

Top 500 lack appetite to move from Big 4

(12 July 2012 – Australia) Australia’s largest businesses show little interest in moving their primary transaction banking relationship to a non-big four banking provider, the latest research on the Institutional banking markets by industry consultants East & Partners has shown.

A recent survey of Australia’s Institutional business markets has revealed that the big four Australian banks continue to dominate the big business landscape, with a collective ownership of 84 percent of Australia’s Top 500 businesses transaction banking relationships.

A surprisingly large 91.0 percent are unlikely or very unlikely to consider a change to a non-big four bank for their primary transaction banking, leaving less than a 10 percent share of these relationships “open” for competitive providers.

A total of 63.0 percent of Australia’s Top 500’s transaction banking relationships are currently subject to a period/term contract, with 40 percent of these contracts set to expire within the next two years, with a further 46.0 percent expiring within the next two to four years.

Of these businesses 75 percent have said that when renewing these contracts they will definitely or likely be going to open tender – obviously, however, only across the Big Four domestic banks.

Highlights of the Institutional Transaction Banking Market report include:

- Market Share and Wallet Share
- Churn Levels and Futures
- Account Manager Satisfaction Ratings with Customers
- Service Importance Ratings
- Product Satisfaction Ratings

East & Partners’ Principal Analyst Paul Dowling commented, “With payments, cash and deposit business now central to bank relationships with their big customers, transaction banking is definitely the key market share battle ground. There are obvious reasons for why domestic banks dominate in-country transaction services, although these ratios for the Australian market are significantly higher than we find in many other markets around the region”.

“With service contracts averaging a five year tenure and nearly two thirds of this institutional market subject to such period arrangements, every tender has to be a winner,” Mr Dowling added.

East & Partners Pty Ltd

Level 39, 2 Park St Sydney NSW 2000 Australia

phone: +61 2 9004 7848 fax: +61 2 9004 7070

www.east.com.au

ABN: 23 151 025 599

About East & Partners

East & Partners is Asia-Pacific's leading business banking and advisory firm. East's research programs and expertise in the Institutional, Corporate, SME, Business, Investment and Financial services markets has enabled the firm to work with virtually every major bank within the region and international clients based in North America and Europe.

Focusing on the needs and priorities that make every client different, East devises and implements strategic action plans that have measurable returns on investment for its clients through the delivery of bespoke, thought-leadership and multi-client research programs. This enables the firm's clients to execute bullet-proof regional, national and global strategies based on the "real voice" of many thousands of business customer interviews annually.

Note: Business customer Segments

- › Institutional – A\$530+ million
- › Corporate – A\$20-530 million
- › SME – A\$5-20 million
- › Micro – A\$1-5 million

For more information or to interview East & Partners, please contact:

Sian Dowling
Marcomms & Client Services
East & Partners
t: +61-2-9004 7848
m: + 61-420 583 553
e: sian.d@east.com.au