

## Media Release

## Competitors hunt CBA and NAB clients

(12 May 2014 – Australia) Small and Medium Size Enterprise (SME) customers of the CBA and NAB are the most likely to receive calls from competitor banks seeking to poach their business, according to research from industry analysts East & Partners.

East held its quarterly Open Markets Briefing presentation in Sydney today, with the firm delivering research from its SME Transaction Banking report, created from interviews with 1500 SMEs nationally in March.

The report shows that SME customers of the CBA received, on average just under three calls from competitor banks in the last year, with NAB customers receiving just over two calls.

In both cases, competitors had more contact with these customers than the CBA and NAB relationship managers (RMs), with the home bank calling their own customers less often.

The NAB relationship managers made an average of less than two calls to their SME customers, the lowest number of seven banks included in the research.

The most pro-active relationship managers were from smaller regional banks Bendigo Adelaide and the Bank of Queensland, whose RMs called customers around an average of five and three and a half times respectively over a 12 month period.

In contrast, competitor calls to Bendigo and BOQ SME customers were negligible.

East also presented research showing that the number of SME businesses planning to change bank had more than doubled since 2010, with more than two in ten now saying they were either “definitely” or “probably” changing their primary transaction bank.

In 2010, 10 percent of SME’s indicated they would “definitely” or “probably” change, but this has now climbed to 23 percent.

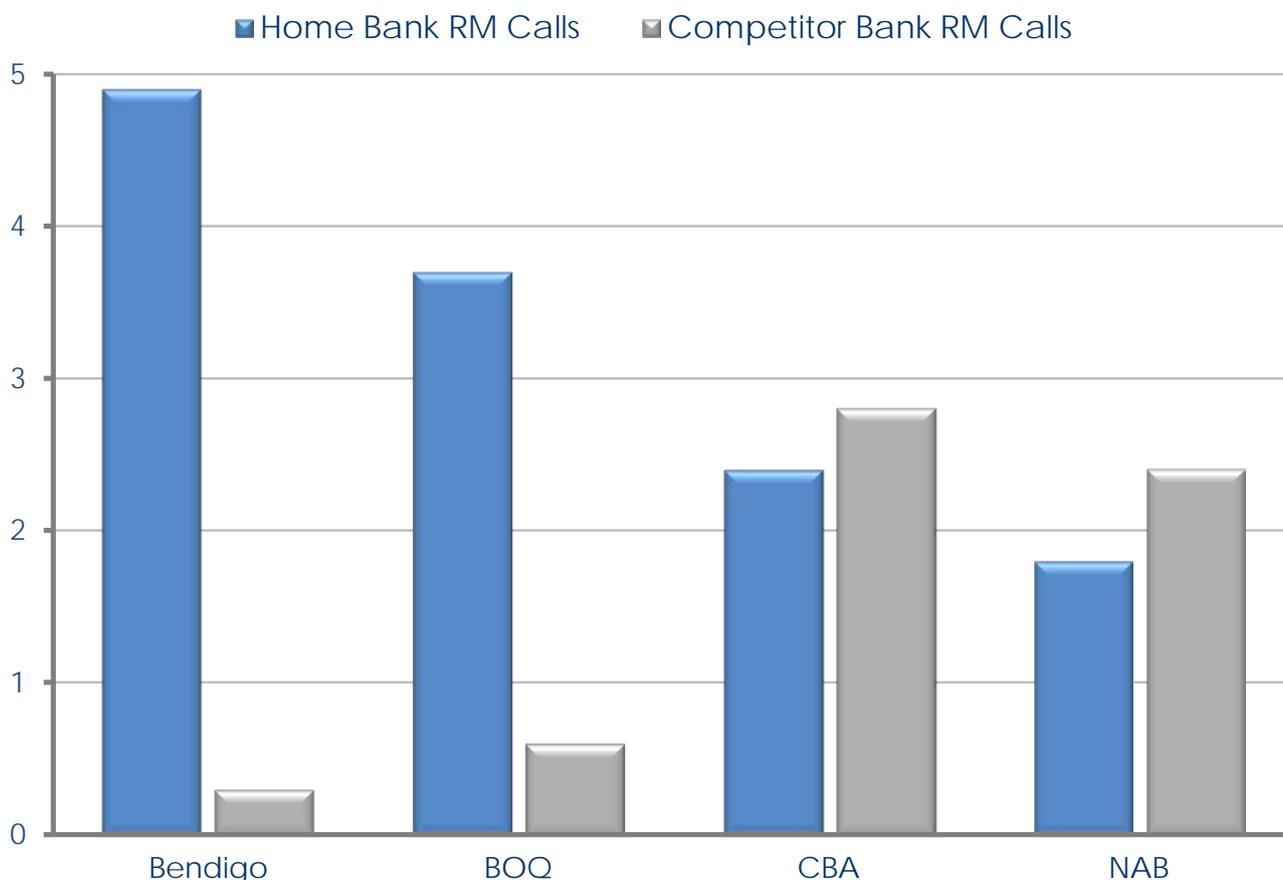
“Our research also shows that SME businesses have a greater credit appetite than larger businesses at the moment – with around 13 percent planning new borrowings - so the segment presents as a growth opportunity for banks,” said Lachlan Colquhoun, East’s Head of Markets Analysis.

“However, despite all the talk from the big banks about the importance of the SME segment, their relationship managers are lagging behind in terms of customer contact.

“It is little surprise then that our research also shows SMEs are, in overall terms, more satisfied with the smaller regional lenders than they are with the Big Four.”

## Calls from home bank vs competitor banks to SME's

Average Number of Calls per annum



Source: East & Partners SME Transaction Banking Markets Program – April 2014

## About the East & Partners Open Markets Briefing

East & Partners hosts Open Markets Briefing sessions in Sydney quarterly, highlighting key changes in the business banking landscape based on the firms' comprehensive market research programs across the Asia Pacific.

Attended by representatives from over 60 different local and international banks, financial service institutions and a number of local and international media houses, East & Partners' Open Markets Briefings are fast becoming an important feature of the financial calendar. Additional Open Markets Briefing locations include Singapore and Hong Kong.

For more information or for further interview based insights from East & Partners Open Markets Briefings, please contact:

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