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FOR IMMEDIATE RELEASE

BANKS QUEUE UP TO BABY SIT YOUR CASH

CANNEX releases deposit account *star ratings* report today.

The current climate of financial uncertainty driven by US credit woes, a shaky stock market and rising inflation has meant that holding on to your money is more important than ever. And the banks are lining up to mind your money by offering some tempting deals.

The battle to attract deposit accounts has a two-fold purpose, according to financial services research firm CANNEX. Mum-and-dad deposits, known as retail deposits, are the most cost-effective way a bank can access lending money. The alternative for banks is to source funds from the more expensive and volatile wholesale market.

“In the last two years, we have seen the gap closing radically between the official cash rate and the average interest rate offered to deposit account holders by the five major banks,” CANNEX financial analyst Jeremy Ooi said.

“This is indicative of the fierce competition out there and it’s great news for consumers who can now make more money by parking their cash in a suitable savings account or term deposit.”

Online savings accounts are the most lucrative but some have restrictive conditions attached to them, such as bonus interest rates.

“If you fail to meet the minimum monthly deposit criteria or withdraw cash, you may well forfeit bonus interest, leaving you worse off than you would be with another lower-paying online account.”

In its *deposit account star ratings* report, released today, CANNEX compares over 365 deposit accounts and notes a number of highly innovative products now in the market.

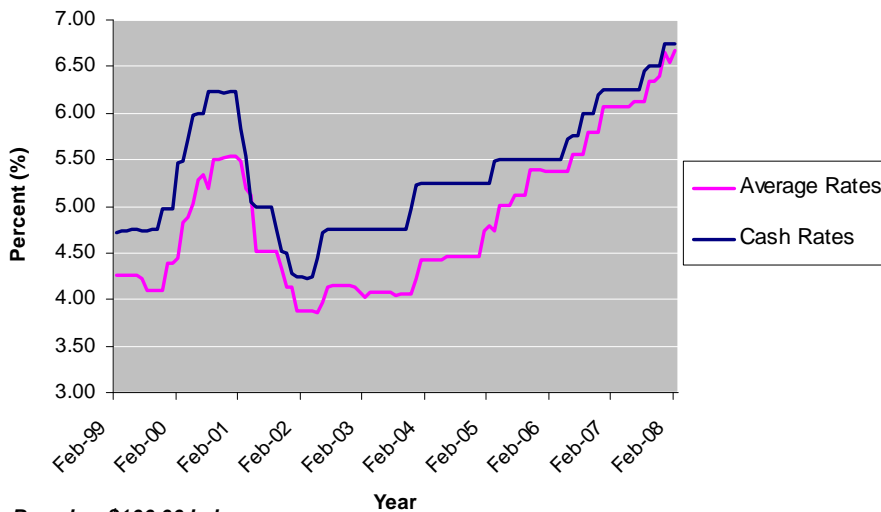
“NAB’s Gold Banking gives the depositor unlimited access to all NAB’s transaction facilities, all non-NAB ATMs in Australia and most overseas ATMs fee-free. It also waives its monthly keeping fee of \$12 if the accumulated deposits a month total at least \$5000,” Mr Ooi said.

“Suncorp’s eOptions combines the benefits of both an internet savings account and term deposit. It allows the consumer to slice their savings up into different portions earning both variable rates and fixed rates of nominated terms.

“Lastly, BankWest’s Hero Transaction Account is worth mentioning because it has no account keeping fee if a minimum of \$2,000 is deposited a month. It also offers an interest rate of 5% per year on all balances up to \$5000.”

Making the most from your money is dependent upon choosing the right deposit account for your purposes and the best place to start is by downloading the CANNEX *deposit account star ratings* report on www.cannex.com.au or www.ratecity.com.au

Comparison of Major 5 Banks Highest Deposit Rates vs. RBA Cash Rates



Based on \$100,00 balance

The chart above depicts RBA cash rates and Australia’s major 5 banks’ highest average deposit rates over the last 10 years. Ever since the cash rate started to increase back in 2002, the margin between the deposit rates and cash rates has narrowed significantly. The introduction of online savings accounts and intense competition within this sphere saw the major 5 banks offering higher deposit rates closer to the cash rates in the last few years. The entrance of virtual international banks further added to the fierce competition faced within the online savings accounts market.

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About CANNEX:

CANNEX provides Australia’s only fully interactive online research service in retail and business finance.

Founded in 1992, CANNEX (Aust) Pty Limited is Australia’s premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. CANNEX also

distributes this information to print and electronic media for publication and to Agents, Accountants, Brokers and Internet Portals for use in advising their clients.

Does CANNEX rate other product areas?

YES, CANNEX also rates credit cards, reward programs, mortgages, low-doc home loans, personal loans, margin lending and business banking products. These star ratings use similar methodologies to the deposit account star ratings methodology. This guarantees the quality and transparency of these other star ratings. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANNEX website at www.cannex.com.au if you would like to view the latest CANNEX star ratings reports of interest.



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