



2013 TRANSACTION BANKING SURVEY

Report of Survey Results

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Banks have spent millions on improving transaction banking for their corporate customers – but have they got it right? The research results presented in this report provide an insight into the needs and concerns of corporates and examine the bank-to-corporate relationship. As banks continue to review and enhance their transaction banking services, this report provides some clear indicators as to what is on the shopping list of the modern CFO and Group Treasurer.

Over 350 corporates provided their views and responses across a wide range of company sizes and locations. More than 30% of survey respondents indicate that they manage significant banking complexities with over 150 different bank accounts with more than 11 different banking relationships. Rationalization with devolved local coverage would seem real threats to maintaining business.

Many banks have already implemented corporate client portals to enhance the corporate customer experience. Interestingly, a significant number of corporates would now like access through a multi-bank portal, or at the very least through a single bank portal. The inference being that banks must make access to the underlying products and services more integrated, real-time, consistent and without the need to provide additional tokens or logins.

The report also reviews the bank side of the picture and clearly shows that banks are making progress. However, there is still a long way to go, particularly with regards to the provision of real-time data for corporates instead of the historical end of day reporting practice.

CGI is a world leader in business consulting, systems integration, outsourcing and software to wholesale banks around the world. Whether you are reading this as a banker or a corporate, we hope that you find the report interesting and of value. If you would like to discuss this research or how we can support you, please contact us at banking.solutions@cgi.com.

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gtnews

2013 TRANSACTION BANKING SURVEY REPORT

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Together, gtnews and the AFP offer an unrivalled mix of information, education, training and member services to more than three quarters of the world's largest 1000 corporations.

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INTRODUCTION

The transaction banking services industry is continually changing. As products are updated and client needs change, so too do the factors that organisations consider when evaluating certain aspects of and selecting their providers. Driving many decision factors are companies' enterprise-wide mandates in which treasury plays a significant role.

It has been over five years since the start of the financial crisis, yet many treasury departments continue to feel effects. Examining counterparty aspects is just as important today as it was several years ago. Indeed, lingering impacts of the financial crisis have in many cases spurred organisations and their treasury departments to manage bank relationships differently, including looking at different metrics or products in the bank relationship mix.

In June 2013, *gtnews* conducted a survey of its subscribers to gauge organisations' level of client satisfaction with their transaction services providers. Findings from the survey, sponsored by CGI, show that many of the metrics and drivers are as relevant today as they were five years ago and are expected to continue being so into the future. Companies value bank relationships and the services provided regardless of organisations' or banks' geographical location. By examining the overall service of providers as well satisfaction with the provision of some specific products and services, this survey analysis reveals some telling factors about what companies look for and expect from their banking services providers. Among the key areas explored in this report are factors in selecting a bank, the impact of mobile services in a company's decision making, and possible areas for improvement.

Client Satisfaction

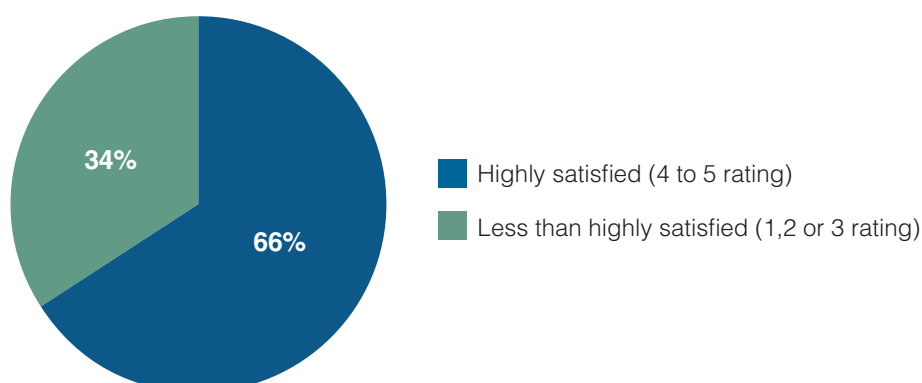
Organisations' overall satisfaction with banking partners is decidedly mixed. Two-thirds of corporate practitioners rate banking partners highly (a "4" or "5" on a 5-point scale) while the remaining third are less satisfied. Levels of satisfaction are slightly higher among smaller organisations (with annual revenues under \$1 Billion USD) but between public and privately owned companies there is little difference.

There is a substantial difference in levels of satisfaction based on location. Although more than three-quarters of North American survey respondents rate their banking partners highly, only about half of Western European respondents hold the same view. This may reflect the point in economic cycles where banking services providers are currently or in the process of exiting. In the U.S., banking providers are operating at the tail end of a less-than-favourable economic cycle. Economic conditions in Western Europe are much more disparate and, in many areas, are only now exhibiting signs of improvement.

Economic conditions are an important backdrop because as markets change so do banks' appetite for extending credit. That correlates directly with how companies measure satisfaction with their banking providers. Indeed, a banking partner extending credit is often the "starting point;" many organisations look at ancillary business in relation to credit provision as they seek banking providers that will extend credit even in the most troubling of times.

Overall Satisfaction with Service Provided by Main Banking Partners

(Percentage Distribution of Corporate Practitioners Rating Service "4" or "5" on a 5-point scale)



Overall Satisfaction with Service Provided by Main Banking Partners

(Percentage Distribution of Corporate Practitioners Rating Service "4" or "5" on a 5-point scale)

All	North America	Western Europe	Revenues Under \$1 Billion	Revenues At Least \$1 Billion	Publicly Traded	Privately Owned
66%	77%	52%	70%	65%	66%	64%

A closer look at organisations' satisfaction with their banking partners' provision of specific services reveals a less positive picture than do the overall ratings. While over half of corporate practitioners rate their banks highly on payments services, fewer than half hold this same view about any other service category. Once again, Western European respondents are most critical of their banking partners on specific services.

From a broad perspective, the survey results indicate that services which involve a higher degree of specialization or human intervention tend to generate lower levels of satisfaction. Such differences may be due to economics behind the need for these specific services or corporates' appetite for any specialised services linked to the company. For example, satisfaction among Western European companies for credit-related products (e.g., trade finance, credit, and open account A/R and A/P) was almost half that of North American corporates. It is interesting to note that only 26 percent of Western European survey respondents are satisfied with credit services compared to 60 percent of those from North American organisations.

These lower levels of satisfaction may be due to the economic climate in the Eurozone. As was recently the case with the U.S. economic cycle, the cost and availability of credit and related products is one of the measures companies continue to use to determine the satisfaction with their banking partners. Western Europe is facing a similar situation now: many corporate practitioners in the region are focused on maintaining or increasing their organisations' credit lines with banks, and so are simultaneously focused on how their banking partners serve their credit needs.

Note also the low level of satisfaction in bank-provided cash forecasting. This may be surprising to some, as previous *gtnews* studies highlight the importance of this topic to treasury. The survey reveals that only 14 percent of corporate practitioners are satisfied with cash forecasting services from their banks. In Western Europe, the figure drops to five percent.

Overall Satisfaction Provided by Main Banking Partners for Each Service

(Percent of Corporate Practitioners Selecting "4" or "5")

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Payments	57%	68%	38%	62%	57%	61%	52%
Cash management	49	61	35	46	57	56	45
FX (including hedging)	48	54	45	39	61	57	42
Credit	46	60	26	40	54	50	42
Trade finance (letters of credit, collections)	42	54	31	40	47	47	39
Liquidity	41	51	25	44	40	44	34
Investment banking/ capital markets	39	49	21	30	49	43	30
Open account (payables and receivables)	38	45	28	45	33	37	37
Pooling/netting	37	37	35	32	43	47	32
Forecasting	14	16	5	18	9	12	10

Bank Selection

While the survey results may suggest to banking providers that they can strengthen a variety of banking service areas, they also provide clear direction to corporate practitioners on what factors are most important when companies select banking partners. Not surprisingly, most organisations (98 percent) cite the quality of services provided by their banking partners as the most important characteristic when choosing a banking partner. Also highly ranked is financial stability (of the provider) and availability of services.

Importance of Factors in Selecting a Bank

(Percent of Corporate Practitioners Selecting “4” or “5”)



Western European respondents are less likely than those from North America to rate a bank's understanding of their business as a top factor in selecting a bank (66 percent versus 91 percent). This suggests Western European corporate practitioners place greater value on their banks getting “the basics” (service availability and quality) right first.

Importance of Factors in Selecting a Bank

(Percent of Corporate Practitioners Selecting “4” or “5”)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Quality of services	98%	100%	97%	100%	97%	98%	99%
Financial stability of the bank	96	98	90	97	94	96	94
Availability of services	95	98	93	95	94	96	96
Pricing	88	79	93	88	87	85	92
Technology platform and capabilities	82	89	72	83	79	80	82
How well the bank understands your business	82	91	66	81	82	79	84
Coverage & locality to your business	80	84	72	78	81	81	77
Potential for building a strategic partnership/relationship	77	83	69	77	77	76	78
Credit lines available	76	75	70	76	79	83	78
On-line or mobile services	55	57	38	63	44	51	54

Mobile Solutions

The lowest ranked important factor in selecting a bank—cited by “only” 55 percent of corporate practitioners—is on-line and/or mobile services. One reason this factor lagged behind the others in importance could be because there is little difference in such service offerings. In addition, nearly three in four banking services providers offer some kind of mobile solution for their corporate clients. Smaller organisations rate on-line/mobile services as a more important factor than do large ones (63 percent versus 44 percent). North American respondents are also decidedly more mobile-oriented than are their Western European peers (57 percent versus 38 percent).

Banks Offering Mobile Solutions for Corporate Clients

(Percentage Distribution of Banking Services Providers)

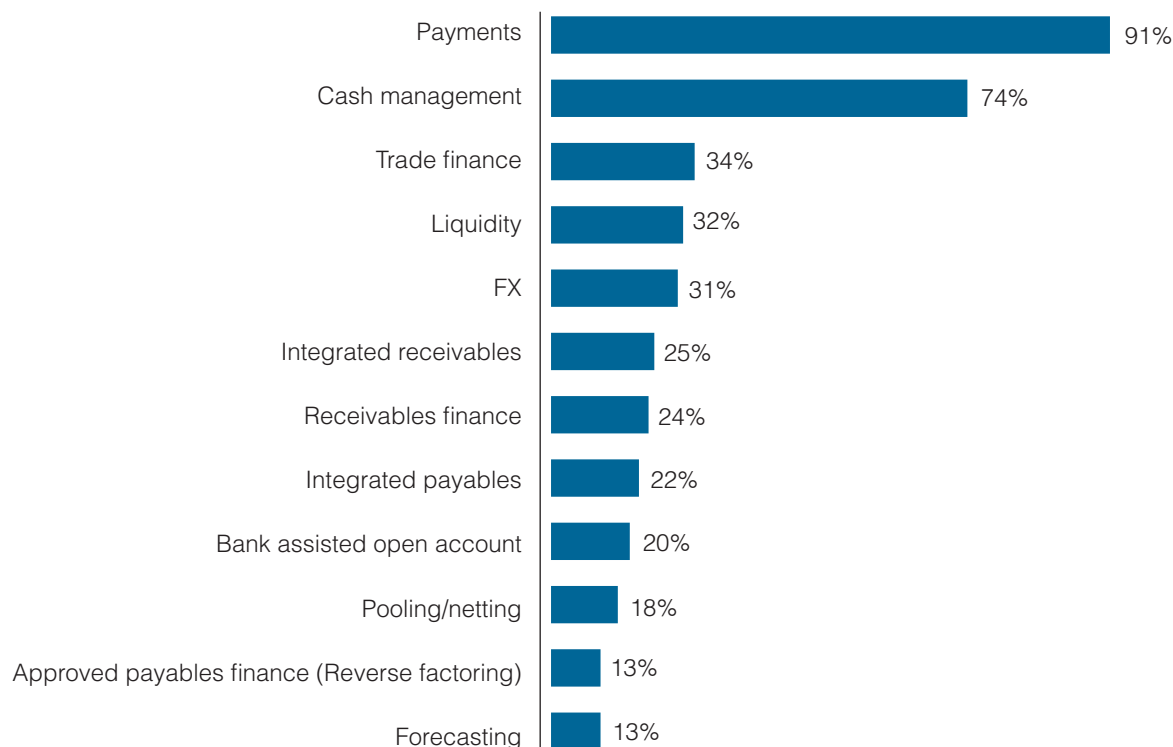
	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)
Yes	72%	72%	67%	61%	77%
No	28	28	33	39	23

**Question asked of banking services providers*

While most banking partners do provide some mobile services, the breadth of such service offerings varies. Payments solutions are very common, as are cash management services, but relatively few banking service providers have expanded their mobile platforms to other service areas such as trade finance or foreign exchange (FX).

Banks Offering Mobile Solutions for Corporate Clients

(Percent of Banking Services Providers)



**Question asked of banking services providers*

Banks Offering Mobile Solutions for Corporate Clients

(Percent of Banking Services Providers)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)
Payments	91%	80%	95%	90%	93%
Cash management	74	83	84	61	80
Trade finance	34	20	35	31	37
Liquidity	32	40	43	29	38
FX	31	20	32	29	29
Integrated receivables	25	17	35	24	26
Receivables finance	24	9	38	31	20
Integrated payables	22	23	19	16	26
Bank assisted open account	20	20	16	27	17
Pooling/netting	18	14	27	14	22
Approved payables finance (Reverse factoring)	13	6	19	10	11
Forecasting	13	17	14	16	13

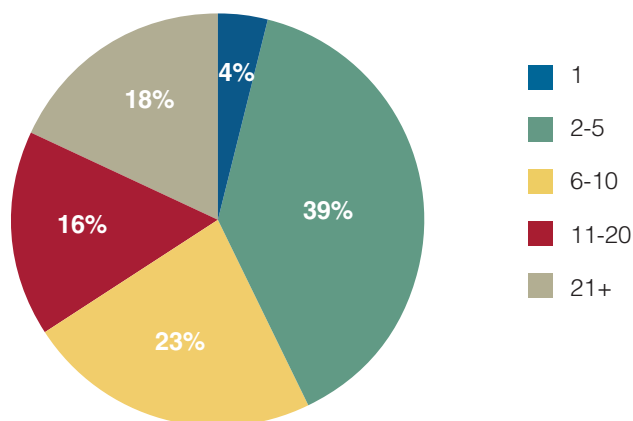
**Question asked of banking services providers*

Number of Banking Partners

The typical respondent organisation works with between two and five banks on a regular basis, suggesting that the services marketplace is competitive. Nearly a quarter of organisations work with between six and ten banks while a third works with more than ten. Few survey respondents indicate their organisations have consolidated their banking relationships with one provider only.

Number of Banks Organisation Works with on a Regular Basis

(Percentage Distribution of Corporate Practitioners)



As one might expect, smaller organisations tend to have fewer banking relationships than do large ones. Sixty-one percent of organisations with revenues under \$1 Billion (USD) work with five or fewer banks compared to the 29 percent of larger organisations that do so. Privately owned companies are also less likely to diversify banking relationships than are publicly traded ones, with about half working with five or fewer banks versus one-third for publicly traded companies.

Number of Banks Organisation Works with on a Regular Basis

(Percentage Distribution of Corporate Practitioners)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
1 bank	4%	5%	4%	6%	2%	3%	4%
2-5 banks	39	41	33	55	27	30	50
6-10 banks	23	23	26	24	24	24	28
11-20 banks	16	14	19	9	21	19	11
21 or more banks	18	18	18	5	27	24	6

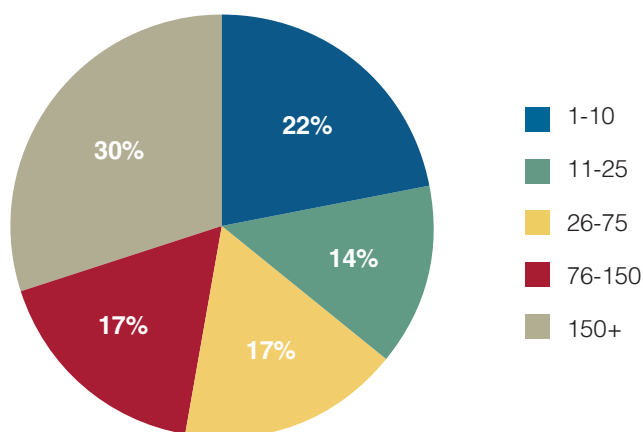
There are advantages to working with fewer banks: economies of scale, reducing transaction costs, less administrative burden on staff, and fewer banks to which services and fees are allocated. On the other hand, there are also several disadvantages to having a smaller number of providers. These include an inability to spread counterparty risk (an area on which many companies are increasing their focus), greater reliance on one source or provider for banking services, less than optimal geographical coverage for an organisation's needs, access to specialty products or segments, and greater coverage to keep the company up-to-date on new products and services.

Banking Activity

The number of bank accounts used or maintained also varies: about one in five organisations uses ten or fewer accounts while another 30 percent may use 150 or more. Once again, the number of accounts used/maintained differs based on organisational profile. Size is the most closely related factor, as a plurality (one-third) of small organisations has ten or fewer bank accounts. By comparison, a majority of organisations with revenues of at least \$1 Billion (USD) uses over 150 accounts.

Number of Banks Accounts Used or Maintained

(Percentage Distribution of Corporate Practitioners)



Number of Banks Accounts Used or Maintained

(Percentage Distribution of Corporate Practitioners)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
1-10 bank accounts	22%	17%	13%	35%	5%	12%	31%
11 -25 bank accounts	14	10	12	22	3	10	11
26-75 bank accounts	17	21	15	22	17	16	23
76-149 bank accounts	17	24	18	12	24	17	19
150+ bank accounts	30	28	43	9	51	45	15

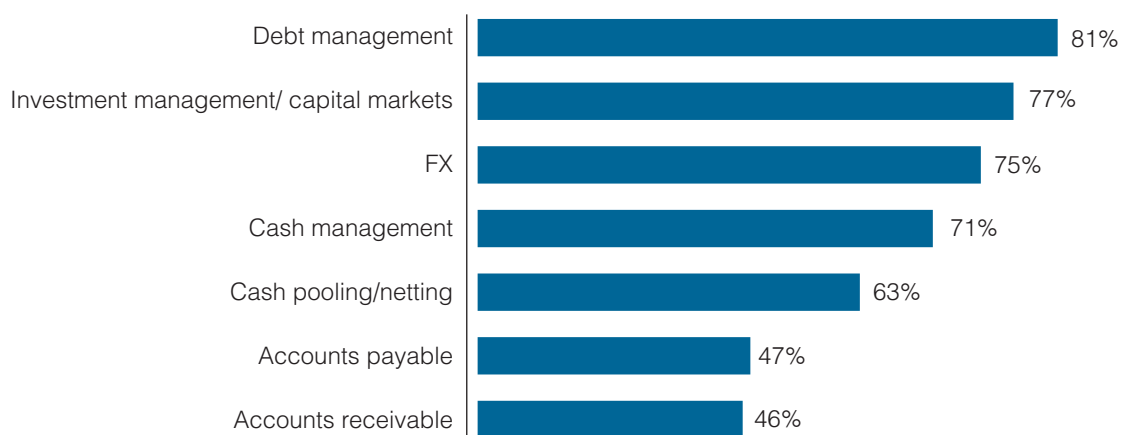
Banking relationships are also influenced by an organisation's treasury structure, that is, whether processes are centralised or decentralised. Certain treasury functions lend themselves to more centralisation than do others. Debt management and investment management are more often centralised than accounts payable and receivable which are more dispersed.

Centralisation and decentralisation can impact bank relationships in several ways. If a company is more centralised and runs its debt management, capital markets and FX operations at a main treasury office, it is much easier for it to maintain relationships at the corporate level and implement policies and procedures consistent with corporate policy and goals. Centralisation of such services also translates into fewer counterparties thus resulting in less counterparty risk). This often means more transactions for fewer providers.

But there are advantages in decentralised operations as well. Companies that typically process accounts payable and accounts receivable on a decentralised basis can rely on local knowledge and expertise. Decentralised organisations also tend to have more bank relationships if the local entity/subsidiary/division is given the ability to run those processes locally.

Centralised Treasury Functions

(Percent of Corporate Practitioners)



Centralised Treasury Functions

(Percent of Corporate Practitioners)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Debt management	81%	86%	80%	80%	88%	87%	84%
Investment management/ capital markets	77	78	80	74	87	87	71
FX	75	78	79	75	86	85	76
Cash management	71	69	75	80	68	67	74
Cash pooling/netting	63	53	72	65	64	64	65
Accounts payable	47	46	47	56	39	34	58
Accounts receivable	46	47	45	56	40	33	56

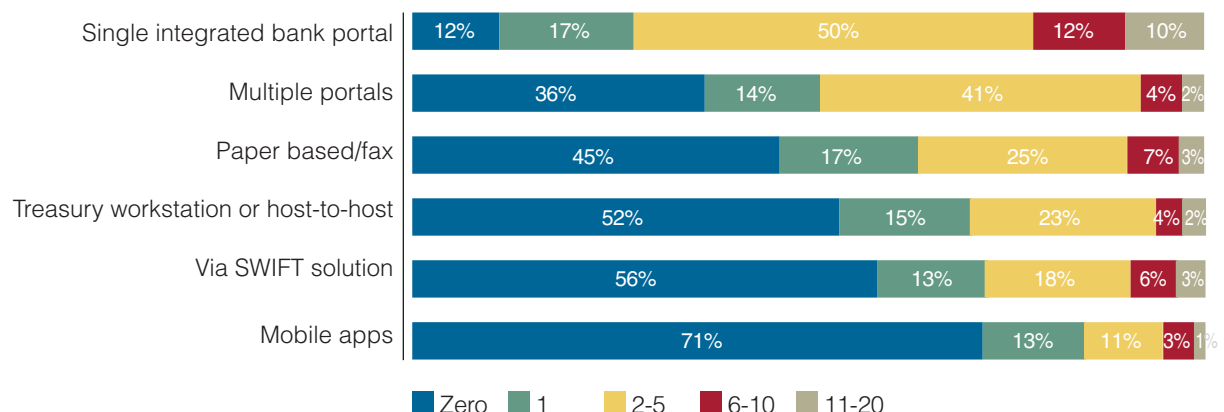
Banking Channels

Financial professionals use a variety of channels to access their banking services. Most common is the single integrated bank portal; 88 percent of survey respondents access their banking services at least once via such a portal. Multiple portals are accessed at least once by 64 percent of survey respondents. Paper-based/fax channels also are accessed frequently, with more than half of practitioners using them. Treasury workstation or host-to-host and SWIFT solutions are less common (cited by less than half of respondents), with mobile applications the least commonly used channels.

There are trade-offs to the use of these various channels, most often involving cost and complexity. The more complex a solution and the requirements are for a particular access method, the more costly it is typically. A company's information technology (IT) strategy is also a factor in determining a bank access method and to what extent the company is able and willing to support it. Often the decision to use a banking portal is made after only a cursory review by an organisation's IT department before the portal is implemented. Much of the security protocols are carried out and supported by the banking partner. On the opposite end, a SWIFT solution can be both simple and complex depending on the connection method chosen.

Number of Banks Accessed by Channel

(Percentage Distribution of Corporate Practitioners)

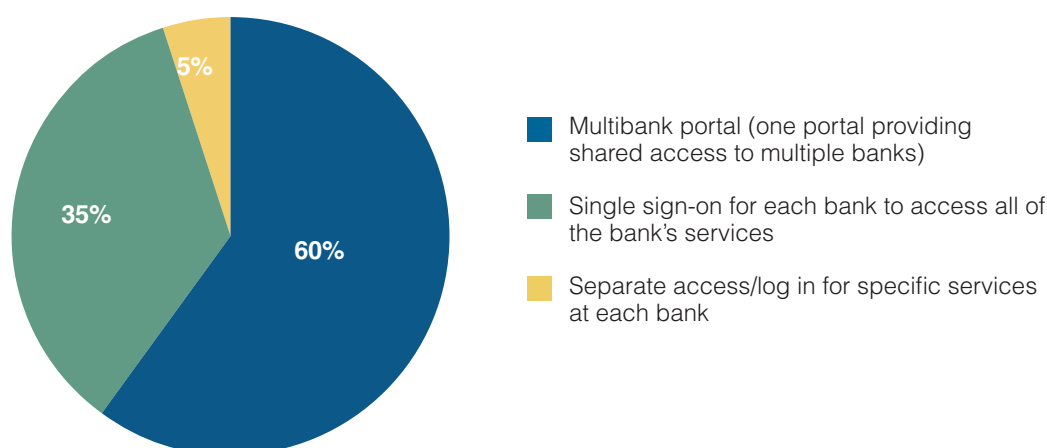


While a single integrated bank portal is the most commonly used one, three in five respondents indicate that a multibank portal (one portal providing shared access to multiple banks) would be the *preferred* form of access. Thirty-five percent prefer single sign-on for each bank to access all services. Only five percent of corporate practitioners would like a separate access/login for specific services at each bank.

Western European respondents are more likely to prefer a multibank portal solution than are their North American counterparts (79 percent versus 54 percent). Among the reasons are cost and risk mitigation. Companies in North America tend to be more bank-specific in their reporting and have fewer bank relationships than do Western European organisations. In addition, companies in North America may be less comfortable with sharing their banking information through just one provider. In Western Europe, where the information is shared primarily via SWIFT messages, more companies are likely to select a multibank portal because it is cost-effective; the infrastructure is already built and the impact on their IT resources is minimized.

Preferred Bank Access Methods

(Percentage Distribution of Corporate Practitioners)



Preferred Bank Access Methods

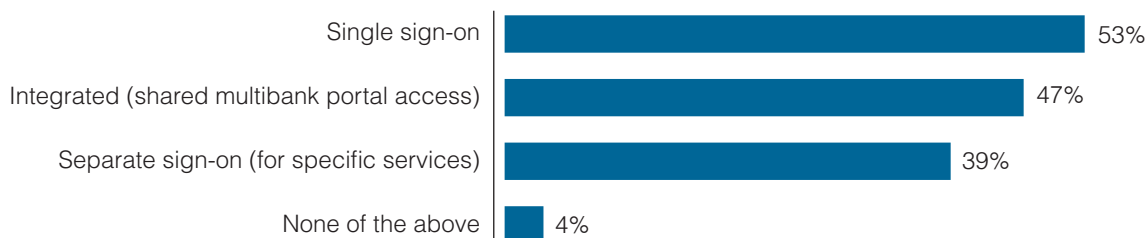
(Percentage Distribution of Corporate Practitioners)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Multibank portal (one portal providing shared access to multiple banks)	60%	54%	79%	55%	65%	64%	59%
Single sign-on for each bank to access all of the bank's services	35	40	18	35	34	32	37
Separate access/log in for specific services at each bank	5	6	3	9	2	4	4

Even though three in five financial professionals prefer multibank access, only about half of banks actually provide it. About half provide single sign-on as well. Single sign-on is most common in North America and in large organisations. One rationale behind this result could be the difference in client market segments targeted by banking providers. Single sign-on is typically utilised by larger corporations, but the data here may be skewed since exactly half of the survey respondents are from organisations with revenues less than \$1 Billion (USD) and thus tend to be segmented into middle-market or smaller business segments.

Type of Access to Bank Services Provided*

(Percent of Banking Services Providers)



*Question asked of banking providers

Type of Access to Bank Services Provided

(Percent of Banking Services Providers)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)
Single sign-on	53%	69%	55%	45%	60%
Integrated (shared multibank portal access)	47	39	60	36	49
Separate sign-on (for specific services)	39	37	42	36	39
None of the above	4	2	3	8	3

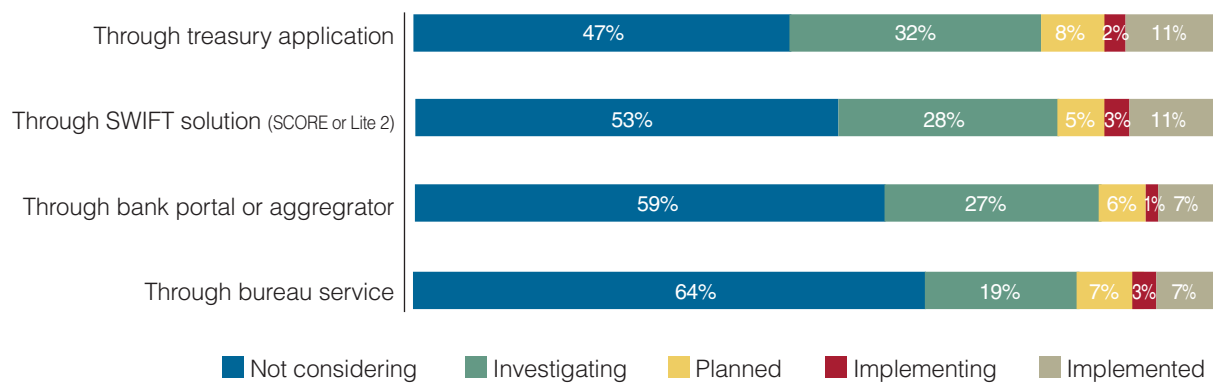
*Question asked of banking providers

Given the level of interest in multibank solutions, the level of consideration for SWIFT is surprisingly uneven. The majority of organisations have not even considered SWIFT for multibank access. A treasury application for multibank access is most commonly considered, with about a third of organisations investigating it. However, in no case have more than about one in five respondents planned, begun implementing, or fully implemented a service.

The differences surrounding SWIFT access are generally attributed to cost considerations and how companies can leverage existing or new technology. A Bureau Service offering or Alliance Lite 2 allows a company SWIFT access with the least amount of IT resources needed and also provides a shorter path to implementation relative to the other applications such as SCORE or going direct. If a company chooses to go directly through SWIFT, the IT and compliance costs are very high relative to other applications because it requires companies to maintain SWIFT standards. Connecting through a treasury application allows them to outsource some of the IT resources depending on how the application is installed. Many companies choose to utilise or maximise their investment in their treasury technology to get the most out of their application and instead try to utilise the existing technology either through a bolt-on application or adding in a new module from the provider.

Level of Consideration for SWIFT to Obtain Multibank Access

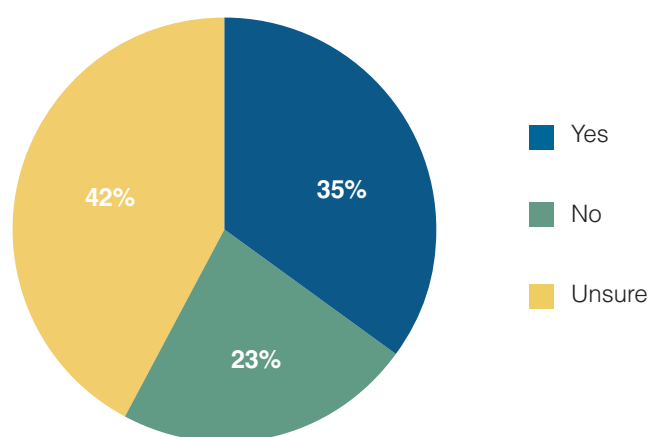
(Percentage Distribution of Corporate Practitioners)



When considering alternative channels or user experiences, only about a quarter of respondents rule out a corporate services banking platform that is delivered as a software-as-a-service (SaaS) solution. A plurality of corporate practitioners (42 percent) is unsure about considering such a platform while 35 percent favour the Cloud platform.

A primary advantage of a SaaS solution is it requires minimal internal IT resources. Many of today's SaaS offerings are much more robust compared to some of the installed versions of corporate services banking platforms. It is unclear whether the relative lack of interest in a SaaS offering is due to uncertainty about what such a solution might offer to an organisation's treasury function. Operating "from the Cloud" is becoming more popular among treasury technology solutions, and companies are adapting to such offerings as their needs change.

Would Consider Corporate Services Banking Platform as a Software-as-a-Service (Percentage Distribution of Corporate Practitioners)



Would Consider Corporate Services Banking Platform as a Software-as-a-Service (Percentage Distribution of Corporate Practitioners)

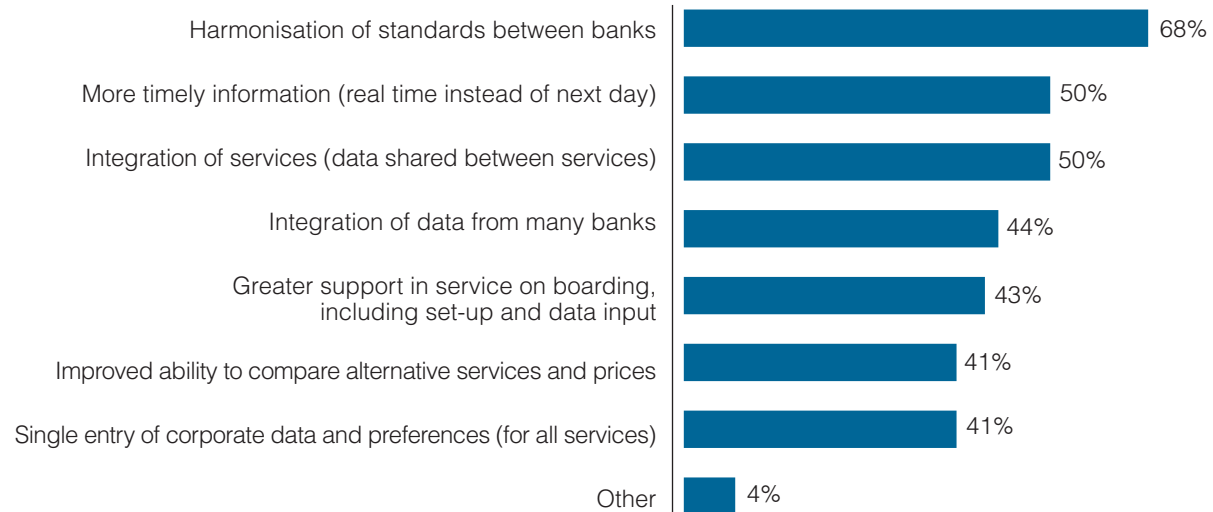
	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Yes	35%	35%	31%	37%	38%	36%	39%
No	23	21	25	26	18	19	23
Unsure	42	44	43	36	44	45	38

Areas for Improvement

Despite some low satisfaction levels with certain banking services, organisations do not agree on how such services could be improved. Instead, they offer a variety of solutions. Harmonisation of standards between banks tops the list; fully two-thirds (68 percent) of corporate practitioners cite this approach. Recognizing standard utilisation is important for companies as they look to harmonise their bank relationships in managing the various banking service products they use. (The popularity of standards harmonisation is also consistent with the preference for multibank access.) Half of respondents recommend timelier bank information as well as integration of data between banks.

Ways Banks Could Improve Services

(Percent of Corporate Practitioners)



Harmonisation of standards is the top recommendation regardless of location, size, or ownership type, demonstrating some consistency in perceived industry challenges. But there are a few differences in the shares of corporate practitioners recommending specific improvements based on organisation demographics. More than eight out of ten (85 percent) survey respondents in Western Europe cite harmonisation of standards between banks as the best way banks could improve services (compared to 62 percent of North American respondents). In addition, larger companies are more likely to recommend harmonisation than are smaller ones. Smaller companies (with annual revenues under \$1 Billion USD) are more likely than large ones to recommend integration of services (shared data) as a means of improving bank services.

Ways Banks Could Improve Services

(Percent of Corporate Practitioners)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Harmonisation of standards between banks	68%	62%	85%	64%	73%	69%	69%
More timely information (real time instead of next day)	50	45	42	52	48	49	56
Integration of services (data shared between services)	50	44	40	55	46	51	51
Integration of data from many banks	44	39	40	49	41	45	50
Greater support in service on boarding, including set-up and data input	43	37	35	45	42	51	39
Improved ability to compare alternative services and prices	41	34	35	42	39	45	36
Single entry of corporate data and preferences (for all services)	41	35	43	47	35	37	46
Other	5	5	6	6	5	6	5

Two factors may help explain the desire for greater harmonisation of standards: the implementation of SEPA (single euro payments area) and ISO20022 XML standard utilisation. The SEPA compliance end-date is drawing closer (February 2014) and banks are offering different ways to help their clients become compliant. This might also explain the generally lower levels of satisfaction among Western European respondents in the area of payments since currently each bank and client have different systems and needs. In the U.S., the adoption of the ISO20022 XML standard is still in its infancy. Similarly, many banks offer remittance solutions in standard formats such as EDI, but each has their own unique EDI format. Companies, banks, and vendors that want to help in standard-setting can join industry organisations such as the Remittance Coalition to help define and shape the industry.

Interpreting this statistic is difficult, but it might be related to most organisations' reliance on multiple banks. It demonstrates the need for multiple banks to present information in a consistent format. One reason why Western European survey respondents rate this more highly than do their North American counterparts is the trend in the Eurozone towards a multi-banking environment from a single-bank choice, a development especially prevalent since the global financial downturn.

Meeting Regulatory Challenges

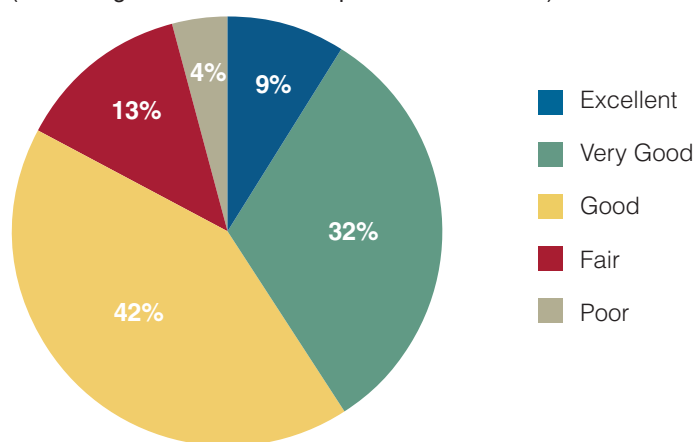
There recently have been significant regulatory changes that impact treasury departments. It is often hard for companies and banks to keep pace with such changes. Consequently, corporate practitioners indicate that one of the areas where their banks could strengthen their client relationship and insure client satisfaction is by providing information that helps companies cope with regulatory change. Amid elevated uncertainty and regulatory risk, only about two in five financial professionals rate their banks as “very good” or “excellent” in this area. Still, a sizeable plurality does report they are “good.” Only about one in five indicate banks are only “fair” or “poor.” The ratings are similar, regardless of organisation size or region.

Banks that score higher in terms of client satisfaction tend to offer not only a strong suite of products, but also share significant knowledge and support in the marketplace to help companies stay current with regulations that impact those products. For example, complying with new Dodd-Frank regulations in the U.S. where many companies are subject to Protocol 1 and Protocol 2 in their ISDA agreements, banking service providers can help clients gain the valuable insight needed to help them through the decision-making process associated with the regulations.

Such education and sharing of market and regulatory intelligence is greatly appreciated by companies, many of which have one or two banking service providers who serve as trusted advisers in these circumstances. While it is often difficult to quantify the value of regulatory support and education, helping companies mitigate risk and become compliant is expected for “trusted adviser” status and can be rewarding for banks as more satisfied and longer-term relationships are created.

Effectiveness of Banks in Providing Information and Support to Business for Relevant Regulatory Changes

(Percentage Distribution of Corporate Practitioners)



Effectiveness of Banks in Providing Information and Support to Business for Relevant Regulatory Changes

(Percentage Distribution of Corporate Practitioners)

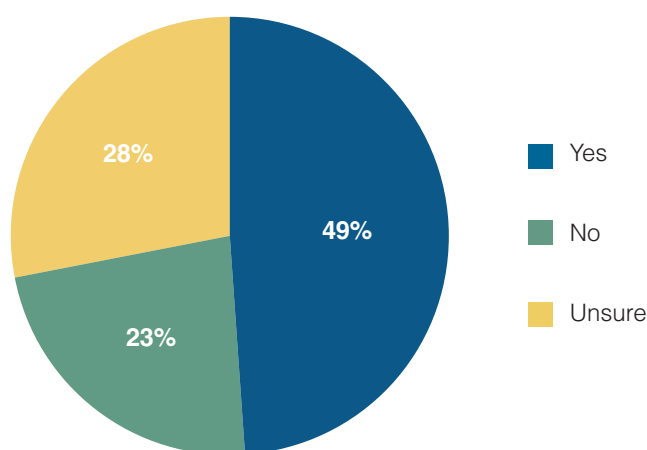
	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Excellent	9%	14%	4%	7%	7%	5%	10%
Very Good	32	32	31	34	33	37	28
Good	42	43	45	40	47	46	38
Fair	13	10	14	15	12	11	19
Poor	4	2	7	5	2	2	5

Banks may be doing fairly well in supporting their clients with regulatory change, but they may be missing an opportunity to expand their partnership. While less than 20 percent of survey respondents indicate their organisations' banking partners provide only fair or poor service in this area, an even smaller share (less than 10 percent) indicates that their banks provide excellent education and support.

From a bank's point of view, it may be debatable if providing better information and support with regulatory changes would lead to any increase in business. Slightly less than half of financial professionals indicate that additional bank support in dealing with regulatory changes will increase their companies' likelihood of doing business with a bank. Only about a quarter of respondents believe regulatory support is a non-factor for earning their business.

Still, one of the ways in which banks have been effective in helping manage regulatory change is providing expertise and support around what is needed for the change. The knowledge they offer regarding regulatory compliance helps sell related products such as foreign exchange or issuing debt.

Additional Bank Support with Regulatory Change Will Increase Likelihood to do Business (Percentage Distribution of Corporate Practitioners)



Additional Bank Support with Regulatory Change Will Increase Likelihood to do Business (Percentage Distribution of Corporate Practitioners)

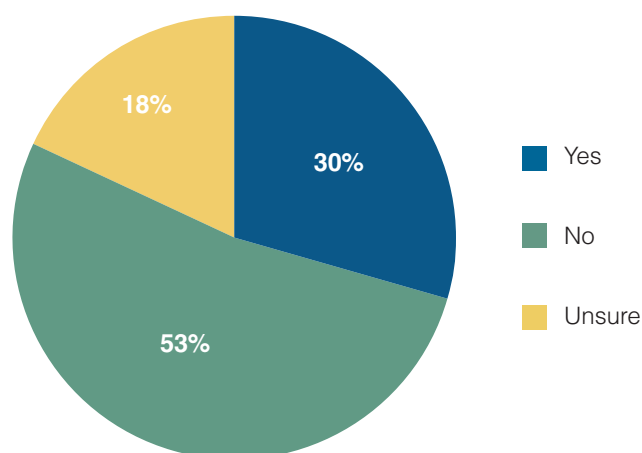
	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Yes	49%	44%	38%	54%	46%	54%	51%
No	23	22	33	20	23	22	24
Unsure	29	33	30	26	31	24	26

Security/Credentials

For three in ten financial professionals, the number of login credentials and security schemes that banking partners require is a significant source of dissatisfaction. But this is not true for a majority of financial professionals—53 percent of survey respondents indicate satisfaction with their banks' login procedures. Perhaps a differentiating factor is the number of relationships an organisation has—the more banks, the more cumbersome the login process can be. Another source of dissatisfaction for some financial professionals focuses more on the method of login credentials or with the variety of security protocols and tools utilised.

Corporate Practitioners Dissatisfied with Bank Login Credentials

(Percentage Distribution of Corporate Practitioners)



Corporate Practitioners Dissatisfied with Bank Login Credentials

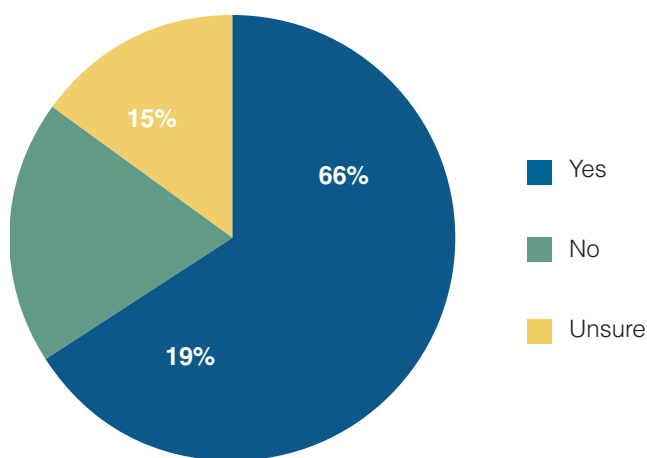
(Percentage Distribution of Corporate Practitioners)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Yes	30%	30%	29%	27%	33%	35%	27%
No	53	57	48	59	50	49	53
Unsure	18	12	23	14	17	16	21

Although a majority of survey respondents are not dissatisfied with their banks' login process, two-thirds indicate that a "single token" solution would benefit their organisations. The advantages of a single token include time savings over managing multiple tokens, the need to keep fewer tokens secure, and the ability to maintain the same protocol across banking services providers. Nearly three-quarters of financial professionals in large organisations indicate they would prefer using a single token for login credentials.

Of course there are disadvantages as well. A banking services provider could choose not to participate in a single token program or may prefer not to utilise industry standards in place. There are also challenges in implementation which rely on banks' level of comfort with compliance, "know your customer" guidelines, and signing off on any liability associated with a process they do not directly control.

Corporate Practitioner Support of Using a "Single Token" for All Login Credentials (Percentage Distribution of Corporate Practitioners)



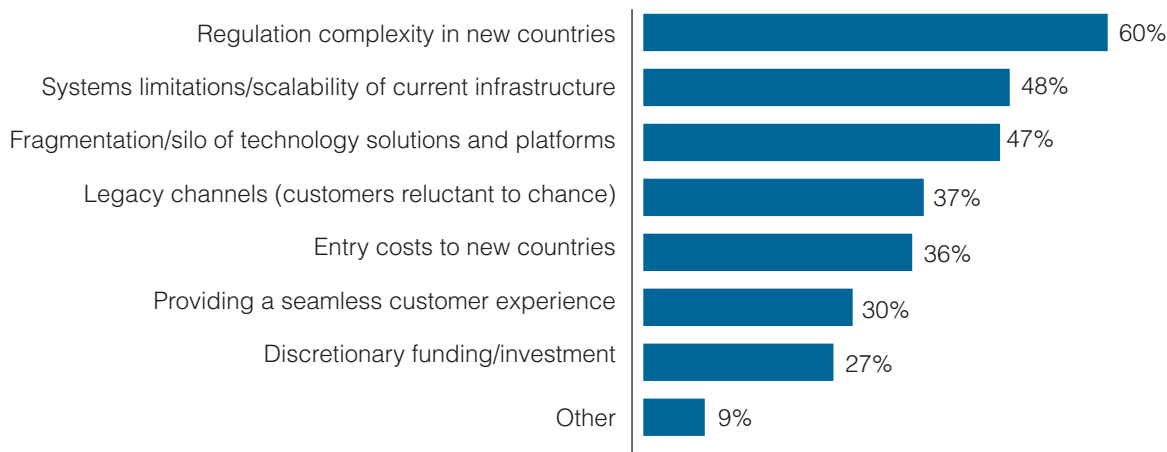
Corporate Practitioner Support of Using a "Single Token" for All Login Credentials (Percentage Distribution of Corporate Practitioners)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)	Publicly Traded	Privately Owned
Yes	66%	70%	69%	59%	74%	72%	62%
No	19	14	20	27	10	13	21
Unsure	15	16	11	14	16	15	17

Challenges for Banks

In addition to the challenges and opportunities corporate practitioners identify with their banking partners, banking services providers also face challenges that may constrain their ability to grow their business and improve services for their clients. Foremost among these challenges is the complexity of regulations, cited by three in five banking services provider respondents. Other factors stifling service improvement are the banks' own systems limitations/the scalability of current infrastructure, and fragmentation/silo of technology solutions and platforms.

Greatest Barriers to Bank's Growth (Percent of Banking Services Providers)



**Question asked of banking services providers*

Greatest Barriers to Bank's Growth (Percent of Banking Services Providers)

	All	North America	Western Europe	Revenues Under \$1 Billion (USD)	Revenues At Least \$1 Billion (USD)
Regulation complexity in new countries	60%	70%	61%	49%	64%
Systems limitations/scalability of current infrastructure	48	40	39	52	46
Fragmentation/silo of technology solutions and platforms	47	49	44	41	52
Legacy channels (customers reluctant to chance)	37	36	43	37	37
Entry costs to new countries	36	32	33	44	30
Providing a seamless customer experience	30	30	19	27	34
Discretionary funding/investment	27	38	30	29	24
Other	9	4	9	11	8

**Question asked of banking services providers*

Conclusion

Results of the *2013 gtnews Transaction Banking Survey* reveal the complex nature of the relationship between corporate practitioners and their banking services providers. This complexity is only likely to increase as companies engage with a greater number of banks in their attempts to reduce exposure and risk.

Corporate practitioners' satisfaction with their banks varies across region. A greater level of satisfaction is seen among survey respondents in North America, with satisfaction significantly lower among Western European corporate practitioners. Satisfaction also varies with specific services provided by companies' banking partners. The lacklustre satisfaction leaves room for analysing service gaps and provides opportunities for improvement.

Banks have recently invested heavily in mobile technology solutions, but the survey results suggest that corporate practitioners place little value on these capabilities when selecting a banking partner. Corporate practitioners expect all banks to offer mobile technology and, as a result, banks may have little opportunity to differentiate themselves in this area. Financial professionals are more likely to select banking partners based on the quality and availability of services provided, along with the financial stability of the banks themselves.

Companies are opting to spread their risk by increasing the number of banks they work with on a regional as well as a global basis. A greater number of banking partners also ensures that a company has greater access to credit lines.

In addition, the survey results indicate that treasury centralisation continues to be important in a variety of areas, most significantly in debt management, investment management/capital markets, foreign exchange and cash management. It is worth noting though that when it comes to payables centralisation (both AP and AR) there is still a lot of work to be done.

Banking services providers can improve the level of client satisfaction in a number of areas, notably with improvement in the areas of cash forecasting and regulatory advice, both of which are important to corporate practitioners. Banks may want to ask themselves—and their clients—what is required [in this particular function/area]? Organisations may want to ask themselves if their banking partners are best positioned to provide them with the best advice.

About the Survey

The 2013 *gtnews Transaction Banking Survey*, sponsored by CGI, was conducted in June 2013. A web-based, 30-question survey was sent to all corporate level *gtnews* subscribers. A total of 642 responses were received. This report summarises the results of the corporate practitioner responses. Due to the limited sample sizes obtained, regional analysis was limited to North America and Western Europe. The following tables summarise the full demographic profile of respondents where organisation-level data are provided, including information on geographic region, revenue, ownership type and industry.

Annual Revenues (USD)

(Percentage Distribution of Organisations)

\$0-99.9 million	18%
\$100-499.9 million	18
\$500-999.9 million	14
\$1-4.9 billion	27
\$5-9.9 billion	8
Over \$10 billion	15

Ownership Type

(Percentage Distribution of Organisations)

Publicly owned	48%
Privately held	39
Non-profit (not-for-profit)	5
Government (or government-owned entity)	8

Industry Sector

(Percentage Distribution of Organisations)

Agriculture	3%
Air Transport	2
Automotive	5
Chemicals	3
Communications	3
Consumer products	5
Energy	7
Financial services	11
Government/ Not-for-Profit	8
Healthcare provider	1
Media/professional services	3
Mining and metals	2
Pharmaceuticals/Biotechnology	2
Retail	5
Surface transport	1
Technology	10
All other manufacturing	10
Other industry	20

Scope of Organisation's Operations

(Percentage Distribution of Organisations)

Business operates within a single country	19%
Primarily operate within one geographic region	16
Operates globally across regions	65

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