

ANNOUNCING 2018 JAVELIN TRUST IN BANKING LEADERS

June 2018

Trust is foundational to the relationship between banks and their accountholders. Whether it comes to having confidence in the security of funds or faith in the guidance of a financial adviser, trust is key to building satisfying, long-term banking relationships.

Javelin ranked 17 of the largest FIs in the U.S. according to the level of trust accountholders

reported for the bank or credit union they identified as their primary FI. Navy Federal Credit Union, Regions, and USAA distinguished themselves as overall leaders in trust, by establishing both reliability (how well accountholders believe their FI keeps their commitments) and goodwill (how well accountholders believe their FI looks out for their customers' best interest) among their customers.

2018 JAVELIN TRUST IN BANKING LEADER AWARD

WINNERS:

NAVY FEDERAL CREDIT UNION

REGIONS

USAA

(*Winners are listed in alphabetical order)



Financial Institutions evaluated

- Bank of America
- BB&T
- BBVA Compass
- Capital One
- Citibank
- Citizens Bank
- Chase
- Fifth Third Bank
- Navy Federal Credit Union
- PNC
- Regions
- Santander Bank
- SunTrust Bank
- TD Bank
- USAA
- U.S. Bank
- Wells Fargo

2018 JAVELIN TRUST IN BANKING LEADERS OVERALL TRUST WINNERS

Trust scores among the largest financial institutions fell into a classic bell curve, with a few financial institutions pulling away from the pack as clear leaders, a larger group of competitive institutions

with very close scores, and a small number of institutions that clearly trail the rest. Based on this distribution, Javelin divided financial institutions into four segments:

- **Leaders:** The top three financial institutions in the rankings - Navy Federal Credit Union, Regions, and USAA – led in both categories, indicating consistently high performance in serving the needs of accountholders.
- **Contenders:** The next six financial institutions lead the tight cluster at the middle of the pack, but failed to pull away. This still places them in a strong position to move ahead and effectively compete with the leaders through the right combination of features and client engagement.
- **Followers:** The five financial institutions at the bottom of the cluster are still competitive with the Contenders, but face more of an uphill battle in distinguishing themselves.
- **Laggards:** The three lowest financial institutions notably trailed the pack. These institutions must focus on building trust with accountholders or risk attrition to more trusted competitors.

OVERALL TRUST	
	PROVIDER
LEADERS	Navy Federal Credit Union
	Regions
	USAA
CONTENDERS	Capital One
	Fifth Third Bank
	PNC
	SunTrust Bank
	TD Bank
	U.S. Bank
FOLLOWERS	Bank of America
	BB&T
	BBVA Compass
	Chase
	Citibank
LAGGARDS	Citizens Bank
	Santander Bank
	Wells Fargo

In 2017, trust in financial institutions saw notable growth, with 56% of banked consumers reporting that they trust their primary FI overall, compared with 48% in 2016. This rise in trust comes during a challenging year for fraud. Not only did fraud hit record high levels in three of four major fraud types, the evolution of fraud that brought about these peaks manifested in particularly explosive growth in the most intrusive fraud schemes.

Success in building trust with accountholders requires proactive engagement through personal banking and providing accountholders the tools necessary to protect themselves from fraud and properly manage their finances. While this can be a high bar, strong trust among accountholders has very real effects. Accountholders who trust their primary financial institution are much more likely to only consider their primary FI when opening new accounts and significantly less likely to switch to another bank or credit union.

2018 JAVELIN TRUST IN BANKING LEADERS RELIABILITY CATEGORY

Reliability encompasses the financial institution's dedication to keeping its commitments, specifically in protecting accountholders from fraud. Protection of funds has always been a foundational commitment of banking, whether that meant protecting against theft or more sophisticated modern threats. Within this category, financial institutions are ranked according to their customers' belief that their primary financial institution:

1. Keeps their personal information safe
2. Takes necessary steps to prevent fraud on their accounts
3. Protects them from financial loss in case of fraud

RELIABILITY	
PROVIDER	
LEADERS	Navy Federal Credit Union Regions USAA
CONTENDERS	BBVA Compass Capital One Chase Fifth Third Bank SunTrust Bank U.S. Bank
FOLLOWERS	Bank of America BB&T Citibank PNC TD Bank
LAGGARDS	Citizens Bank Santander Bank Wells Fargo

* FIs in each category are listed alphabetically

2018 JAVELIN TRUST IN BANKING LEADERS GOODWILL CATEGORY

Goodwill addresses the more subjective aspects of trust and asks accountholders whether they believe their financial institution is looking out for their best interests. This aspect of trust is crucial to building deeper relationships with accountholders, especially as financial institutions seek to move from simply being the place where accountholders' money is stored to a trusted financial adviser for their customers.

GOODWILL	
PROVIDER	
LEADERS	Navy Federal Credit Union Regions USAA
CONTENDERS	BBVA Compass Capital One Fifth Third Bank PNC SunTrust Bank U.S. Bank
FOLLOWERS	Bank of America Chase Citibank Citizens Bank TD Bank
LAGGARDS	BB&T Santander Bank Wells Fargo

* FIs in each category are listed alphabetically

Methodology

Consumer data in this report is based on information gathered in several Javelin surveys administered in 2016 and 2017. Data was gathered and weighted to reflect a representative sample of the adult U.S. population:

- A random-sample panel of 5,000 respondents in an October/November 2017 online survey. The margin of sampling error is ± 1.39 percentage points at the 95% confidence level. The margin of sampling error is higher for questions answered by sub-segments.
- A random-sample panel of 10,768 respondents in a May/June 2017 online survey. The margin of sampling error is ± 0.94 percentage points at the 95% confidence level. The margin of sampling error is higher for questions answered by sub-segments.
- A random-sample panel of 5,028 respondents in a November 2016 online survey. The margin of sampling error is ± 1.40 percentage points at the 95% confidence level. The margin of sampling error is higher for questions answered by sub-segments.

Trust scores were compiled from accountholders' responses to four questions: Thinking of your primary financial institution (...), on a scale of 1 to 10 with 1 being "strongly disagree" and 10 being "strongly agree," please indicate your level of agreement with the following statements:

1. Is looking out for my best interests
2. Keeps my personal information safe
3. Takes necessary steps to prevent fraud on my account
4. Protects from financial loss in cases of fraud

Respondents were considered to trust their primary financial institution in goodwill if they responded 8 or higher. Respondents were considered to trust their primary financial institution in reliability if they responded with an average of 8 or higher in reliability. Respondents were considered to trust their primary financial institution overall if they responded with an average of 8 or higher across goodwill and reliability, with both categories receiving equal weight.

Overall rankings were calculated using OLS regression to control for the effects of demographic factors such as age, income, and military background, which are outside the control of financial institutions.

Financial institutions were included in the rankings only if they had an unweighted sample exceeding 100 respondents within the combined data set who identified the financial institution as the primary place where they bank.

About Javelin's Awards Programs

In conducting its market research, Javelin finds that certain providers rise to the top. Javelin's awards recognize these leaders for their exceptional quality of product or client experience, ability to meet customer demand, or overall excellence. The Trust in Banking Leaders awards are one of many offered by Javelin, including Mobile Banking Leaders awards, Mobile Banking Vendor awards, Digital Experience Leaders, Consumer Identity Safety Leaders, Identity Protection Service Leaders, and more. To learn more, visit www.javelinstrategy.com/content/javelins-awards.

Javelin's Trust in Banking Report

Javelin's Trust in Banking Leader awards are drawn from the 2018 Trust in Banking report. This research layers rich analysis of trust with the top 17 retail banks along with two important elements: reliability and goodwill. The report identifies key findings, guides financial institutions through this important reality, and makes specific recommendations for banking executives. Javelin clients can access the report at: <https://www.javelinstrategy.com/coverage-area/trust-banking>