

Primary Bank Role Pays Huge Credit, Deposit and Services Dividends for Commercial Banks

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Today, Novantas released the Treasury Strategies 2016 Corporate Treasury Survey revealing the primary bank position yields disproportionately large benefits in deposits and fees. The survey was conducted to study cash management and liquidity buying habits of middle market and large corporations, revenues between \$50 million - \$10 billion+, to better understand how corporates are responding to regulatory and economic reform.

According to Dave Robertson, Managing Director of Novantas, “our research quantifies a long-held belief about the value of being the primary provider. While the primary provider provided, on average, less than half of required credit funding — the primary deposit and services providers enjoyed nearly two-thirds of the deposit and fee wallet.”

The primary deposit bank enjoys up to three times the deposits as the next bank, and the primary treasury management bank receives twice the treasury management business of the second provider.

How does a bank become a primary provider? The answer appears to vary by size of firm. Companies with more than \$10 billion of revenue named “Pricing” as their #1 bank selection factor while those with revenue less than \$100 million specified “Digital Capabilities” as their key factor in selecting a primary bank. Given the value in being a primary provider, banks must price relationships differentially based on total value and also focus scarce investment dollars in capabilities that drive a primary relationship position.

Novantas and Treasury Strategies will be at the upcoming AFP Conference in Orlando for anyone wishing to discuss the survey findings in greater depth. To learn more about the study, please contact Dave Robertson — drobertson@novantas.com.

ABOUT NOVANTAS AND TREASURY STRATEGIES

Novantas periodically surveys its Treasury Strategies corporate panel consisting of over 100 senior treasury professionals to yield critical market insights. Treasury Strategies, the leading treasury consulting firm, has worked with corporate Treasurers for more than 30 years developing solutions and delivering insights on leading practices, treasury operations, technology, and risk management for hundreds of companies around the globe. We serve corporate Treasurers, their financial services providers and technology providers for the complete 360° view of treasury.

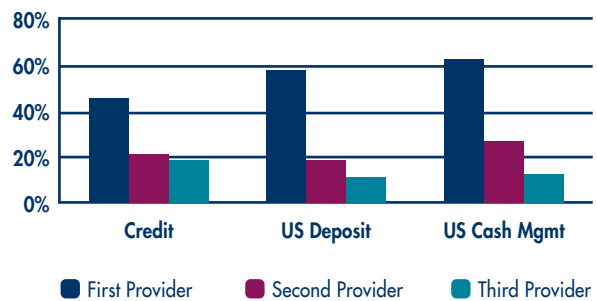
Novantas is the industry leader in analytic advisory services and technology solutions for retail and commercial banks. We create superior value for our clients through deep and insightful analysis of the information that drives the financial services industry across pricing, product development, treasury and risk management, distribution, marketing, and sales management.

With more than 200 professionals, Treasury Strategies and Novantas are a formidable team in both bank and corporate treasury markets.

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Primary vs. Secondary Provider Share of Wallet



Source: Treasury Strategies 2016 Corporate Treasury Survey