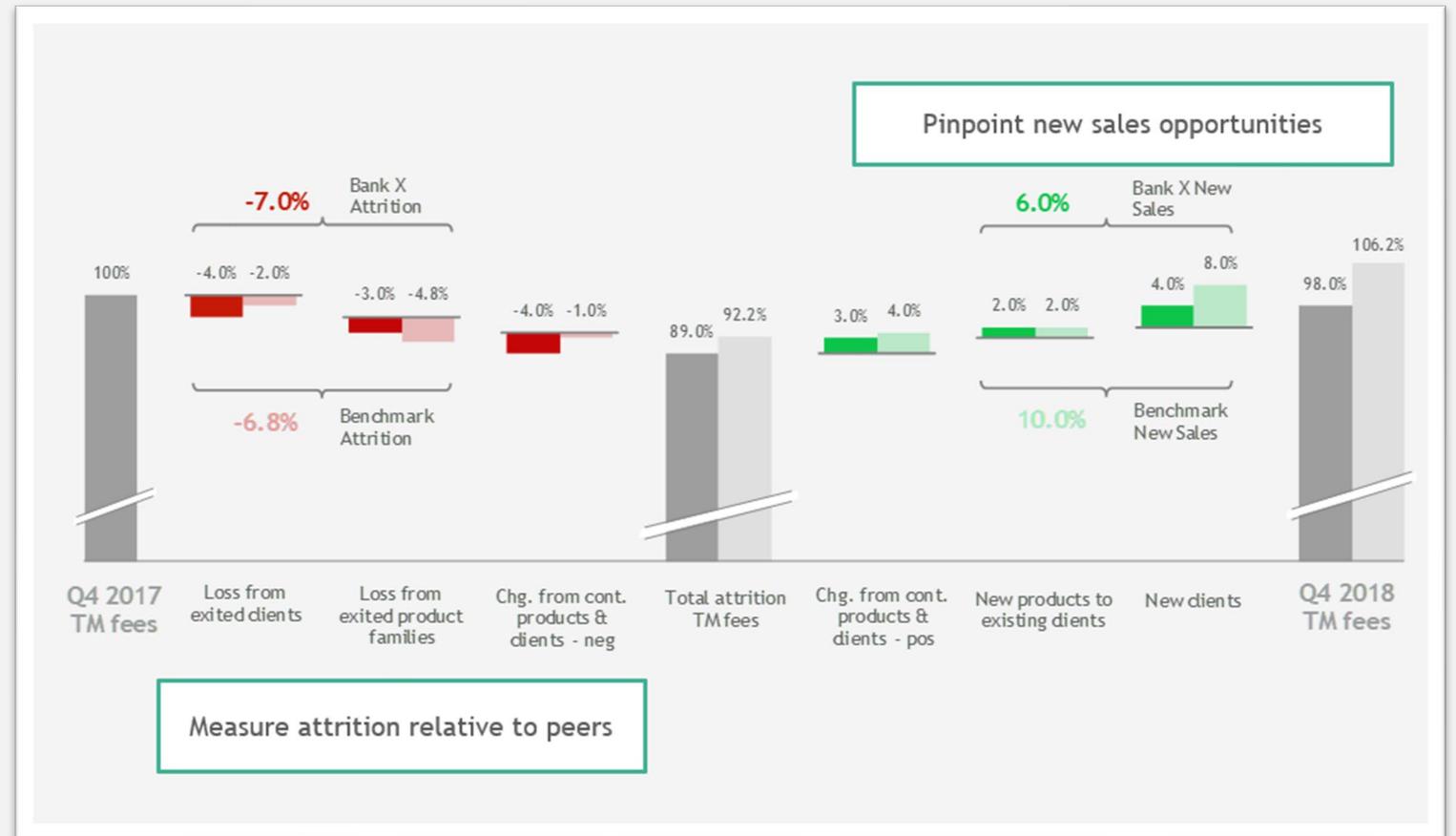
TMetrics: details on modules covered

Revenue Growth and Attrition

Better understand and track revenue growth and attrition across discrete drivers:

- Loss from exited clients
- Product attrition
- New products to existing clients
- New clients
- BAU growth and attrition

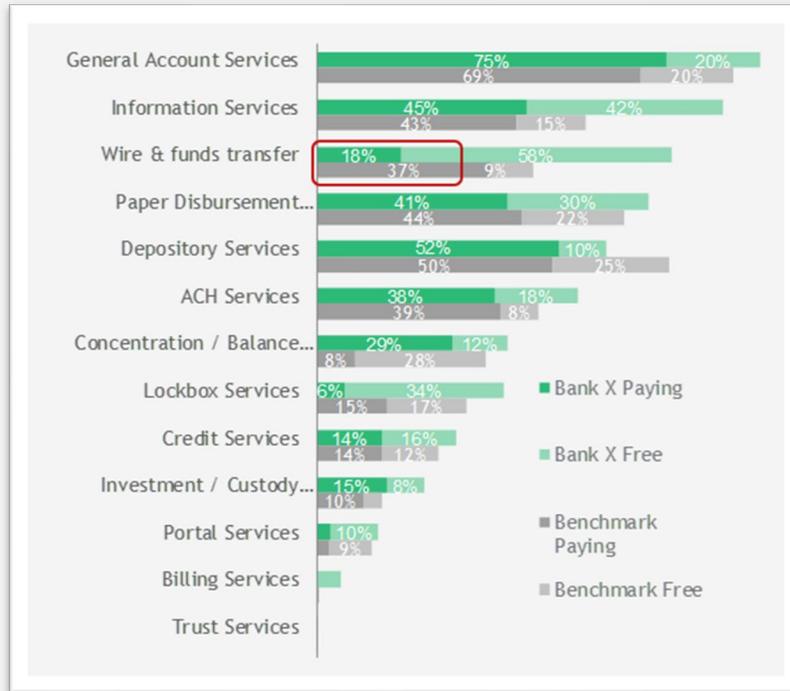
Revenue growth and attrition vs. the benchmark



Product mix and penetration

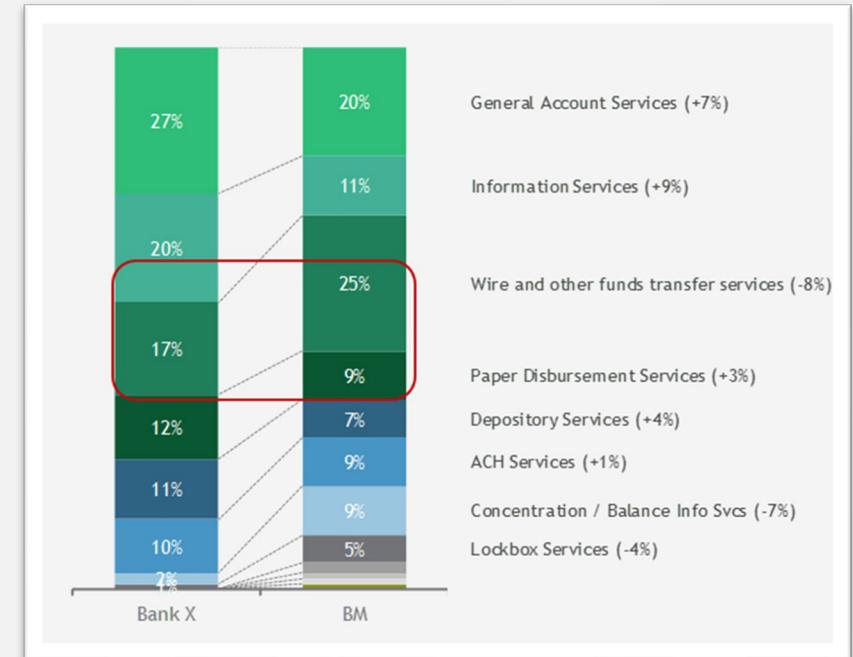
Actionable insights into opportunities for expanding TM wallet

Client penetration with insights into proportion of paying vs. non-paying clients



Ability to drill deeper into client tiers

PxV mix across service families



Pricing analysis and benchmarking

Identify pricing gaps and re-pricing opportunities at a granular service code level

Product Family Pricing heat-map

	Actual Prices Paid (Bank X Price vs. Benchmark)		
	Low Volume	Medium Volume	High Volume
ACH Services	-8%	2%	5%
Wire & Other Funds Transfer Services	-11%	-8%	-14%
Paper Disbursement Services	4%	7%	4%
Depository Services	1%	0%	-1%
Billing Services	2%	10%	9%
Lockbox Services	14%	16%	11%
Information Services	27%	26%	17%
General Account Services	-2%	-11%	-10%
Concentration / Balance Info Services	2%	1%	5%
Portal Services	-1%	-8%	-6%



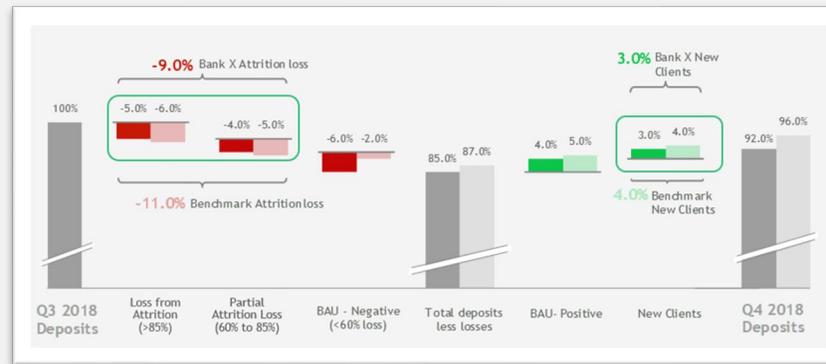
Supplemented with detailed view by service code



Deposits growth and attrition

Deep-dive into growth and attrition drivers, as well as their trend over time and across regions

Deposit growth and attrition vs. peers



Decomposition into:

Attrition

Partial Attrition (60% to 85% loss)

BAU - Negative/Positive

New Clients

Trend and drivers across regions



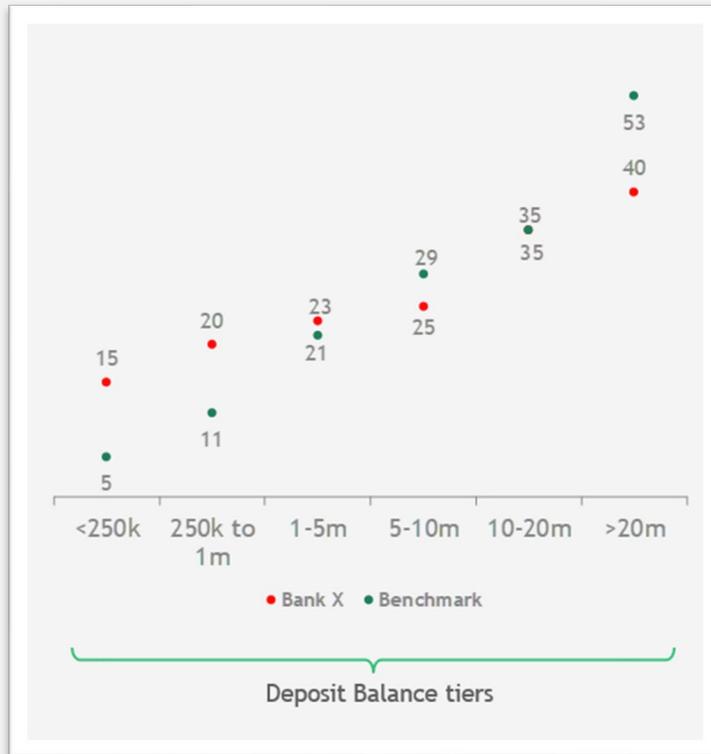
Analysis over time to identify trends and patterns



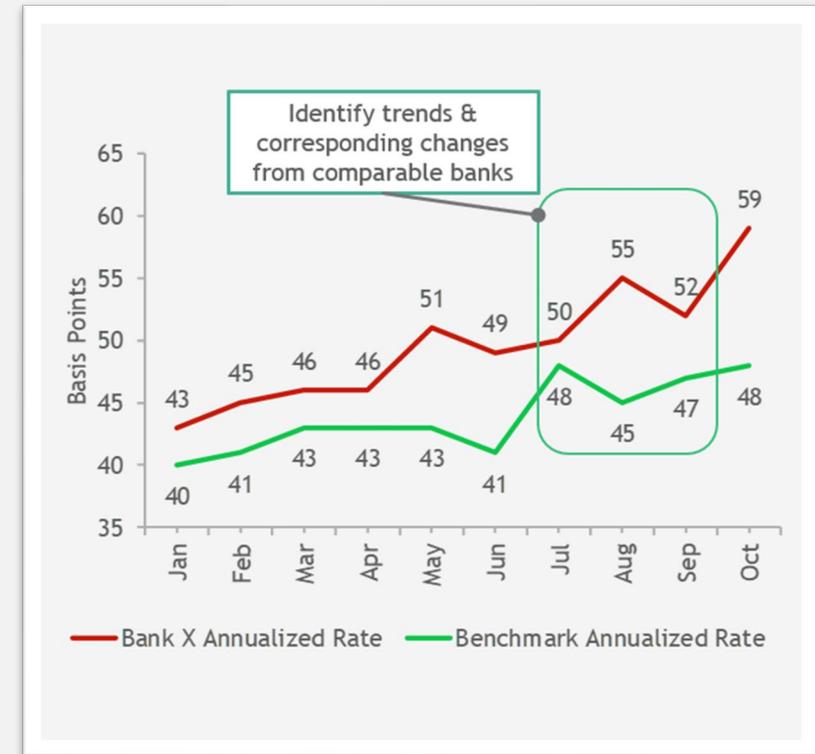
ECR analysis and benchmarking

Understand the competitiveness of bank's deposit services

ECR benchmark across specific deposit balance tiers



Complemented with ECR trend over time relative to peers



Commercial Banking Revenue Analytics (CoBRA)

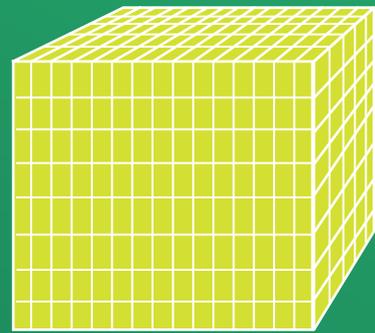
Revenue performance and sales effectiveness benchmarking at a granular client cluster level (industry x client size x products)

Unrivalled and true picture of customer wallets and business with commercial banks

Client size

(\$M turnover)

500- 2000
250-500
100-250
50-100
20-50
10-20
5-10
3-5
1-3
0.5-1
0.1-0.5



Industry

FIG
Retail
CRE
Healthcare
Manufact.
Wholesale
Prof Sys
Media
Agriculture
Transport.
Technology
Energy
Other

Product type

Lending
Deposits
TM fees
Trade
Capital Markets
FX

...etc.



Client and Firmographics Data

1.2 million client-level records from 13 of the top 25 US commercial banks with information on client size, industry, zip code and product usage



Fully integrated view across products, critical to predict true customer wallets

- Wallet benchmarking view across lending, deposits, TM, cards, merchant, capital markets and trade finance
- Granular market revenue pools (US CUBE) available using the client wallets and information on all US firms by geography, industry and sales size (~12M total firms¹)

Unique offering in the marketplace as no other provider has a fully-integrated wallet view

Designed to help you answer key performance questions across three dimensions



Cross-sell and
penetration

What are the opportunities to increase cross-sell and penetration?

Support initiatives to drive cross-sell, improve non-lending business generation, and better penetrate client base



Wallet
benchmarking

Are we capturing a fair share of our clients' banking wallets?

Help optimize share of wallet and identify key opportunities across granular client clusters





What are the opportunities to increase cross-sell and penetration?

Illustrative questions

How is the competition doing on cross-sell? Which **industries / customer segments** should we prioritize?

What are the right industries to focus on from **future growth** standpoint?

Which industries are my **competitors** concentrated on?

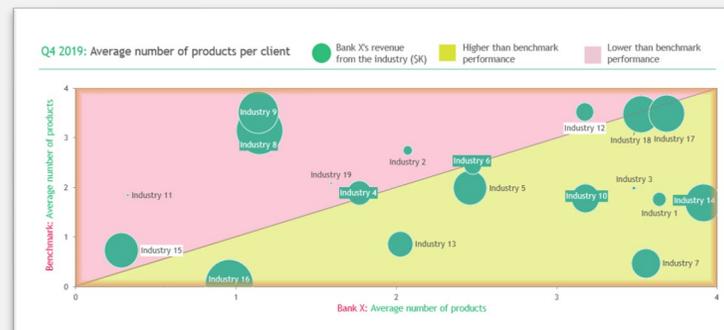
Cross sell and penetration vs. the benchmark

Client penetration vs. the Benchmark

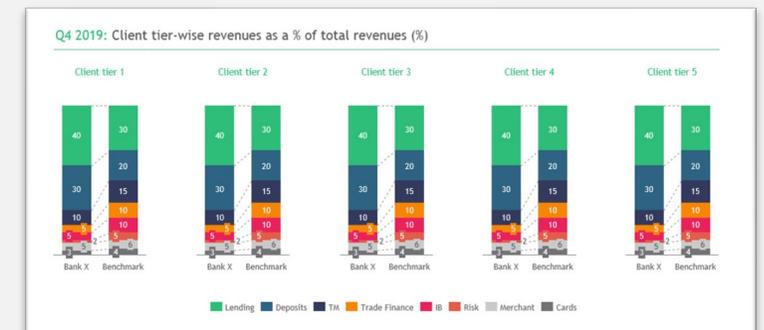
	Industrial & Manufacturing	Services	Financial Svc & Insurance	Transportation & Warehousing	Chemicals	Retail	Wholesalers
Lending	61%	50%	43%	69%	58%	56%	61%
Deposits	66%	68%	65%	74%	70%	65%	68%
TM	65%	64%	57%	74%	66%	62%	67%
Merchant	25%	22%	17%	13%	25%	22%	25%
Cards	34%	34%	17%	55%	33%	19%	31%
FX	8%	8%	8%	NA	8%	10%	9%
Risk	6%	5%	NA	NA	NA	7%	10%

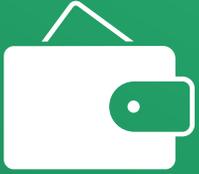
■ Higher than BM median (> 5 p.p. gap)
 ■ In-line with BM median (+/- 5 p.p. gap)
 ■ Lower than BM median (5 to 20 p.p. gap)
 ■ Much lower than BM (> 20 p.p. gap)

Cross-sell and non-lending performance across industry and client tier clusters



Product-mix driving non-lending rev. across industries and client tiers





Are we capturing a fair share of our clients' banking wallets?

Illustrative questions

In which **product, industry, and customer** segments can we improve?

Is there a **specific product** to focus in Healthcare industry?

Should we **prioritize cards and merchant business** in the mid-market segment?

What **dollars do our competition** earn here?

Size of Wallet (revenue per client) vs. the benchmark

Wallet size vs. the Benchmark¹ (\$k)

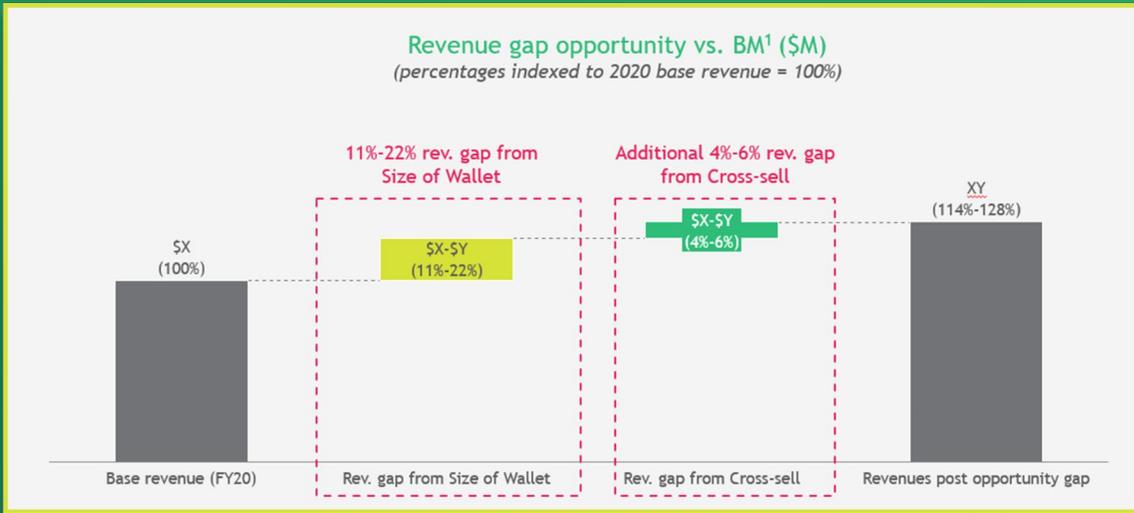
Middle Market - Client sales tier: \$20M - \$50M

	Industrial & Manufacturing	Services	Financial Svc & Insurance	Transportation & Warehousing	Chemicals	Retail	Wholesalers
Lending	4,743	4,832	13,177	11,752	6,241	3,601	5,816
Deposits	1,309	3,182	1,656	3,366	1,453	1,899	1,394
TM	15	18	19	23	20	15	17
Merchant	6	19	24	4	7	17	9
Cards	9	11	8	9	8	11	8
FX	6	46	4	NA	8	91	8
Risk	37	15	NA	NA	NA	23	21

■ Higher than BM median (> 5 p.p. gap)
 ■ In-line with BM median (+/- 5 p.p. gap)
 ■ Lower than BM median (5 to 20 p.p. gap)
 ■ Much lower than BM (> 20 p.p. gap)

Wallet size benchmarking across 1.5K+ unique client clusters
(~10 sales size tiers X 20+ industries X 8 products)

Revenue gap assessment vs. benchmark across distinct up-sell and cross-sell levers

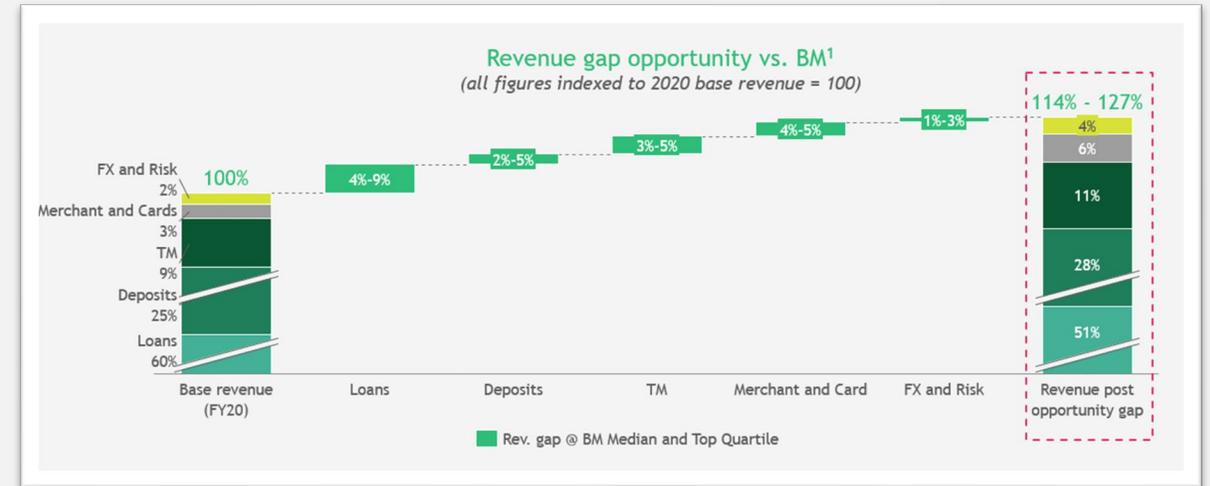


Upsell: enhance size of wallet across clients currently using the product

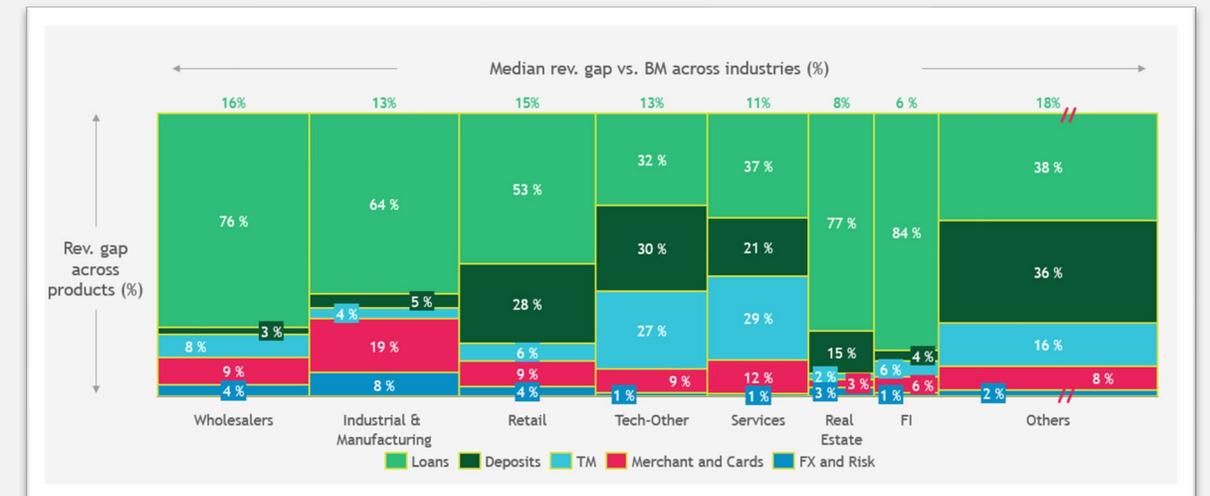
Cross-sell: increase cross-sell and better penetrate the client base (ex: better penetration of fee products across lending-only clients)

Opportunity assessment at granular 1.5K+ client clusters (20+ industries X 10+ sales sizes X 8 products)

...with dissection of product level opportunities...



... and client sizes and industries



CoBRA: product delivery proposition



One-time
management report
with customized de-
briefing



On-demand
customized drill-
downs into areas of
interest

TMetrics: data request

Data request - BCG TMetrics (I/III)

Data category	Data	Description
Transaction-level data monthly submissions	Periodicity	Transaction data must be at monthly level (preferable) or quarterly level
	PxV Revenue	Effective (as paid by the client, inclusive of discounts) revenue
	Volume	Effective volume
	ECR*	Earning credit rate: credit amount earned by the customer by depositing funds in a checking account and used to offset service charges
Product information	AFP codes	Used to map bank-defined service codes to a standard BCG taxonomy; highly preferable if bank provides this mapping
	Basis of billing	Units in which services are charged. Needed to normalize volumes and compare same services priced in different units (e.g. per dollar, per note, per month, per item)
	List prices	List price for each service code (before discounts)
Static data quarterly reviews	Client hierarchy	The hierarchy of Overall Client Relationship (highest), child Legal Entities (intermediate) and child Accounts (lowest)
	NAICS/SIC Codes	Used to map bank-defined client industries to a standard BCG taxonomy
	State	Used to map states to BCG standard regions and sub-regions
	<i>Sales turnover*</i>	<i>Client's annual sales turnover, used as a proxy for client's size</i>
	<i>Banking segment*</i>	<i>The segment/division of the bank dealing with each client</i>
	<i>Cash Management Specialist*</i>	<i>Cash Management Specialist / Treasury Management Officer dealing with client</i>
	<i>Relationship Manager*</i>	<i>Relationship Manager dealing with client</i>

* Priority 2 items

Data request - BCG TMetrics (II/III)

PxV data

Required data	Typical data source	Description
Lead Relationship ID	Transaction data	Overall client relationship across the bank
Client ID	Transaction data	Individual client treasury management accounts linked to the lead relationship
Account ID	Transaction data	Treasury management accounts linked to the client IDs
Service Code	Transaction data	Unique code associated with each TM service
AFP Code	Product mapping source	AFP code associated with the service code of the bank
Service Code Family	Transaction data	Service codes grouping (e.g. Wires, ACH)
Service Code Name	Transaction data	Name given to each service by the bank (e.g. Incoming Fedwire Transfer)
Service Code Description	Product mapping source / Transaction data	Description of the activity associated with the service code
Billing unit	Qualitative / Transaction data	The unit of volume by which the service is charged (e.g. per \$100 deposited)
Waiver (Y/N)	Inferred from Transaction data	Flag to identify if the service fee has been waived
Volume	Transaction data	The volume of units processed per transaction
PxV	Transaction data	The effective PxV revenue after discounts and waivers
Month Date	Transaction data	The month and year of the transaction
State	Transaction data	The US state in which client is registered with the bank
NAICS/SIC	Client mapping source	Industry specific code that denotes the clients industry sector
Segment	Client mapping source / Transaction data	The client segment to which the client is assigned (e.g. business banking)
Relationship Manager (ID)	Client mapping source	The ID of the RM in charge of the client
Cash Management Specialist (ID)	Client mapping source	The ID of the CMS in charge of the client

Data request - BCG TMetrics (III/III)

ECR data

Data	Priority	Description	Sample calculation
Average Collected Balance	Highly desirable	Average of daily Collected Balances	\$1'000'000
Federal Reserve requirement	Highly desirable	Percentage of Collected Balance or dollar amount that banks were historically not allowed to reinvest and is hence subtracted from Average Collected Balance	- (\$1'000'000 x 10%)
Average Investable Balance (Deposit Value)	Must have	Balance on which ECR is applied to calculate the Credit Allowance. It equals the Collected Balance less the Fed requirement	= \$900'000
Earning Credit Rate (ECR)	Highly desirable	Annual interest rate paid monthly to client on Investable Balance. Please indicate the convention used to convert rate from annual to monthly (e.g. 31 days in a month and 365 days in a year).	
ECR Tier	Optional	ECR tiering schedule based on client's average balance	× (0.25% × 31 ÷ 365)
ECR Indexed/Managed	Highly desirable	Whether Earning Credit Rate is fixed (managed) or variable (indexed)	
Earning Credit Allowance (ECA)	Must have	Credit earned by client on Investable Balance and used to offset PxV fees generated in the same month	= \$191
Earning Credit Utilized	Optional	Amount of ECA that is effectively utilized to offset PxV fees. This will correspond to the minimum between PxV fees and ECA generated in any given month. Please indicate whether clients are allowed to carry unused ECA forward.	min(\$191, PxV fee)

CoBRA: data request

Data request- Commercial Banking Revenue Analytics (CoBRA)



Client demographics

Client ID
 Client ZIP code
 Client Industry code (e.g., NAICS code)
 Client annual sales
 Relationship manager ID
 Product specialist ID (different products)
 Internal risk rating of client



Revenues by product family

Loan income - interest and fee (split by loan type)
 Deposit spread (split by deposit type)
 Net TM/deposit fees
 Merchant and Corporate Cards
 Trade Finance
 FX products (incl. derivatives)
 Interest Rate derivatives
 Other risk management products (such as commodities, equities, bonds)
 IB - M&A, ECM and DCM²
 Wealth Management²
 Asset management (corporate trust, retirement, etc.)²
 Insurance²



Client balances by products

Loan outstanding - split into loan type (CRE, C&I, leasing and agri)¹ and loan nature (term vs. revolving)
 Commitments
 Deposit balances - split into checking, time, MMDA, savings
 New production of loans and deposit in the last quarter

1. Kindly provide as granular a split of loan type as possible; 2. Optional

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