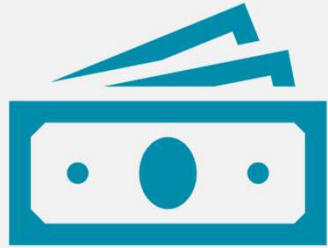


SNAPSHOT OF TODAY'S

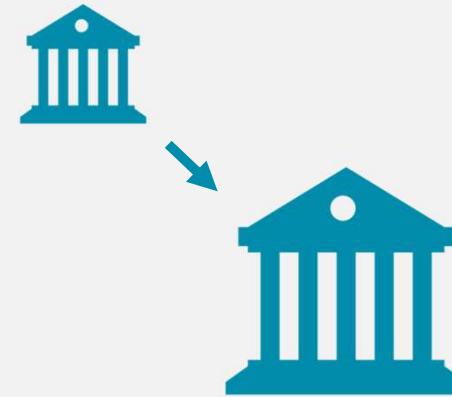
New England Banking Landscape

October 2019

Banking industry challenges



Rate of
growth in
deposits has
slowed



Deposits are
shifting to
large banks



Robust loan
demand is creating
pressure to grow
deposits



Consumer
expectations are
changing

Research methodology



487 consumers took part in our online survey



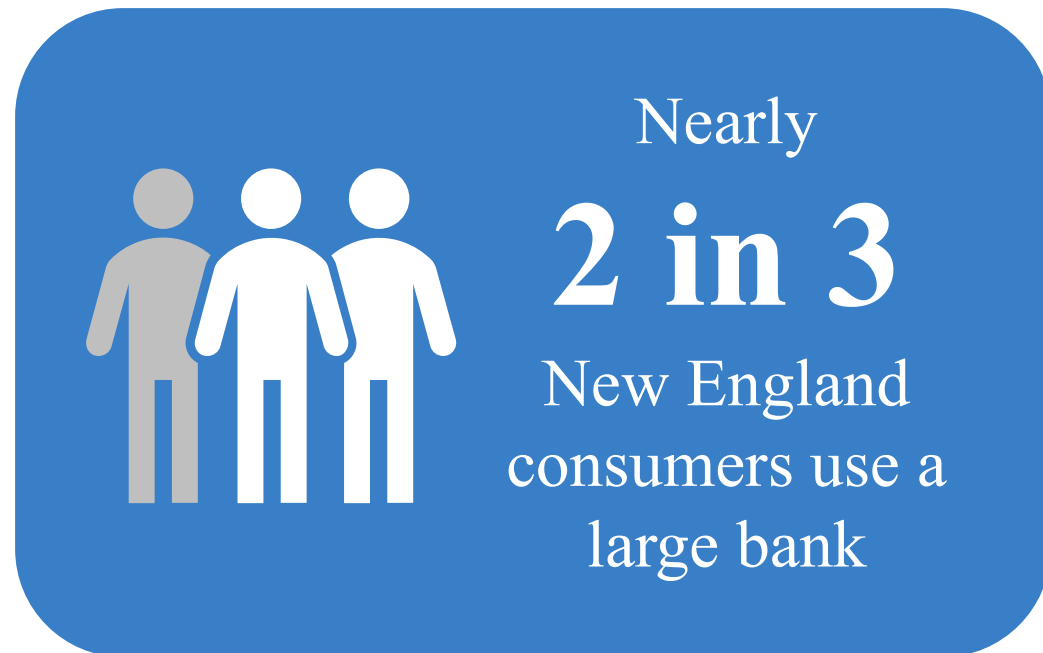
All respondents:

- Live in New England
- Are a banking customer and decision maker
- Are age 18 or older
- Don't work in banking



Data was collected from October 10-15, 2019

Market Share Highlights



Bank of America



Santander

TD Bank



**Citizens
Bank®**

Market Share Highlights

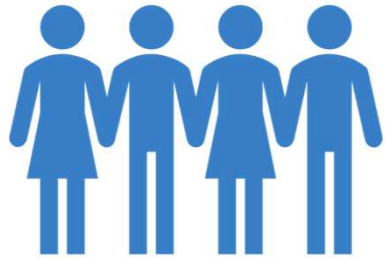


1 in 3

New England consumers use a small- or mid-size bank

The proportion of consumers who prefer small- or mid-size banks is remaining steady.

Who is changing banks?



21%*

All consumers



41%

Under 40



57%

New to area

*This rate of switching is consistent with the findings of J.D. Power's 2019 U.S. Retail Banking Satisfaction Study, April 2019

Why are they changing banks?

37%

37% set up
their first
account

32%

32% had a
life event

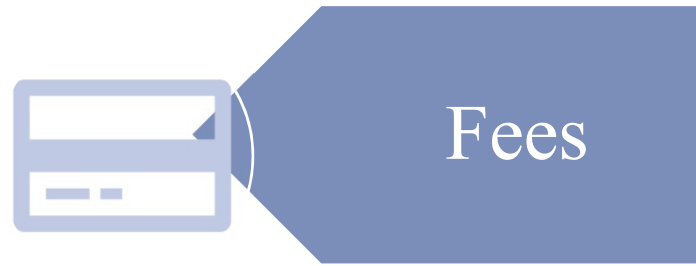


85% of those
moved

31%

31% were unhappy
with their old bank
or attracted by
something at the
new bank

What is driving consumers today?



What is driving consumers today?

Consumers have different priorities at different stages

CONSIDERATION

- Fees
- Convenient branches
- ATM network

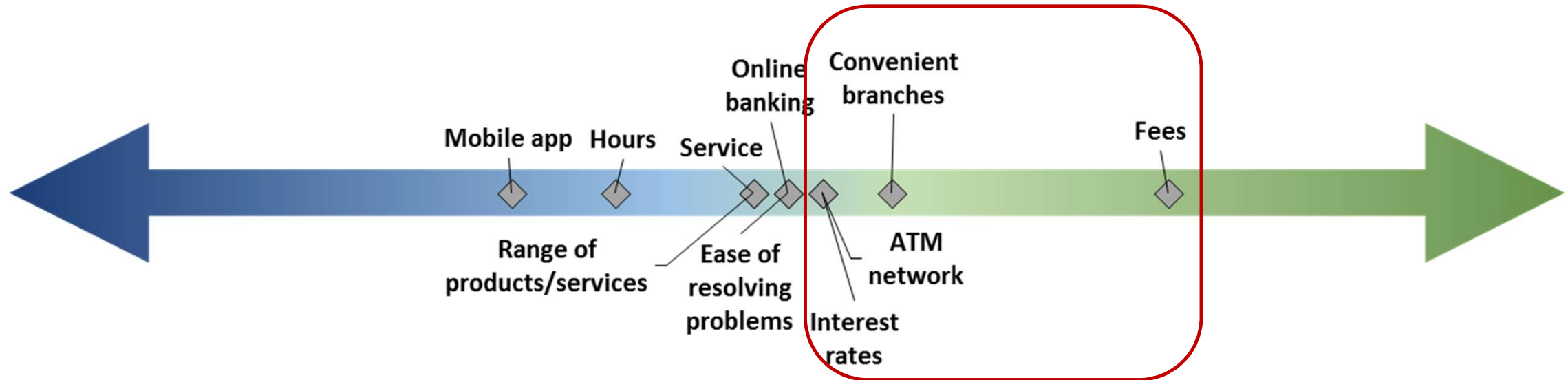
BRAND IMAGE

- Service
- Online banking
- Fees

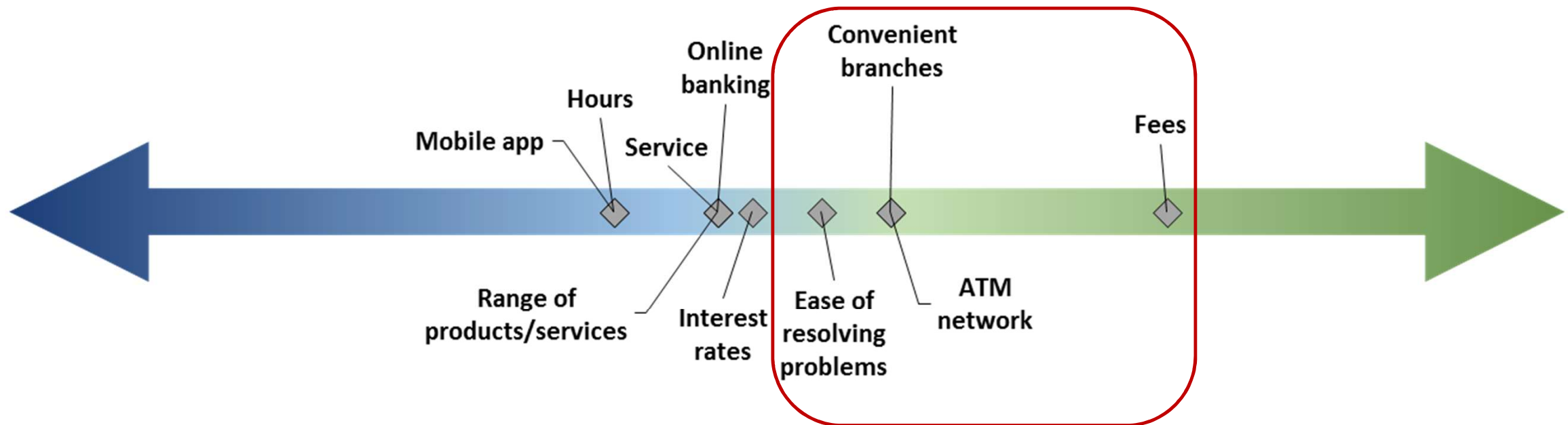
ADVOCACY

- Service
- Convenient branches
- Online banking
- Fees

What drives consideration?



What drives consideration *among younger people*?



How do consumers view banks on these factors?

Younger consumers

	Small- to mid-size banks	Large Banks
Branch convenience	27%	40% ✓
Fees	33% ✓	21%
ATM network	9%	36% ✓
Service	61% ✓	20%
Online banking	8%	28% ✓

Newer residents

	Small- to mid-size banks	Large Banks
Branch convenience	31%	36%
Fees	28%	30%
ATM network	11%	49% ✓
Service	49% ✓	26%
Online banking	10%	18%

CONSIDERATION RECAP



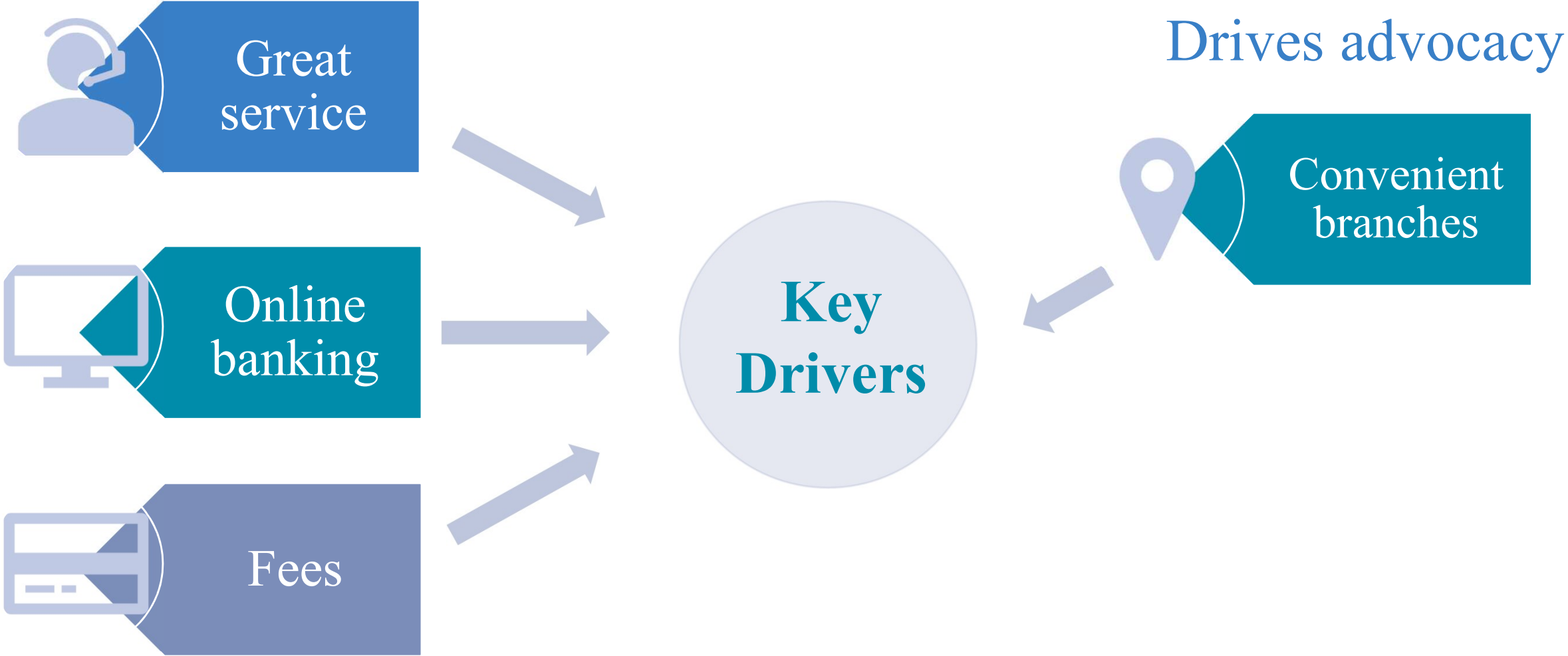
**Smaller
banks have a
stronger
image for fees
and service**



**Large banks
have a stronger
image for
convenience**

What drives brand image and advocacy?

Drives brand image and advocacy



What about consumers' experiences with their bank?

	Average small banks	Average mid-size banks	Bank of America	Citizens Bank	TD Bank
Branch convenience	7.4	7.4	8.1 ✓	8.2 ✓	8.7 ✓
Fees	8.3 ✓	8.0 ✓	6.7	6.8	7.9 ✓
ATM network	7.7	7.5	7.9	7.4	8.1
Service	8.7 ✓	8.5 ✓	7.7	7.7	8.6 ✓
Online banking	8.2	8.1	8.4	7.9	8.7

BRAND IMAGE AND ADVOCACY RECAP



**Smaller banks
have a stronger
image for
service quality**

NPS

Bank of America	9
Citizens	24
TD Bank	47

Very satisfied with bank

Small bank customers	73%
Mid-size bank customers	63%
Large bank customers	51%



BRAND IMAGE AND ADVOCACY RECAP

Service drives brand image, advocacy, and can prevent – or cause – switching

31%

31% of people who switched were unhappy or desired something different

58%

58% of those people were unhappy with FEES

49%

49% were unhappy with SERVICE

CONSUMER EXPERIENCE IMPLICATIONS

No one category of bank is checking all the boxes



Convenience



Low/no fees



Great service

Consumers will “switch categories” to try to find what they want.

Develop a strong value proposition by placing customers at the center of your strategy.

What about the impact of inertia?

- 2** cars bought/sold
- 3** # times changed jobs
- 5** # times replaced a cell phone

During last **12** years,
the average time with
current bank

The average consumer would rather:

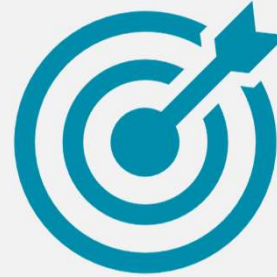
Clean out the garage/attic	31%
Do their taxes	24%
Go to the DMV	24%
Change cell phone providers	20%
Have a root canal	14%
Have a colonoscopy	13%

Than change their banking relationship.

STRATEGIES TO ATTRACT CUSTOMERS



Create a complete customer-centric experience, and get the word out

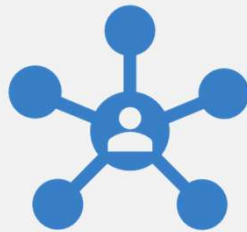


Gain market share via secondary accounts, and use incentives to attract customers.



Know yourself, your competitors and your market – play to your strengths, address weaknesses

Create a customer-centric experience



**Organize
around the
customer**



**Create a low-
fee, convenient
experience**



**Support that
package with
great service**



**Get the
word out**

Target secondary accounts

45%

45% of consumers have a secondary bank account

51%

51% of consumers with household income over \$75,000 have a secondary account

48%

Nearly half of these accounts are with small- or mid-size banks

78%

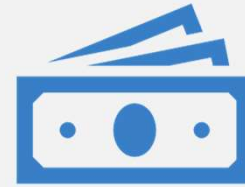
Most of these accounts were opened for a specific reason, including interest rates, loan products or other offers



Use incentives to capture share of wallet



**Target
secondary
account holders**



**Continue use of
incentives to
attract accounts**



**Younger consumers
are more open to
switching**

Know yourself and your market



**Know
yourself**



**Know your
specific
market**



**Know your
competitors**



**Understand
where to focus
to achieve
growth**