



Media Release

Company CFOs bank differently to their companies!

Top 500 CFOs choose different banks for their personal accounts, CFOs from smaller firms more loyal

(Sydney – 12th March 2003) Chief Financial Officers (CFOs) at Australia's Top 500 companies have a very different approach to their private banking arrangements than their counterparts at smaller companies, with more than 60 percent of the Top 500 CFOs choosing to bank privately with a different institution than their company, according to recent research from East and Partners.

This compares with the vast majority of CFOs from smaller - or "commercial sub-A\$100 million" - organisations, 81.7 percent of whom use the same bank as their company.

East interviewed chief financial officers or their equivalents at 456 of Australia's Top 500 companies in February - representing a 91.2 percent coverage - and found that 61.8 percent of respondents banked privately with a different institution from their companies.

Moreover, the Top 500 CFOs were happy doing so.

46.8 percent described themselves as "very happy" with their private banking relationships and 40.8 percent described themselves as "reasonably ok."

Only 8 percent described themselves as "not happy" and 5.2 percent were "most dissatisfied."

These results contrast with a structured sample of 651 CFOs or their equivalents at Australian firms turning over between A\$20-100 million a year, interviewed by East in December 2002 and January this year.

That survey found that although 81.7 percent of these CFOs banked personally with the same banks as their companies, the majority of them were dissatisfied.

31.1 percent described themselves as "not happy," while 20.7 percent said they were "most dissatisfied" with their banking relationship.

Only 18.2 of these CFOs said they were "very happy" with their personal banks, and 30.0 percent were "reasonably ok."

Commenting on the report, East and Partners principal analyst Paul Dowling said: "Both results show feelings of dissatisfaction with banks."

"Top 500 CFOs go elsewhere for their personal banking often because they are privy to a deeper understanding of what their company's banks can and cannot do for them - they are more complex customers. Large company CFOs also like some distance in these private versus corporate banking relationships, notwithstanding many having received pretty enticing propositions for their business."

"CFOs at smaller companies are still suffering from the 'loyalty at all costs' outlook which has characterised that sector's corporate banking relationships, and yet the majority of them are deeply unhappy with their private banking arrangements."

<i>Do you privately bank with the same institution as your company?</i>		
	% of Corporate CFOs (N: 456)	% of Commercial CFOs (N: 652)
Yes	38.2	81.7
No	61.8	18.3

<i>If so, how satisfied are you with your private banking relationship?</i>		
	% of Corporate CFOs (N: 174)	% of Commercial CFOs (N: 533)
Very happy	46.0	18.2
Reasonably ok	40.8	30.0
Not happy	8.0	31.1
Most dissatisfied	5.2	20.7

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