

## Transaction banking costs rising for Corporates

(7 February 2011 – Australia) Australia’s corporate businesses are increasingly reporting rising transaction fees, according to new research from business banking research firm East & Partners.

The firm has just released to clients its latest round of Australian Corporate Banking Markets research (20-530m enterprise turnover market), which reports more than half of all corporate bank customers have experienced an increase in their transaction fees, particularly Cash Management, Payables and Remittance Processing.

Over the past full year no corporates have reported a reduction in transaction fees, a first since reporting began in 2003.

In January 2008, 16.3 percent of businesses reported an increase in transaction fees over the previous six months; this has now risen to 58.0 percent.

“This climb in transaction based services charging reflects the increased focus commercial banks have on fee-for-service income streams, a focus strengthened by what is a very flat credit demand environment and shareholder expectations for continued revenue growth.” commented East & Partners’ principal analyst Paul Dowling.

“We will see more and more disaggregated product pricing as providers also reinforce their cross selling efforts in what is a critical middle-market for them, he said.

The good news is that whilst the incidence of corporate experiencing fee increases continues to climb, the actual rate increases occurring are slowing considerably. The percentage by which corporate transaction fees have risen has decreased from 16.9 percent average change to 6.9 percent over this same six time-frame to January 2011.

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## About East & Partners' Australian Corporate Banking Markets Program

East & Partners' Australian Corporate 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 banking products among corporate enterprises turning over A\$20-\$530 million per annum.

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