



EAST & PARTNERS P T Y L T D

Asia Pacific's Leading Banking Analyst Group

Media Release

Westpac rebounds in business banking markets

(6 May 2004 – Australia) Westpac appears to have stemmed a run of market share losses in Australia's business banking markets, improving its performance in this commercial market segment at the same time as consolidating its position among Australia's Top 500 corporates, according to East & Partners.

East's latest research into Australia's business or commercial banking market (companies turning over A\$20 – 340 million per annum) shows Westpac recovering from a significant drop in market share six months ago to claim 18.8 percent of primary relationships this time around. The Bank is also continuing to grow its share of secondary transaction banking relationships.

Current Principal Transaction Banker to Commercials

% of Total Primary TB Relationships

Rank	Feb 2004 (A\$20-340m)	Feb 2004 (A\$20-100m)	Aug 2003 (A\$20-100m)	Feb 2003 (A\$20-100m)
1 CBA				
2 NAB				
3 Westpac	18.8	16.1	15.2	17.2
4 ANZ				
5 St George				

Current Secondary Transaction Banker to Commercials

% of Total Secondary TB Relationships

Rank	Feb 2004 (A\$20-340m)	Feb 2004 (A\$20-100m)	Aug 2003 (A\$20-100m)	Feb 2003 (A\$20-100m)
1 CBA				
2 Westpac	7.6	6.6	5.8	5.2
3 NAB				
4 ANZ				
5 St George				

Source: East & Partners Australian Commercial Transaction Banking Markets service

On the day when Westpac announces its interim half-year profit, East principal analyst Paul Dowling said the Bank appeared to be making strides in customer acquisition once more.

“The commercial market segment is extremely buoyant and aggressive compared with the currently subdued big end of town and banks ignore it at their peril. Westpac seemed to be doing this for some two years – particularly the lower end of this market – but our results indicate something of a turnaround is underway,” Dowling said.

“The bank still trails the other major domestics in key area of customer performance such as Client Relationship Management and has further work to do. But our latest customer research findings indicate Westpac has improved its performance across other key metrics such as Understanding Business Needs, Proactivity and Loyalty to the Relationship. High performance in these measures invariably results in increased market share.”

Westpac is the leading bank to the Top 500 Corporate segment, owning more than a quarter of primary transaction banking relationships [see Table below].

It also leads the Big Four as principal corporate banker, although remains some distance behind the specialist investment banks in key Advisory, Equity Raising, M&A and Capital Structuring services, as is expected from what is essentially a commercial banking model in the “top end” of town.

<i>Current Principal Transaction Banker to Top 500 Corporates</i>			
% of Total Primary Relationships			
Rank		December 2003	June 2003
1	Westpac	26.2	27.4
2	ANZ		
3	CBA		
4	NAB		
5	St George		

<i>Current Principal Corporate Banker to Top 500 Corporates</i>			
% of Total Primary Relationships			
Rank		December 2003	June 2003
1	Westpac	12.9	14.0
2	ANZ		
3	CBA		
4	NAB		
5	UBS		

Source: East & Partners Corporate Banking Account Penetration service

NB: East & Partners will release similar business banking market metrics to coincide with National Australia Banks' interim profit announcement on 12 May.

If you require any East data or comment in advance of the NAB announcement or further information on this media release, please contact:

Paul Bartholomew
Senior Consultant
East & Partners Pty Ltd
Tel: +61-2-9222 1588
Mob: +61-410 400 156