

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

21 – 22 October 2009

**Question: sbt 54**

**Topic: Current Share Market of Banks**

**Hansard Page: E62 (22/10/09)**

**Senator BUSHBY asked:**

**Senator BUSHBY**—I was asking about broadening that out to a broader level. What is the current market share of each of the four big banks in terms of residential home loans, small business loans and household deposits?

**Mr Murphy**—I will just get the numbers.

**Mr Martine**—We may have to take that on notice.

**Senator BUSHBY**—It is the obvious question about the banking market, I would have thought, the market share.

**Mr Martine**—It is just in terms of having the statistics in front of me. I am more than happy to talk about the issues you may want to talk about. So, the share of residential home loans and business—

**Senator BUSHBY**—In terms of the four big banks, small business loans and household deposits.

**Mr Martine**—The data I have in front of me is aggregated data that does not break it down between the majors and the other institutions.

**Mr Murphy**—We do track that. We just do not have it here.

**Senator BUSHBY**—I express surprise. I thought that that would probably be an obvious question that you would be asked and that you would probably bring that information with you.

**Mr Murphy**—We brought a folder this big, as you can see.

**Senator BUSHBY**—In taking that on notice, can you also let me know how that compares with the corresponding market share for each of those three areas from 12 months earlier and 24 months earlier?

**Mr Murphy**—Yes, we have been watching that.

**Answer:**

As at June 2009, Treasury estimates (based on ABS and APRA data) that the major banks' share of the stock of outstanding housing loans as a proportion of total financial sector housing loans was 70 per cent. This is compared with 56 per cent as at June 2008 and 53 per cent as at June 2007.

The major banks' share of the stock of household deposits as a proportion of total deposits held by all banks was 82 per cent as at August 2009, compared with 69 per cent in August 2008 and 68 per cent in August 2007. However, this data excludes credit unions and building

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societies, which hold approximately 15 per cent of all deposits, and therefore overstates the market share of the major banks. Data on deposits for the credit unions and building societies is not split by source, and therefore the proportion of deposits specific to households cannot be determined.

The major banks' share of the stock of outstanding business loans made by all banks was 71 per cent in June 2009, compared with 63 per cent in both June 2008 and June 2007. However, this data excludes credit unions, building societies and finance companies, and therefore overstates the market share of the major banks. Published data on the major banks' lending to small business is not available.