

Press Release

J.D. Power Reports: Customer Satisfaction with Banks at All-Time High, but Areas of Weakness Signal Competitive Vulnerability

Midsize Banks Not Keeping Up with Demographic Shifts

WESTLAKE VILLAGE, Calif.: 1 May 2014 — Despite ongoing public scrutiny, customer satisfaction with banks is at a record high as banks improve experiences for their customers, reduce problems and create a better understanding of fees, according to the J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM released today. Yet, midsize banks are missing the mark with key audience segments, such as millennials (born 1977-1995) and minorities, with affluent customers still the least-satisfied customer segment.

“Midsize¹ banks are falling behind in meeting the needs of the fastest growing demographic groups, millennials and minorities, especially in online, mobile and problem resolution,” said Jim Miller, director of banking services at J.D. Power. “If midsize banks don’t change their focus to adjust to demographic shifts, they are extremely vulnerable and risk losing market share to competitors and becoming irrelevant.”

Improving consumer sentiment with the economy and personal finances has helped lift overall satisfaction with retail banks to 785 (on a 1,000-point scale) in 2014, up from 763 in 2013. Bank customers are experiencing fewer problems; when problems do occur, they are more satisfied with how they are resolved. Discontent with fees has declined, with fees satisfaction rising 46 points to 669, the highest level since before the 2010 study re-design.

However, not all customers feel the same. Banks are not meeting the needs of affluent customers, the least-satisfied segment. Expectations for personalized experiences are high among affluent customers, and banks have not provided a differentiated experience to meet those expectations.

“It’s remarkable that banks are failing to satisfy affluent customers, especially with deposits and liquidity so important to the life of a financial institution,” said Miller. “As boomers age, the country is poised for a huge transfer of wealth in upcoming years. As this occurs, those banks that have satisfied the affluent segment will be more competitively positioned to prosper.”

KEY FINDINGS

- Overall satisfaction among big banks improves 23 points to 782, while midsize banks improve only 11 points to 796 and regional banks improve 24 points to 784.
- Midsize banks have held a strong lead with satisfaction among affluent customers; however, big banks have closed the gap with a 40-point improvement. Satisfaction with midsize banks declines

¹ Big banks are defined as the six largest financial institutions based on total deposits as reported by the FDIC, averaging \$180 billion and above. Regional banks are defined as those with between \$180 billion and \$33 billion in deposits. Midsize banks are defined as those with between \$33 billion and \$2 billion in deposits.

by 6 points among affluent customers, while regional banks improve 30 points among affluent customers.

- In 2014, 16 percent of customers have experienced a problem or had a complaint, down from 18 percent in 2013 and 24 percent in 2010.
- Satisfaction with the problem resolution process has improved to 620 in 2014 from 595 in 2013.
- Among customers who switched banks during the past 12 months, the most common reasons are poor customer service (28%); branches are not conveniently located (21%); and interest rates are not competitive (19%). Only 15 percent of these customers cite high fees as a primary reason for switching.

Also, while overall banking satisfaction is at an all-time high, not all banks are serving their customers' needs effectively.

According to Miller, "Even with record high satisfaction, there are some banks that fall far short in meeting customer needs. It is easy for banks to become complacent. To stay at the top of their game, banks should focus on those customers who are not satisfied. And consumers should keep in mind they have the opportunity to shop banks to find the right combination of services, products and fees to meet their needs."

J.D. Power offers the following tips for consumers:

- Make sure you review your account and keep track of the fees you are paying. Contact your bank to see if there are lower cost product options or shop other banks to understand your alternatives.
- Find a bank that delivers well on how you want to bank. With a little research, you can find a bank that makes it easy to bank when, where and how you want. If you prefer to bank remotely, what type of mobile and online services does your bank offer? Can you deposit a check with your smartphone? If you prefer to bank in person, how convenient are the branch locations and hours?
- Visit jdpower.com to view satisfaction rankings on banks in your region.

The ninth annual customer satisfaction study is the longest-running and most in-depth survey of the retail banking industry, with more than 80,000 customers covering various aspects of their banking experience. The study measures satisfaction in six factors: account information; channel activities; facility; fees; problem resolution; and product offerings. Banks are ranked based on overall customer satisfaction in each of the following regions: California, Florida, Mid-Atlantic, Midwest, New England, North Central, Northwest, South Central, Southeast, Southwest and Texas.

The study measures customer satisfaction with banks in 11 regions. Study results by region are:

California Region: Rabobank ranks highest in the California region with a score of 832 and performs particularly well in the account information, fees and channel activities factors. Following Rabobank in the rankings are Bank of the West, Chase, U.S. Bank and Wells Fargo in a tie (796 each).

Florida Region: Chase ranks highest in the Florida region with a score of 826, performing particularly well in the facility and channel activities factors. TD Bank (823) and SunTrust (814) follow in the rankings.

Mid-Atlantic Region: Northwest Savings Bank ranks highest in the region with a score of 832 and performs particularly well in the product offerings factor. Susquehanna Bank (829) and National Penn Bank (825) follow in the rankings.

Midwest Region: First Midwest Bank ranks highest in the region with a score of 813 and performs particularly well in the facility, account information and channel activities factors. Following First Midwest Bank in the rankings are Commerce Bank (801) and AnchorBank and UMB Bank in a tie (799 each).

New England Region: Eastern Bank ranks highest in the region with a score of 817 and performs particularly well in the account information and fees factors. Rockland Trust Co. (810) and Webster Bank (794) follow in the rankings.

North Central Region: With a score of 828, Huntington National Bank ranks highest in the region, performing particularly well in the product offerings, account information and fees factors. Following in the rankings are Regions Bank (816) and Flagstar Bank (809).

Northwest Region: Umpqua Bank ranks highest in the region with a score of 841 and performs particularly well in the product offerings, facility, account information, fees and channel activities factors. U.S. Bank (793) and Sterling Bank (791) follow in the rankings.

South Central Region: Arvest Bank ranks highest in the region with a score of 843, performing particularly well in the product offerings, facility, account information and channel activities factors. Following in the rankings are PNC Bank and Trustmark National Bank in a tie (816 each).

Southeast Region: United Community Bank ranks highest in the region with a score of 854 and performs particularly well in the product offerings, facility, account information, fees and channel activities factors. Following United Community Bank in the rankings are First Citizens Bancorp (836) and Branch Banking & Trust (BB&T) and First Citizens Bancshares in a tie (815 each).

Southwest Region: With a score of 831, Arvest Bank ranks highest in the region, performing particularly well in the product offerings, facility, account information, fees and channel activities factors. MidFirst Bank (822) and Chase (814) follow in the rankings.

Texas Region: Frost Bank ranks highest in the Texas region with a score of 856, and performs particularly well in the product offerings, account activities, fees and account information factors. Woodforest National Bank (843) and Amegy Bank (812) follow in the rankings.

The 2014 U.S. Retail Banking Satisfaction Study is based on responses from more than 80,000 retail banking customers of more than 130 of the largest banks in the United States regarding their experiences with their retail bank. The study was fielded quarterly from April 2013 to February 2014:

Wave 1: April 1, 2013 – April 26, 2013

Wave 2: July 1, 2013 – July 29, 2013

Wave 3: October 1, 2013 – October 28, 2013

Wave 4: January 9, 2014 – January 31, 2014

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(Page 4 of 4)

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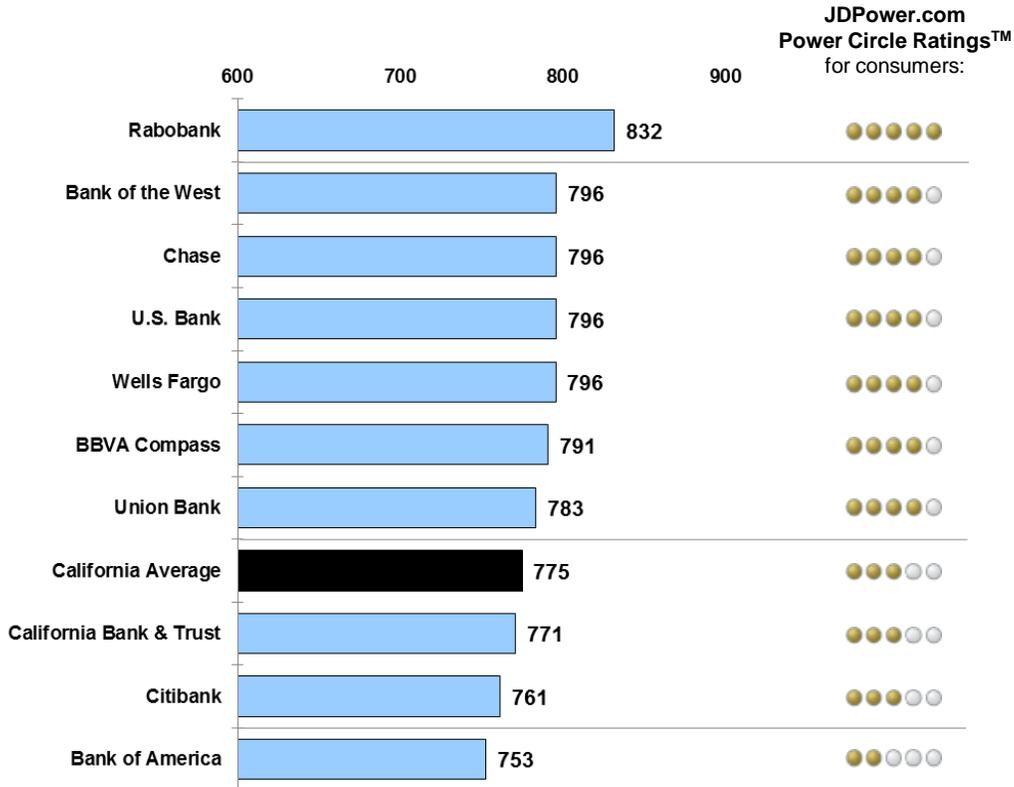
Note: Eleven charts follow.

J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

Customer Satisfaction Index Ranking

California

(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size are City National Bank (CA), Comerica Bank, East West Bank, First Bank (MO), OneWest Bank, Pacific Western Bank, Tri Counties Bank, Umpqua Bank and Westamerica Bank.

Power Circle Ratings Legend

●●●●● Among the best

●●●●○ Better than most

●●●○● About average

●●○○○ The rest

Source: J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

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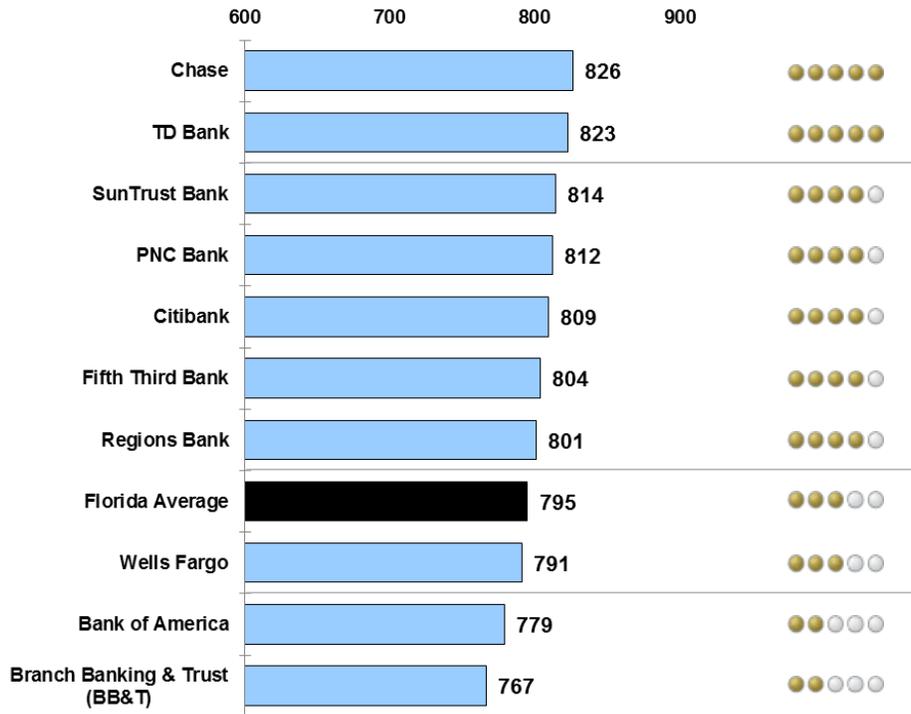
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Customer Satisfaction Index Ranking

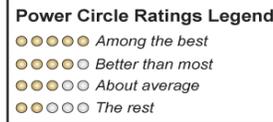
Florida

(Based on a 1,000-point scale)

**JDPower.com
Power Circle RatingsTM
for consumers:**



Included in the study but not ranked due to sample size are BankUnited, CenterState Bank and Synovus.



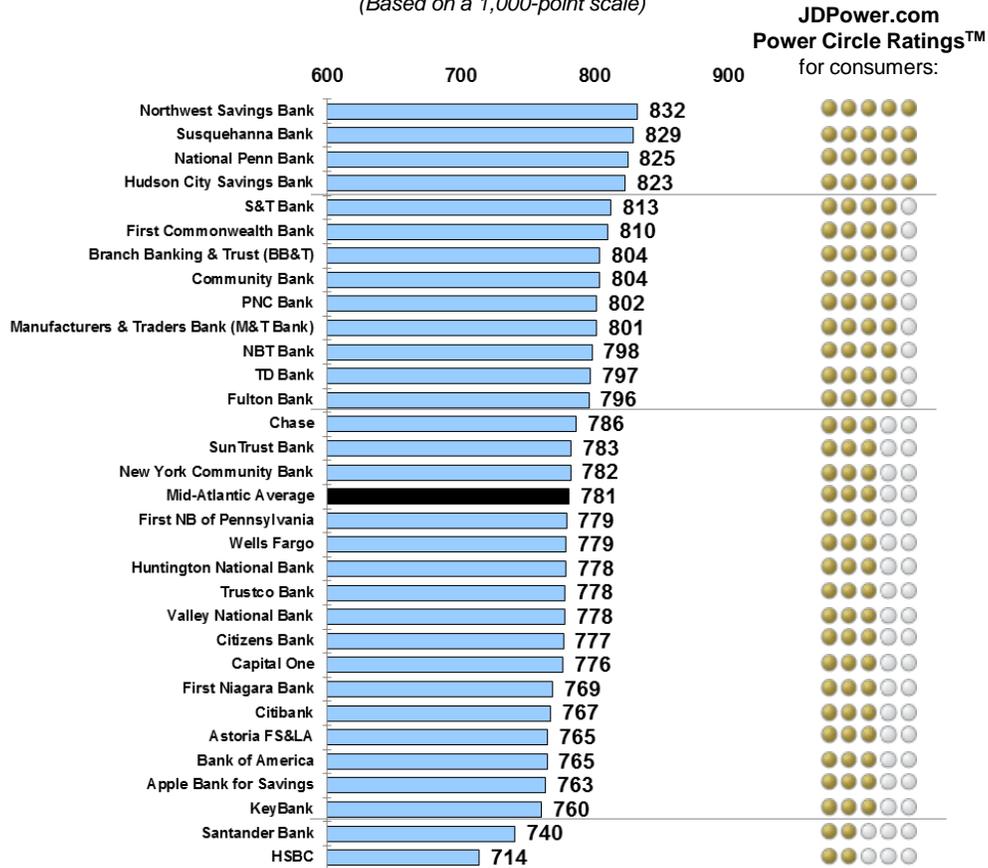
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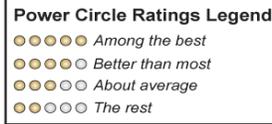
Customer Satisfaction Index Ranking

Mid-Atlantic Region
(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size are Beneficial Mutual Savings Bank, Carter Bank & Trust, Five Star Bank, Investors Savings Bank, People's United Bank, The Provident Bank, Sandy Spring Bank, StellarOne Bank, Sun National Bank, Union First Market Bank and United Bank.

Included in the Mid-Atlantic region are Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia and Washington, D.C.



Source: J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

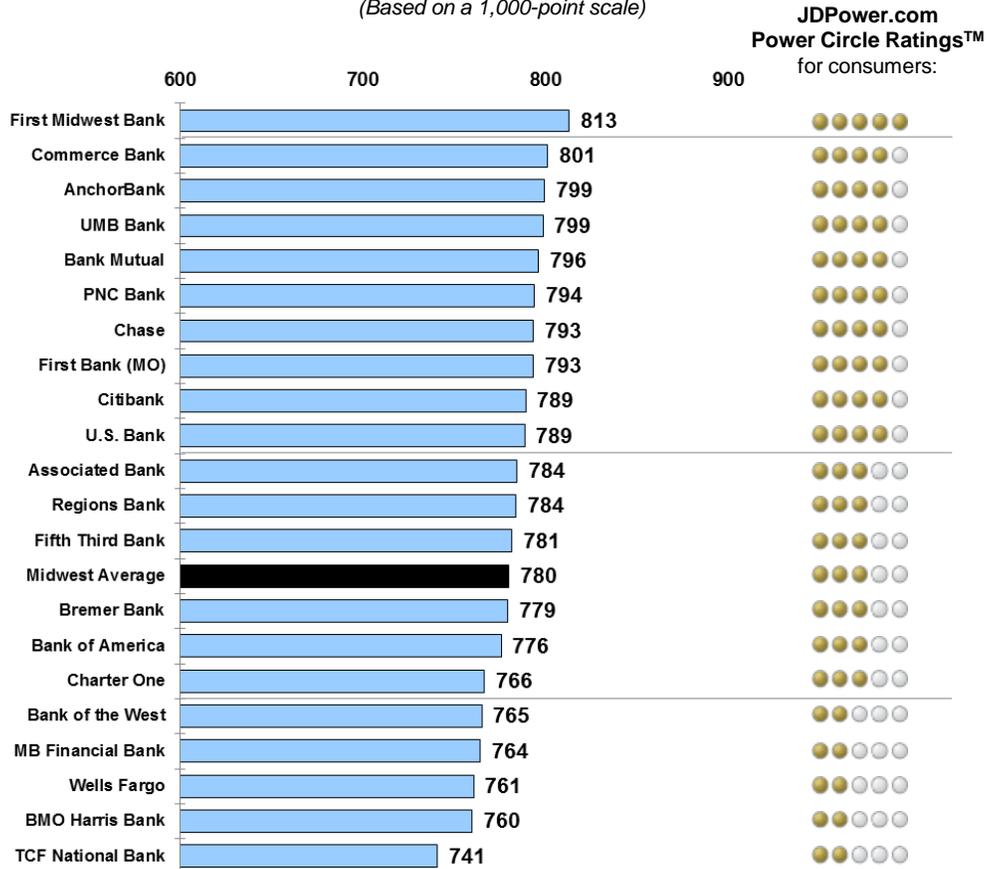
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Customer Satisfaction Index Ranking

Midwest Region

(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size are First American Bank, Great Southern Bank, NBH Bank and Wintrust Community Bank.

Included in the Midwest region are Iowa, Illinois, Kansas, Minnesota, Missouri and Wisconsin.

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

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Customer Satisfaction Index Ranking

New England Region

(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size is Bangor Savings Bank.

Included in the New England region are Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

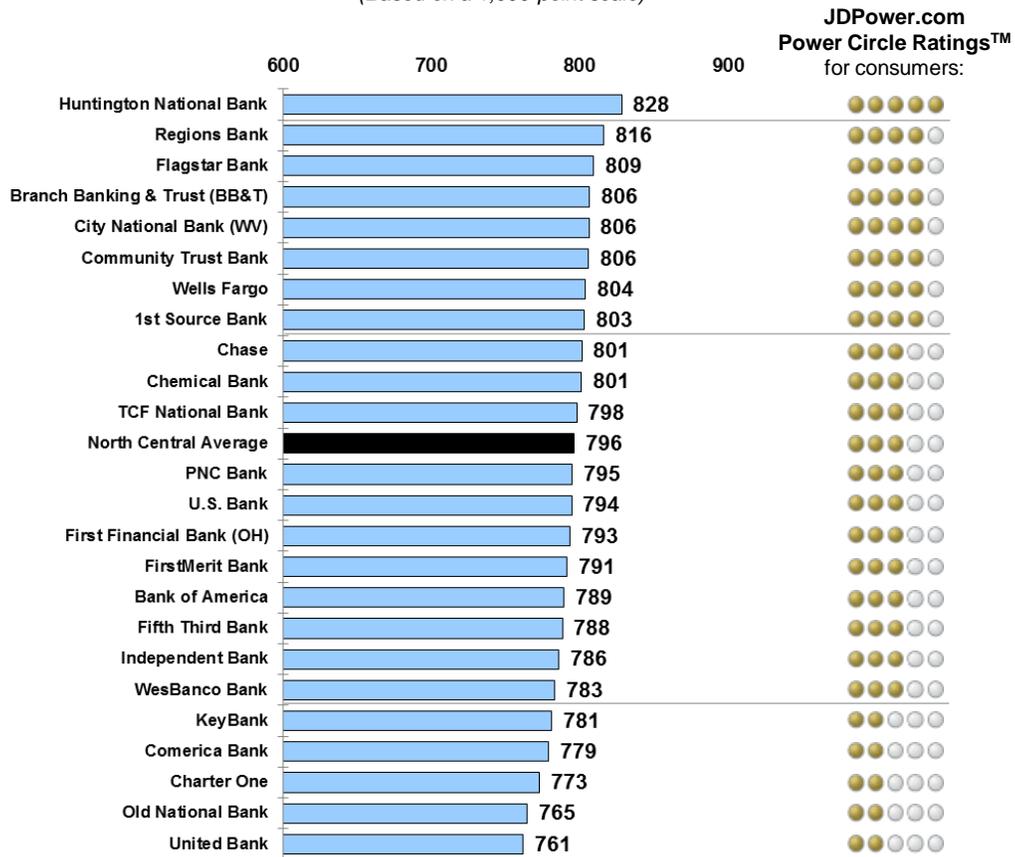
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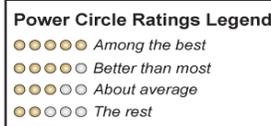
Customer Satisfaction Index Ranking

North Central Region (Based on a 1,000-point scale)



Included in the study but not ranked due to sample size BMO Harris Bank, First Merchants Bank, MainSource Bank and Park National Bank.

Included in the North Central Region are Indiana, Kentucky, Michigan, Ohio and West Virginia.



Source: J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

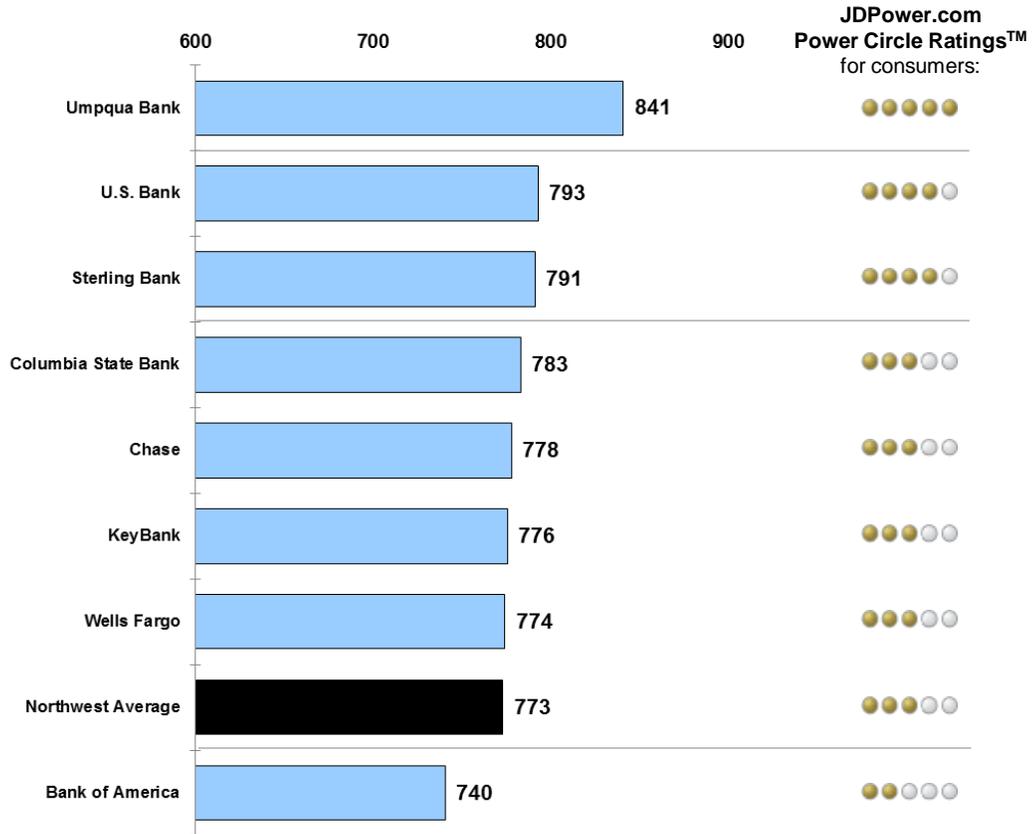
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Customer Satisfaction Index Ranking

Northwest Region

(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size are Banner Bank, Union Bank and Washington Federal.

Included in the Northwest region are Oregon and Washington.

Power Circle Ratings Legend

★★★★★ Among the best

★★★★☆ Better than most

★★★★☆ About average

★★★☆☆ The rest

Source: J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

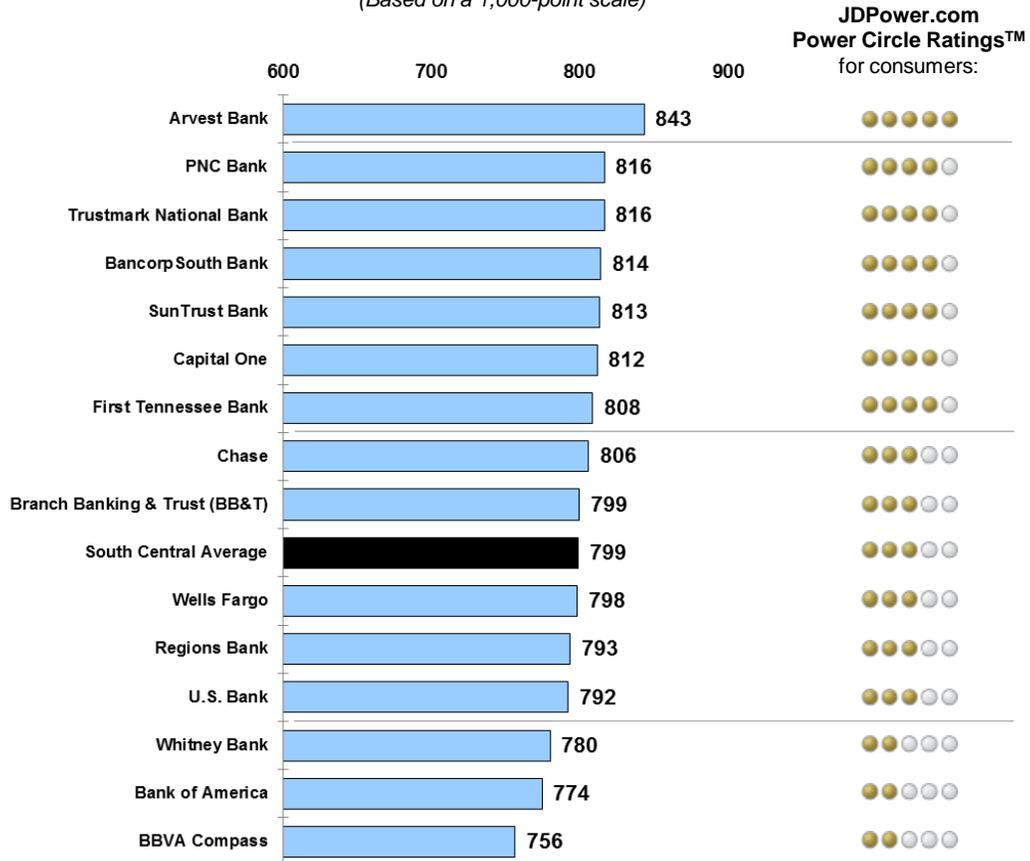
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Customer Satisfaction Index Ranking

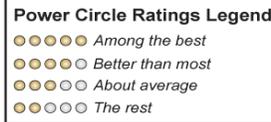
South Central Region

(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size are Cadence Bank, Centennial Bank, First Security Bank, Hancock Bank, IBERIABANK, Renasant Bank, Simmons First Bank and Synovus.

Included in the South Central region are Alabama, Arkansas, Louisiana, Mississippi and Tennessee.



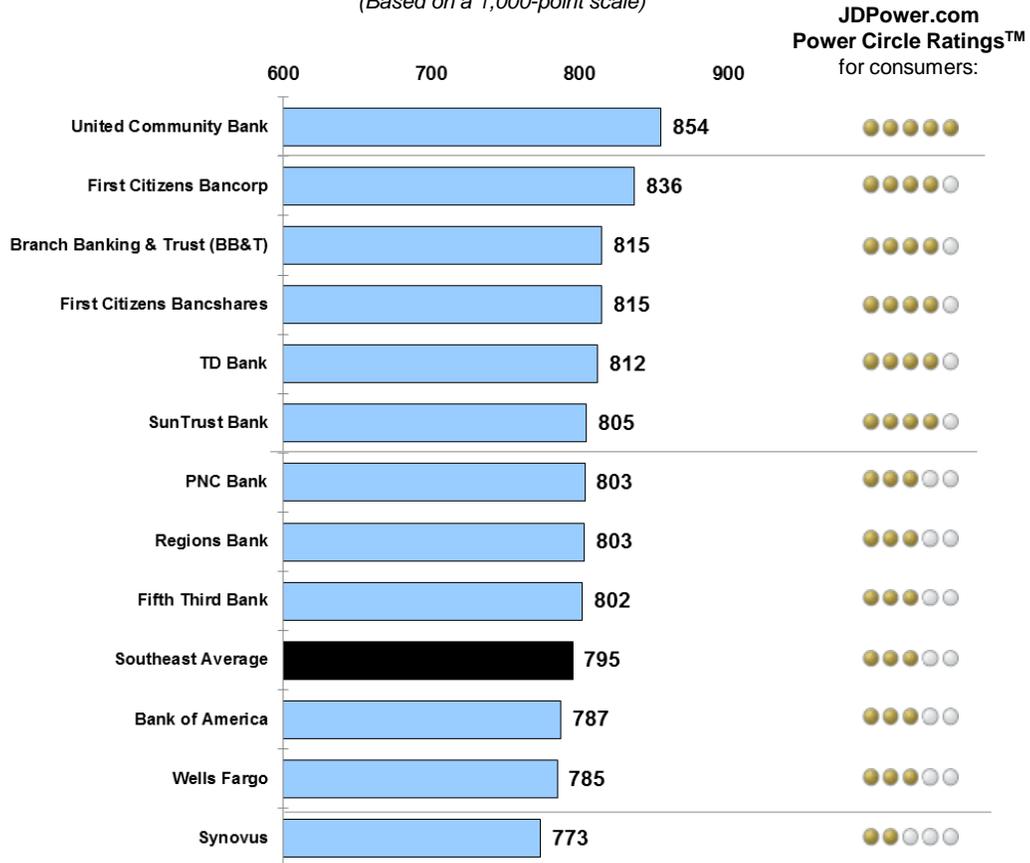
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J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

Customer Satisfaction Index Ranking

Southeast Region
(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size are First Bank (NC), First Federal, and South Carolina Bank & Trust.

Included in the Southeast region are Georgia, North Carolina and South Carolina.



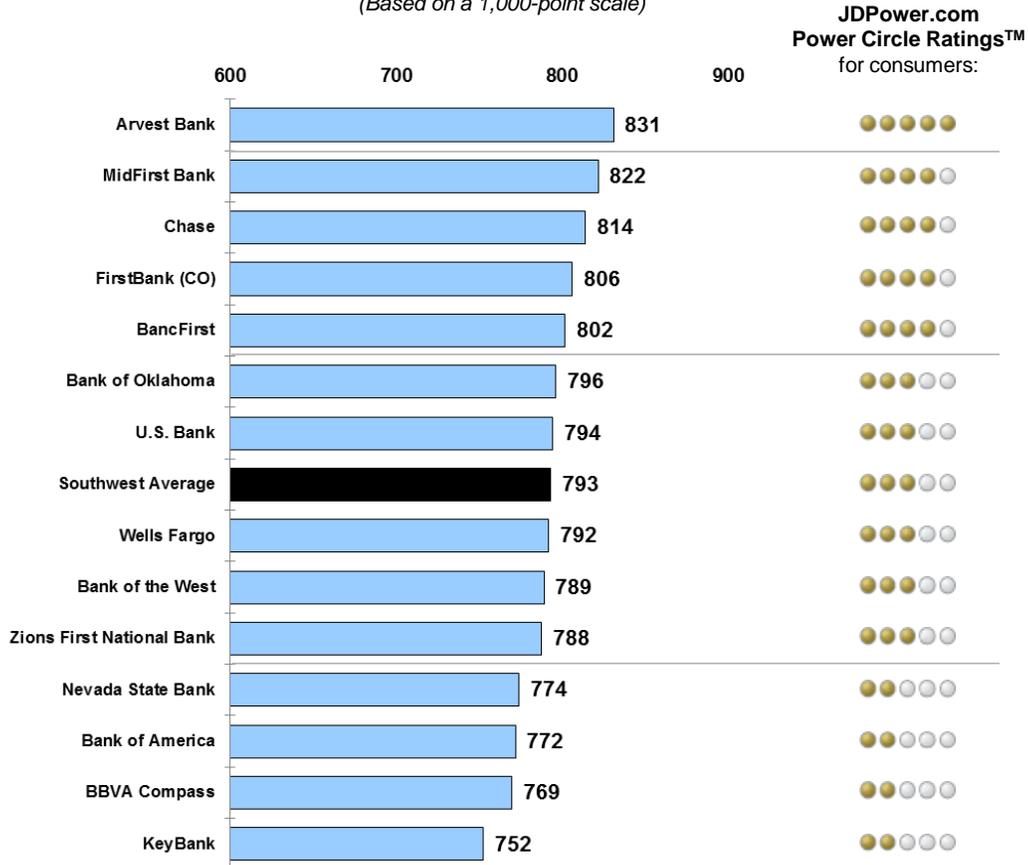
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Customer Satisfaction Index Ranking

Southwest Region
(Based on a 1,000-point scale)



Included in the study but not ranked due to sample size are BMO Harris, National Bank of Arizona and Washington Federal.

Included in the Southwest region are Arizona, Colorado, New Mexico, Nevada, Oklahoma and Utah.

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

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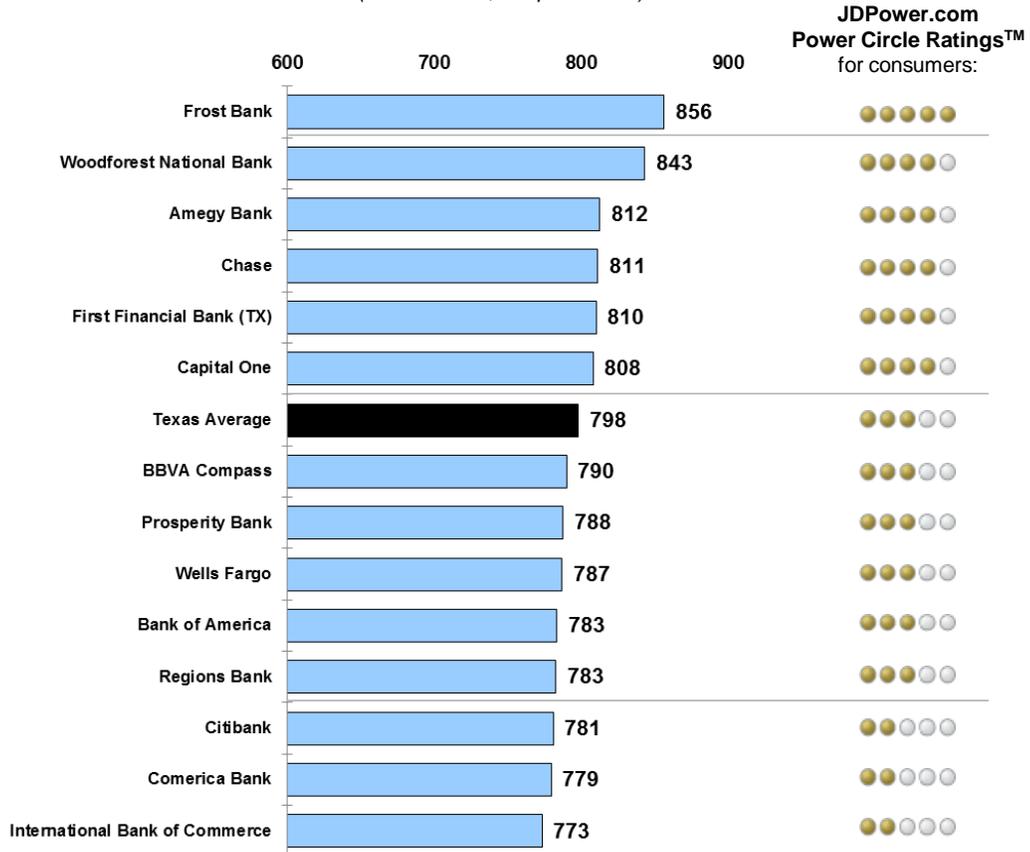
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J.D. Power 2014 U.S. Retail Banking Satisfaction StudySM

Customer Satisfaction Index Ranking

Texas

(Based on a 1,000-point scale)



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