



# Statistics

## Quarterly Bank Performance

December 2007 (issued 24 June 2008)



## Copyright

The material in this publication is copyright. You may download, display, print or reproduce material in this publication in unaltered form for your personal, non-commercial use or within your organisation, with proper attribution given to the Australian Prudential Regulation Authority (APRA). Other than for any use permitted under the Copyright Act 1968, all other rights are reserved.

Requests for other uses of the information in this publication should be directed to APRA Public Affairs Unit, GPO Box 9836, Sydney NSW 2001.

[Public.Affairs@apra.gov.au](mailto:Public.Affairs@apra.gov.au)

© Australian Prudential Regulation Authority [2008]

## Disclaimer

While APRA endeavours to ensure the quality of this Publication, APRA does not accept any responsibility for the accuracy, completeness or currency of the material included in this Publication, and will not be liable for any loss or damage arising out of any use of, or reliance on, this Publication.

## Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

## Revisions

This publication includes minor revisions for the preceding quarter based on re-submissions received after the previous quarter publishing date.

## Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

## Notation

Amounts are expressed in millions of Australian dollars. Both the Australian-dollar denominated transactions and the Australian-dollar equivalent of foreign-currency denominated transactions are included.

The symbol "\*" indicates that the data have been masked to maintain confidentiality.

## Glossary and explanatory notes

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data. In particular, these notes help explain differences between the data presented and information publicly released by banks in their financial statements and profit announcements.

## Enquiries

For more information about the statistics in this publication:

e-mail [statistics@apra.gov.au](mailto:statistics@apra.gov.au)

or write to Manager, ADI and RFC Statistics  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001

# Contents

Important notice	<a href="#">Important notice</a>	4
Highlights	<a href="#">Highlights</a>	5
Key statistics	<a href="#">Key statistics</a>	7
All banks trends		
Financial performance	<a href="#">Table 1</a>	9
Financial position	<a href="#">Table 2</a>	10
Key performance ratios	<a href="#">Table 3</a>	11
Major bank trends		
Financial performance	<a href="#">Table 4</a>	12
Financial position	<a href="#">Table 5</a>	13
Key performance ratios	<a href="#">Table 6</a>	14
Other domestic bank trends		
Financial performance	<a href="#">Table 7</a>	15
Financial position	<a href="#">Table 8</a>	16
Key performance ratios	<a href="#">Table 9</a>	17
Foreign subsidiary bank trends		
Financial performance	<a href="#">Table 10</a>	18
Financial position	<a href="#">Table 11</a>	19
Key performance ratios	<a href="#">Table 12</a>	20
Foreign branch bank trends		
Financial performance	<a href="#">Table 13</a>	21
Financial position	<a href="#">Table 14</a>	22
Key performance ratios	<a href="#">Table 15</a>	23
Explanatory notes	<a href="#">Explanatory notes</a>	24
Glossary	<a href="#">Glossary</a>	25



## Highlights

### Main features

- Net interest income of banks for the twelve months to 31 December 2007 was \$39.9 billion. The four major banks accounted for 76.7 per cent (\$30.6 billion) of this figure.
- Fee and commission of banks for the twelve months to 31 December 2007 was \$22.0 billion. The four major banks accounted for 57.7 per cent (\$12.7 billion).
- Total operating income of banks for the twelve months to 31 December 2007 was \$88.0 billion. The four major banks accounted for 62.6 per cent (\$55.1 billion) of this figure.
- Operating expenses of banks for the twelve months to 31 December 2007 was \$52.0 billion. The four major banks accounted for 53.3 per cent (\$27.7 billion) of this figure.
- Personnel expenses of banks totalled \$22.0 billion for the twelve months to 31 December 2007. This represented 42.4 per cent of total operating expenses.
- Profit margin for banks was 26.5 per cent for the twelve months to 31 December 2007. The four major banks operated at 31.4 per cent and other domestic banks at 18.0 per cent.
- Net profit after tax for the year ended 31 December 2007 was \$23.4 billion for all banks.
- The cost-to-income ratio for banks for the twelve months to 31 December 2007 was 59.0 per cent. For the four major banks, the ratio was 50.3 per cent.
- Total assets of banks as at 31 December 2007 were \$2,690.6 billion, an increase of 22.3 per cent over the year.
- Total shareholders' equity as at 31 December 2007 was \$136.9 billion, an increase of 18.5 per cent over the year.

### Operating Income

- For the twelve months to 31 December 2007, banks received 78.5 per cent (\$122.6 billion) of their interest income from loans and advances. Interest on housing loans comprised 48.9 per cent (\$60.0 billion) of this figure.
- Interest expense on deposits comprised 52.5 per cent (\$61.1 billion) of the total interest expense incurred by banks for the twelve months to 31 December 2007.
- For the twelve months to 31 December 2007, banks raised 45.3 per cent (\$39.9 billion) of total operating income from interest income sources and 54.7 per cent (\$48.2 billion) from other sources. Fee and commission activities comprised 45.7 per cent of income from other sources.

### Operating expenses

- Operating expenses of banks were \$52.0 billion for the twelve months to 31 December 2007, equivalent to 59.0 per cent of total operating income. As already noted personnel expenses represented the main component of the total.

### Net profit

- Return on assets for banks for the twelve months to 31 December 2007 was 1.0 per cent.

## **Assets**

- The banks showed a 22.3 per cent growth in total assets over the year to 31 December 2007, driven predominantly by total housing loans. Total housing loans increased by 12.3 per cent to \$829.5 billion over the year.
- Housing loans accounted for 51.5 per cent of total gross loans and advances of banks as at 31 December 2007.

## **Deposits**

- Deposits represented 55.1 per cent of total liabilities of banks, and funded 50.5 per cent of total assets, as at 31 December 2007.

## Key statistics

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
<b>All banks</b>							
Net interest income (\$m)	9,775	9,402	10,057	9,916	10,489	36,047	39,864
Other operating income (\$m)	11,838	12,036	12,799	13,597	9,738	42,814	48,170
<b>Total operating income (\$m)</b>	<b>21,612</b>	<b>21,438</b>	<b>22,856</b>	<b>23,513</b>	<b>20,227</b>	<b>78,861</b>	<b>88,034</b>
Operating expenses (\$m)	12,966	12,388	14,039	13,999	11,551	45,979	51,977
<b>Net profit (loss) after tax (\$m)</b>	<b>4,979</b>	<b>5,522</b>	<b>5,682</b>	<b>6,111</b>	<b>6,052</b>	<b>20,290</b>	<b>23,367</b>
Total assets (\$m)	2,199,870	2,271,769	2,409,407	2,596,709	2,690,616	2,199,870	2,690,616
Total shareholders' equity (\$m)	115,489	126,333	129,922	132,554	136,863	115,489	136,863
Return on assets (after tax) <sup>a</sup>	0.9%	1.0%	1.0%	1.0%	0.9%	1.0%	1.0%
Return on equity (after tax) <sup>a</sup>	17.8%	17.5%	17.3%	18.2%	17.4%	16.8%	18.1%
Number of entities	53	53	54	54	54	53	54
<b>Major banks</b>							
Net interest income (\$m)	7,410	7,404	7,544	7,800	7,889	28,488	30,637
Other operating income (\$m)	7,837	6,776	6,405	7,096	4,219	27,205	24,496
<b>Total operating income (\$m)</b>	<b>15,248</b>	<b>14,180</b>	<b>13,949</b>	<b>14,896</b>	<b>12,109</b>	<b>55,694</b>	<b>55,133</b>
Operating expenses (\$m)	8,659	7,026	7,587	7,497	5,598	30,306	27,709
<b>Net profit (loss) after tax (\$m)</b>	<b>3,781</b>	<b>4,355</b>	<b>3,821</b>	<b>4,684</b>	<b>4,447</b>	<b>15,084</b>	<b>17,307</b>
Total assets (\$m)	1,550,158	1,573,362	1,647,101	1,737,908	1,809,735	1,550,158	1,809,735
Total shareholders' equity (\$m)	87,061	89,877	92,091	93,273	97,270	87,061	97,270
Return on assets (after tax) <sup>a</sup>	1.0%	1.1%	0.9%	1.1%	1.0%	1.0%	1.0%
Return on equity (after tax) <sup>a</sup>	17.6%	19.7%	16.8%	20.2%	18.7%	16.0%	18.8%
Number of entities	4	4	4	4	4	4	4
<b>Other domestic banks</b>							
Net interest income (\$m)	1,097	1,180	1,309	1,189	1,378	4,215	5,057
Other operating income (\$m)	3,576	4,197	5,866	5,432	4,530	12,322	20,025
<b>Total operating income (\$m)</b>	<b>4,672</b>	<b>5,377</b>	<b>7,174</b>	<b>6,621</b>	<b>5,909</b>	<b>16,535</b>	<b>25,081</b>
Operating expenses (\$m)	3,060	4,197	5,231	5,162	4,392	11,190	18,982
<b>Net profit (loss) after tax (\$m)</b>	<b>1,151</b>	<b>732</b>	<b>1,519</b>	<b>1,064</b>	<b>1,192</b>	<b>3,960</b>	<b>4,507</b>
Total assets (\$m)	284,041	304,227	344,431	362,867	381,373	284,041	381,373
Total shareholders' equity (\$m)	20,657	28,092	29,308	30,344	30,394	20,657	30,394
Return on assets (after tax) <sup>a</sup>	1.7%	1.0%	1.9%	1.2%	1.3%	1.5%	1.3%
Return on equity (after tax) <sup>a</sup>	22.8%	12.0%	21.2%	14.3%	15.7%	20.5%	15.9%
Number of entities	9	9	9	9	9	9	9

## Key statistics

	Quarter end					Year end Sep 2006	Year end Sep 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
<b>Foreign subsidiary banks</b>							
Net interest income (\$m)	714	594	631	632	662	2,356	2,519
Other operating income (\$m)	295	327	302	360	370	1,472	1,359
<b>Total operating income (\$m)</b>	<b>1,009</b>	<b>921</b>	<b>933</b>	<b>992</b>	<b>1,032</b>	<b>3,828</b>	<b>3,878</b>
Operating expenses (\$m)	654	595	575	625	643	2,267	2,438
<b>Net profit (loss) after tax (\$m)</b>	<b>140</b>	<b>208</b>	<b>190</b>	<b>213</b>	<b>220</b>	<b>941</b>	<b>831</b>
Total assets (\$m)	123,344	125,333	128,675	139,828	145,813	123,344	145,813
Total shareholders' equity (\$m)	7,771	8,365	8,522	8,937	9,200	7,771	9,200
Return on assets (after tax) <sup>a</sup>	0.5%	0.7%	0.6%	0.6%	0.6%	0.8%	0.6%
Return on equity (after tax) <sup>a</sup>	7.4%	10.3%	9.0%	9.8%	9.7%	13.0%	9.7%
Number of entities	10	10	10	10	10	10	10
<b>Foreign branch banks</b>							
Net interest income (\$m)	554	224	574	294	560	988	1,653
Other operating income (\$m)	130	736	227	710	618	1,816	2,291
<b>Total operating income (\$m)</b>	<b>683</b>	<b>960</b>	<b>801</b>	<b>1,004</b>	<b>1,178</b>	<b>2,803</b>	<b>3,943</b>
Operating expenses (\$m)	593	570	645	714	917	2,216	2,846
<b>Net profit (loss) after tax (\$m)</b>	<b>-93</b>	<b>227</b>	<b>153</b>	<b>150</b>	<b>192</b>	<b>304</b>	<b>723</b>
Total assets (\$m)	242,327	268,846	289,200	356,105	353,695	242,327	353,695
Number of entities	30	30	31	31	31	30	31

<sup>a</sup> Quarterly figures expressed as annual percentage rates. See definitions.

**Table 1 All banks' financial performance trends**

(\$ million)

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007 <sup>^</sup>		
Interest income	33,299	34,039	36,550	40,704	44,816	123,698	156,109
<i>of which:</i>							
Cash and liquid assets	1,364	1,148	1,445	1,550	1,880	4,365	6,022
Loans and advances	27,015	27,967	28,809	32,242	33,569	100,704	122,588
Housing loans	13,452	13,891	14,079	15,876	16,118	49,824	59,964
Term loans	7,853	7,797	8,476	9,078	10,268	29,506	35,619
Other	5,710	6,279	6,254	7,288	7,184	21,375	27,005
Other interest earning assets	5,249	5,280	6,562	7,559	11,201	20,210	30,602
Interest expense	23,524	24,597	26,534	30,793	34,319	88,184	116,243
<i>of which:</i>							
Deposits	12,484	13,011	14,193	15,418	18,435	46,209	61,057
Borrowings	8,920	8,840	10,038	11,775	12,427	31,572	43,080
Other interest bearing liabilities	2,459	3,111	2,578	4,248	5,290	11,502	15,226
Net interest income	9,775	9,402	10,057	9,916	10,489	36,047	39,864
Other operating income	11,838	12,036	12,799	13,597	9,738	42,814	48,170
<i>of which:</i>							
Fee and commission	5,099	5,385	5,750	5,752	5,147	19,278	22,034
Lending	916	918	1,001	917	1,015	3,052	3,852
Transaction/deposit account service fee	1,415	1,398	1,302	1,574	1,463	5,458	5,738
Other fee based activities	2,768	3,069	3,447	3,261	2,668	10,768	12,445
Other	6,739	6,650	7,049	7,835	4,592	23,536	26,127
Total operating income	21,612	21,438	22,856	23,513	20,227	78,861	88,034
Charge for bad or doubtful debts	753	658	773	734	937	2,556	3,102
Total operating expenses	12,966	12,388	14,039	13,999	11,551	45,979	51,976
<i>of which:</i>							
Personnel	5,365	5,007	5,862	5,675	5,477	19,388	22,021
Fees and commissions	621	1,150	751	797	861	2,425	3,559
Other	6,980	6,231	7,425	7,534	5,206	24,167	26,395
Profit before goodwill amortisation and tax	8,022	8,549	8,173	8,856	7,867	30,998	33,446
Goodwill amortisation							
Income tax	2,814	2,394	2,441	2,508	1,919	9,423	9,262
Net profit (loss) after tax and minority interests	4,979	5,522	5,682	6,111	6,052	20,290	23,366
Number of entities	53	53	54	54	54	53	54

<sup>^</sup>Effects of intragroup restructure have been removed

**Table 2 All banks' financial position trends**

(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007
Cash and liquid assets	144,038	141,977	157,193	162,085	188,530	177,092
Securities	209,615	226,811	221,352	239,080	309,565	321,112
Acceptances of customers	*	87,742	90,121	93,553	96,406	96,949
Gross loans and advances	1,320,217	1,361,745	1,399,960	1,459,737	1,506,547	1,611,611
<i>of which:</i>						
Total housing	718,878	738,703	751,587	778,491	786,361	829,517
Term	368,671	382,343	400,954	423,483	457,881	511,740
Other	232,626	240,606	247,421	257,761	262,305	270,353
Lending provisions	9,484	9,537	9,264	9,502	9,697	9,865
Net loans and advances	1,310,733	1,352,208	1,390,696	1,450,235	1,496,850	1,601,746
Other investments	*	8,997	16,570	10,491	11,155	8,801
Fixed assets	7,017	7,304	6,714	7,085	7,070	7,496
Intangible assets	22,383	22,596	22,603	29,408	29,187	31,038
Other assets	277,054	297,453	307,682	347,985	384,450	371,579
<b>Total assets</b>	<b>2,106,406</b>	<b>2,199,870</b>	<b>2,271,769</b>	<b>2,409,407</b>	<b>2,596,709</b>	<b>2,690,616</b>
Due to clearing houses and financial institutions	*	100,317	98,813	98,188	110,849	124,704
Acceptances	*	75,351	79,846	81,118	77,528	71,156
Deposits	1,026,067	1,070,065	1,096,668	1,152,977	1,269,578	1,357,479
<i>of which:</i>						
Call/on demand	512,347	531,986	549,552	586,123	593,179	588,637
Term deposits	299,985	310,861	313,542	323,520	346,385	370,975
Income tax liability	7,816	8,972	6,645	8,924	8,130	7,669
Provisions	8,097	5,794	7,034	8,993	8,756	5,512
<i>of which:</i>						
Employee entitlements	3,102	2,923	2,918	3,284	3,737	3,234
Other	4,995	2,871	4,116	5,709	5,019	2,278
Bonds, notes and other borrowings	421,044	417,531	430,373	445,402	466,690	463,850
Creditors and other liabilities	267,740	299,795	308,343	358,370	375,115	367,190
<b>Total liabilities</b>	<b>1,931,307</b>	<b>2,016,459</b>	<b>2,069,554</b>	<b>2,214,940</b>	<b>2,386,303</b>	<b>2,464,907</b>
Share capital	60,195	62,056	69,591	70,774	72,260	77,352
Reserves	2,937	2,982	2,873	3,208	2,534	2,808
Retained profits	45,462	46,387	49,880	52,301	54,166	53,069
Other	3,866	4,065	3,990	3,638	3,594	3,635
<b>Total shareholders' equity</b>	<b>112,460</b>	<b>115,489</b>	<b>126,333</b>	<b>129,922</b>	<b>132,554</b>	<b>136,863</b>
Number of entities	53	53	53	54	54	53

**Table 3 All banks' key performance ratio trends**

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
Net interest income (\$m)	9,775	9,402	10,057	9,916	10,489	36,047	39,864
Total operating income (\$m)	21,612	21,438	22,856	23,513	20,227	78,861	88,034
Operating expenses (\$m)	12,966	12,388	14,039	13,999	11,551	45,979	51,976
Net profit (loss) after tax (\$m)	4,979	5,522	5,682	6,111	6,052	20,290	23,366
Average total assets (\$m)	2,153,071	2,235,820	2,340,588	2,503,058	2,643,662	2,045,755	2,430,782
Average total shareholders' equity (\$m)	113,907	120,911	128,128	131,238	134,709	120,503	128,746
<b>Net interest income to assets</b>	<b>1.8%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.8%</b>	<b>1.6%</b>
<b>Operating income to assets</b>	<b>4.0%</b>	<b>3.8%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>3.1%</b>	<b>3.9%</b>	<b>3.6%</b>
<b>Operating expenses to assets</b>	<b>2.4%</b>	<b>2.2%</b>	<b>2.4%</b>	<b>2.2%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.1%</b>
<b>Profit margin</b>	<b>23.0%</b>	<b>25.8%</b>	<b>24.9%</b>	<b>26.0%</b>	<b>29.9%</b>	<b>25.7%</b>	<b>26.5%</b>
<b>Return on assets (after tax)</b>	<b>0.9%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Return on equity (after tax)</b>	<b>17.8%</b>	<b>17.5%</b>	<b>17.3%</b>	<b>18.2%</b>	<b>17.4%</b>	<b>16.8%</b>	<b>18.1%</b>
Other operating income (\$m)	11,838	12,036	12,799	13,597	9,738	42,814	48,170
Fee and commission income (\$m)	5,099	5,385	5,750	5,752	5,147	19,278	22,034
Total operating income (\$m)	21,612	21,438	22,856	23,513	20,227	78,861	88,034
Operating expenses (\$m)	12,966	12,388	14,039	13,999	11,551	45,979	51,976
Personnel expenses (\$m)	5,365	5,007	5,862	5,675	5,477	19,388	22,021
<b>Non-interest income share</b>	<b>54.8%</b>	<b>56.1%</b>	<b>56.0%</b>	<b>57.8%</b>	<b>48.1%</b>	<b>54.3%</b>	<b>54.7%</b>
<b>Fee income to total operating income</b>	<b>23.6%</b>	<b>25.1%</b>	<b>25.2%</b>	<b>24.5%</b>	<b>25.4%</b>	<b>24.4%</b>	<b>25.0%</b>
<b>Cost to income</b>	<b>60.0%</b>	<b>57.8%</b>	<b>61.4%</b>	<b>59.5%</b>	<b>57.1%</b>	<b>58.3%</b>	<b>59.0%</b>
<b>Personnel to operating expenses</b>	<b>41.4%</b>	<b>40.4%</b>	<b>41.8%</b>	<b>40.5%</b>	<b>47.4%</b>	<b>42.2%</b>	<b>42.4%</b>
Total assets (\$m)	2,199,870	2,271,769	2,409,407	2,596,709	2,690,616	2,199,870	2,690,616
Average net loans and advances (\$m)	1,331,693	1,371,452	1,420,465	1,473,542	1,549,298	1,266,479	1,453,690
Average deposits (\$m)	1,048,031	1,083,366	1,124,822	1,211,278	1,313,529	996,570	1,183,249
<b>Growth in total assets</b>	<b>4.4%</b>	<b>3.3%</b>	<b>6.1%</b>	<b>7.8%</b>	<b>3.6%</b>	<b>22.8%</b>	<b>22.8%</b>
<b>Net loans to deposits</b>	<b>127.1%</b>	<b>126.6%</b>	<b>126.3%</b>	<b>121.7%</b>	<b>117.9%</b>	<b>127.1%</b>	<b>122.9%</b>
<b>Deposits to assets</b>	<b>48.7%</b>	<b>48.5%</b>	<b>48.1%</b>	<b>48.4%</b>	<b>49.7%</b>	<b>48.7%</b>	<b>48.7%</b>
<b>Equity to deposits</b>	<b>10.9%</b>	<b>11.2%</b>	<b>11.4%</b>	<b>10.8%</b>	<b>10.3%</b>	<b>12.1%</b>	<b>10.9%</b>
Number of entities	53	53	54	54	53	53	53

**Table 4 Major banks' financial performance trends**

(\$ million)

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
<b>Interest income</b>	<b>23,866</b>	<b>24,694</b>	<b>24,783</b>	<b>28,405</b>	<b>29,595</b>	<b>89,664</b>	<b>107,477</b>
<i>of which:</i>							
Cash and liquid assets	958	1,009	1,091	1,062	*	3,170	*
Loans and advances	20,769	21,072	21,253	24,501	24,772	77,168	91,599
Housing loans	10,941	11,288	11,358	13,219	13,048	40,404	48,913
Term loans	5,314	5,174	5,482	5,938	6,696	20,578	23,290
Other	4,514	4,611	4,413	5,344	5,028	16,185	19,396
Other interest earning assets	2,403	2,901	2,633	3,412	5,415	10,679	14,361
<b>Interest expense</b>	<b>16,456</b>	<b>17,247</b>	<b>17,284</b>	<b>20,605</b>	<b>21,705</b>	<b>61,579</b>	<b>76,841</b>
<i>of which:</i>							
Deposits	9,470	9,503	10,082	10,792	13,031	33,969	43,408
Borrowings	5,528	5,879	6,094	7,299	6,778	19,964	26,051
Other interest bearing liabilities	1,722	2,153	1,302	3,084	3,648	8,594	10,186
<b>Net interest income</b>	<b>7,410</b>	<b>7,404</b>	<b>7,544</b>	<b>7,800</b>	<b>7,889</b>	<b>28,488</b>	<b>30,636</b>
<b>Other operating income</b>	<b>7,837</b>	<b>6,776</b>	<b>6,405</b>	<b>7,096</b>	<b>4,219</b>	<b>27,205</b>	<b>24,497</b>
<i>of which:</i>							
Fee and commission	3,251	2,892	3,254	3,198	3,399	12,135	12,743
Lending	706	695	765	700	752	2,254	2,912
Transaction/deposit account service fee	1,180	1,156	1,171	1,202	1,190	4,618	4,718
Other fee based activities	1,364	1,041	1,319	1,297	1,457	5,262	5,114
Other	4,586	3,884	3,152	3,898	821	15,070	11,754
<b>Total operating income</b>	<b>15,248</b>	<b>14,180</b>	<b>13,949</b>	<b>14,896</b>	<b>12,109</b>	<b>55,694</b>	<b>55,133</b>
Charge for bad or doubtful debts	551	519	635	573	710	1,978	2,437
<b>Total operating expenses</b>	<b>8,659</b>	<b>7,026</b>	<b>7,587</b>	<b>7,497</b>	<b>5,598</b>	<b>30,306</b>	<b>27,709</b>
<i>of which:</i>							
Personnel	3,116	3,101	3,225	3,329	3,391	11,807	13,045
Fees and commissions	358	374	314	346	367	1,455	1,402
Other	5,186	3,551	4,048	3,823	1,840	17,044	13,262
<b>Profit before goodwill amortisation and tax</b>	<b>6,063</b>	<b>6,702</b>	<b>5,789</b>	<b>6,844</b>	<b>5,867</b>	<b>23,589</b>	<b>25,201</b>
Goodwill amortisation							
Income tax	2,067	1,849	1,809	1,938	1,539	7,367	7,134
<b>Net profit (loss) after tax and minority interests</b>	<b>3,781</b>	<b>4,355</b>	<b>3,821</b>	<b>4,684</b>	<b>4,447</b>	<b>15,084</b>	<b>17,306</b>
Number of entities	4	4	4	4	4	4	4

**Table 5 Major banks' financial position trends**

(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007
Cash and liquid assets	99,205	93,350	94,967	91,269	121,934	117,478
Securities	99,593	112,914	110,757	113,081	130,982	132,696
Acceptances of customers	*	81,661	83,287	85,625	89,127	91,612
Gross loans and advances	1,013,109	1,044,785	1,066,467	1,111,862	1,138,439	1,209,122
<i>of which:</i>						
Total housing	584,374	598,736	609,911	635,313	636,386	668,288
Term	259,162	269,218	277,599	291,992	316,520	352,764
Other	169,573	176,832	178,957	184,557	185,533	188,071
Lending provisions	7,894	7,691	7,355	7,545	7,635	7,660
Net loans and advances	1,005,215	1,037,094	1,059,112	1,104,317	1,130,804	1,201,462
Other investments	*	2,776	2,892	4,147	4,317	4,530
Fixed assets	4,767	4,825	5,114	5,337	5,374	5,895
Intangible assets	19,309	19,452	19,470	19,940	19,881	20,114
Other assets	179,336	198,085	197,763	223,385	235,488	235,948
<b>Total assets</b>	<b>1,489,029</b>	<b>1,550,158</b>	<b>1,573,362</b>	<b>1,647,101</b>	<b>1,737,908</b>	<b>1,809,735</b>
Due to clearing houses and financial institutions	*	85,972	85,386	85,604	90,058	105,318
Acceptances	*	69,270	73,013	73,190	70,249	65,820
Deposits	728,308	753,450	763,612	795,401	861,546	931,144
<i>of which:</i>						
Call/on demand	384,488	400,359	413,844	442,849	445,910	444,337
Term deposits	221,040	229,996	230,531	237,551	250,497	271,800
Income tax liability	6,104	7,290	4,929	6,323	5,437	5,138
Provisions	6,011	3,938	5,295	6,425	6,240	3,822
<i>of which:</i>						
Employee entitlements	2,288	2,003	2,157	2,365	2,536	2,188
Other	3,723	1,935	3,138	4,060	3,704	1,633
Bonds, notes and other borrowings	309,599	309,840	315,934	324,676	334,134	334,690
Creditors and other liabilities	205,448	233,336	235,315	263,390	276,972	266,536
<b>Total liabilities</b>	<b>1,403,646</b>	<b>1,463,097</b>	<b>1,483,485</b>	<b>1,555,009</b>	<b>1,644,636</b>	<b>1,712,466</b>
Share capital	42,430	43,769	43,867	44,064	44,822	47,396
Reserves	2,408	2,149	2,011	2,164	1,334	1,986
Retained profits	37,922	38,357	41,217	43,084	44,342	45,098
Other	2,622	2,786	2,782	2,780	2,775	2,790
<b>Total shareholders' equity</b>	<b>85,382</b>	<b>87,061</b>	<b>89,877</b>	<b>92,091</b>	<b>93,273</b>	<b>97,270</b>
Number of entities	4	4	4	4	4	4

**Table 6 Major banks' key performance ratio trends**

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
Net interest income (\$m)	7,410	7,404	7,544	7,800	7,889	28,488	30,636
Total operating income (\$m)	15,248	14,180	13,949	14,896	12,109	55,694	55,133
Operating expenses (\$m)	8,659	7,026	7,587	7,497	5,598	30,306	27,709
Net profit (loss) after tax (\$m)	3,781	4,355	3,821	4,684	4,447	15,084	17,306
Average total assets (\$m)	1,519,526	1,561,760	1,610,231	1,692,505	1,773,822	1,451,529	1,659,579
Average total shareholders' equity (\$m)	86,154	88,469	90,984	92,682	95,271	94,002	91,851
Net interest income to assets	2.0%	1.9%	1.9%	1.8%	1.8%	2.0%	1.8%
Operating income to assets	4.0%	3.6%	3.5%	3.5%	2.7%	3.8%	3.3%
Operating expenses to assets	2.3%	1.8%	1.9%	1.8%	1.3%	2.1%	1.7%
Profit margin	24.8%	30.7%	27.4%	31.4%	36.7%	27.1%	31.4%
Return on assets (after tax)	1.0%	1.1%	0.9%	1.1%	1.0%	1.0%	1.0%
Return on equity (after tax)	17.6%	19.7%	16.8%	20.2%	18.7%	16.0%	18.8%
Other operating income (\$m)	7,837	6,776	6,405	7,096	4,219	27,205	24,497
Fee and commission income (\$m)	3,251	2,892	3,254	3,198	3,399	12,135	12,743
Total operating income (\$m)	15,248	14,180	13,949	14,896	12,109	55,694	55,133
Operating expenses (\$m)	8,659	7,026	7,587	7,497	5,598	30,306	27,709
Personnel expenses (\$m)	3,116	3,101	3,225	3,329	3,391	11,807	13,045
Non-interest income share	51.4%	47.8%	45.9%	47.6%	34.8%	48.8%	44.4%
Fee income to total operating income	21.3%	20.4%	23.3%	21.5%	28.1%	21.8%	23.1%
Cost to income	56.8%	49.6%	54.4%	50.3%	46.2%	54.4%	50.3%
Personnel to operating expenses	36.0%	44.1%	42.5%	44.4%	60.6%	39.0%	47.1%
Total assets (\$m)	1,550,158	1,573,362	1,647,101	1,737,908	1,809,735	1,550,158	1,809,735
Average net loans and advances (\$m)	1,021,353	1,048,103	1,081,715	1,117,561	1,166,133	972,988	1,103,378
Average deposits (\$m)	740,879	758,531	779,507	828,474	896,345	708,767	815,714
Growth in total assets	4.1%	1.5%	4.7%	5.5%	4.1%	16.7%	16.7%
Net loans to deposits	137.9%	138.2%	138.8%	134.9%	130.1%	137.3%	135.3%
Deposits to assets	48.8%	48.6%	48.4%	48.9%	50.5%	48.8%	49.2%
Equity to deposits	11.6%	11.7%	11.7%	11.2%	10.6%	13.3%	11.3%
Number of entities	4	4	4	4	4	4	4

**Table 7 Other domestic banks' financial performance trends**

(\$ million)

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007 <sup>^</sup>		
<b>Interest income</b>	<b>4,033</b>	<b>4,324</b>	<b>4,707</b>	<b>4,884</b>	<b>5,693</b>	<b>14,548</b>	<b>19,609</b>
<i>of which:</i>							
Cash and liquid assets	18	11	58	47	*	70	*
Loans and advances	3,230	3,347	3,534	3,600	4,006	11,980	14,487
Housing loans	1,485	1,523	1,657	1,524	1,833	5,631	6,537
Term loans	880	850	948	1,057	1,145	3,459	4,000
Other	865	974	930	1,019	1,028	2,890	3,950
Other interest earning assets	851	1,034	1,187	1,315	1,563	2,731	5,099
<b>Interest expense</b>	<b>2,936</b>	<b>3,148</b>	<b>3,396</b>	<b>3,696</b>	<b>4,311</b>	<b>10,465</b>	<b>14,550</b>
<i>of which:</i>							
Deposits	1,564	1,634	1,703	1,972	2,276	5,418	7,585
Borrowings	1,079	1,316	1,340	1,354	1,531	3,786	5,541
Other interest bearing liabilities	369	276	434	448	584	1,410	1,741
<b>Net interest income</b>	<b>1,097</b>	<b>1,180</b>	<b>1,309</b>	<b>1,189</b>	<b>1,378</b>	<b>4,215</b>	<b>5,056</b>
<b>Other operating income</b>	<b>3,576</b>	<b>4,197</b>	<b>5,866</b>	<b>5,432</b>	<b>4,530</b>	<b>12,322</b>	<b>20,025</b>
<i>of which:</i>							
Fee and commission	*	*	1,835	1,876	*	2,505	6,752
Lending	*	100	99	*	*	113	388
Transaction/deposit account service fee	172	173	65	301	202	603	741
Other fee based activities	1,032	*	1,671	*	839	4,088	5,624
Other	*	*	4,030	3,556	*	3,188	13,272
<b>Total operating income</b>	<b>4,672</b>	<b>5,377</b>	<b>7,174</b>	<b>6,621</b>	<b>5,909</b>	<b>16,535</b>	<b>25,081</b>
Charge for bad or doubtful debts	80	94	66	79	62	302	301
<b>Total operating expenses</b>	<b>3,060</b>	<b>4,197</b>	<b>5,231</b>	<b>5,162</b>	<b>4,392</b>	<b>11,190</b>	<b>18,983</b>
<i>of which:</i>							
Personnel	1,571	1,328	2,047	1,780	1,458	5,482	6,612
Fees and commissions	117	683	302	317	334	488	1,636
Other	1,371	2,186	2,882	3,071	2,594	5,221	10,733
<b>Profit before goodwill amortisation and tax</b>	<b>1,634</b>	<b>1,172</b>	<b>1,943</b>	<b>1,435</b>	<b>1,516</b>	<b>5,537</b>	<b>6,066</b>
Goodwill amortisation							
Income tax	470	305	533	356	308	1,438	1,501
<b>Net profit (loss) after tax and minority interests</b>	<b>1,151</b>	<b>732</b>	<b>1,519</b>	<b>1,064</b>	<b>1,192</b>	<b>3,960</b>	<b>4,507</b>
Number of entities	9	9	9	9	9	9	9

<sup>^</sup>Effects of intragroup restructure have been removed

**Table 8 Other domestic banks' financial position trends**

(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007
Cash and liquid assets	20,644	22,225	35,413	43,336	33,793	30,977
Securities	38,312	44,605	36,976	48,056	69,158	80,749
Acceptances of customers	*	*	*	*	*	*
Gross loans and advances	162,685	171,720	174,008	184,481	188,277	209,200
<i>of which:</i>						
Total housing	84,542	89,412	88,449	91,279	94,413	101,903
Term	50,823	53,693	56,705	62,152	62,560	73,759
Other	27,320	28,617	28,856	31,049	31,304	33,537
Lending provisions	1,045	1,208	1,247	1,288	1,336	1,390
Net loans and advances	161,641	170,512	172,761	183,193	186,941	207,810
Other investments	*	*	*	*	*	*
Fixed assets	1,958	2,116	1,222	1,352	1,292	1,174
Intangible assets	2,754	2,784	2,774	9,013	*	10,428
Other assets	32,355	30,741	35,873	46,332	49,806	41,718
<b>Total assets</b>	<b>270,737</b>	<b>284,041</b>	<b>304,227</b>	<b>344,431</b>	<b>362,867</b>	<b>381,373</b>
Due to clearing houses and financial institutions	*	*	*	*	*	*
Acceptances	*	*	*	*	*	*
Deposits	134,311	144,379	148,078	152,796	172,921	189,028
<i>of which:</i>						
Call/on demand	61,686	63,760	64,880	68,982	70,948	73,315
Term deposits	35,635	37,450	38,151	38,360	40,318	46,692
Income tax liability	945	978	986	1,666	1,370	1,421
Provisions	1,121	776	890	1,949	1,608	778
<i>of which:</i>						
Employee entitlements	430	415	426	526	551	406
Other	691	361	464	1,423	1,057	373
Bonds, notes and other borrowings	61,682	63,282	64,392	77,042	75,886	77,902
Creditors and other liabilities	42,626	44,978	52,104	69,576	69,282	71,660
<b>Total liabilities</b>	<b>251,031</b>	<b>263,367</b>	<b>276,011</b>	<b>315,062</b>	<b>332,463</b>	<b>350,929</b>
Share capital	13,384	13,806	20,842	21,829	22,332	24,749
Reserves	*	*	*	*	*	*
Retained profits	*	*	*	*	*	*
Other	*	*	*	*	*	*
<b>Total shareholders' equity</b>	<b>19,649</b>	<b>20,657</b>	<b>28,092</b>	<b>29,308</b>	<b>30,344</b>	<b>30,394</b>
Number of entities	9	9	9	9	9	8

**Table 9 Other domestic banks' key performance ratio trends**

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
Net interest income (\$m)	1,097	1,180	1,309	1,189	1,378	4,215	5,056
Total operating income (\$m)	4,672	5,377	7,174	6,621	5,909	16,535	25,081
Operating expenses (\$m)	3,060	4,197	5,231	5,162	4,392	11,190	18,983
Net profit (loss) after tax (\$m)	1,151	732	1,519	1,064	1,192	3,960	4,507
Average total assets (\$m)	277,389	294,134	324,329	353,649	372,120	263,524	336,058
Average total shareholders' equity (\$m)	20,153	24,374	28,700	29,826	30,369	19,276	28,317
<b>Net interest income to assets</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.3%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.5%</b>
<b>Operating income to assets</b>	<b>6.7%</b>	<b>7.3%</b>	<b>8.8%</b>	<b>7.5%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>7.5%</b>
<b>Operating expenses to assets</b>	<b>4.4%</b>	<b>5.7%</b>	<b>6.5%</b>	<b>5.8%</b>	<b>4.7%</b>	<b>4.2%</b>	<b>5.6%</b>
<b>Profit margin</b>	<b>24.6%</b>	<b>13.6%</b>	<b>21.2%</b>	<b>16.1%</b>	<b>20.2%</b>	<b>23.9%</b>	<b>18.0%</b>
<b>Return on assets (after tax)</b>	<b>1.7%</b>	<b>1.0%</b>	<b>1.9%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.5%</b>	<b>1.3%</b>
<b>Return on equity (after tax)</b>	<b>22.8%</b>	<b>12.0%</b>	<b>21.2%</b>	<b>14.3%</b>	<b>15.7%</b>	<b>20.5%</b>	<b>15.9%</b>
Other operating income (\$m)	3,576	4,197	5,866	5,432	4,530	12,322	20,025
Fee and commission income (\$m)	1,281	1,903	1,835	1,876	1,138	5,053	6,752
Total operating income (\$m)	4,672	5,377	7,174	6,621	5,909	16,535	25,081
Operating expenses (\$m)	3,060	4,197	5,231	5,162	4,392	11,190	18,983
Personnel expenses (\$m)	1,571	1,328	2,047	1,780	1,458	5,482	6,612
<b>Non-interest income share</b>	<b>76.5%</b>	<b>78.1%</b>	<b>81.8%</b>	<b>82.0%</b>	<b>76.7%</b>	<b>74.5%</b>	<b>79.8%</b>
<b>Fee income to total operating income</b>	<b>27.4%</b>	<b>35.4%</b>	<b>25.6%</b>	<b>28.3%</b>	<b>19.3%</b>	<b>30.6%</b>	<b>26.9%</b>
<b>Cost to income</b>	<b>65.5%</b>	<b>78.0%</b>	<b>72.9%</b>	<b>78.0%</b>	<b>74.3%</b>	<b>67.7%</b>	<b>75.7%</b>
<b>Personnel to operating expenses</b>	<b>51.4%</b>	<b>31.6%</b>	<b>39.1%</b>	<b>34.5%</b>	<b>33.2%</b>	<b>49.0%</b>	<b>34.8%</b>
Total assets (\$m)	284,041	304,227	344,431	362,867	381,373	284,041	381,373
Average net loans and advances (\$m)	166,077	171,637	177,977	185,067	197,375	158,034	183,014
Average deposits (\$m)	139,345	146,228	150,437	162,859	180,975	132,043	160,125
<b>Growth in total assets</b>	<b>4.9%</b>	<b>7.1%</b>	<b>13.2%</b>	<b>5.4%</b>	<b>5.1%</b>	<b>34.2%</b>	<b>34.2%</b>
<b>Net loans to deposits</b>	<b>119.2%</b>	<b>117.4%</b>	<b>118.3%</b>	<b>113.6%</b>	<b>109.1%</b>	<b>119.7%</b>	<b>114.3%</b>
<b>Deposits to assets</b>	<b>50.2%</b>	<b>49.7%</b>	<b>46.4%</b>	<b>46.1%</b>	<b>48.6%</b>	<b>50.1%</b>	<b>47.6%</b>
<b>Equity to deposits</b>	<b>14.5%</b>	<b>16.7%</b>	<b>19.1%</b>	<b>18.3%</b>	<b>16.8%</b>	<b>14.6%</b>	<b>17.7%</b>
Number of entities	9	9	9	9	8	9	8

**Table 10 Foreign subsidiary banks' financial performance trends**

(\$ million)

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
<b>Interest income</b>	<b>1,989</b>	<b>2,202</b>	<b>2,285</b>	<b>2,468</b>	<b>2,707</b>	<b>8,051</b>	<b>9,662</b>
<i>of which:</i>							
Cash and liquid assets	4	10	12	21	38	37	81
Loans and advances	1,702	1,924	2,031	2,154	2,309	6,967	8,417
Housing loans	1,025	1,077	1,066	1,133	1,236	3,786	4,512
Term loans	657	549	639	701	718	2,126	2,607
Other	19	298	326	319	355	1,053	1,298
Other interest earning assets	283	268	242	293	360	1,047	1,163
<b>Interest expense</b>	<b>1,276</b>	<b>1,608</b>	<b>1,654</b>	<b>1,837</b>	<b>2,043</b>	<b>5,695</b>	<b>7,142</b>
<i>of which:</i>							
Deposits	794	1,038	1,069	1,143	1,227	3,386	4,478
Borrowings	432	504	520	621	732	2,162	2,377
Other interest bearing liabilities	49	66	65	73	83	148	287
<b>Net interest income</b>	<b>714</b>	<b>594</b>	<b>631</b>	<b>632</b>	<b>662</b>	<b>2,356</b>	<b>2,519</b>
<b>Other operating income</b>	<b>295</b>	<b>327</b>	<b>302</b>	<b>360</b>	<b>370</b>	<b>1,472</b>	<b>1,359</b>
<i>of which:</i>							
Fee and commission	238	284	278	302	265	1,054	1,129
Lending	69	70	75	70	81	253	297
Transaction/deposit account service fee	36	36	39	39	37	134	151
Other fee based activities	133	178	164	193	146	666	681
Other	58	43	24	58	105	419	230
<b>Total operating income</b>	<b>1,009</b>	<b>921</b>	<b>933</b>	<b>992</b>	<b>1,032</b>	<b>3,828</b>	<b>3,878</b>
Charge for bad or doubtful debts	92	37	80	68	122	271	307
<b>Total operating expenses</b>	<b>654</b>	<b>595</b>	<b>575</b>	<b>625</b>	<b>643</b>	<b>2,267</b>	<b>2,438</b>
<i>of which:</i>							
Personnel	311	326	325	344	371	1,138	1,367
Fees and commissions	16	14	19	17	28	69	77
Other	327	255	231	263	245	1,060	995
<b>Profit before goodwill amortisation and tax</b>	<b>264</b>	<b>292</b>	<b>278</b>	<b>303</b>	<b>266</b>	<b>1,290</b>	<b>1,139</b>
Goodwill amortisation							
Income tax	124	84	88	90	46	348	308
<b>Net profit (loss) after tax and minority interests</b>	<b>140</b>	<b>208</b>	<b>190</b>	<b>213</b>	<b>220</b>	<b>941</b>	<b>831</b>
Number of entities	10	10	10	10	10	10	10

**Table 11 Foreign subsidiary banks' financial position trends**

(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007
Cash and liquid assets	2,694	3,998	3,131	4,097	5,763	5,790
Securities	19,596	20,232	18,303	18,293	23,473	22,766
Acceptances of customers	*	*	*	*	*	*
Gross loans and advances	93,101	94,762	99,453	101,575	105,721	112,102
<i>of which:</i>						
Total housing	49,932	50,533	53,195	51,867	55,531	59,293
Term	24,183	26,034	27,514	29,434	30,531	32,351
Other	18,985	18,195	18,744	20,273	19,659	20,457
Lending provisions	443	498	517	542	584	663
Net loans and advances	92,658	94,264	98,936	101,033	105,137	111,439
Other investments	*	*	*	*	*	*
Fixed assets	177	192	193	204	212	238
Intangible assets	*	*	*	*	*	*
Other assets	4,220	4,286	4,287	4,461	4,706	4,968
<b>Total assets</b>	<b>119,688</b>	<b>123,344</b>	<b>125,333</b>	<b>128,675</b>	<b>139,828</b>	<b>145,813</b>
Due to clearing houses and financial institutions	*	*	*	*	*	*
Acceptances	*	*	*	*	*	*
Deposits	91,320	93,358	94,664	98,039	107,420	111,439
<i>of which:</i>						
Call/on demand	42,071	43,857	45,288	46,190	47,071	48,847
Term deposits	33,184	33,614	34,762	34,922	41,149	42,107
Income tax liability	*	*	80	65	176	166
Provisions	523	553	546	208	455	425
<i>of which:</i>						
Employee entitlements	122	148	134	130	371	339
Other	401	406	412	78	85	86
Bonds, notes and other borrowings	7,607	7,618	7,222	7,253	6,630	6,331
Creditors and other liabilities	5,159	4,825	4,817	5,489	5,048	5,526
<b>Total liabilities</b>	<b>112,013</b>	<b>113,627</b>	<b>114,979</b>	<b>118,199</b>	<b>128,897</b>	<b>134,530</b>
Share capital	4,381	4,482	4,882	4,882	5,107	5,207
Reserves	*	*	*	*	*	*
Retained profits	*	*	*	*	*	*
Other	*	*	*	*	*	*
<b>Total shareholders' equity</b>	<b>7,430</b>	<b>7,771</b>	<b>8,365</b>	<b>8,522</b>	<b>8,937</b>	<b>9,200</b>
Number of entities	10	10	10	10	10	10

**Table 12 Foreign subsidiary banks' key performance ratio trends**

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
Net interest income (\$m)	714	594	631	632	662	2,356	2,519
Total operating income (\$m)	1,009	921	933	992	1,032	3,828	3,878
Operating expenses (\$m)	654	595	575	625	643	2,267	2,438
Net profit (loss) after tax (\$m)	140	208	190	213	220	941	831
Average total assets (\$m)	121,516	124,339	127,004	134,251	142,821	115,846	132,104
Average total shareholders' equity (\$m)	7,600	8,068	8,444	8,730	9,068	7,226	8,578
Net interest income to assets	2.3%	1.9%	2.0%	1.9%	1.9%	2.0%	1.9%
Operating income to assets	3.3%	3.0%	2.9%	3.0%	2.9%	3.3%	2.9%
Operating expenses to assets	2.2%	1.9%	1.8%	1.9%	1.8%	2.0%	1.8%
Profit margin	13.9%	22.6%	20.3%	21.5%	21.3%	24.6%	21.4%
Return on assets (after tax)	0.5%	0.7%	0.6%	0.6%	0.6%	0.8%	0.6%
Return on equity (after tax)	7.4%	10.3%	9.0%	9.8%	9.7%	13.0%	9.7%
Other operating income (\$m)	295	327	302	360	370	1,472	1,359
Fee and commission income (\$m)	238	284	278	302	265	1,054	1,129
Total operating income (\$m)	1,009	921	933	992	1,032	3,828	3,878
Operating expenses (\$m)	654	595	575	625	643	2,267	2,438
Personnel expenses (\$m)	311	326	325	344	371	1,138	1,367
Non-interest income share	29.3%	35.5%	32.4%	36.3%	35.9%	38.5%	35.0%
Fee income to total operating income	23.5%	30.8%	29.8%	30.4%	25.7%	27.5%	29.1%
Cost to income	64.8%	64.6%	61.7%	63.0%	62.4%	59.2%	62.9%
Personnel to operating expenses	47.5%	54.8%	56.6%	55.1%	57.7%	50.2%	56.1%
Total assets (\$m)	123,344	125,333	128,675	139,828	145,813	123,344	145,813
Average net loans and advances (\$m)	93,461	96,600	99,984	103,085	108,288	89,309	101,989
Average deposits (\$m)	92,339	94,011	96,351	102,729	109,430	88,083	100,630
Growth in total assets	3.1%	1.6%	2.7%	8.7%	4.3%	17.5%	17.5%
Net loans to deposits	101.2%	102.8%	103.8%	100.3%	99.0%	101.4%	101.4%
Deposits to assets	76.0%	75.6%	75.9%	76.5%	76.6%	76.0%	76.2%
Equity to deposits	8.2%	8.6%	8.8%	8.5%	8.3%	8.2%	8.5%
Number of entities	10	10	10	10	10	10	10

**Table 13 Foreign branch banks' financial performance trends**

(\$ million)

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
<b>Interest income</b>	<b>3,410</b>	<b>2,819</b>	<b>4,775</b>	<b>4,946</b>	<b>6,821</b>	<b>11,435</b>	<b>19,361</b>
<i>of which:</i>							
Cash and liquid assets	384	118	284	419	475	1,089	1,296
Loans and advances	1,315	1,624	1,990	1,988	2,482	4,592	8,085
Housing loans	1	3	-2	1	1	3	2
Term loans	1,002	1,224	1,407	1,381	1,710	3,342	5,722
Other	312	397	585	606	772	1,247	2,361
Other interest earning assets	1,712	1,077	2,500	2,540	3,863	5,756	9,979
<b>Interest expense</b>	<b>2,856</b>	<b>2,594</b>	<b>4,200</b>	<b>4,655</b>	<b>6,261</b>	<b>10,446</b>	<b>17,710</b>
<i>of which:</i>							
Deposits	657	837	1,338	1,511	1,900	3,437	5,587
Borrowings	1,881	1,142	2,085	2,500	3,386	5,660	9,112
Other interest bearing liabilities	318	616	777	644	975	1,350	3,011
<b>Net interest income</b>	<b>554</b>	<b>224</b>	<b>574</b>	<b>294</b>	<b>560</b>	<b>988</b>	<b>1,653</b>
<b>Other operating income</b>	<b>130</b>	<b>736</b>	<b>227</b>	<b>710</b>	<b>618</b>	<b>1,816</b>	<b>2,290</b>
<i>of which:</i>							
Fee and commission	*	*	383	376	*	408	1,410
Lending	*	53	62	*	*	71	256
Transaction/deposit account service fee	26	34	27	32	35	103	128
Other fee based activities	239	*	293	*	226	750	1,027
Other	*	*	-156	324	*	586	871
<b>Total operating income</b>	<b>683</b>	<b>960</b>	<b>801</b>	<b>1,004</b>	<b>1,178</b>	<b>2,803</b>	<b>3,943</b>
Charge for bad or doubtful debts	30	7	-8	14	43	5	57
<b>Total operating expenses</b>	<b>593</b>	<b>570</b>	<b>645</b>	<b>714</b>	<b>917</b>	<b>2,216</b>	<b>2,847</b>
<i>of which:</i>							
Personnel	368	253	265	222	258	963	997
Fees and commissions	130	79	116	117	133	412	445
Other	95	238	264	376	527	841	1,405
<b>Profit before goodwill amortisation and tax</b>	<b>60</b>	<b>382</b>	<b>164</b>	<b>275</b>	<b>218</b>	<b>581</b>	<b>1,040</b>
Goodwill amortisation							
Income tax	153	156	11	125	26	272	318
<b>Net profit (loss) after tax and minority interests</b>	<b>-93</b>	<b>227</b>	<b>153</b>	<b>150</b>	<b>192</b>	<b>304</b>	<b>722</b>
Number of entities	30	30	31	31	31	30	31

**Table 14 Foreign branch banks' financial position trends**

(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007
Cash and liquid assets	21,495	22,403	23,682	23,384	27,039	22,847
Securities	52,114	49,060	55,316	59,650	85,952	84,901
Acceptances of customers	*	*	*	*	*	*
Gross loans and advances	51,322	50,478	60,032	61,819	74,110	81,188
<i>of which:</i>						
Total housing	30	22	32	31	31	34
Term	34,502	33,398	39,136	39,905	48,269	52,867
Other	16,748	16,963	20,864	21,883	25,809	28,287
Lending provisions	103	140	145	127	143	152
Net loans and advances	51,220	50,338	59,887	61,692	73,967	81,036
Other investments	*	*	*	*	*	*
Fixed assets	115	170	185	192	192	189
Intangible assets	*	*	*	*	*	*
Other assets	61,143	64,341	69,759	73,807	94,450	88,944
<b>Total assets</b>	<b>226,953</b>	<b>242,327</b>	<b>268,846</b>	<b>289,200</b>	<b>356,105</b>	<b>353,695</b>
Due to clearing houses and financial institutions	*	*	*	*	*	*
Acceptances	*	*	*	*	*	*
Deposits	72,128	78,878	90,314	106,741	127,691	125,868
<i>of which:</i>						
Call/on demand	24,103	24,010	25,539	28,102	29,251	22,137
Term deposits	10,126	9,801	10,098	12,688	14,422	10,376
Income tax liability	*	*	650	871	1,147	945
Provisions	443	527	302	411	452	487
<i>of which:</i>						
Employee entitlements	261	358	201	262	279	301
Other	181	169	102	148	173	186
Bonds, notes and other borrowings	42,157	36,791	42,825	36,432	50,040	44,926
Creditors and other liabilities	14,507	16,656	16,108	19,915	23,813	23,468
<b>Total liabilities</b>	<b>164,616</b>	<b>176,367</b>	<b>195,079</b>	<b>226,670</b>	<b>280,307</b>	<b>266,982</b>
Number of entities	30	30	30	31	31	31

**Table 15 Foreign branch banks' key performance ratio trends**

	Quarter end					Year end Dec 2006	Year end Dec 2007
	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007		
Net interest income (\$m)	554	224	574	294	560	988	1,653
Total operating income (\$m)	683	960	801	1,004	1,178	2,803	3,943
Operating expenses (\$m)	593	570	645	714	917	2,216	2,847
Net profit (loss) after tax (\$m)	-93	227	153	150	192	304	722
Average total assets (\$m)	234,640	255,587	279,023	322,653	354,900	214,856	303,041
<b>Net interest income to assets</b>	<b>0.9%</b>	<b>0.4%</b>	<b>0.8%</b>	<b>0.4%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.5%</b>
<b>Operating income to assets</b>	<b>1.2%</b>	<b>1.5%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>
<b>Operating expenses to assets</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.9%</b>
<b>Profit margin</b>	<b>-13.6%</b>	<b>23.6%</b>	<b>19.1%</b>	<b>15.0%</b>	<b>16.3%</b>	<b>10.8%</b>	<b>18.3%</b>
Other operating income (\$m)	130	736	227	710	618	1,816	2,290
Fee and commission income (\$m)	330	307	383	376	345	1,037	1,410
Total operating income (\$m)	683	960	801	1,004	1,178	2,803	3,943
Operating expenses (\$m)	593	570	645	714	917	2,216	2,847
Personnel expenses (\$m)	368	253	265	222	258	963	997
<b>Non-interest income share</b>	<b>19.0%</b>	<b>76.6%</b>	<b>28.3%</b>	<b>70.7%</b>	<b>52.5%</b>	<b>64.8%</b>	<b>58.1%</b>
<b>Fee income to total operating income</b>	<b>48.3%</b>	<b>32.0%</b>	<b>47.8%</b>	<b>37.5%</b>	<b>29.3%</b>	<b>37.0%</b>	<b>35.8%</b>
<b>Cost to income</b>	<b>86.8%</b>	<b>59.4%</b>	<b>80.6%</b>	<b>71.1%</b>	<b>77.8%</b>	<b>79.1%</b>	<b>72.2%</b>
<b>Personnel to operating expenses</b>	<b>62.0%</b>	<b>44.3%</b>	<b>41.1%</b>	<b>31.0%</b>	<b>28.1%</b>	<b>43.5%</b>	<b>35.0%</b>
Total assets (\$m)	242,327	268,846	289,200	356,105	353,695	242,327	353,695
Average net loans and advances (\$m)	50,803	55,113	60,790	67,829	77,501	46,149	65,308
Average deposits (\$m)	75,468	84,596	98,527	117,216	126,779	67,678	106,780
<b>Growth in total assets</b>	<b>6.8%</b>	<b>10.9%</b>	<b>7.6%</b>	<b>23.1%</b>	<b>-0.7%</b>	<b>51.3%</b>	<b>51.3%</b>
<b>Net loans to deposits</b>	<b>67.3%</b>	<b>65.1%</b>	<b>61.7%</b>	<b>57.9%</b>	<b>61.1%</b>	<b>68.2%</b>	<b>61.2%</b>
<b>Deposits to assets</b>	<b>32.2%</b>	<b>33.1%</b>	<b>35.3%</b>	<b>36.3%</b>	<b>35.7%</b>	<b>31.5%</b>	<b>35.2%</b>
Number of entities	30	30	31	31	31	30	31

## Explanatory notes

### Introduction

This quarterly publication provides bank aggregate statistics, comprising data on financial performance, financial position and key financial performance ratios. Banks are classified as major banks, other domestic banks, foreign subsidiary banks and branches of foreign banks in this publication.

### Source of data

The data in this publication are sourced from the following returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* by regulated banks.

Profit and loss returns:

- *ARF 330.0 Statement of Financial Performance (Licensed ADI and Consolidated Group Books)*;
- *ARF 330.1 Interest Income and Interest Expense (Licensed ADI and Consolidated Group Books)*;
- *ARF 330.2 Other Operating Income (Licensed ADI and Consolidated Group Books)*; and
- *ARF 330.3 Other Operating Expense (Licensed ADI and Consolidated Group Books)*.

Balance sheet returns:

- *ARF 320.0 Statement of Financial Position (Domestic Books)*; and
- *ARF 322.0 Statement of Financial Position (Consolidated Group Books)*.

Blank copies of returns and associated instructions are available on APRA's website.

### Basis of preparation

For the profit and loss returns, locally incorporated banks that include Australian-owned banks and foreign subsidiary banks with controlled entities and associates are required to complete the returns on both a licensed basis and a consolidated basis. Foreign bank branches and locally incorporated banks with no controlled entities and associates are required to report on a licensed basis only.

For the balance sheet returns, locally incorporated banks that include Australian-owned banks and foreign subsidiary banks with controlled entities and associates are required to complete the returns on both a domestic books basis and a consolidated basis. Foreign bank branches and locally incorporated banks with no controlled entities and associates are required to report on a domestic book basis only.

As per the reporting requirements of the above returns except for *ARF 320.0 Statement of Financial Position (Domestic Books)*, the basis of consolidation is in accordance with the requirements of the Australian accounting standards.

## Glossary

**ADI** authorised deposit-taking institution.

**Acceptances** comprise undertakings by an entity to pay bills of exchange drawn on customers. They are accounted for and disclosed as a liability with a contra asset recognised to reflect the entity's claim against each drawer of the bills of exchange. This item excludes those accepted and held in the institution's asset portfolio.

**AIFRS** Australian International Financial Reporting Standards which became effective on 01 July 2006.

**Averaged items** are the average of the item for the period and the preceding period.

**Bonds, notes and other borrowings** comprise bonds, notes and other debt securities.

**Cash and liquid assets** comprise local and foreign currency holdings, deposits at call, Exchange Settlement Accounts, margin deposit accounts and gold bullion.

**Call/on demand deposits** comprise cheque accounts, accounts from which payments to third parties are made, notice of withdrawal accounts, demand deposits and saving deposits.

**Consolidated** refers to the global operations of a licensed ADI and its subsidiary entities, as well as any other controlled banking entities, securities entities and other financial entities except those involved in insurance, non-financial (commercial) operations or acting as manager, responsible entity, approved trustee or similar role in relation to funds management or securitisation activities.

**Cost to income** represents operating expenses for the period divided by total operating income for the period.

**Creditors and other liabilities** comprise defined benefit liability - current and non current, interest payable, unearned interest, outstanding security settlements, derivative financial instruments, items in suspense, due to merchants, liabilities included in disposal group classified as held for sale and share capital repayable on demand.

**Deposits to assets** represents average deposits for the period divided by average total assets.

**Due to clearing houses & financial institutions** comprise amounts due to recognised clearing houses and settlement balances with financial institutions.

**Employee entitlements** comprise provisions for long service leave, annual leave, staff housing loan benefits, health fund subsidy, and other employee entitlements.

**Equity to deposits** represents average total shareholders' equity for the period divided by average total deposits.

**Fees and commissions** from lending, transaction/deposit account service fees, funds management, broking activities, underwriting activities, syndication activities, securitisation activities and corporate advisory activities.

**Fee income to total operating income** represents fee income for the period divided by total operating income for the period.

**Fixed assets** include land, buildings, furniture, equipment, software, leasehold improvements and capital leases net of accumulated depreciation/amortisation.

**Foreign branch banks** are those foreign banks authorised to carry on banking business in Australia through branches. This is subject to specific restrictions on their deposit-taking activities.

**Foreign subsidiary banks** are those foreign banks authorised to carry on banking business in Australia through a locally incorporated subsidiary.

**Growth in total assets** represents average total assets for the period minus average total assets for the preceding period, divided by the average total assets for the preceding period.

**Intangible assets** are net of accumulated amortisation.

**Interest expense** is interest expense paid on interest-bearing liabilities net of intragroup balances.

**Interest income** is interest income earned on interest-bearing assets net of intragroup balances.

**Interest income on securities** is interest income earned on trading and investment securities.

**Licensed** refers to the ADI on a stand-alone basis.

**Loan capital** is the face value of all loan capital and hybrid securities issued with a residual term to maturity of more than one year. Includes converting preference shares, convertible notes and subordinated loans.

**Major banks** are the Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, the National Australia Bank Limited, Westpac Banking Corporation and their subsidiary banks.

**Net interest income** is total interest income less total interest expense.

**Net interest income to assets** represents net interest income for the period divided by average total assets.

**Net loans and advances** are net of specific and general provisions.

**Net loans to deposits** represents average net loans and advances for the period divided by average deposits.

**Net profit (loss) after tax and minority interests** is profit or loss after goodwill amortisation, income tax and minority interests but before extraordinary items.

**Non-interest income share** represents other operating income for the period divided by total operating income for the period.

**Operating expenses to assets** represents operating expenses for the period divided by average total assets.

**Operating income to assets** represents operating income for the period divided by average total assets.

**Other assets** include commodities other than gold bullion, valuables, artwork, other receivables, prepayments and other items not otherwise identified.

**Other domestic banks** are all locally-owned banks excluding those defined as *Majors*.

**Other investments** include investment loans to parent entity, associates, joint ventures and other investments.

**Other (total operating expenses)** includes occupancy and equipment expenses, amortisation of other assets, non-lending losses, fees and commissions, audit and director fees, and other expenses.

**Other operating income** is non-interest income.

**Other (provisions)** includes provisions for dividends, restructuring costs, and off-balance sheet credit related commitments.

**Other (shareholders equity)** represents outside equity interests in controlled entities.

**Personnel to operating expenses** represents personnel expenses for the period divided by operating expenses for the period.

**Profit margin** represents net profit for the period divided by total operating income for the period.

**Reserves** comprise general reserve, capital profits reserve, asset revaluation reserve, foreign currency translation reserve and other reserves.

**Retained profits** are retained profits or accumulated losses at the end of the quarter.

**Return on assets** is net profit (loss) for the last quarter multiplied by 4 and divided by average assets over the quarter. For year-ended, this measure is calculated using the last 4 quarters divided by average assets over the year.

**Return on equity** is net profit (loss) for the quarter multiplied by 4 and divided by average shareholders' equity over the quarter. For year-ended figures, this measure is calculated using the last 4 quarters divided by average shareholders' equity over the year.

**Share capital** comprises ordinary shares, preference shares and any other form of share capital.

**Term deposits** are deposits with a fixed period for a stated interest rate.

**Term loans** comprise fixed rate and variable rate loans and advances gross of provisions.

**Total housing** is total fixed and variable rate owner-occupied and investment housing lending gross of provisions.

**Total operating expense** is total non-interest expense from ordinary activities.

**Total operating income** is total income from ordinary activities before charge for bad and doubtful debts and the sum of net interest income and other operating income.



Telephone  
1300 13 10 60

Email  
[contactapra@apra.gov.au](mailto:contactapra@apra.gov.au)

Website  
[www.apra.gov.au](http://www.apra.gov.au)

Mail  
GPO Box 9836  
in all capital cities  
(except Hobart and Darwin)