



Business Finance Monitor Business Banking Customer Satisfaction Report

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Welcome to the Business Finance Monitor

The TNS Business Finance Monitor (BFM) is the industry currency in measuring the attitudes and behaviour of Australian businesses towards their finances and financial institutions, and is subscribed to by Australia's leading banks.

This report provides insights into business banking customer satisfaction trends in Australia. It tracks long-term trends since its inception in June 2001 and more recent trends over the last two years.

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The BFM passed a milestone in 2009 with our database reaching 100,000 records! This allows us to monitor both long-term trends in business banking as well delve into current market hot topics.



Summary – long-term and recent trends

The TNS Business Finance Monitor (BFM) has seen a long-term improvement in business customers' satisfaction with their banks since the BFM started in 2001.

- Satisfaction reached a high point of around 80% in 2008.

However, the steady climb in satisfaction levels enjoyed by the banks did slow in 2009, with many institutions seeing declines in business customers' satisfaction across the year.

In the 12 months to Jan-10, 72.7% of business banking customers were satisfied with the relationship with their main financial institution (MFI). This was a decline of 4.8% compared to a year earlier.

Satisfaction was slightly lower for the four majors (at 69.9%), down 7.6% compared to the same time last year.

- ANZ had the highest level of satisfaction of the big four at 73.6%, followed by Westpac at 71.3%, CBA at 67.9% and NAB at 67.5%.

When looking at the more recent satisfaction trends however (6 months to Jan-10), there are potential signs of an easing of the 2009 downturn.

- In the 6 months to Jan-10, 72.2% of business banking customers were satisfied with the relationship with their MFI. This is just a 0.2% difference compared to the previous 6 months.
- Amongst the four majors, ANZ had the highest level of satisfaction at 72.6%, followed by Westpac at 70.5%, NAB at 67.3% and CBA at 65.1%.
- St George has seen some recent improvements in satisfaction (up 8.5% to 76.7% compared to 6 months ago). This is after a considerable decline in satisfaction last year (down 14.2% to 68.1% in July 2009).

Given that business growth expectations have also seen some improvements recently, it will be interesting to see if the apparent steadying of satisfaction continues over coming months.



MFI satisfaction: recent overview (6 month roll)

Business customer satisfaction with MFI

Base: All businesses with annual turnover to \$100M (excluding agribusinesses)


	% of each bank's business customers who are satisfied*		% point change in each bank's business customers who are satisfied compared to:		
	Jan 10 (6 month roll)		1 month ago (Dec 09)	3 months ago (Oct 09)	6 months ago (Jul 09)
	%		%	%	%
ANZ	72.6		0.3	-0.1	-2.2
Commonwealth Bank	65.1		0.1	-2.0	-5.7
NAB	67.3		1.4	1.7	-0.5
Westpac	70.5		0.8	-0.7	-1.5
Four major banks (average)	68.6		0.6	-0.3	-2.6
St George	76.7		1.8	2.8	8.5
All financial institutions	72.2		0.6	0.2	0.2

Due to sample robustness, only the four major banks and St George are reported in the six-month roll figures.

Note: All time periods refer to a six-month rolling average

Percentage point change refers to the increase/decrease of each bank's customers who are satisfied

*Satisfaction is based on business customers who said they were 'very satisfied' or 'fairly satisfied' with their relationship with their MFI



MFI satisfaction: longer-term overview (12 month roll)

Business customer satisfaction with MFI

Base: All businesses with annual turnover to \$100M (excluding agribusinesses)

	% of each bank's business customers who are satisfied*		% point change in each bank's business customers who are satisfied compared to:		
	Jan 10 (12 month roll)	1 month ago (Dec 09)	3 months ago (Oct 09)	6 months ago (Jul 09)	12 months ago (Jan 09)
	%	%	%	%	%
ANZ	73.6	-0.1	-1.6	-3.3	-8.0
Commonwealth Bank	67.9	0.5	-0.9	-4.3	-7.8
NAB	67.5	0.0	0.1	-2.6	-7.7
Westpac	71.3	0.1	-0.9	-2.3	-7.1
Four major banks (average)	69.9	0.1	-0.8	-3.1	-7.6
Bank of Queensland	86.4	-2.4	-2.8	-4.7	-6.1
BankWest	70.0	-0.3	0.4	-0.4	-3.6
Bendigo	91.4	-0.5	1.1	1.8	0.8
St George	72.1	1.3	0.5	-2.4	-12.1
Suncorp	80.8	1.0	0.1	-2.1	-1.8
All financial institutions	72.7	2.9	2.0	-0.3	-4.8

Note: All time periods refer to a twelve-month rolling average

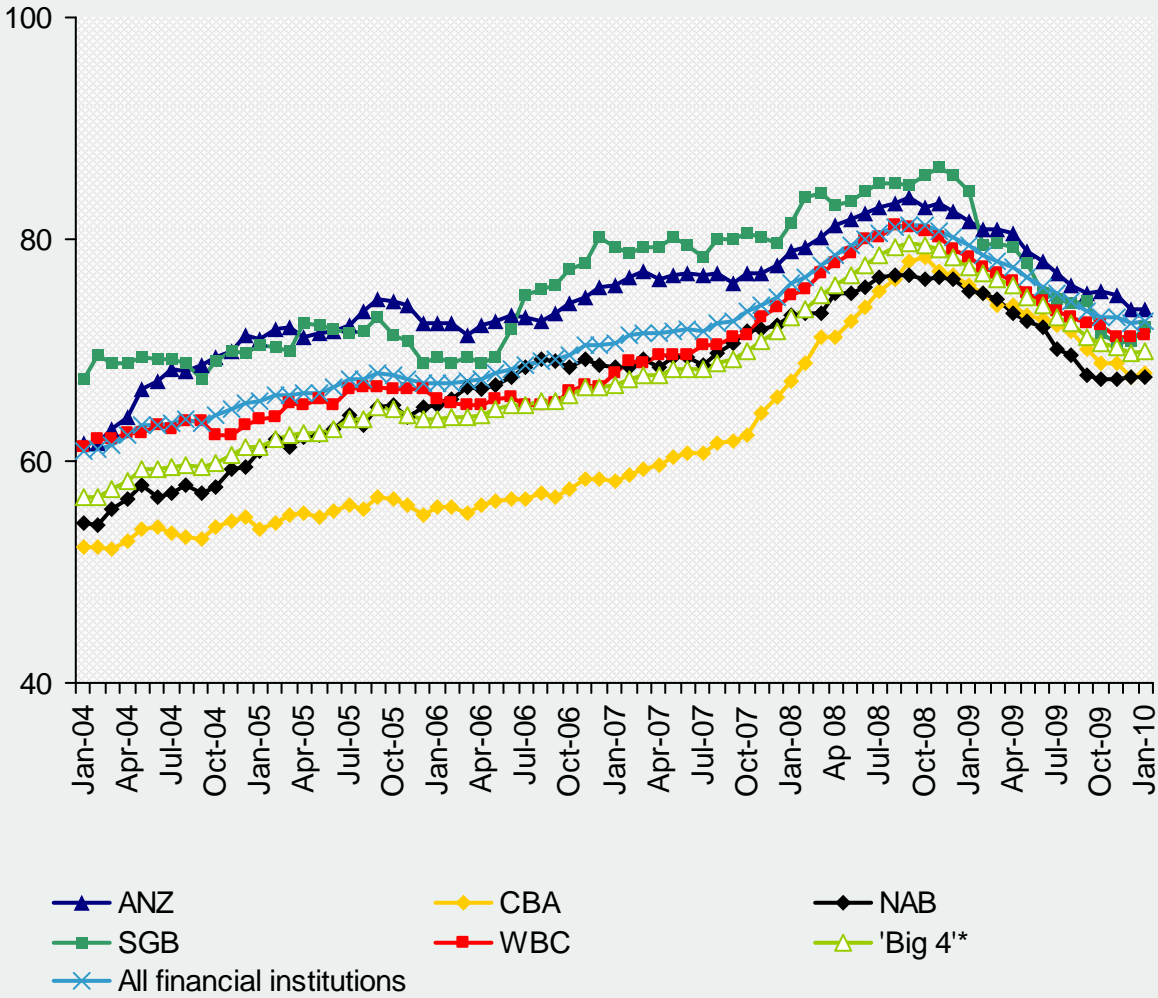
Percentage point change refers to the increase/decrease of each bank's customers who are satisfied

*Satisfaction is based on business customers who said they were 'very satisfied' or 'fairly satisfied' with their relationship with their MFI



Long-term trends (January 04 to January 10)

MFI satisfaction – Major banks



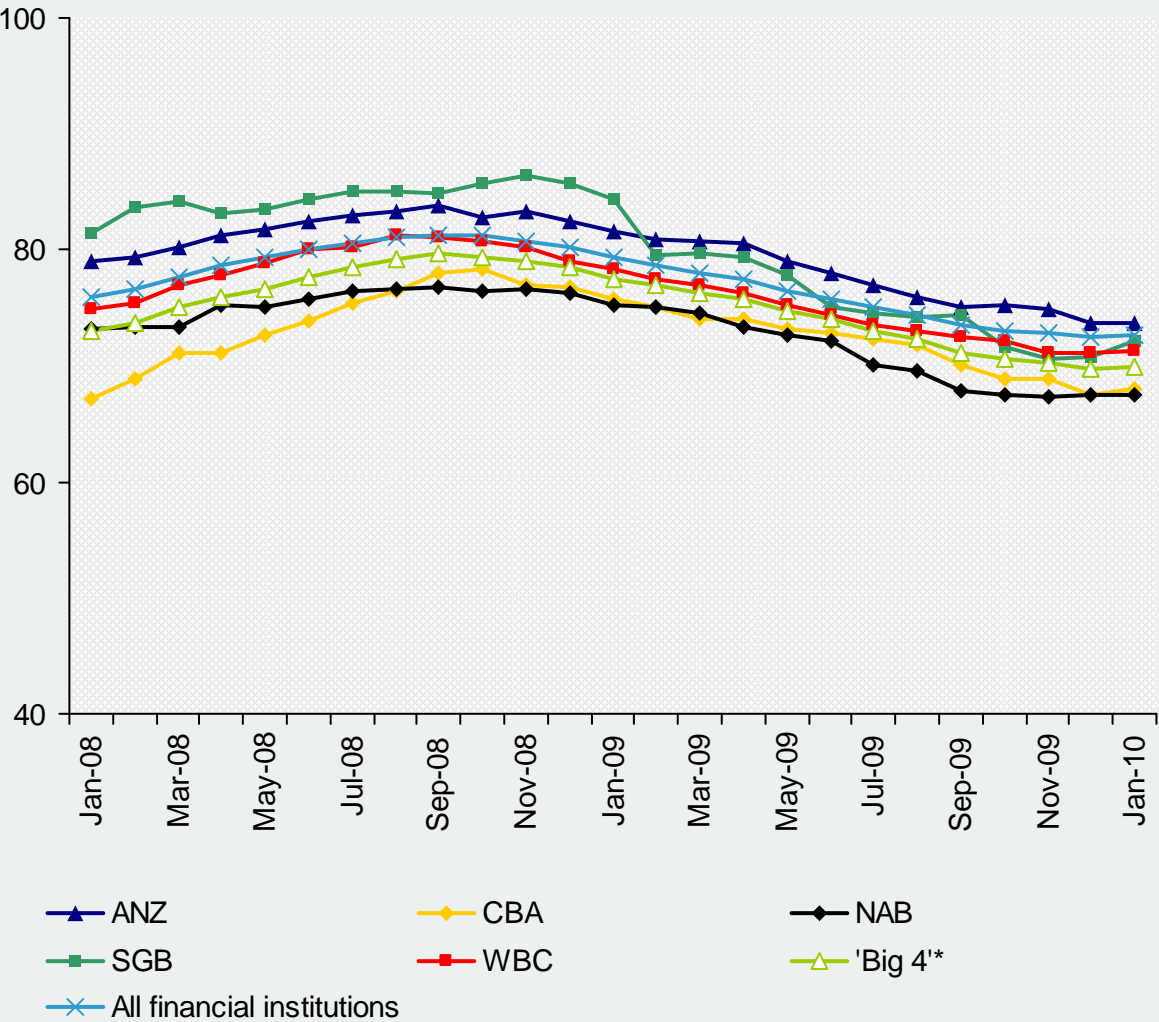
* 'Big 4' consists of ANZ, CBA, NAB and Westpac

Note: All time periods refer to a twelve-month rolling average



Long-term trends (January 08 - January 10)

MFI satisfaction – Major banks



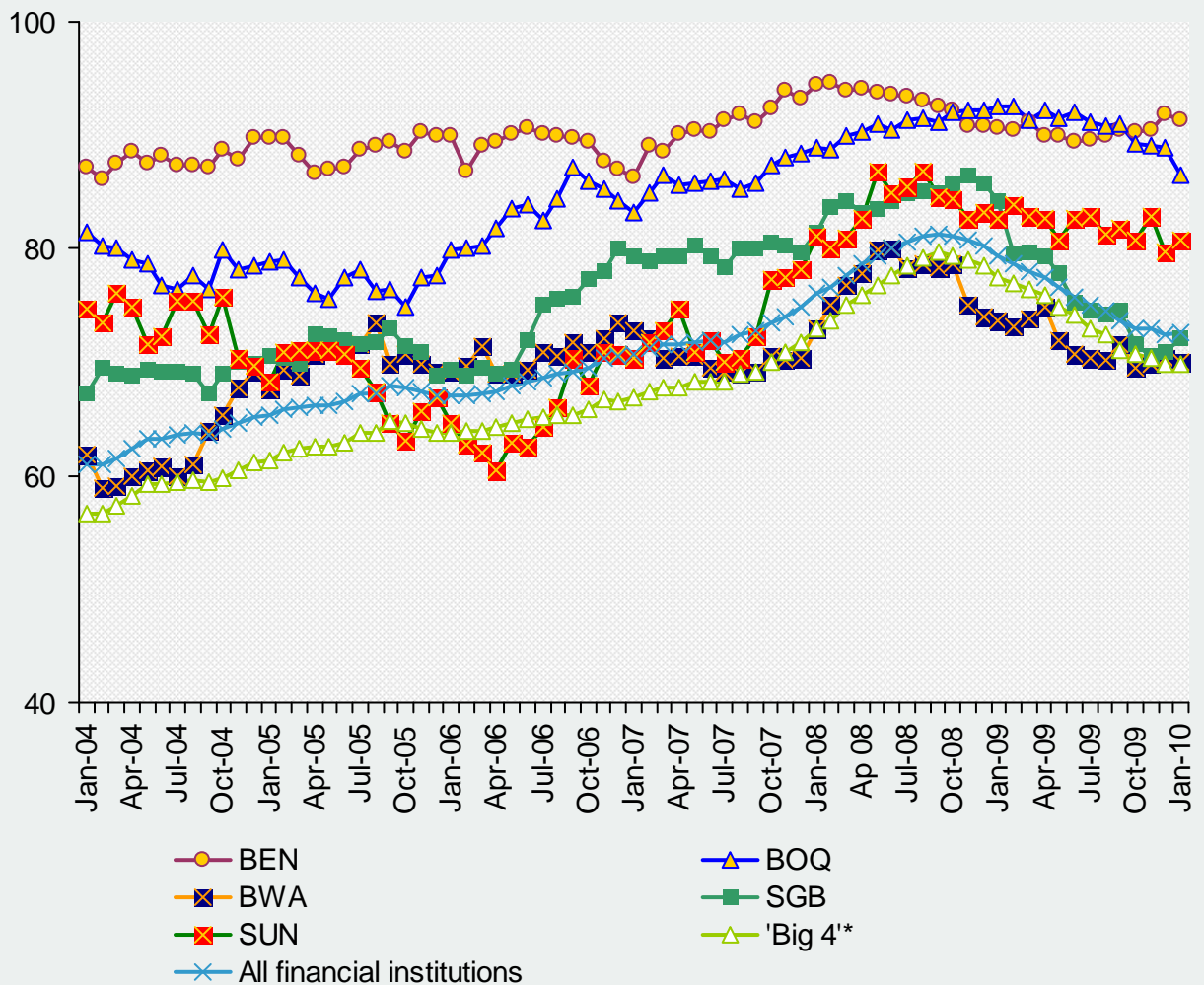
* 'Big 4' consists of ANZ, CBA, NAB and Westpac

Note: All time periods refer to a twelve-month rolling average



Long-term trends (January 04 to January 10)

MFI satisfaction – Regional banks



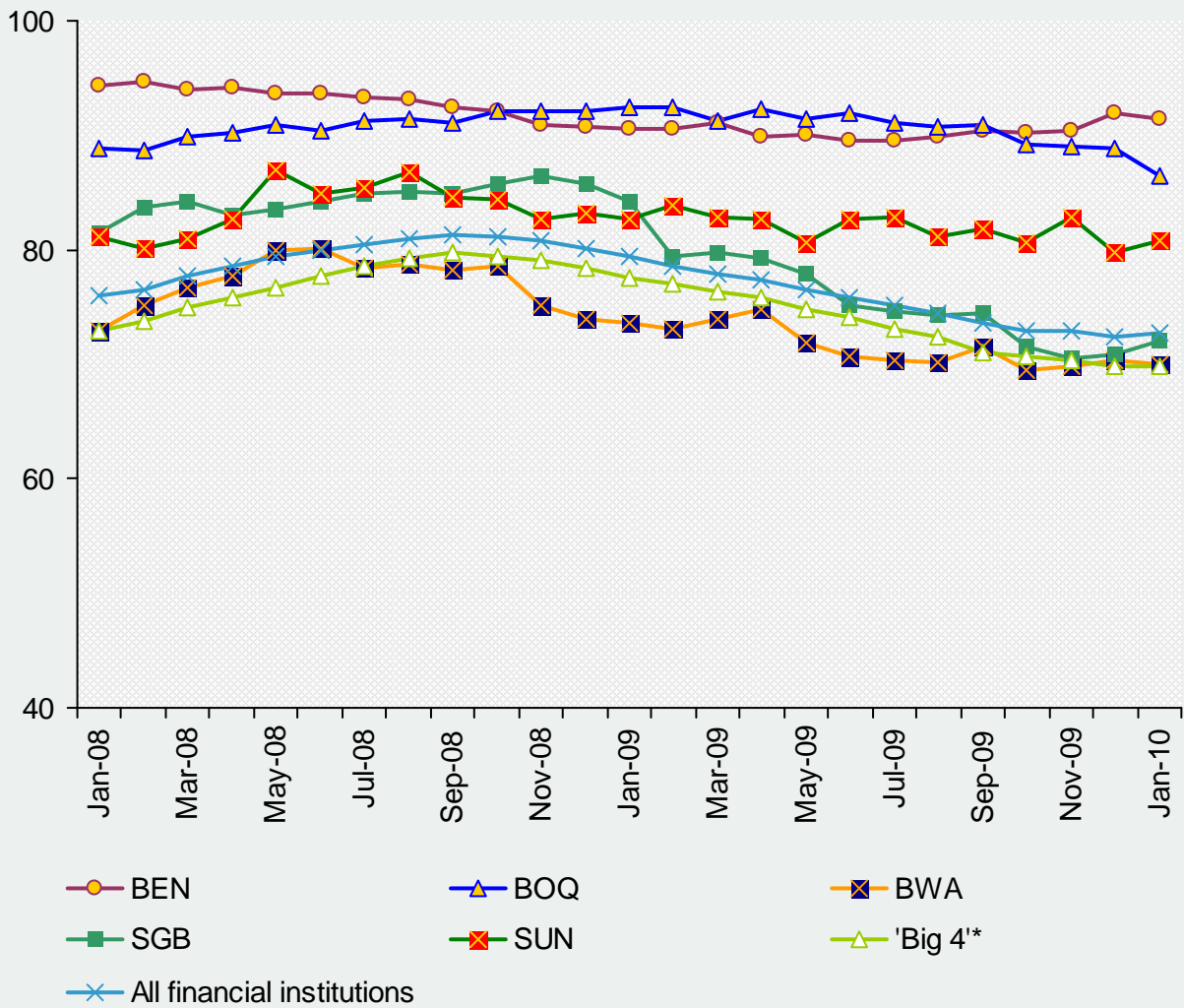
* 'Big 4' consists of ANZ, CBA, NAB and Westpac

Note: All time periods refer to a twelve-month rolling average



Long-term trends (January 08 - January 10)

MFI satisfaction – Regional banks



* 'Big 4' consists of ANZ, CBA, NAB and Westpac

Note: All time periods refer to a twelve-month rolling average



About the Business Finance Monitor (BFM)

The BFM collects information on an extensive range of topics including: business characteristics, business health, banking profile, banks used, products used, transaction profile, satisfaction levels (the topic addressed in this report), commitment levels towards each bank (using the TNS Conversion Model™), relationship management, business needs, bank image, and external influences.

This report is available to all current subscribers of the satisfaction data (which is collected as part of the TNS Business Finance Monitor) with the intention of providing a standard comparable measure across the industry.

Each year, the BFM surveys the banking behaviour and attitudes of 2,000 agricultural businesses and 10,000 non-agricultural businesses with an annual turnover up to \$300 million. It has collected data from over 100,000 businesses since its inception.

Please note that the data in this report is based on a rolling six-month sample and a rolling twelve-month sample; the latter is comprised of approximately 9,900 non-agri businesses with annual turnover up to \$100 million.

Prior to October 2002, the BFM interviewed businesses with annual turnover up to \$40 million.

Sample quotas align businesses to the market by activity, size and location. The data is also weighted to Australian Bureau of Statistics information so that the results are representative of Australian businesses.¹

The Business Finance Monitor is conducted by TNS using computer assisted telephone interviewing (CATI) which is the preferred way to conduct interviews amongst businesses.

The BFM interviews the key financial decision maker in the business, whether this is the owner or an employee of the business.

Interviewing is conducted continuously on weekdays during business hours 50 weeks of the year, i.e. excluding the Christmas/New Year period. This means that all seasonal influences are taken into account, as cash flow and banking behaviour can vary considerably during the year in some markets.

Continuous quality control (monitoring and call backs) is administered to ensure data accuracy.

¹ From January 2009, data is weighted in accordance with ABS publication 8165.



About TNS

As a global custom research agency with over 40 years in the Australian market, TNS delivers customised research and consultancy with deep understanding of local markets. The company is divided into specialist teams, focusing on consumer, technology, finance and business, social research (government and NGOs), and travel and leisure industry sectors. With a product offering covering the entire range of marketing and business issues, including product development and innovation, brand and communication, stakeholder management, retail and shopper, and qualitative insights, TNS provides compelling and actionable insights. Delivering research and consultancy across more than 75 countries, TNS is the world's largest custom research agency, a part of research, insight and consultancy network Kantar, and a WPP company.

In Australia, our Finance and Business Services team is a dedicated division with extensive experience and expertise in financial services. We conduct qualitative and quantitative research in both the B2B and B2C arena, on behalf of the leading players in Australia's finance and business sector. Our team of consultants has expertise and qualifications in finance, management, human resources, psychology, statistics, commerce, business and marketing. For further information, please visit www.tnsglobal.com.

Glossary

MFI:

The MFI (main financial institution) of a particular business is the bank or financial institution which holds the largest proportion of its deposit and lending balances. If this cannot be derived (e.g. equal balances), it becomes stated main financial institution.

Satisfaction:

MFI customers said that they were 'very satisfied' or 'fairly satisfied' with their relationship with their MFI. The satisfaction question is only asked for the MFI of each business.