

Media Release

Queensland businesses like their banks - NSW and Victorian businesses do not

(22 January 2013 – Australia) Businesses in Queensland continue to feel positively about their banking relationships while sentiment among NSW and Victorian businesses is at record lows, according to East & Partners Business Banking Index (BBI).

East's December 2013 BBI report, the result of interviews with 982 businesses across Australia, delivers index numbers after asking businesses to rate their banks on a scale of 10 (low) to 100 (high) across four criteria: empathy satisfaction, loyalty and advocacy.

While the overall national BBI score is a record low 29.6, the index for Queensland continues to improve and reached 58.9 in December. The NSW BBI, by contrast, fell from 15.5 to 15.3 and in Victoria moved from 25.7 to 25.3.

Businesses in the "other" states of Western Australia, South Australia, Tasmania, the ACT and Northern Territory are also relatively happy with their banks, delivering a combined BBI score of 48.2.

The strong Queensland BBI score is partly driven by the high BBI scores for the Bank of Queensland, which continues to outperform the other nine banks ranked by the BBI. The BOQ has led the BBI league tables for five consecutive years, with a December score of 64.5.

Business Banking Index Score by State

10 (low) to 100 (high)

	2011 (N: 798)	2012 (N: 1,011)	2013 (N: 982)
NSW	17.5	16.5	15.3
VIC	29.8	27.8	25.3
QLD	60.6	59.8	58.9
OTHER	55.9	51.9	48.2
TOTAL	33.0	31.4	29.6

Source: East & Partners Business Banking Index

In contrast, the bottom three positions in the league table are occupied by Big Four rivals Westpac, ANZ and CBA, with CBA's score a bottom-ranked 17.3.

Lachlan Colquhoun, Head of Markets Analysis at East & Partners, said the BBI scores reflected not just the comparative health of the state economies, but also the better relationships between businesses and the regional banking franchises.

"The BBI has continued to show that the smaller regional banks, such as BOQ, St George, BankWest and Suncorp enjoy better rankings than the Big Four," said Colquhoun.

"NAB, with a healthy BBI of 47.7, is the only Big Four bank with an above average BBI score, and that has fallen around 10 percent since 2010.

"The other phenomenon is for smaller businesses to be more dissatisfied with their banks than larger ones. If you are Corporate business turning over between A\$20-725 million and you are located in Queensland, then our BBI research suggests you are much more likely to be happier with your bank than if you are a Micro business in NSW."

The four market segments in the BBI are Micro businesses turning over A\$1-5 million annually, SMEs with A\$5-20 million turnover, Corporates turning over A\$20-725 million, and the biggest Institutional segment with turnover of more than A\$725 million annually.

About the East & Partners Business Banking Index

The bi-monthly Business Banking Index explores the shifting preferences customers place on Mind Share, Customer Advocacy and Satisfaction when ranking their sentiment towards Australian banks. The research formulates Bank index scores from over a thousand interviews with Institutional, Corporate, SME and Micro businesses spanning all Business Depositor segments. The breadth of the BBI analysis delivers market-spanning conclusions on how highly customers regard their bank. Bank index scores monitor key drivers of customer engagement behaviour including Mind Share, Loyalty, Proactivity, Empathy, Detraction and Advocacy.

For more information or for further interview based insights from East & Partners on the Business Banking Index, please contact:

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