

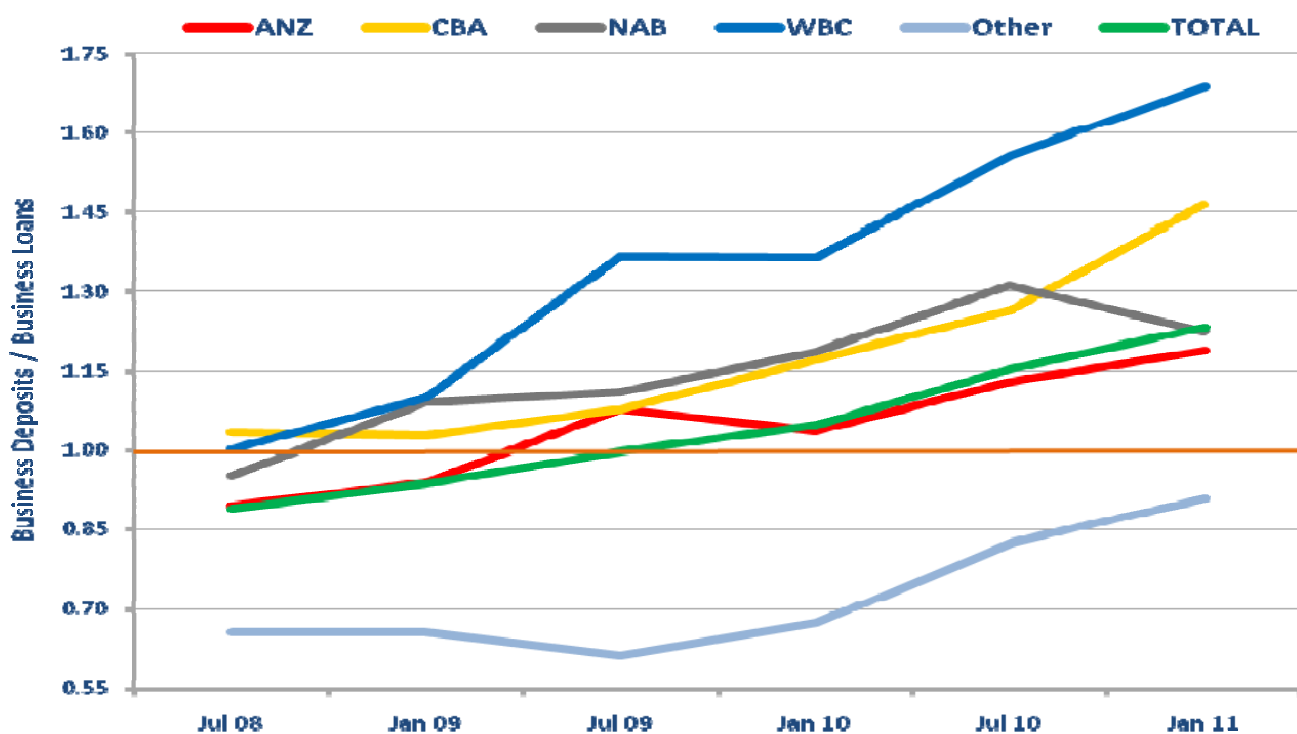
# The Banking Deposit Funding Index

## A monthly analysis of bank deposit funding for business lending

### Business Deposit Volume / Business Lending Volume

| Bank  | Jul 08 | Jan 09 | Jul 09 | Jan 10 | Jul 10 | Jan 11 |
|-------|--------|--------|--------|--------|--------|--------|
| ANZ   | 0.89   | 0.94   | 1.08   | 1.04   | 1.13   | 1.19   |
| BOQ   | 0.66   | 0.77   | 0.78   | 0.72   | 0.88   | 0.90   |
| BW    | 1.09   | 1.02   | 0.80   | 0.94   | 1.08   | 1.09   |
| CBA   | 1.03   | 1.03   | 1.08   | 1.17   | 1.26   | 1.46   |
| CITI  | 1.72   | 1.42   | 2.12   | 2.29   | 2.91   | 3.56   |
| HSBC  | 1.33   | 1.22   | 1.39   | 1.78   | 2.26   | 2.35   |
| MAC   | 1.98   | 3.25   | 2.67   | 2.27   | 3.94   | 4.41   |
| NAB   | 0.95   | 1.09   | 1.11   | 1.19   | 1.31   | 1.22   |
| SGB   | 2.87   | 2.96   | 2.96   | 3.53   | —      | —      |
| SUN   | 0.36   | 0.39   | 0.38   | 0.47   | 0.58   | 0.66   |
| WBC   | 1.00   | 1.10   | 1.37   | 1.36   | 1.56   | 1.69   |
| OTHER | 0.51   | 0.51   | 0.46   | 0.48   | 0.53   | 0.61   |
| TOTAL | 0.89   | 0.94   | 1.00   | 1.05   | 1.15   | 1.23   |

- Significant increase in the percentage of business lending being funded by way of business deposit taking since the GFC – a 38 percent climb since July 2008
- Macquarie Bank, Citigroup and HSBC substantially outperform the Big 4 on this ratio, through a combination of more aggressive deposit product pricing and lower lending volumes to business
- The business funding / lending balance is now well into positive territory and subsidising retail lending by the majors
- Bank deposit taking volumes directly reflect deposit product marketing activity and rates pricing



For additional analysis and interpretation of the Deposit Funding Index please contact Kimberley Burgess on [kimberley.b@east.com.au](mailto:kimberley.b@east.com.au). A detailed monthly Index report is also available by subscription.