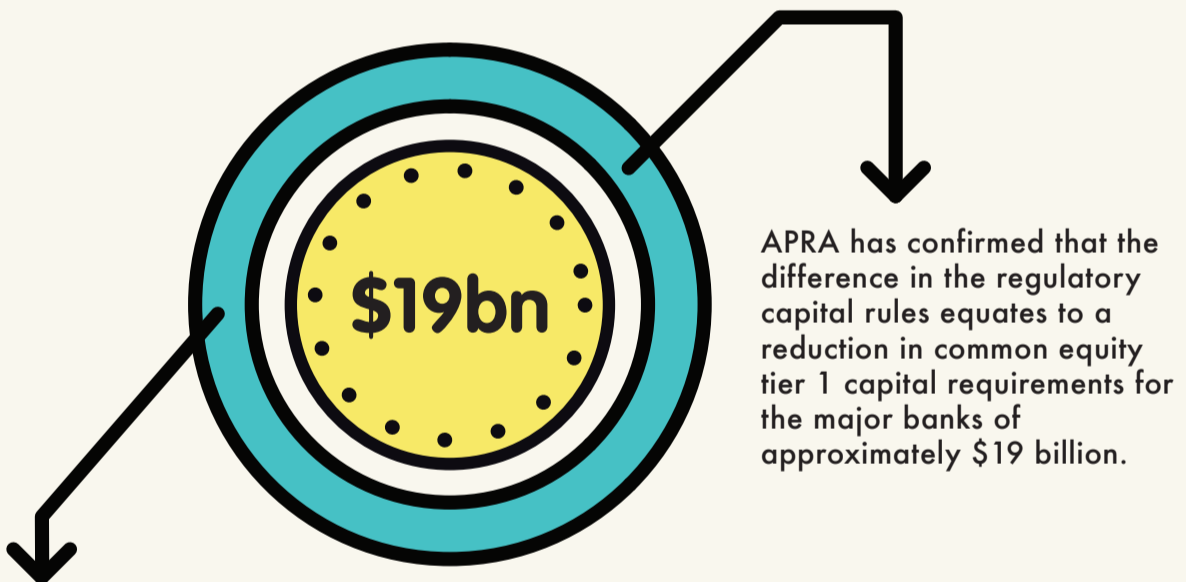
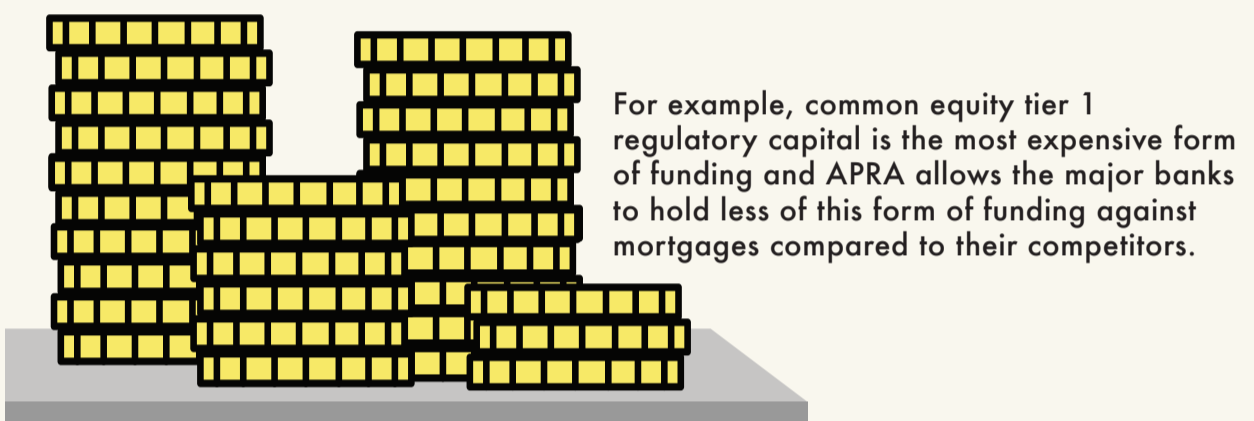
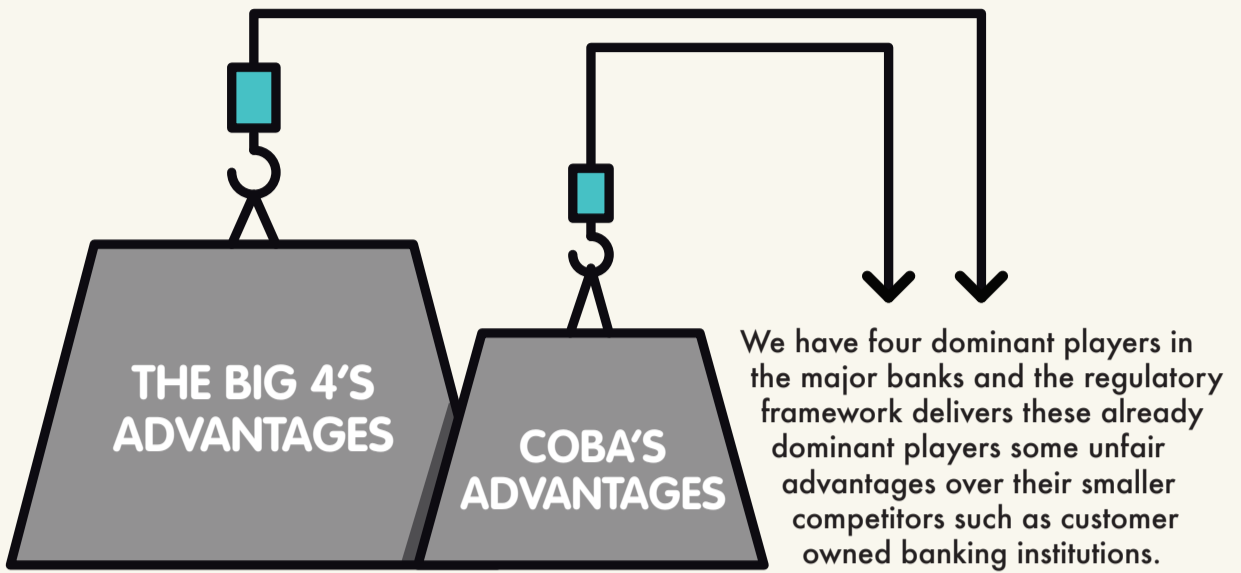


WHY DO WE HAVE A PROBLEM WITH COMPETITION IN BANKING?



ALLOWING THE MAJOR BANKS TO HOLD LESS OF THIS EXPENSIVE FUNDING MEANS THAT, IN THE MORTGAGE MARKET, THE MAJOR BANKS HAVE A HEAD START BUILT INTO THE RULES OF THE GAME.

Major banks also receive a funding cost advantage because credit ratings agencies give them a higher credit rating than other banking institutions because they are considered more likely to be supported by the government in a crisis.

