

BOQ tops Business Banking rankings for fifth year

(29 July 2013 – Australia) The Bank of Queensland (BOQ) has again repeated its top ranking in East & Partners bi-monthly Business Banking Index (BBI), with an endorsement from customers which puts it well ahead of its rivals.

BOQ first topped the BBI rankings in May 2008, when it wrestled top spot from St George, and since that time has continued a lead on its competitors which has just notched up five years.

Out of the ten banks ranked in the index, BOQ was followed by HSBC, St George and NAB, the top ranked of the Big Four.

East's bi-monthly BBI is created from aggregating customer ratings in four criteria in their "main" banking relationships – empathy, satisfaction, loyalty and advocacy.

Businesses, spanning Micro businesses turning over \$1 million a year to Australia's largest institutions are directly interviewed and asked to rate their core banks on a scale of 10 to 100 against the four criteria, with 10 the lowest and 100 the highest.

BOQ's BBI score from the research conducted in May was 63.9, well ahead of the 53.5 recorded by second placed HSBC. The average score was 30.5 with the lowest ranking the 16.6 for CBA.

While BOQ has improved and maintained its BBI score at above 60, the average score has come down significantly in the last few years, from 42.3 in May 2008 to 30.5 in the most recent round.

The biggest falls have been among the ranks of the Big Four, with the BBI scores of CBA and ANZ almost halving and Westpac's down 40 percent over the five year period.

St George's BBI has fallen from over 60 five years ago to 53.1 in the current round, while that of CBA unit BankWest has gone from 39.9 to 29.2.

The five year comparison also shows how relations between Micro businesses and their banks have deteriorated in the period since the Global Financial Crisis. In 2008, Micro businesses turning over between \$1-5 million gave their banks a collective BBI of 21.0, but this has now almost halved to 11.4.

Demand for business services from the total market has also fallen sharply in the last five years. In 2008, the BBI showed that businesses were anticipating a 38.5 percent increase in their demand for business banking services, but this has now slipped to a new low of 17.2 percent.

Lachlan Colquhoun, Head of Markets Analysis at East & Partners, said the BBI was a stark illustration of how relationships between businesses – particularly smaller businesses – and their banks had deteriorated in the post-GFC period.

"Five years at the top of the BBI is an endorsement of the relationship model being pursued by BOQ, but shows there is a major gap between the Big Four and their customers," said Colquhoun.

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

"East's analysis shows that the BBI is a strong predictor of market share, customer retention, wallet share, product cross-sell and bank margins."

Brendan White, BOQ's Group Executive, Business Banking, welcomed the BBI result, saying BOQ prided itself on its qualities as a relationship bank.

"We are really pleased with the progress we are making in Business Banking, however we are even more pleased with the feedback we are receiving from our customers," he said.

"These results also highlight the strength of our operating model. Our Owner-Manager franchise model differentiates us from our competitors because being small businesses they understand small business. If you overlay this natural understanding and empathy for small business with the support from our Business Bankers scattered throughout Australia then this is a powerful and differentiating engagement and service proposition.

"No doubt our branch network and business bankers nationwide will be very proud of these results, which truly reflect the passion our people have for their customers."

East & Partners Business Banking Index (Scoring : 10-100)

	2007	2009	2011	2013
BOQ	53.7	60.6	63.6	63.9
TOTAL MARKET	41.8	37.6	33.3	30.5

About East & Partners' Business Banking Index

A bi-monthly Index of business customer behaviour toward their banks, based on interviews conducted Australia-wide with a structured sample of over 6,150 companies across four segments annually.

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.

- › Institutional – (A\$725+ million turnover enterprises)
- › Corporate – (A\$20-725 million turnover enterprises)
- › SME – (A\$5-20 million turnover enterprises)
- › Micro – (A\$1-5 million turnover enterprises)

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