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PRESS RELEASE: Business Bank Satisfaction Update – 18th March 2011

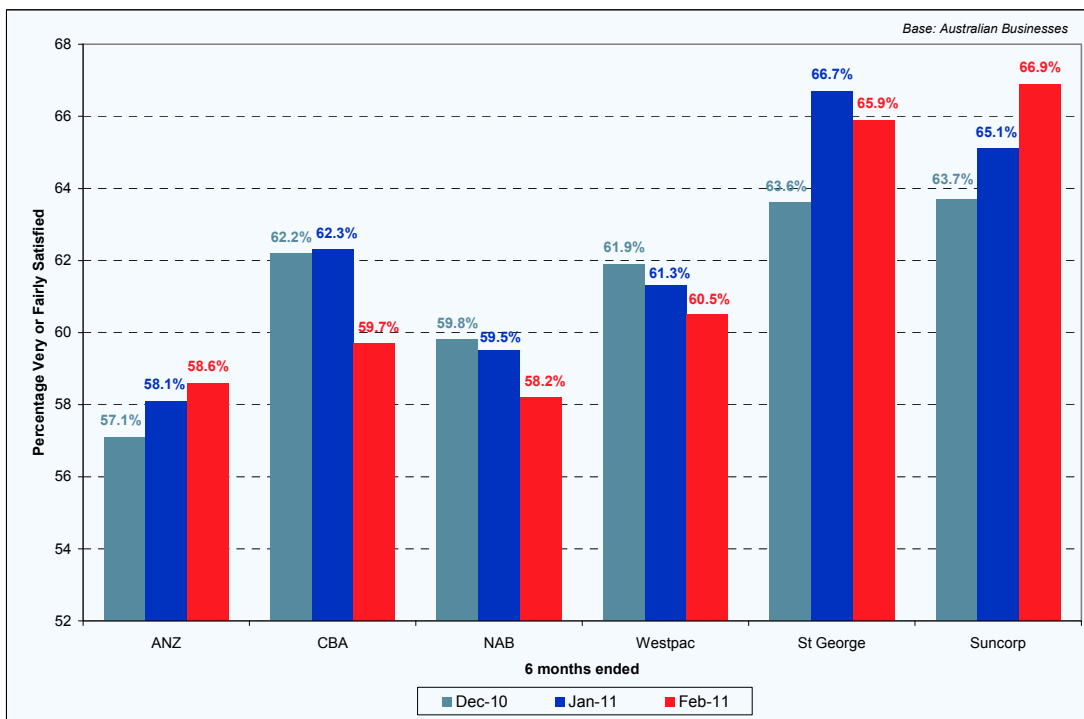
This release is an update to February 2011 of the Roy Morgan Business Survey

Bank Business Customers Satisfaction falls in February 2011

The latest results from the Roy Morgan Research Business Bank Monitor shows that the satisfaction of business customers with four of the top six banks has fallen in February 2011 from their January levels. The CBA declined to 59.7% in February (down from 62.3% in January) the NAB declined to 58.2% (down from 59.5%), Westpac was down to 60.5% (from 61.3%) and St. George scored 65.9% (down from 66.7%). The biggest improver was Suncorp up 1.8% points to 66.9% to be the current market leader. The ANZ was the other major to improve, up 0.5% points to 58.6%.

Westpac is currently the best performer amongst the big four with 60.5% satisfied, but remains well behind its two smaller rivals Suncorp (66.9%) and St George (65.9%)

Chart 1 – Business Bank Satisfaction - TOTAL

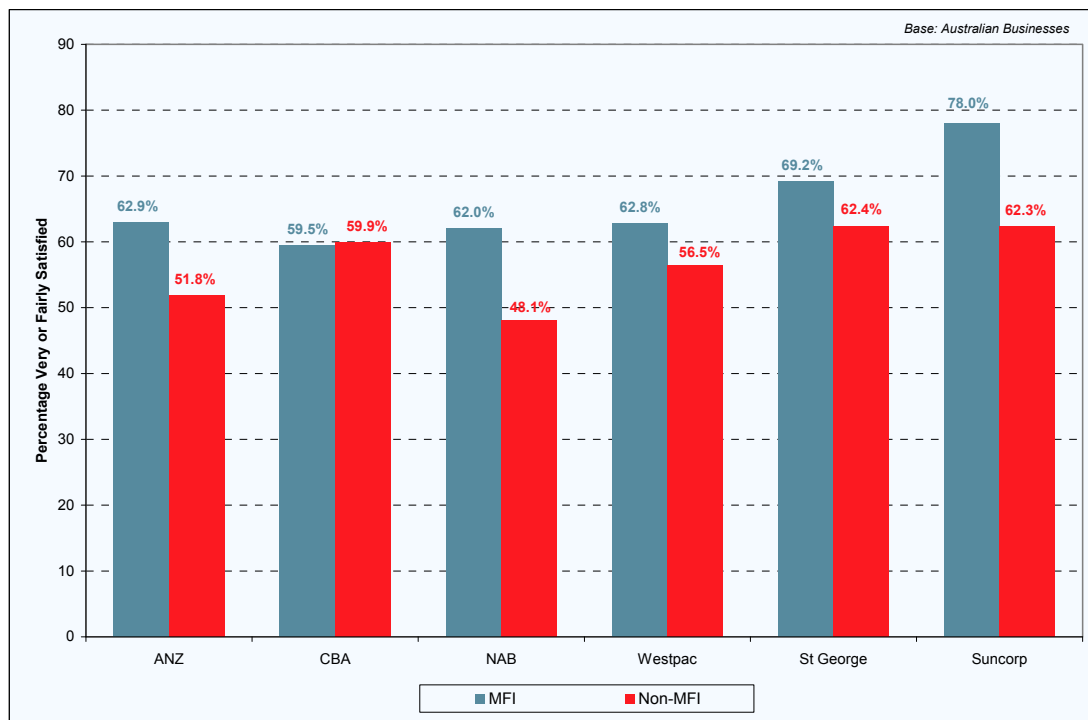


Source: Roy Morgan Research, Business Survey, 6 months to December 2010, n=6,623; 6 months to January 2011, n=6,332; 6 months to February 2011, n=6,267

The satisfaction level with the banks varies considerably depending on the business size (based on turnover). Suncorp is ranked highest amongst “Micro Business” (Under \$1m turnover PA) and Westpac is ranked highest for businesses above that size.

Non MFI (Main Financial Institution) Business Customers are a major drag on overall business satisfaction ratings for all major banks except the CBA. Non MFI customers (who account for 30% to 50% of each banks business customers) have much lower satisfaction. Chart 2 shows that satisfaction levels amongst non MFI customers are only in the range of around 50% to 60% across the major banks. The NAB is the lowest amongst the group with 48.1% satisfaction and St George the highest with 62.4%.

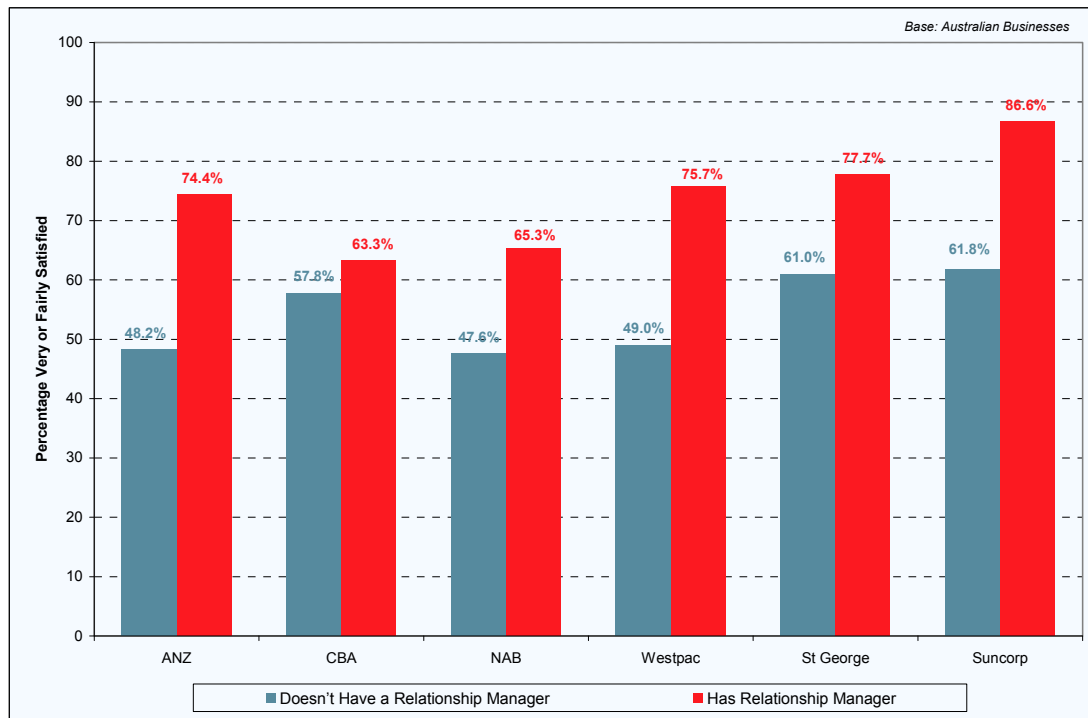
Chart 2 – Business Bank Satisfaction – MFI Customers vs. Non MFI Customers



Source: Roy Morgan Research, Business Survey 6 months to February 2011, n=6,267

The use of “Relationship Managers” has a major impact on overall satisfaction ratings given by business customers. Chart 3 shows that for all six of the major banks, those customers that have a “Relationship Manager” give their bank a much higher satisfaction rating than those that don’t.

Chart 3 – Relationship Manager Improves Customer Satisfaction



Source: Roy Morgan Research, Business Survey 6 months to February 2011, n=6,267

It is worth noting that the proportion of business customers who have a “Relationship Manager” varies between 20% and 60% amongst the major banks.

In order to help understand what drives overall business customer satisfaction, the Roy Morgan Research Business Survey measures satisfaction of each bank customer with their major products held. The following table (Table 1) shows how the major banks are performing against the total banks average** for product satisfaction.

Table 1 – Business Banking Customers Product Satisfaction*

Product Held	Bank where product held					
	ANZ	CBA	NAB	Westpac	St George	Suncorp
Everyday Business Transaction A/C	↓	↓	↓	↓	↑	↑
Cards	↓	↓	↓	↑	↑	↑
Loans	↓	↓	↓	-	↓	↑
Savings and Investments	↓	↓	↓	↓	↑	↑
Insurance	↓	↓	↓	↓	↑	↑
Business Superannuation	↓	↑	↓	↓	↑	↑
International Trade	↓	↑	↓	↓	n.a	n.a
Merchant Services	↓	↓	↓	↑	↓	↑

↓ Below total bank average** satisfaction for product
 ↑ Above total bank average** satisfaction for product
 - Average
 n.a Small Sample
 * Very or fairly Satisfied with the product
 ** Total bank average includes all banks not just those listed

Source: Roy Morgan Research, Business Survey 6 months to February 2011, n=6,267

The ANZ and NAB perform below the overall banks average for all products measured, which is inline with their overall low ratings shown earlier. St George and Suncorp on the other hand have above average ratings on nearly all products and have the overall highest ratings.

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

“With satisfaction levels of at least ten percentage points behind that of their personal customers, the major banks still have a long way to go in order to improve their performance amongst this important group. One area that needs considerable attention across all the major banks is the need to focus more on their existing customers that do not currently consider them to be their Main Financial Institution and who give their bank very poor ratings. This group generally makes up at least one third of the customer base and therefore present considerable growth potential. The use of “Relationship Manager” appears to have a very positive impact on satisfaction ratings amongst business customers and yet only around 40% claim to have one, there is obvious scope to extend this”

The Roy Morgan Research Business Survey interviews over 12,000 businesses per annum covering the full range of industries and business sizes so as to represent all the businesses covered by the ABS. The survey covers all aspects of business finance so as to be comparable with the well established personal finance survey which interviews over 50,000 per annum. The combined surveys represent well over 60,000 interviews per annum, giving them unique ability for in depth understanding of the two markets and the ability to understand the link between personal and business banking.

For more information or comments please contact:

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