

Memories of GFC credit experiences building bank churn

(20 June 2012 – Australia) The latest research from industry consultants East & Partners has found that during the Global Financial Crisis (GFC) 51.5 percent of the total Australian business market approached a new bank for credit due to tightened criteria and credit requirements from their existing primary bank.

A massive 70.9 percent of those companies who looked to turn away from their primary lender during that time now say that they have either already changed (10.4 percent) or plan to do so (60.5 percent) from their primary banking provider as a result of their credit experiences over the past four years.

The majority of companies who reported these approaches to new banks were SME's making up 37.8 percent of the overall total, Corporates, Micro business and Institutionals followed with 26.3 percent, 23.1 percent and 12.8 percent respectively.

Further highlights of this analysis report include:

- Drivers of advocacy
- Customer recognition of business bank brands
- Individual bank index scores for loyalty, sentiment, negative advocacy, satisfaction
- Customer contact frequencies and experiences
- Brand advertising recall

East & Partners' Head of Client Relationships, David Brown commented, "With intent to switch at record highs – there is still reluctance to actually do so, with general market conditions being the key concerns. Business continues to deleverage and hoard cash rather than gear their balance sheets for growth, including any change their current lender(s)."

"Banks will need to deploy retention strategies to retain what could become a "floodgate" effect, whenever surety around near term futures returns for Australian business", Mr Brown 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

ABN: 23 151 025 599

About East & Partners

East & Partners is Asia-Pacific's leading business banking and advisory firm. East's research programs and expertise in the Institutional, Corporate, SME, Business, Investment and Financial services markets has enabled the firm to work with virtually every major bank within the region and international clients based in North America and Europe.

Focusing on the needs and priorities that make every client different, East devises and implements strategic action plans that have measurable returns on investment for its clients through the delivery of bespoke, thought-leadership and multi-client research programs. This enables the firm's clients to execute bullet-proof regional, national and global strategies based on the "real voice" of many thousands of business customer interviews annually.

Note: Business customer Segments

- > Institutional – A\$530+ million
- > Corporate – A\$20-530 million
- > SME – A\$5-20 million
- > Micro – A\$1-5 million

For more information or to interview East & Partners, please contact:

Sian Dowling
Marcomms & Client Services
East & Partners
t: +61-2-9004 7848
m: + 61-420 583 553
e: sian.d@east.com.au