

Top 500 companies looking for change?

(17 February 2010 – Australia) Despite churn intentions among Top 500 companies recently reaching unprecedented lows, this trend is beginning to change according to East & Partners' latest Institutional Transaction Banking report.

At the start of the global financial crisis, towards the end of 2007, nearly 16 percent of top 500 companies switched some or all of their banking products to another provider during the previous six month period. At the end of 2009, this figure fell to just 4.1 percent.

However, big businesses have suggested that this preference for sticking with their banks could be about to change.

Businesses have indicated a much greater likelihood to change their primary bank over the next six months compared to mid-2009. The number of businesses with at least some intention to change their primary banker has almost doubled in the last six months, from 10.4 percent in May 2009 to just under twenty percent in November 2009.

East & Partners' financial markets analyst, Peter Drennan, said "fundamentally, businesses still remain cautious about changing their primary provider against the backdrop of the current credit environment. This is clearly resulting in relatively low churn intentions".

"However, as credit conditions begin to thaw, businesses are evidently beginning to look outside of their existing relationship to see what alternatives are available, ultimately resulting in the prospect of greater churn in 2010", Mr Drennan added.

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About East & Partners' Institutional Transaction Banking Markets Report

East & Partners' Institutional Transaction Banking Markets Report is an ongoing six-monthly research service designed to deliver bank market share, wallet share, customer satisfaction, mind share, engagement and churn analysis for transaction banking products among Australia's top 500 companies by revenue. The program is based on structured interviews with some +/-450 enterprises every six months.

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