

Corporates push for quality banking in uncertain times

(6 March 2008 - Australia) Corporates in the A\$20m to 340m segment have increased their push for quality banking products in the midst of uncertain economic conditions, according to the February 2008 biannual East & Partners' Corporate Transaction Banking Markets Report.

The latest report has found significant increases in the number of customers changing banks to find quality products and support.

Of those corporates that changed banks in the last six months, a huge 41.5 percent of customers moved in order to receive higher quality and support for their core banking functions.

Turbulent market factors have had both a direct and indirect impact on many Australian companies. Amidst the credit crisis, stock market jitters and rising interest rates, many corporates are indicating that they first and foremost want a secure base with which to do business.

"Transaction banking is an integral part of any business and needs to be seamless, especially in today's uncertain market," said East & Partners' financial markets analyst Peter Drennan.

A total of 22.3 percent of corporates changed banks for 'Better response times and quality', an increase of more than 17 percent on the figure recorded just 6 months ago. A further 19.2 percent of customers changed for 'Improved customer support', a dramatic jump of 18.5 percent compared to the August 2007 result.

In fact, transaction banking is an ever-present part of every corporate. 100 percent of corporates use Cash Management services provided by their bank, while a growing number of corporates are using Internet Banking. Internet Banking is used to a far greater extent than in the retail segment, with a near total 98.9 percent of corporates taking advantage of this technology.

"For the banks, high product quality is really having a significant impact in this market", added Mr Drennan. St George is not only the Corporate Banking segment's leading bank in product satisfaction, but continues to lead the market in customer retention as well.

Westpac and ANZ, leaders in market share for Internet Banking and International Transaction Banking respectively are well ahead in satisfaction in these products. "Corporates are looking for safety in their banking. This is causing a heightened focus on quality that is set to continue in business banking products", Mr Drennan said.

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About East & Partners' Corporate Transaction Banking Markets Report

East & Partners' Corporate Transaction Banking Markets Report is an ongoing six-monthly research service designed to deliver bank market share, wallet share, customer satisfaction, mind share, engagement and churn analysis for transaction banking products among companies turning over A\$20 to 340 million per annum. The report is based on interviews with a structure sample of 800 Corporate enterprises.

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