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#### Media Release

# Come closer or leave, Top 500 corporates tell their banks

(3 June 2004 – Australia) Australia's Top 500 Corporates continue to ask their banks for industry expertise, higher quality management of their relationships and better understanding of the customer's industry sector but complain that banks are not meeting their demands in these areas, East & Partners has found in research just released to client banks.

East's latest six-monthly Corporate Transaction Banking customer satisfaction research reveals that relationship banking to corporate and institutional CFOs has become more important than ever.

"The fact that account lifetimes continue to shorten demonstrates that corporate companies are responding to banks' aggressive pitching for new business. If banks are unable to deepen and add value to their existing client relationships, these customers continue to look for a bank that can," East & Partners principal analyst Paul Dowling said.

According to this latest "Top 500" research, the five most important products and/or service attributes to corporates, and their corresponding market-wide satisfaction ratings, are:

Most Important Factors for Top 500				
	Average Rating Reported			
	1 — — 2 — (important) (satisfied)	3 — 4 — — 5 (unimportant) (dissatisfied)		
	Importance	Satisfaction	Performance Gap (%)	
1 Loyalty to the Relationship Understanding Business Needs	1.04 1.04	2.21 2.30	-115.4 -121.2	
2 Quality of (Bank's) People	1.05	2.45	-133.3	
3 Understanding Industry Sector Relationship Management Particular Industry Expertise	1.07 1.07 1.07	2.54 2.83 2.54	-137.4 -164.5 -137.4	
4 Funds Management	1.10	1.36	-23.6	
5 Call Money Market	1.12	2.08	-86.7	
Source: East & Partners Corporate Banking Customer Satisfaction – April 2004				

"Corporates are increasingly looking to their banks for business expertise not just banking expertise. Having a relationship manager who really understands the industry a particular business operates in, someone who can pinpoint where to unlock value, which in turn unlocks further business for the bank, is paramount," Dowling said.

The report shows that only five banks score better than average ratings in terms of relationship banking with BNP Paribas the best performer, followed by St George. Commonwealth Bank is the best relationship banking performer among the Big 4 domestic banks in this critical "Top 500" segment.

"BNP Paribas and St George have relatively low market share among the Top 500 but the customers they do have are the happiest. BNP Paribas has a strong relationship banking culture and it has evidently managed to further improve the satisfaction of its customers through restructuring elements of its business to focus on the large corporate segment," Dowling said.

"In the case of St George, its relationship management model has been extremely successful in the middle corporate and SME markets and is clearly being noticed by the big end of town."

In terms of lead relationship banker to these Top 500 corporates, the report shows that Westpac leads with 26.1 percent of primary relationships, followed by ANZ which has 25.2 percent of primary relationships. CBA has 19.7 percent, National Australia Bank has 14.9 percent while St George holds 4.8 percent.

### Best Five Rated Relationship Bankers

### **Average Overall Satisfaction Rating Reported**

(Top 5 Rated Banks in Each Product within the Group)

1 — — 2 —	3-4-5
(satisfied)	(dissatisfied)

		April 2004	October 2003
1	BNP Paribas	2.22	2.27
2	St George	2.27	2.39
3	CBA	2.36	2.36
4	JPMorgan	2.39	2.52
5	UBS	2.40	2.73

Source: East & Partners Corporate Banking Customer Satisfaction Program – April 2004

## Length of Primary Transaction Banking Relationship Amongst Top 500 Corporates

## % of Total

	April 2004	October 2003
0 – 2 years	14.3	13.3
3 – 5 years	37.1	36.4
6 – 10 years	32.9	31.7
11 – 20 years	8.3	10.2
21 plus years	7.4	8.4
TOTAL	100.0	100.0

Source: East & Partners Corporate Banking Customer Satisfaction Program - April 2004

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