

Media Release

EMBARGO 17 NOVEMBER 2022

Asset Finance Leadership Changing of the Guard

(17 November 2022 - Australia) CBA is set to surpass NAB as the number one asset finance provider in Australia according to East & Partners latest Asset Finance Markets Program.

Commonwealth Bank of Australia (CBA) has almost drawn level with National Australia Bank (NAB) following a sustained period of asset finance growth.

CBA is set to surpass NAB as the top ranked primary asset finance provider market wide across ten asset types as measured by relationship share.

The analysis is based on direct interviews with a national sample of 1,300 Australian CFOs and treasurers conducted by East & Partners (East) in August 2022. Running continuously since 2006, a screen is applied to ensure only firms with active asset financing arrangements partake.

CBA's outstanding relationship share growth performance is driven "bottom up" with significant growth among Microbusinesses and SMEs – firmly in NAB's traditional business banking heartland – while NAB's asset finance customer base is weighted "top down" through outperformance among large sized corporates.

CBA continues to benefit from expanding first name brand recall for asset finance market wide (15.1 percent), outperforming Westpac (12 percent), BoQ (9.7 percent) and NAB (8.5 percent) in the all-important "mind share" stakes that serves as a reliable leading indicator of relationship share growth.

Cumulative Big Four transaction banking relationship share of 79.6 percent is, notably, the highest concentration since reporting commenced in 2006. The majors are clearly fighting back aggressively against non-Big Four lenders, fintechs, non-banks and captive financiers in multiple facets including asset financing, cash management and lending.

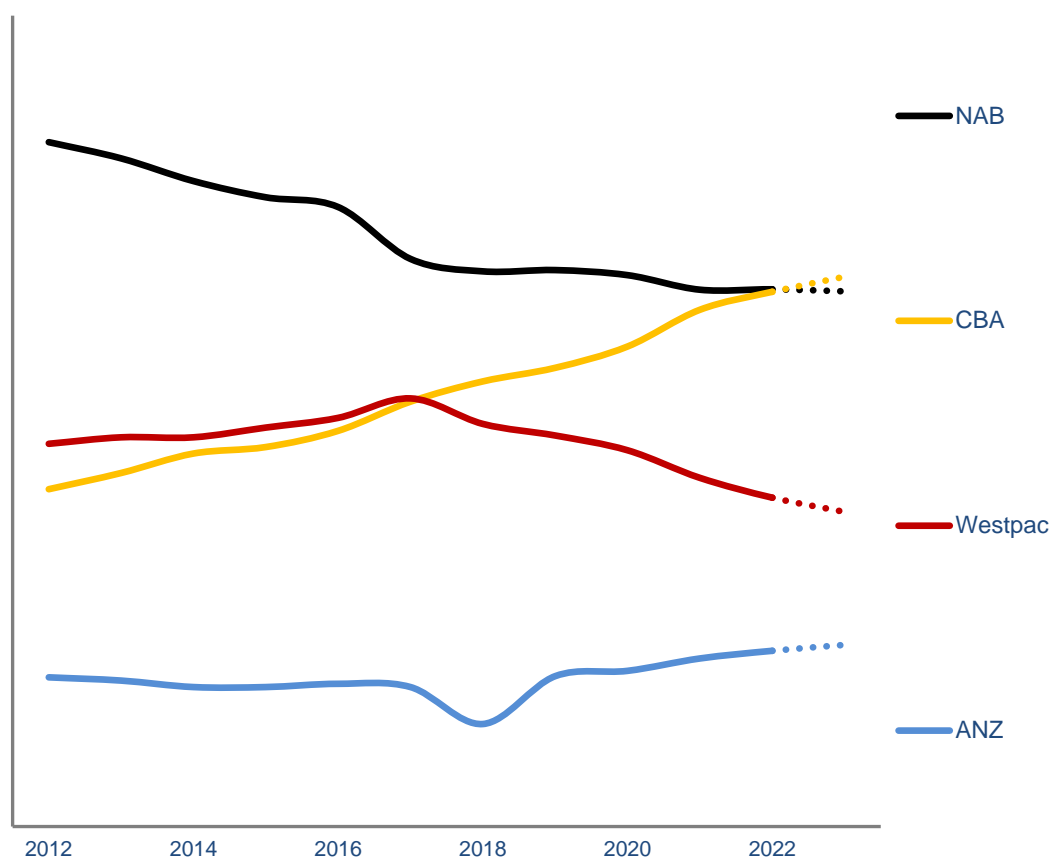
All majors including ANZ, BoQ, Captives, Macquarie and Maia Financial increased relationship share with the exception of Westpac, St George and Capital Finance. Extrapolating current growth trends, East projects a changing of the guard for asset finance leadership in 2023 for the first time since 2008 when GE relinquished its best of breed position to NAB.

"Record asset finance volume growth expressed by CFOs and treasurers is reflected in broadly positive sentiment despite rising inflation, energy costs and supply chain disruptions" commented East's Global Head of Market Analysis, Martin Smith. "The level of resiliency is unprecedented and matches growth projections not seen since before 2008"

"Competition is intensifying between CBA and NAB for new and replacement asset financing relationships amid record volume growth" Smith added.

Big Four Primary Asset Finance Relationship Share

% of Total



Source: East & Partners 2022 Australian Asset Finance Markets Program (N: 1,292)

Note: Full report lists any asset finance provider nominated at interview including Big Four subsidiaries, non-Big Four, captive and non-bank asset financiers

Dotted line indicates forecast 2023 primary asset finance relationship share growth

About the research:

The program highlights key market characteristics across Australia's business and corporate banking markets, addressing client bank and non-bank competitive positioning, strategic planning and thought leadership needs including:

- » Relationship share, wallet share, customer satisfaction, mind share
- » Forecast equipment finance demand
- » Distribution model considerations
- » Channel evaluation and use of the broker channel
- » Customer retention and churn
- » Credit Processes

Released: October 2022

Customer Segments:

Micro	A\$1 - 5 million annual turnover
SME	A\$5 - 20 million annual turnover
Commercial	A\$20 - 725 million annual turnover
Corporate	A\$20 - 725 million plus annual turnover

About East & Partners

East & Partners is a leading specialist business banking market research and analysis firm. The firm's core expertise is in the provision of analysis and advisory services tailored for the commercial, business and institutional banking markets across Asia Pacific, Australasia, Europe and North America.

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