

## The Importance of Transaction Banking Cross Sell in Business Banking

(14 March 2012 – Australia) The Transaction Bank has historically been favoured by customers as a business' primary relationship, highlighting the opportunity for banks of cross sell across transaction products.

East & Partners' latest Corporate Transaction Banking Markets report has reinforced Cash Management and Internet Banking products as the key relationship platforms in transaction banking with middle market businesses. Over the last four years, Cross Border Payments has seen the biggest rise in product penetration in this segment with an increase of 9.4 percent, to fully 36.8 percent of Corporate business customers engaging these solutions.

Cross Border Payments and Full Service International Transaction Banking products provide the biggest area of opportunity for cross sell within a primary transaction banking relationship. National Australia Bank, for example, has best of breed Cash Management market share with 28.5 percent of the business market, however is below average for both Cross Border Payments and Full Service International TB products. HSBC by contrast, with a relationship share in Cash of 7.6 percent has used its global service proposition to secure 13.8 percent of Cross Border Payment relationships in this segment.

	% of Primary Supplier Shares February 2012	
	Cash Management	Cross Border Payments
ANZ	16.8	23.5
CBA	21.6	6.1
HSBC	7.6	13.8
JPMorgan	0.4	6.1
NAB	28.5	17.1
St George	5.2	0.9
Westpac	14.1	17.1

Source: East & Partners Australian Corporate Transaction Banking Program

Paul Dowling, East & Partners' Principal Analyst commented, "There are significant differences between providers on these measures of cross sell, with some banks being way more successful than others at leveraging their Cash and Payments relationships with business customers"

"This latest research also reaffirms the transaction relationship as the most powerful cross sell platform for other, non-transaction product offerings, in particular Risk, FX and Treasury solutions." added Mr Dowling.

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### **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 880 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.

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