

CBA's determination shows

(20 March 2008 - Australia) The new advertising campaign from CBA appears to be having an impact on businesses, as shown in the latest East & Partners' Business Banking Sentiment Index (BBSI) for February 2008.

Of the 750 plus businesses questioned, 2.6 percent recognised CBA's advertising in February 2008. This represents a significant improvement on last month's figure of 1.9 percent and also represents the highest single increase, in almost two years, of businesses recognising CBA's advertising.

However, while this increase is significant it still means that only a small percentage of businesses recognised CBA's advertising, especially when this figure is compared to CBA's peers. The NAB, for example, has advertising recall of above 30 percent, which is a clear indication of the gap that CBA needs to fill.

Thus far, CBA's advertising campaign has not signalled a significant boost in their overall recall as a business bank. CBA's mind share (the first business bank that a company can recall) fell slightly and has not yet arrested the long term downward trend.

East & Partners' financial markets analyst, Peter Drennan, said "Advertising is an important first step in establishing or increasing market presence, but needs to be converted into mind share and eventually market share to be considered effective".

The advertising campaign from CBA seems to have had the biggest impact in the SME segment of \$5 million to \$20 million turnover businesses, where advertising recall percentage doubled in one month to 2.8 percent, a figure not seen since November 2006.

Regarding the overall sentiment towards the banks, things are looking positive. In February, overall sentiment has increased for the fourth consecutive month to 42.2 (from a possible low of 10 to a high of 100)

Demand for more banking products also continues to increase, seemingly undisturbed by the current market, although slowing in its positive movement. "Despite current interest rate rises and write downs from banks, businesses have felt no impact in their sentiment towards banks and are indicating that they are still looking for growth with more banking products", Mr Drennan added.

East & Partners Pty Ltd

Level 39, 2 Park St Sydney NSW 2000 Australia

p: +61 2 9004 7848 f: +61 2 9004 7070

www.east.com.au

ABN: 76 072 374 406

About East & Partners' Business Banking Sentiment Index

The East & Partners' Business Banking Sentiment Index is a monthly survey of business customer sentiment towards banks, providing a monitor of customer satisfaction, loyalty, advocacy and empathy towards business banks. Each month East & Partners' research team conducts telephone interviews with a sample of 750 businesses nationally, turning over A\$1 to 100 million per annum, comprising:

- Micro Business 190 A\$1 - 5 million turnover enterprises
- SME 280 A\$5 - 20 million turnover enterprises
- Lower Commercial 280 A\$20 - 100 million turnover enterprises

For more information please contact:

Tanya Glazer
Marketing Communications
East & Partners
t: 02-9004 7848
m: 0404 474 446
e: tanya.g@east.com.au