

Australian Institutional Transaction Banking Markets

Market Analysis Report
November 2011



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Introduction

This is the twenty fourth issue of East & Partners' Australian Institutional Transaction Banking Markets Report. The report delivers quality market intelligence to bank clients for application in Transaction Banking account management, business development and strategy formulation in the highly competitive Institutional sector.

After extensive client consultation, East & Partners implemented a range of enhancements in this continuing series of Australian Institutional Transaction Banking Markets Reports, updating both product and service descriptions in line with the latest industry practices in 2010.

Alongside the standard analytics, this report incorporates full analysis of all the data collected as a result of this enhanced research covering additional metrics in service satisfaction, international transaction banking and transaction banking account manager performance.

The report continues to include in-depth analyses of primary and secondary transaction banking relationships; product engagement and market share; importance and customer satisfaction in product, operational and service attributes, mind share analytics, and churn rates.

Consistent with East's definition of the Institutional market segment as Australia's "Top 500" companies based on annual revenue, this report delivers findings from direct interviews with about 90 percent of the Top 500 market. This continuing high completion level reflects the importance of transaction banking services have to large Institutional customers.

In addition to the core multiclient content of the program, full subscription clients are also able to place proprietary questions in each six monthly interview sweep, using the vehicle of this ongoing research as a means of both adding valuable supplementary material to their use of the service and in the generation of tactical information solutions as needed.

The report includes analysis and interpretation of the findings from the November 2011 research round, along with presentation of detailed, supporting data.

We trust that this enhanced report continues to deliver real value to our clients, and we look forward to discussing the outcomes of this most recent research round.

Methodology

The fieldwork for this round of the Institutional Transaction Banking Research Program took place in November 2011 with a near census of the Top 500 Institutions being interviewed (442). The geographical distribution of this market group is as follows.

TABLE A
Market Geographical Distribution

	% of Total	
	May 11 (N: 441)	Nov 11 (N: 442)
New South Wales	49.2	49.3
Victoria	29.0	29.4
Queensland	9.1	9.3
Western Australia	7.7	7.9
South Australia	2.3	2.0
Other	2.7	2.1
TOTAL	100.0	100.0

All enterprises were interviewed on a direct basis using the structured Interview Questionnaire, reproduced here as Appendix I, through the individual holding primary responsibility for the business' banking relationships.

TABLE B
Interviewee Distribution

	% of Total	
	May 11 (N: 441)	Nov 11 (N: 442)
Group / Corporate Treasurer	46.3	50.7
Chief Financial Officer	34.9	33.9
Finance Director	8.6	7.9
Finance Manager	8.2	6.8
Group Accountant	2.0	0.7
TOTAL	100.0	100.0

Industry sector distribution of these Top 500 Institutions interviewed directly reflects the population/universe distribution. This latest research sweep again achieved a high 88.4 percent enterprise coverage rate with little non-completion occurring – a continuing indication of the level of interest in this market segment by the Institutions themselves.

TABLE C
Industry Sector Distribution

	% of Total	
	May 11 (N: 441)	Nov 11 (N: 442)
Agriculture, Forestry and Fishing	2.7	2.7
Mining	9.3	9.5
Manufacturing	20.3	20.1
Electricity, Gas and Water Supply	2.9	2.7
Construction	7.5	2.7
Wholesale Trade	10.2	10.2
Retail Trade	6.1	6.1
Accommodation, Cafes and Restaurants	2.0	2.3
Transport and Storage	5.4	5.5
Communication Services	2.3	2.3
Finance and Insurance	17.2	17.0
Property and Business Services	8.2	8.4
Government Administration and Defence	0.9	0.7
Education	0.7	0.7
Health and Community Services	0.5	0.7
Cultural and Recreational Services	0.5	0.5
Personal and Other Services	3.3	7.9
TOTAL	100.0	100.0

Appendix I

Questionnaire



East & Partners Pty Ltd, a leading specialist market research firm in the business, corporate and investment banking markets of Asia Pacific, works across 11 countries in the region delivering both multi-client and proprietary market analysis services to financial services providers.

The delivery of accurate quantitative analysis on the region's exploding demand for sophisticated transaction, debt, treasury, investment and advisory banking services and products has been uniquely addressed by East's "bottom up" research methodologies for 15 years, based on many thousands of customer interviews annually in Australia, China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

East's multi-client demand research and consulting work has enabled the firm to work with virtually every major bank within the region and international clients based in North America and Europe.

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