

## Payments Dominate Australian Transaction Banking

(22 September 2011 – Australia) Whilst nearly half of Australia's Corporates view their "main bank" to be their primary lending bank post-GFC, a sizeable 49.8 percent view this to be their transaction bank, according to the latest release from East & Partners' Corporate Transaction Banking Markets service.

Increasingly central to Corporates' Transaction Banking needs is Domestic Payments processing, with fully 96.1 percent of this important middle market engaging specialist Payments products from their bank(s). Minimal secondary banking is occurring in this product market, with primary banks taking an average 99.6 percent of customers Domestic Payments wallet.

By contrast only a third, 35.2 percent, of Corporates use Cross Border Payments products, although this engagement is growing rapidly as bank offerings become increasingly accessible and more richly featured. This is also a product market where primary providers hold a much more modest 35.2 percent of the average Corporate's Cross Border Payments wallet and considerably greater multi-banking by customers is done.

Domestic Payments is dominated by the Big Four Australian commercial banks, holding a collective 80.6 percent of all primary banking relationships. HSBC is the largest non-domestic player.

Best of market customer satisfaction performance for in these latest results show lead positioning held by:

- Westpac – in Product Satisfaction measures
- Westpac – in Operational Satisfaction measures
- NAB – in Service Satisfaction measures

East & Partners' Client Service Head, Amy Nixon commented "The payments industry globally is undergoing major transformation, with new players and innovators looking to carve out roles and revenue. Changing technologies, especially access and mobile, globalisation of payments models, increasing demand for more functionality from consumers and corporate alike and regulators looking to drive innovation and security are all adding to an enormous refocussing on Payments by banks."

"An ageing infrastructure, including Australia, requiring major investments by the banks is making Payments, both Domestic and Cross Border, the new opportunity market for commercial banking," Ms Nixon 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](http://www.east.com.au)

ABN: 23 151 025 599

### About East & Partners' Australian Corporate Transaction Banking Markets service

A six monthly demand research service focussed on the A\$20-530 million turnover "middle market". Consisting of some 11,160 companies the program interviews a structured sample of 850 plus enterprises twice yearly.

The Corporate Transaction Banking Markets service monitors market share, share of wallet, mind share, service engagement, churn and customer satisfaction metrics, bank-by-bank across Cash Management, Payments, Receivables Processing, Desktop Banking, Internet Banking, Cross Border Payments and Full Service International Banking product markets.

For more information or for interviews please contact:

Sian Dowling  
Marcomms & Client Services  
East & Partners  
t: 02 9004 7848  
m: 0420 583 553  
e: [sian.d@east.com.au](mailto:sian.d@east.com.au)

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Level 39, 2 Park St Sydney NSW 2000 Australia  
**phone:** +61 2 9004 7848 **fax:** +61 2 9004 7070  
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