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News Release

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BANK SERVICE KEY TO CUSTOMER LOYALTY – LATEST NIELSEN REPORT REVEALS

- **‘Big four’ banks regain Aussie share of wallet**
- **The local bank branch makes a come back**

Australia, 14 August 2007 – Nearly 10 percent of Australian banking customers are unhappy enough with their bank’s products and services to consider switching within the next 12 months, while a further though 30 percent said they had experienced service difficulties, of which only half were resolved satisfactorily, according to a new report by leading research company Nielsen.

The report, Nielsen’s latest Australian Retail Banking Report, found that of those respondents who had experienced service difficulties with their bank, close to 20 percent indicated that they would switch in the next six months. Moreover, overall satisfaction scores amongst these respondents dropped from the average of 64 percent to just 39 percent.

“The drop in satisfaction amongst those consumers who experienced service difficulties was definitely significant,” notes Glenn Wealands, Director, Financial Services Research, The Nielsen Company. “This finding really demonstrates that to retain customers, financial institutions must deliver a higher level of service.”

The report also highlighted Australia’s ‘big four’ banks have begun winning back market share in the country’s competitive retail banking sector in the past six months, with market leader Commonwealth Bank (CBA) leading the charge with four percent growth in new accounts.

CBA's growth was primarily driven by new transaction accounts, while second tier banks such as BankWest, HSBC, Bank of Queensland, Citibank and ING all had strong share gains in the online banking arena, particularly with their high interest savings account offerings.

CBA had the highest percentage of new accounts, with an 18 percent share of new accounts opened. This was followed by ANZ with 14 percent and Westpac with nine percent. Of those new accounts opened, the most common new accounts were transaction/savings accounts (37%), home/property loans (13%), credit cards (13%) and online high interest savings accounts (13%).

Overall bank satisfaction remained static in the past six months and relative new-comer Bendigo Bank maintained its lead with the highest level of customer satisfaction – 86 percent of its customers rated its overall products and services as excellent or above average. HSBC had the second highest level of satisfaction on 83 percent and Suncorp and Bank of Queensland tied for third place with 72 percent. Amongst the big four ANZ had the highest level of satisfaction with 66 percent of its customers rating its products and services as excellent or above average.

Asked to indicate their main considerations in selecting a main bank, online banking was the key attribute selected by respondents in driving their decision. This was followed by competitive account fees and charges, and competitive fees and charges for electronic banking. (See Chart 1).

The Nielsen report also found that the bank branch was enjoying a resurgence in popularity. For three key products, online high interest savings accounts, personal loans and credit cards, branches surged ahead of the internet as a favoured channel for acquisition. Branches also saw an increase in frequency of visits by consumers, with the number of consumers visiting a branch once a week doubling in the past six months from seven percent to 14 percent. (See Chart 2).

Concerns around online banking appear to have eased in the past six months with 13 percent of all respondents having no concerns versus six percent in December 2006. However, of note is consumers' rising concern of Internet expenses – 12 percent of all respondents cited Internet expenses as their greatest concern versus just six percent in December 2006.

Chart 1: Key attributes for consumers selecting a main bank

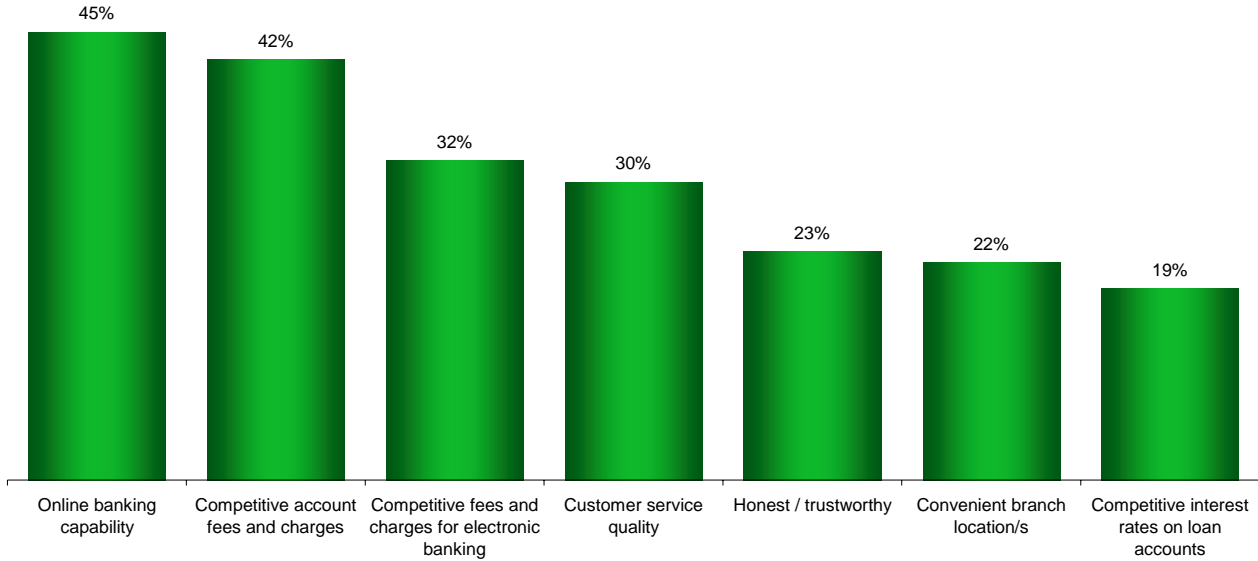
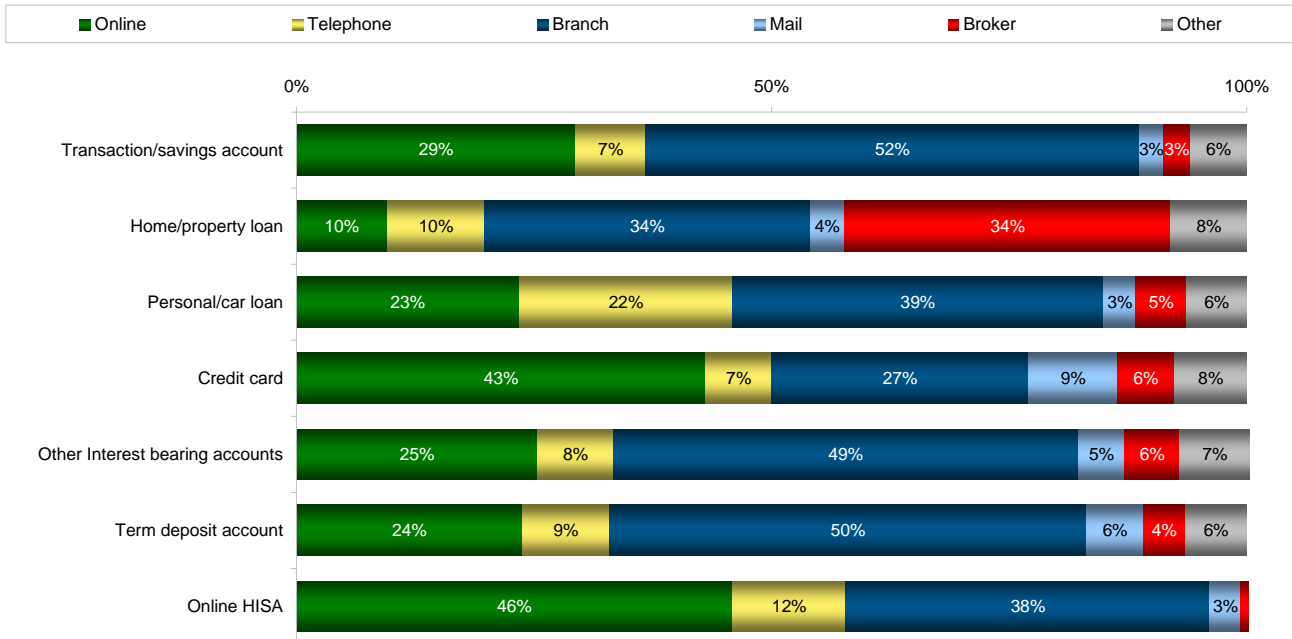


Chart 2: Banking channel usage for new account application



About the Australian Retail Banking Report

Nielsen’s Australian Retail Banking report is a bi-annual study on the banking attitudes of online consumers, with a particular focus on Internet banking usage and activity over the past six months.

About The Nielsen Company

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