

NEWS RELEASE

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Banks' battle for the rural sector hots up as farmers reward personal service

- ***'Big four' hold relationships with one in four farm businesses, but smaller players catching up***
- ***Personal visits – key to building strong relationships***
- ***One in five farmers planning to review their main bank provider in next 12 months***

Sydney, 9 March 2006: Australia's 'big four' banks (Commonwealth Bank, Westpac, National Australia Bank and ANZ) hold banking relationships with at least one in four farm business operators, with National Australia Bank (NAB) maintaining the lion's share (35%) of agribusinesses, says leading research company ACNielsen. But the smaller banks are hot on the heels of the big players, with rural specialists Rabobank, Elders and Landmark having been the most successful in securing new agribusiness clients in the past 12 months.

These and other findings were part of ACNielsen's first Australian agribusiness survey, released today, which collected responses from 2,170 Australian farmers on their attitudes towards their banking providers.

The ACNielsen survey findings highlighted a strong link between client satisfaction and the level of personal service received from banking providers – banking clients who were allocated an account manager who visited them personally were the least likely to consider switching banks.

Rabobank and Elders led for customer satisfaction with the overall quality of account

management, with over 90 percent of current clients satisfied with their service – more than 20 percentage points above the average satisfaction level across all banks.

“The success of Rabobank and Elders can, in part, be contributed to the depth of relationship formed with clients through adopting a more personal approach,” says Glenn Wealands, Associate Director, Finance, ACNielsen Australia. “As competition in the agribusiness sector heats up, there’s increasingly good news for farmers, and we’re seeing many banks – whether local, national or global – investing in delivering better and more relevant products and services which match the needs of their agribusiness clients.”

Looking at dissatisfaction levels, around one in five farmers said they would ‘probably’ or ‘definitely’ review their main bank provider within the next 12 months. Of those who had recently switched providers, the primary drivers were competitive rates/fees; broad range of banking products; and the bank’s level of understanding of farming (see Chart 1).

Farmers tended to be less satisfied with their current bank in the areas of competitiveness of fees and lack of provision of useful information about economic/business conditions. In addition, there were pockets of dissatisfaction with the level of provision of competitive interest on business accounts; willingness to customise services; and provision of relevant products and services.

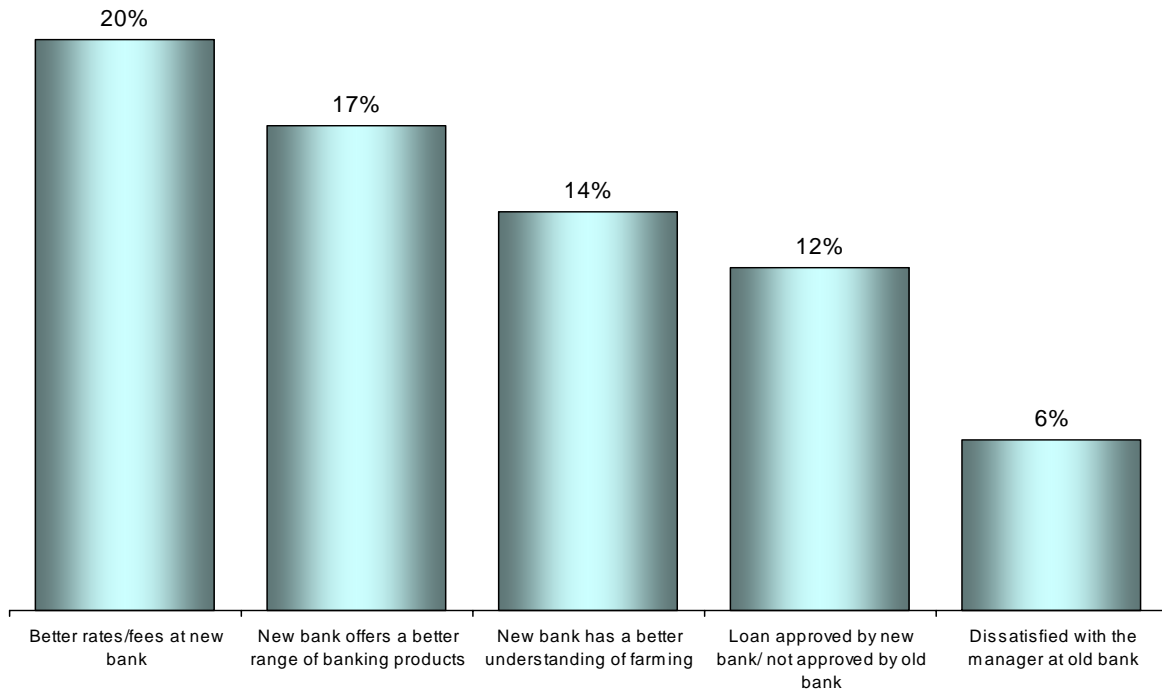
“Banks don’t tend to lose their agribusiness clients just on one aspect of service – farmers generally cite multiple reasons for switching” says Wealands. “Once they start looking around for a new provider, farmers’ decisions are governed mostly by price, product range and service related elements in their choice of a new bank.”

Wealands also noted that a reputation of good service and word of mouth were the

primary reasons banks were in the consideration set of those farmers who were looking at switching providers.

Chart 1: Top five drivers for switching banks

Q. What was the single biggest reason that led to you changing your main bank account
Top five, based on account holders who changed their main bank in the past 12 months



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