

# Weekly Banking Bulletin

A regular industry round-up from Australia's leading finance comparison site.

4 September 2009

## News & Views

### Upcoming financial services online event

IQPC will be holding Financial Services Online the 28th & 29th October in Sydney. Learn from the experts and your industry colleagues how to:

- Drive acquisition through digital channels
- Increase brand loyalty
- Maximise your customer's experience

InfoChoice will feature prominently throughout Financial Services Online. Dirk Hofman, Head of Provider Relations, will chair the event and present an industry overview first up on day 1. The compelling presentation will discuss what works for those in each financial market, benchmarking techniques and also how to effectively track performance.

### ING Direct tops customer satisfaction ratings

ING DIRECT customers are the most satisfied of any bank in Australia according to the latest Nielsen Financial Services Monitor. According to the monitor 76 per cent of ING DIRECT's 1.4 million customers are satisfied with the bank. ING DIRECT CEO Don Koch says the ranking reflects the customer centric focus of the bank. "We pride ourselves on making the customer experience simple and straight forward," Mr Koch said. "Our products are always good value with no hidden fees and charges and we are proud of our Australian based contact centre staff." ING DIRECT also has the highest percentage of customers of any bank (73 per cent) who would recommend the bank to family and friends.

### Business not satisfied by their bank

Businesses are feeling the burden of the re-rating of their credit facilities and tighter lending criteria, and they are taking it out on their bankers. East & Partners has reported a decline in overall satisfaction every month since August last year. NAB leads the East & Partners survey with a score of 6.56 out of 10. The TNS Business Banking Customer Satisfaction Monitor shows a similar trend. Over the six months to July all major banks lost ground, with the average for the four falling 3.6 percentage points to 71.2 per cent. ANZ leads with a score of 74.7 per cent. The TNS report shows that the average for all financial institutions fell by 3.7 percentage points. The East & Partners analysis of satisfaction factors shows that pricing continues to be the issue that causes most problems, along with applications and processes.

### St George expands in Victoria

St George Bank is planning to open up to six new branches across Melbourne, adding to the 37 it now operates in Victoria and 390 nationally. St George's expansion is an indication that its new owner, Westpac, is committed to developing St George into a national brand. Most of St George's branch network is currently in New South Wales. St George says it has implemented a state based management structure that gives its state managers greater control over local operations.

## National Market Ranges

### Home Loans

Standard Variable	4.79 - 6.20%
Basic Variable	4.78 - 5.69%
1 Yr Intro	3.49 - 5.59%
3 Yr Fixed	6.29 - 7.69%
Investment Variable	4.79 - 6.20%

### Deposit Accounts

Cash Management \$10,000	0.01 - 4.00%
Cash Management \$50,000+	0.25 - 4.00%
Online Savings >\$5,000	0.10 - 5.21%
Savings >\$2,000	0.01 - 4.00%

### Investment Accounts

Interest paid at maturity or per annum

\$10,000, 90 Days	1.00 - 4.80%
\$10,000, 1 Year	2.00 - 5.05%
\$10,000, 3 Years	2.08 - 6.50%

### NAB, Rabobank are the safest banks

National Australia Bank has been named as the 'safest' Australian bank and the eleventh safest in the world. US-based Global Finance magazine, has listed all four Australian big banks in the top 20 list of safest banks worldwide. Commonwealth Bank is one behind NAB at number 12 in the world. In 2007, Global Finance magazine's list of the top 50 banks in the world had NAB at number 18 and Commonwealth at number 19. ANZ Bank has moved up to number 15, from 28 two years ago, while Westpac sits just behind at number 16, up from 29 in 2007. The highest-ranked bank operating in Australia is Rabobank, which comes in at number 6. The world's safest bank is said to be Germany's KfW.

### ANZ, NAB lag behind in mortgage market

Westpac owned St George Bank sold more new mortgages in July than ANZ and NAB combined. St George grabbed 13 per cent of new mortgages issued by banks in July according to the banking regulator APRA. NAB's share was 5.6 per cent and ANZ got just 5.1 per cent. ANZ says it is working to improve approval times for new mortgage applications, which lag well behind those of Westpac. Westpac currently offer a one day turnaround on applications received via brokers. NAB traditionally has a high percentage of investor applications for home loans. NAB head of retail Lisa Gray says this means that July is traditionally a slow month for the bank as many investors make commitments before the end of the tax year in June.

## Suncorp expands mobile banking

Suncorp is expanding the services it offers its customers via their mobile phone. A year ago Suncorp launched mobile banking with a fairly simple transaction tool to allow customers to transfer money. Now Suncorp is building on more features including SMS contact with bank staff, an ATM locator, appointment bookings with mobile lenders. "We've done the transactional side and everyday banking side; its really about improving the conversation and communication, which is our core focus with the Suncorp brand strategy," said Suncorp e-channel specialist Simon Clarke. 92,000 Suncorp customers used the mobile banking service in July, up 27 per cent.

## Feature Article

### Online broker review their offerings as trade booms

The next battleground in retail financial services may well be in the online broking market. Brokers report a return to strong trading conditions and a couple of the big players are already looking at changes to their offerings. Financial institutions that offer online broking will need to review their offerings in anticipation of very competitive conditions ahead.

E\*Trade managing director Stuart Sayers says the recovery in trading activity started for his company in February and has been climbing steadily ever since.

Sayers says: "August would have been a good month in any year. Two out of our five best days ever were in August.

"Two things account for the very strong figures in the past month. There was a lot of pent-up money sitting on the sidelines. And traders are keeping the duration of their holds sort. The average has come down from eight days to four. That explains a lot of the volume."

E\*Trade also reports that it is seeing strong growth in customer numbers. Its view is that as investors get back into the equity market a large number are abandoning the full-service brokers, whose advice may not have helped them much in the bear market, and are switching to an execution-only online or telephone service.

E\*Trade has already spruced up its offering. In the past month it has established a more seamless link with its parent, ANZ, so that ANZ online banking customers can have access to their banking and broking accounts with a single sign-on. It has also introduced a free tax reporting service similar to the ones offered on wrap accounts and other high-end investment platforms.

In the middle of last year the market leader CommSec started developing a full-service model that includes cash and transaction accounts, more packaged investment offerings and greater mobile transaction capability. CommSec has quite a discrete customer set to its parent Commonwealth Bank and its strategy is to grow as a boutique online financial services company and not only a share broker.

More recently CommSec has been expanding into the institutional broker market, bringing people onboard to develop its research and equity capital markets capabilities. This will have some spin-off benefits for retail customers in the form of sharper analysis and access to share issues arranged by the group.

Merger activity, which has gone on through the boom and the bust, should continue. Over the past couple of years CommSec has bought IWL, ANZ bought E\*Trade and CMC bought Andrew West. Most

recently, in March Tolhurst Group merged with Paterson Securities. It is, as they say, a volume game.

## Next Week's Announcements

Mon	7 Sep	Aust Ai Group PCI Index (August) Aust ANZ Job Advertisements (August)
Tue	8 Sep	Aust NAB Business Confidence/Conditions (August)
Wed	9 Sep	Aust Retail Trade (July) Aust Housing Finance (July) Aust MI / WBC Consumer Sentiment (September)
Thu	10 Sep	Aust Labour Force (August) Aust MI Unemployment Expectation (September) Aust MI Consumer Inflation Expectation (September)
Fri	11 Sep	-

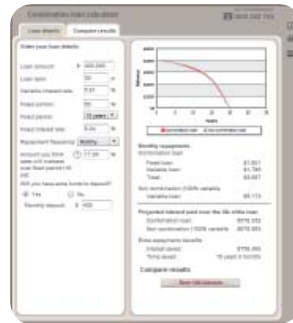
## Infochoice Online Calculator Updates

InfoChoice have been developing online financial calculators for over 10 years with a standard suite of home loan and savings online calculators. Our range of calculators are used on over 100 financial institutions websites and most major portals including Yahoo7 and news.com.au.

In addition to our standard suite, InfoChoice works with financial institutions to develop customised calculators that can be developed based on their requirements. Examples of recent calculators include:

### Westpac Combination Loan Calculator

<http://info.westpac.com.au/homeloans/design/calculator.html>



The Westpac Combination Loan Calculator allows consumers to see the impact of fixing part of their loan with the current interest rate uncertainty and model how different increases in rates will affect their loan repayments and ability to pay them.

### RaboPlus Interest Payment Options

[http://www.raboplus.com.au/term\\_deposits/interest\\_payments/default.aspx](http://www.raboplus.com.au/term_deposits/interest_payments/default.aspx)

The RaboPlus Interest Payment Options Calculator allows consumers to compare the difference between receiving interest payments monthly, quarterly, semi-annually and annually for their term deposit.



For more information on calculators, please contact Amanda March on 02 8507 7162 or [amanda.march@infochoice.com.au](mailto:amanda.march@infochoice.com.au)

Sources: InfoChoice, The Age, The Australian

## This Week's Rate Movements

### Home Loans - Standard Variable Rates

Institution	Product	Old Value	New Value	Date of Change	Change Value
Heritage Building Society	Standard Variable	5.30	5.45	04-09-2009	0.15

Key: (OO) - Owner Occupied (I) - Investment (B) - Both

### Home Loans - 1 Year Fixed Rates

Institution	Product	Old Value	New Value	Date of Change	Change Value
Aussie	Aussie Standard Fixed Loan	5.59	5.89	03-09-2009	0.30
Australian Central Credit Union	Fixed Rate Home Loan	5.69	5.79	01-09-2009	0.10
Greater Building Society	Basic Fixed Home Loan	5.65	5.75	04-09-2009	0.10
Illawarra Credit Union	Fixed Rate Loans	5.55	5.60	04-09-2009	0.05
Unicom Credit Union	Fixed Rate Home Loan	5.55	5.60	04-09-2009	0.05

Key: (OO) - Owner Occupied (I) - Investment (B) - Both

### Home Loans - 2 Year Fixed Rates

Institution	Product	Old Value	New Value	Date of Change	Change Value
Aussie	Aussie Standard Fixed Loan	5.84	6.54	03-09-2009	0.70
Australian Central Credit Union	Fixed Rate Home Loan	6.39	6.59	01-09-2009	0.20
Defcredit	Flexi Choice Fixed	6.80	6.95	02-09-2009	0.15
Greater Building Society	Basic Fixed Home Loan	6.40	6.50	04-09-2009	0.10
Illawarra Credit Union	Fixed Rate Loans	6.30	6.35	04-09-2009	0.05
NSW Teachers Credit Union	Teachers Fixed Option Loan	5.78	6.29	01-09-2009	0.51
Unicom Credit Union	Fixed Rate Home Loan	6.30	6.35	04-09-2009	0.05

Key: (OO) - Owner Occupied (I) - Investment (B) - Both

### Home Loans - 3 Year Fixed Rates

Institution	Product Name	Old Value	New Value	Date of Change	Change Value
Aussie	Aussie Standard Fixed Loan	6.64	7.09	03-09-2009	0.45
Defcredit	Flexi Choice Fixed	7.25	7.35	02-09-2009	0.10
Greater Building Society	Basic Fixed Home Loan	7.00	7.05	04-09-2009	0.05
Illawarra Credit Union	Fixed Rate Loans	6.95	6.99	04-09-2009	0.04
NSW Teachers Credit Union	Teachers Fixed Option Loan	6.29	6.89	01-09-2009	0.60
SERVICE ONE Members Banking	3 Year & 5 Year fixed Home Loans	6.50	6.95	03-09-2009	0.45
Unicom Credit Union	Fixed Rate Home Loan	6.95	6.99	04-09-2009	0.04

Key: (OO) - Owner Occupied (I) - Investment (B) - Both

### Home Loans - 4 Year Fixed Rates

Institution	Product Name	Old Value	New Value	Date of Change	Change Value
Aussie	Aussie Standard Fixed Loan	7.09	7.44	03-09-2009	0.35

Key: (OO) - Owner Occupied (I) - Investment (B) - Both

### Home Loans - 5 Year Fixed Rates

Institution	Product Name	Old Value	New Value	Date of Change	Change Value
Aussie	Aussie Standard Fixed Loan	7.49	7.69	03-09-2009	0.20
Illawarra Credit Union	Fixed Rate Loans	7.60	7.65	04-09-2009	0.05
Unicom Credit Union	Fixed Rate Home Loan	7.60	7.65	04-09-2009	0.05

Key: (OO) - Owner Occupied (I) - Investment (B) - Both

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