

Business demand on regional banks still high

(30 May 2010 – Australia) Appetite for business banking products amongst enterprises that nominate one of Australia’s regional banks as their primary provider has not yet recovered post global financial crisis, business banking research firm East & Partners’ latest Advocacy Monitor (TAM) has revealed.

Although, since May 2009, customers of the Bank of Queensland and St George Bank have continually reported declining levels of expected demand for additional business banking services, they, along with other regionals are still experiencing higher demand for business banking products than their Big Four counterparts.

Suncorp is the sole exception amongst the regionals, with expected demand for additional business banking services in the next two months increasing from 38.9 percent since May 2009 to 40.3 percent.

Paul Dowling, East & Partners’ Principal Analyst said that “There is clearly a mixed message in these numbers for regional banks active in the business markets. On the one hand, demand from their small business customers is high but, on the other, has been consistently reducing, more so than the overall decline in demand from this segment post GFC.”

“This may well also be an effect of flat to reducing demand for credit from small business, spilling over into their overall appetite for new business banking engagement. The traditional relationship and service ethos amongst the regionals has not completely insulated them from declining demand as small businesses went into survival mode two years ago”, Mr Dowling added.

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About East & Partners' Business Banking Advocacy Monitor

The East & Partners' Business Banking Advocacy Monitor is a bi-monthly Index of business customer advocacy and sentiment towards banks, based on interviews conducted Australia-wide with a structured sample of +/- 775 companies turning over A\$1 to 100 million per annum, some 4,650 direct interviews with business banking customers annually. The Index provides a monitor of several key drivers of customer engagement behaviour with their banks including advocacy, detraction, empathy, satisfaction, loyalty and mind share.

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