

Business Banking Sentiment Wraps 2011

(16 December 2011 – Australia) Leading industry consultants East & Partners have released their latest Business Banking Sentiment Index which focuses on key areas of sentiment and advocacy, the research covers: Individual sentiment scores, Customer interaction with their Business Banks and Business Banking customer advocacy.

Key findings from the report include:

- Bank of Queensland (BoQ) has received the best overall sentiment score of 64.4 (out of 100) from their business customers followed by St George and HSBC, 56.7 and 56 respectively
- Out of the four core sentiment pillars monitored (satisfaction, empathy, advocacy and loyalty) satisfaction has rated highest with business customers recording an average score of 46.4. Advocacy has rated lowest with an average of 22.7
- The mid corporate segment recorded the highest overall sentiment score towards their business bank with a score of 69.0
- Business customers of BoQ and NAB rated them as the two banks easiest to deal with
- Not surprisingly, the Mid Corporate segment has the highest demand for business banking products with the greatest product appetite being found in QLD
- Over the last month, 66.5 percent of business customers have had no contact with their principal bank
- On average, customers advocated their bank or Relationship Manager 0.57 times in the last two months
- BoQ, Bank of Western Australia followed by HSBC have experienced highest actual advocacy from their customers
- Advocacy had strongest impact on Transaction banking product buying (25.9 percent of customers), Advisory Services the least (7.3 percent)
- Service Level Experienced has been nominated by all segments as the main driver encouraging advocacy followed by availability and ease of accessing credit

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East & Partners' Head of Client Services, Amy Nixon, commented "As the year comes to a close we see that the traditional driver of customer satisfaction can no longer be relied upon as the single key predictor of business banking performance around market share, wallet share and cross sell outcomes."

"Stronger predictive correlations between other business sentiment measures such as Customer Loyalty, Empathy, Interaction Frequency and Mind Share have developed and will carry the business banking markets into 2012" Ms Nixon added.

About East & Partners' Business Banking Sentiment Index

A bi-monthly Index of business sentiment toward their banks, based on interviews conducted Australia-wide with a structured sample of over 4,600 middle market and SME customers companies turning over A\$1 to 100 million per annum.

The Index provides a monitor of a number of important drivers of customer engagement behaviour with their banks including advocacy, detraction, empathy, satisfaction, loyalty, channel engagement, advertising recognition, product demand, product advocacy and mind share.

Note: Business customer Segments

- Mid Corporate – A\$20-100 million

- SME – A\$5-20 million

- Micro – A\$1-5 million

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