

St George completes exit as banker to Top 500

(18 September 2013 – Australia) The exit of St George as a banker to Australia’s leading institutional businesses is complete, with the bank no longer ranked as a primary transaction banker to any of the nation’s Top 500 businesses.

East & Partners’ current release of their Institutional Transaction Banking Markets report shows that St George does not register as either a primary or secondary provider of transaction banking services to the Top 500.

This compares to the results from the same report in May 2008, when St George held a primary market share of 5.7 percent, and a secondary share of 6.4 percent.

This equates to the bank losing, in five years, between 25 and 30 primary institutional customers, and just over 30 secondary transaction banking relationships.

While the logical assumption would be that those relationships have migrated to Westpac, following the merger which was first announced in May 2008, this is not borne out by the East research – at least in terms of primary relationships.

In May 2008, Westpac held a primary relationship market share of 17.4 percent, and in the most recent survey its market share was 17.2 percent.

Westpac has, however, significantly lifted its share as a secondary provider to this “top of town” market, moving from 8.2 percent in May 2008 to 14.3 percent in 2013. The bank is still ranked fourth behind the NAB, ANZ and CBA, all of which have also increased their secondary shares, although Westpac’s has shown the fastest growth.

Lachlan Colquhoun, Head of Markets Analysis at East & Partners, said that although Westpac had mandated that all “Institutional” client relationships were to transfer from St George after the merger, East’s research has shown this to be an incremental, rather than a “one off,” process.

“St George was registering with a minimal primary and secondary market share until as late as November 2012, so it seems it has taken some time for that migration to occur,” said Colquhoun.

“Even so, it would seem that not all of those customers have stayed with the new Westpac.

“Part of this can be explained by Westpac dropping a lot of the commercial property exposures which were on the St George book, explaining why the primary numbers for Westpac have remained so static post the merger.”

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About East & Partners' Australian Institutional Transaction Banking Markets report

A six monthly analysis of the Top 500 Australian Institutions presenting detailed market share, brand recognition, share of mind and customer satisfaction ratings across:

- Account Services and Cash Management
- Payment Processing
- Remittance Processing
- Internet Banking
- Desktop Banking
- Cross Border Payments
- Full Service International TB

In addition, 27 service and relationship attributes are rated by Institutional customers, bank-by-bank. The Institutional market in East & Partners' segmentation bottoms at enterprises with annual turnovers of A\$725 million.

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