



Statistics

Quarterly Bank Performance

December 2008 (issued 23 June 2009)



Copyright

© Commonwealth of Australia

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. All other rights are reserved.

Requests and inquiries concerning reproduction and rights should be addressed to:

Commonwealth Copyright Administration
Copyright Law Branch
Attorney-General's Department
Robert Garran Offices
National Circuit
Barton ACT 2600
Fax: (02) 6250 5989

or submitted via the copyright request form on the website:

<http://www.ag.gov.au/cca>

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.

Revisions

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

Please see important notice for other revisions.

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

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

Contents

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

Important notice

This publication is based on banks' consolidated financial data.

From December 2008, data for Bank of Western Australia Limited and St. George Bank Limited will be reported under Major banks' due to the mergers with Commonwealth Bank of Australia and Westpac Banking Corporation respectively.

In prior issues, the following ratios in table 3 and table 6 reflected the movement of the wealth management operations of National Australia Bank Limited:

- Operating income to assets
- Operating expenses to assets
- Profit margin
- Non-interest income share
- Fee income to total operating income
- Cost to income
- Operating income to assets
- Personnel to operating expenses

In this issue, prior financial performance and key performance ratio series were revised such that Other operating income are reported net of expenses from the wealth management operations of National Australia Bank Limited.

APRA aligned our reporting framework to the Australian International Financial Reporting Standards (AIFRS) effective from 1 July 2006.

Movements between June 2006 and September 2006 data can be partly attributed to the introduction and adoption of AIFRS. This reporting transition being accounted in the 'Net profit after tax and minority interests' figure for September 2006.

Where individual banks do not have consolidated subsidiaries, their licensed entity or domestic data are used.

Highlights

Main features

- Net interest income of banks for the twelve months to 31 December 2008 was \$46.4 billion. The four major banks accounted for 79.2 per cent (\$36.8 billion) of this figure.
- Fee and commission of banks for the twelve months to 31 December 2008 was \$20.9 billion. The four major banks accounted for 71.0 per cent (\$14.8 billion).
- Total operating income of banks for the twelve months to 31 December 2008 was \$84.3 billion. The four major banks accounted for 67.2 per cent (\$56.7 billion) of this figure.
- Operating expenses of banks for the twelve months to 31 December 2008 was \$49.7 billion. The four major banks accounted for 55.9 per cent (\$27.8 billion) of this figure.
- Personnel expenses of banks totalled \$20.8 billion for the twelve months to 31 December 2008. This represented 41.9 per cent of total operating expenses.
- Profit margin for banks was 23.2 per cent for the twelve months to 31 December 2008. The four major banks operated at 30.6 per cent and other domestic banks at 12.0 per cent.
- Net profit after tax for the year ended 31 December 2008 was \$19.6 billion for all banks.
- The cost-to-income ratio for banks for the twelve months to 31 December 2008 was 58.9 per cent. For the four major banks, the ratio was 49.0 per cent.
- Total assets of banks as at 31 December 2008 were \$3,286.2 billion, an increase of 22.1 per cent over the year.
- Total shareholders' equity as at 31 December 2008 was \$156.5 billion, an increase of 14.3 per cent over the year.

Operating Income

- For the twelve months to 31 December 2008, banks received 77.8 per cent (\$152.3 billion) of their interest income from loans and advances. Interest on housing loans comprised 48.6 per cent (\$74.1 billion) of this figure.
- Interest expense on deposits comprised 56.0 per cent (\$83.7 billion) of the total interest expense incurred by banks for the twelve months to 31 December 2008.
- For the twelve months to 31 December 2008, banks raised 55.1 per cent (\$46.4 billion) of total operating income from interest income sources and 44.9 per cent (\$37.9 billion) from other sources. Fee and commission activities comprised 55.1 per cent of income from other sources.

Operating expenses

- Operating expenses of banks were \$49.7 billion for the twelve months to 31 December 2008, equivalent to 58.9 per cent of total operating income.

Net profit

- Return on assets for banks for the twelve months to 31 December 2008 was 0.7 per cent.

Assets

- The banks showed a 22.1 per cent growth in total assets over the year to 31 December 2008, driven predominantly by total housing loans. Total housing loans increased by 15.6 per cent to \$959.1 billion over the year.
- Housing loans accounted for 52.1 per cent of total gross loans and advances of banks as at 31 December 2008.

Deposits

- Deposits represented 51.8 per cent of total liabilities of banks, and funded 47.8 per cent of total assets, as at 31 December 2008.

Key statistics

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008		
All banks							
Net interest income (\$m)	10,490	11,199	10,458	11,587	13,183	39,865	46,427
Other operating income (\$m) ^b	10,589	9,335	9,753	7,861	10,926	44,520	37,876
Total operating income (\$m)^b	21,079	20,534	20,211	19,448	24,110	84,385	84,303
Operating expenses (\$m) ^b	12,571	12,057	11,753	12,866	12,996	48,496	49,672
Net profit (loss) after tax (\$m)	5,780	5,919	5,345	3,250	5,067	23,095	19,580
Total assets (\$m)	2,690,466	2,788,210	2,839,117	3,056,240	3,286,177	2,690,466	3,286,177
Total shareholders' equity (\$m)	136,933	139,420	140,011	145,194	156,538	136,933	156,538
Return on assets (after tax) ^a	0.9%	0.9%	0.8%	0.4%	0.6%	1.0%	0.7%
Return on equity (after tax) ^a	16.6%	16.6%	15.3%	9.9%	15.2%	17.9%	13.7%
Number of entities	53	55	56	56	55	53	55
Major banks							
Net interest income (\$m)	7,889	8,358	8,493	9,025	10,892	30,637	36,768
Other operating income (\$m) ^b	4,698	4,838	4,590	2,981	7,515	20,474	19,924
Total operating income (\$m)^b	12,588	13,196	13,082	12,006	18,407	51,112	56,691
Operating expenses (\$m) ^b	6,077	6,348	6,486	6,751	8,199	23,686	27,784
Net profit (loss) after tax (\$m)	4,447	5,039	4,193	2,677	5,428	17,307	17,336
Total assets (\$m)	1,809,735	1,881,328	1,901,487	2,064,499	2,443,444	1,809,735	2,443,444
Total shareholders' equity (\$m)	97,270	99,797	99,948	104,229	126,460	97,270	126,460
Return on assets (after tax) ^a	1.0%	1.1%	0.9%	0.5%	0.9%	1.0%	0.9%
Return on equity (after tax) ^a	18.7%	20.5%	16.8%	10.5%	18.0%	18.8%	16.5%
Number of entities	4	4	4	4	4	4	4
Other domestic banks							
Net interest income (\$m)	1,378	1,195	1,117	1,467	1,013	5,056	4,792
Other operating income (\$m)	4,867	3,528	4,562	3,939	3,107	20,362	15,136
Total operating income (\$m)	6,245	4,723	5,680	5,406	4,120	25,417	19,929
Operating expenses (\$m)	4,888	3,950	4,244	4,004	3,707	19,478	15,904
Net profit (loss) after tax (\$m)	923	503	1,001	751	141	4,238	2,396
Total assets (\$m)	381,373	391,039	407,488	418,636	306,925	381,373	306,925
Total shareholders' equity (\$m)	30,394	29,985	30,204	30,540	23,292	30,394	23,292
Return on assets (after tax) ^a	1.0%	0.5%	1.0%	0.7%	0.2%	1.3%	0.6%
Return on equity (after tax) ^a	12.2%	6.7%	13.3%	9.9%	2.4%	15.0%	8.4%
Number of entities	8	8	8	8	7	8	7

Key statistics

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008		
Foreign subsidiary banks							
Net interest income (\$m)	662	724	700	709	620	2,519	2,753
Other operating income (\$m)	406	339	316	394	275	1,395	1,324
Total operating income (\$m)	1,068	1,063	1,016	1,103	895	3,914	4,077
Operating expenses (\$m)	689	694	677	700	560	2,484	2,631
Net profit (loss) after tax (\$m)	217	205	134	184	167	828	690
Total assets (\$m)	145,664	148,940	155,022	164,456	103,473	145,664	103,473
Total shareholders' equity (\$m)	9,269	9,639	9,859	10,425	6,786	9,269	6,786
Return on assets (after tax) ^a	0.6%	0.6%	0.4%	0.5%	0.6%	0.6%	0.5%
Return on equity (after tax) ^a	9.5%	8.7%	5.5%	7.3%	9.9%	9.6%	7.7%
Number of entities	10	10	10	10	9	10	9
Foreign branch banks							
Net interest income (\$m)	560	922	148	386	658	1,652	2,114
Other operating income (\$m)	618	630	285	547	30	2,291	1,492
Total operating income (\$m)	1,178	1,552	433	934	687	3,943	3,606
Operating expenses (\$m)	917	1,066	346	1,412	530	2,846	3,354
Net profit (loss) after tax (\$m)	192	172	16	-362	-669	722	-843
Total assets (\$m)	353,695	366,804	375,121	408,649	432,335	353,695	432,335
Number of entities	31	33	34	34	35	31	35

^a Quarterly figures expressed as annual percentage rates. See definitions.

^b Series were revised to net the income and expenses of the wealth management operations of National Australia Bank Limited. See Important notice.

Table 1 All banks' financial performance trends

(\$ million)

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007 [^]	Mar 2008 [^]	Jun 2008	Sep 2008	Dec 2008		
Interest income	44,777	46,301	48,156	52,335	48,994	156,070	195,786
<i>of which:</i>							
Cash and liquid assets	1,880	1,949	2,062	2,891	2,655	6,023	9,557
Loans and advances	33,531	35,780	37,700	40,609	38,210	122,549	152,298
Housing loans	16,118	17,778	18,708	19,433	18,141	59,964	74,060
Term loans	10,268	11,495	13,284	12,368	12,379	35,619	49,526
Other	7,145	6,507	5,708	8,808	7,690	26,966	28,713
Other interest earning assets	11,201	7,350	8,743	9,159	8,296	30,602	33,548
Interest expense	34,282	35,107	37,695	40,751	35,810	116,206	149,363
<i>of which:</i>							
Deposits	18,393	19,076	20,933	22,443	21,205	61,015	83,657
Borrowings	12,431	11,874	12,484	14,907	11,226	43,084	50,491
Other interest bearing liabilities	5,290	2,936	4,626	3,724	3,545	15,227	14,831
Net interest income	10,490	11,199	10,458	11,587	13,183	39,865	46,427
Other operating income^b	10,589	9,335	9,753	7,861	10,926	44,520	37,876
<i>of which:</i>							
Fee and commission	5,767	6,045	5,036	4,832	4,973	22,654	20,885
Lending	1,015	1,021	1,049	1,038	1,192	3,851	4,301
Transaction/deposit account service fee	1,463	1,366	1,407	1,422	1,459	5,737	5,654
Other fee based activities	3,289	3,658	2,580	2,371	2,322	13,066	10,931
Other ^b	4,823	3,289	4,716	3,030	5,953	21,856	16,989
Total operating income^b	21,079	20,534	20,211	19,448	24,110	84,385	84,303
Charge for bad or doubtful debts	936	2,264	1,602	3,498	5,661	3,101	13,025
Total operating expenses^b	12,571	12,057	11,753	12,866	12,996	48,496	49,672
<i>of which:</i>							
Personnel	5,828	5,238	5,236	5,263	5,066	22,372	20,804
Fees and commissions	883	823	776	807	931	3,581	3,337
Other ^b	5,855	5,994	5,742	6,795	6,996	22,544	25,527
Profit before goodwill amortisation and tax	7,563	6,330	6,978	3,202	5,497	33,141	22,006
Goodwill amortisation							
Income tax	1,924	1,082	1,690	394	1,361	9,267	4,527
Net profit (loss) after tax and minority interests	5,780	5,919	5,345	3,250	5,067	23,095	19,580
Number of entities	53	55	56	56	55	53	55

[^]Effects of Macquarie Group restructure have been removed.

^b Series were revised to net the income and expenses of the wealth management operations of National Australia Bank Limited. See Important notice.

Table 2 All banks' financial position trends

(\$ million)

	Sep 2007	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008
Cash and liquid assets	188,530	177,119	195,744	180,746	215,487	255,589
Securities	309,565	321,111	308,454	317,350	356,588	367,587
Acceptances of customers	96,406	96,949	98,612	98,241	95,517	87,048
Gross loans and advances	1,506,547	1,611,662	1,664,719	1,716,034	1,784,318	1,840,162
<i>of which:</i>						
Total housing	786,361	829,568	858,047	893,510	930,799	959,143
Term	457,881	511,740	532,426	526,623	549,372	565,103
Other	262,305	270,353	274,254	295,900	304,103	315,888
Lending provisions	9,697	9,865	11,192	12,139	13,557	17,235
Net loans and advances	1,496,850	1,601,797	1,653,527	1,703,894	1,770,762	1,822,927
Other investments	11,155	8,801	8,877	8,905	10,293	11,419
Fixed assets	7,070	7,496	6,893	7,061	7,296	7,998
Intangible assets	29,187	31,054	31,164	31,647	32,124	32,535
Other assets	384,450	371,336	398,030	400,707	460,442	617,357
Total assets	2,596,709	2,690,466	2,788,210	2,839,117	3,056,240	3,286,177
Due to clearing houses and financial institutions	110,849	124,704	127,698	107,920	133,368	110,904
Acceptances	77,528	71,156	69,000	63,665	58,207	46,710
Deposits	1,269,578	1,357,562	1,375,477	1,414,045	1,510,326	1,572,263
<i>of which:</i>						
Call/on demand	593,179	588,637	577,922	596,684	617,719	653,133
Term deposits	346,385	371,057	390,513	412,520	455,732	490,859
Income tax liability	8,130	7,572	6,000	5,349	4,102	5,415
Provisions	8,756	5,492	6,228	8,993	9,154	6,464
<i>of which:</i>						
Employee entitlements	3,737	3,223	3,082	3,305	3,576	3,221
Other	5,019	2,268	3,146	5,688	5,577	3,242
Bonds, notes and other borrowings	466,690	463,825	515,020	527,994	573,352	607,357
Creditors and other liabilities	375,115	367,030	378,574	396,749	413,927	541,260
Total liabilities	2,386,303	2,464,688	2,560,000	2,605,810	2,814,947	3,032,484
Share capital	72,260	77,352	77,931	79,151	84,224	96,831
Reserves	2,534	2,876	1,744	129	954	115
Retained profits	54,166	53,070	56,383	57,395	56,573	56,194
Other	3,594	3,635	3,361	3,336	3,443	3,398
Total shareholders' equity	132,554	136,933	139,420	140,011	145,194	156,538
Number of entities	54	53	55	56	56	55

Table 3 All banks' key performance ratio trends

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008		
Net interest income (\$m)	10,490	11,199	10,458	11,586	13,183	39,865	46,426
Total operating income (\$m) ^b	21,079	20,534	20,211	19,448	24,110	84,385	84,303
Operating expenses (\$m) ^b	12,571	12,057	11,753	12,866	12,996	48,496	49,672
Net profit (loss) after tax (\$m)	5,780	5,919	5,345	3,260	5,067	23,095	19,591
Average total assets (\$m)	2,643,588	2,739,338	2,818,337	3,056,240	3,171,208	2,430,764	2,946,281
Average total shareholders' equity (\$m)	134,744	138,177	139,716	145,194	150,866	128,755	143,488
Net interest income to assets	1.6%	1.6%	1.5%	1.5%	1.7%	1.6%	1.6%
Operating income to assets^b	3.2%	3.0%	2.9%	2.5%	3.0%	3.5%	2.9%
Operating expenses to assets^b	1.9%	1.8%	1.7%	1.7%	1.6%	2.0%	1.7%
Profit margin^b	27.4%	28.8%	26.4%	16.8%	21.0%	27.4%	23.2%
Return on assets (after tax)	0.9%	0.9%	0.8%	0.4%	0.6%	1.0%	0.7%
Return on equity (after tax)	16.6%	16.6%	15.3%	9.9%	15.2%	17.9%	13.7%
Other operating income (\$m) ^b	10,589	9,335	9,753	7,861	10,926	44,520	37,876
Fee and commission income (\$m)	5,767	6,045	5,036	4,823	4,973	22,654	20,877
Total operating income (\$m) ^b	21,079	20,534	20,211	19,448	24,110	84,385	84,303
Operating expenses (\$m) ^b	12,571	12,057	11,753	12,866	12,996	48,496	49,672
Personnel expenses (\$m)	5,828	5,238	5,236	5,256	5,066	22,372	20,796
Non-interest income share^b	50.2%	45.5%	48.3%	40.4%	45.3%	52.8%	44.9%
Fee income to total operating income^b	27.4%	29.4%	24.9%	24.8%	20.6%	26.8%	24.8%
Cost to income^b	59.6%	58.7%	58.2%	66.2%	53.9%	57.5%	58.9%
Personnel to operating expenses^b	46.4%	43.4%	44.6%	40.9%	39.0%	46.1%	41.9%
Total assets (\$m)	2,690,466	2,788,210	2,839,117	3,056,240	3,286,177	2,690,466	3,286,177
Average net loans and advances (\$m)	1,549,323	1,627,662	1,683,442	1,737,328	1,796,844	1,453,696	1,711,319
Average deposits (\$m)	1,313,570	1,366,520	1,397,680	1,462,185	1,541,295	1,183,259	1,441,920
Growth in total assets	3.6%	3.6%	1.5%	7.6%	7.5%	22.8%	20.0%
Net loans to deposits	117.9%	119.1%	120.4%	117.3%	116.6%	122.9%	118.7%
Deposits to assets	49.7%	49.9%	49.6%	49.4%	48.6%	48.7%	48.9%
Equity to deposits	10.3%	10.1%	10.0%	9.6%	9.8%	10.9%	10.0%
Number of entities	53	55	56	56	55	53	55

^b Series were revised to net the income and expenses of the wealth management operations of National Australia Bank Limited. See Important notice.

Table 4 Major banks' financial performance trends

(\$ million)

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c		
Interest income	29,595	31,912	32,606	35,231	36,384	107,477	136,133
<i>of which:</i>							
Cash and liquid assets	1,159	1,134	1,070	1,236	1,332	4,321	4,772
Loans and advances	24,772	26,417	27,420	29,175	30,078	91,598	113,090
Housing loans	13,048	14,274	14,822	15,391	15,732	48,913	60,219
Term loans	6,696	7,270	8,917	7,882	8,713	23,290	32,782
Other	5,028	4,874	3,681	5,902	5,633	19,396	20,090
Other interest earning assets	5,415	3,056	4,376	5,061	5,140	14,361	17,633
Interest expense	21,705	23,554	24,114	26,207	25,491	76,841	99,365
<i>of which:</i>							
Deposits	13,031	13,760	14,675	15,388	16,367	43,408	60,190
Borrowings	6,778	7,518	7,534	8,256	7,305	26,050	30,613
Other interest bearing liabilities	3,648	972	2,163	2,803	1,985	10,187	7,923
Net interest income	7,889	8,358	8,493	9,025	10,892	30,637	36,768
Other operating income^b	4,698	4,838	4,590	2,981	7,515	20,474	19,924
<i>of which:</i>							
Fee and commission	3,399	3,960	3,484	3,471	3,904	12,743	14,819
Lending	752	763	798	795	973	2,912	3,329
Transaction/deposit account service fee	1,190	1,130	1,147	1,157	1,323	4,719	4,757
Other fee based activities	1,457	2,068	1,539	1,519	1,608	5,114	6,733
Other ^b	1,300	878	1,105	-490	3,611	7,733	5,104
Total operating income^b	12,588	13,196	13,082	12,006	18,407	51,112	56,691
Charge for bad or doubtful debts	710	1,819	1,385	2,761	4,037	2,437	10,002
Total operating expenses^b	6,077	6,348	6,486	6,751	8,199	23,686	27,784
<i>of which:</i>							
Personnel	3,391	3,338	3,534	3,740	4,022	13,046	14,635
Fees and commissions	367	344	397	391	473	1,401	1,605
Other ^b	2,319	2,666	2,556	2,619	3,704	9,240	11,545
Profit before goodwill amortisation and tax	5,867	5,149	5,290	2,550	6,225	25,202	19,214
Goodwill amortisation							
Income tax	1,539	782	1,169	328	1,744	7,135	4,023
Net profit (loss) after tax and minority interests	4,447	5,039	4,193	2,676	5,427	17,307	17,336
Number of entities	4	4	4	4	4	4	4

^b Series were revised to net the income and expenses of the wealth management operations of National Australia Bank Limited. See Important notice.

^c Includes Bank of Western Australia Ltd and St. George Bank Limited.

Table 5 Major banks' financial position trends

(\$ million)

	Sep 2007	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c
Cash and liquid assets	121,934	117,478	137,556	116,664	154,210	193,596
Securities	130,982	132,696	134,733	149,129	175,152	239,513
Acceptances of customers	89,127	91,612	92,405	91,177	90,779	86,506
Gross loans and advances	1,138,439	1,209,122	1,242,889	1,278,885	1,335,160	1,503,864
<i>of which:</i>						
Total housing	636,386	668,288	687,841	704,873	734,958	842,868
Term	316,520	352,764	361,382	360,617	377,916	426,966
Other	185,533	188,071	193,666	213,395	222,286	234,029
Lending provisions	7,635	7,660	8,764	9,428	10,207	13,476
Net loans and advances	1,130,804	1,201,462	1,234,125	1,269,457	1,324,953	1,490,388
Other investments	4,317	4,530	4,985	5,099	5,716	7,669
Fixed assets	5,374	5,895	5,361	5,451	5,711	7,070
Intangible assets	19,881	20,114	20,148	20,635	21,123	22,659
Other assets	235,488	235,948	252,016	243,875	286,855	396,043
Total assets	1,737,908	1,809,735	1,881,328	1,901,487	2,064,499	2,443,444
Due to clearing houses and financial institutions	90,058	105,318	107,188	89,612	111,554	105,614
Acceptances	70,249	65,820	62,794	56,602	53,473	46,170
Deposits	861,546	931,144	948,581	985,442	1,066,121	1,262,135
<i>of which:</i>						
Call/on demand	445,910	444,337	435,995	453,317	473,849	556,142
Term deposits	250,497	271,800	290,524	302,449	337,793	414,886
Income tax liability	5,437	5,138	3,830	2,976	1,754	3,081
Provisions	6,240	3,822	4,345	6,850	6,923	4,578
<i>of which:</i>						
Employee entitlements	2,536	2,188	2,222	2,380	2,543	2,375
Other	3,704	1,633	2,123	4,470	4,380	2,203
Bonds, notes and other borrowings	334,134	334,690	377,204	380,500	421,554	491,123
Creditors and other liabilities	276,972	266,536	277,586	279,556	298,891	404,282
Total liabilities	1,644,636	1,712,466	1,781,529	1,801,539	1,960,270	2,316,983
Share capital	44,822	47,396	47,449	48,059	51,761	72,111
Reserves	1,334	1,986	1,018	-717	951	1,099
Retained profits	44,342	45,098	48,814	50,085	48,961	50,651
Other	2,775	2,790	2,517	2,521	2,556	2,600
Total shareholders' equity	93,273	97,270	99,797	99,948	104,229	126,460
Number of entities	4	4	4	4	4	4

^c Includes Bank of Western Australia Ltd and St. George Bank Limited.

Table 6 Major banks' key performance ratio trends

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c		
Net interest income (\$m)	7,889	8,358	8,493	9,025	10,892	30,637	36,768
Total operating income (\$m) ^b	12,588	13,196	13,082	12,006	18,407	51,112	56,691
Operating expenses (\$m) ^b	6,077	6,348	6,486	6,751	8,199	23,686	27,784
Net profit (loss) after tax (\$m)	4,447	5,039	4,193	2,676	5,427	17,307	17,336
Average total assets (\$m)	1,773,822	1,845,531	1,896,129	1,982,993	2,349,956	1,659,580	2,018,652
Average total shareholders' equity (\$m)	95,271	98,533	99,872	102,088	120,703	91,852	105,299
Net interest income to assets	1.8%	1.8%	1.8%	1.8%	1.9%	1.8%	1.8%
Operating income to assets ^b	2.8%	2.9%	2.8%	2.4%	3.1%	3.1%	2.8%
Operating expenses to assets ^b	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Profit margin ^b	35.3%	38.2%	32.1%	22.3%	29.5%	33.9%	30.6%
Return on assets (after tax)	1.0%	1.1%	0.9%	0.5%	0.9%	1.0%	0.9%
Return on equity (after tax)	18.7%	20.5%	16.8%	10.5%	18.0%	18.8%	16.5%
Other operating income (\$m) ^b	4,698	4,838	4,590	2,981	7,515	20,474	19,924
Fee and commission income (\$m)	3,399	3,960	3,484	3,471	3,904	12,743	14,819
Total operating income (\$m) ^b	12,588	13,196	13,082	12,006	18,407	51,112	56,691
Operating expenses (\$m) ^b	6,077	6,348	6,486	6,751	8,199	23,686	27,784
Personnel expenses (\$m)	3,391	3,338	3,534	3,740	4,022	13,046	14,635
Non-interest income share ^b	37.3%	36.7%	35.1%	24.8%	40.8%	40.1%	35.1%
Fee income to total operating income ^b	27.0%	30.0%	26.6%	28.9%	21.2%	24.9%	26.1%
Cost to income ^b	48.3%	48.1%	49.6%	56.2%	44.5%	46.3%	49.0%
Personnel to operating expenses ^b	55.8%	52.6%	54.5%	55.4%	49.1%	55.1%	52.7%
Total assets (\$m)	1,809,735	1,881,328	1,901,487	2,064,499	2,443,444	1,809,735	2,443,444
Average net loans and advances (\$m)	1,166,133	1,217,794	1,256,513	1,297,205	1,473,963	1,103,378	1,311,369
Average deposits (\$m)	896,345	939,862	967,011	1,025,781	1,224,991	815,714	1,039,411
Growth in total assets ^d	4.1%	4.0%	0.6%	8.6%	8.3%	16.7%	21.5%
Net loans to deposits	130.1%	129.6%	129.9%	126.5%	120.3%	135.3%	126.2%
Deposits to assets	50.5%	50.9%	51.0%	51.7%	52.1%	49.2%	51.5%
Equity to deposits	10.6%	10.5%	10.3%	10.0%	9.9%	11.3%	10.1%
Number of entities	4	4	4	4	4	4	4

^b Series were revised to net the income and expenses of the wealth management operations of National Australia Bank Limited. See Important notice.

^c Includes Bank of Western Australia Ltd and St. George Bank Limited.

^d Growth in total assets in December 2008 includes growth of Bank of Western Australia Ltd and St. George Bank Limited.

Table 7 Other domestic banks' financial performance trends

(\$ million)

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007 [^]	Mar 2008 [^]	Jun 2008	Sep 2008	Dec 2008 ^c		
Interest income	5,693	5,963	6,406	6,594	4,049	19,608	23,012
<i>of which:</i>							
Cash and liquid assets	207	96	55	488	196	323	835
Loans and advances	4,006	4,191	4,402	4,759	3,115	14,487	16,467
Housing loans	1,833	2,153	2,324	2,427	1,385	6,537	8,289
Term loans	1,145	1,415	1,368	1,361	957	4,000	5,101
Other	1,028	623	710	971	772	3,951	3,076
Other interest earning assets	1,563	1,759	2,038	1,430	738	5,099	5,965
Interest expense	4,311	4,773	5,288	5,128	3,035	14,551	18,224
<i>of which:</i>							
Deposits	2,276	2,251	2,555	2,903	1,517	7,585	9,226
Borrowings	1,531	1,891	1,911	1,930	1,295	5,541	7,027
Other interest bearing liabilities	584	716	912	376	224	1,742	2,228
Net interest income	1,378	1,195	1,117	1,467	1,013	5,056	4,792
Other operating income	4,867	3,528	4,562	3,939	3,107	20,362	15,136
<i>of which:</i>							
Fee and commission	1,723	1,521	1,004	822	512	7,337	3,859
Lending	98	105	120	99	60	387	384
Transaction/deposit account service fee	202	165	186	198	87	741	636
Other fee based activities	1,423	1,251	699	525	365	6,208	2,840
Other	3,144	2,007	3,558	3,117	2,594	13,024	11,276
Total operating income	6,245	4,723	5,680	5,406	4,120	25,417	19,929
Charge for bad or doubtful debts	62	162	146	504	415	301	1,227
Total operating expenses	4,888	3,950	4,244	4,004	3,707	19,478	15,904
<i>of which:</i>							
Personnel	1,835	1,348	1,104	952	704	6,990	4,108
Fees and commissions	356	373	225	252	271	1,658	1,121
Other	2,691	2,227	2,917	2,800	2,731	10,830	10,675
Profit before goodwill amortisation and tax	1,219	609	1,335	959	-10	5,769	2,893
Goodwill amortisation							
Income tax	318	105	319	195	-166	1,512	453
Net profit (loss) after tax and minority interests	923	503	1,001	751	141	4,238	2,396
Number of entities	8	8	8	8	7	8	7

[^]Effects of Macquarie Group restructure have been removed.

^c Does not include St. George Bank Limited.

Table 8 Other domestic banks' financial position trends

(\$ million)

	Sep 2007	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c
Cash and liquid assets	33,793	30,977	32,967	33,635	29,785	28,035
Securities	69,158	80,749	75,294	72,262	90,004	52,214
Acceptances of customers	*	*	*	*	*	*
Gross loans and advances	188,277	209,200	216,731	228,275	231,130	161,491
<i>of which:</i>						
Total housing	94,413	101,903	107,893	121,418	125,341	69,218
Term	62,560	73,759	76,301	73,842	74,848	58,300
Other	31,304	33,537	32,537	33,016	30,941	33,973
Lending provisions	1,336	1,390	1,383	1,497	1,700	1,299
Net loans and advances	186,941	207,810	215,348	226,778	229,431	160,192
Other investments	*	*	*	*	*	*
Fixed assets	1,292	1,174	1,105	1,172	1,136	620
Intangible assets	*	10,428	10,518	10,469	10,457	9,421
Other assets	49,806	41,718	46,738	53,281	50,345	54,153
Total assets	362,867	381,373	391,039	407,488	418,636	306,925
Due to clearing houses and financial institutions	*	*	*	*	*	*
Acceptances	*	*	*	*	*	*
Deposits	172,921	189,028	194,405	198,380	213,295	134,562
<i>of which:</i>						
Call/on demand	70,948	73,315	73,781	74,236	74,913	44,201
Term deposits	40,318	46,692	49,732	54,735	61,578	43,822
Income tax liability	1,370	1,421	1,169	1,152	826	706
Provisions	1,608	778	1,186	1,364	1,328	783
<i>of which:</i>						
Employee entitlements	551	406	419	462	485	398
Other	1,057	373	768	902	843	384
Bonds, notes and other borrowings	75,886	77,902	78,965	81,120	82,935	51,948
Creditors and other liabilities	69,282	71,660	74,782	84,140	80,458	92,082
Total liabilities	332,463	350,929	360,981	377,229	388,043	283,576
Share capital	22,332	24,749	25,056	25,591	26,461	21,325
Reserves	*	*	*	*	*	*
Retained profits	*	*	*	*	*	*
Other	*	*	*	*	*	*
Total shareholders' equity	30,344	30,394	29,985	30,204	30,540	23,292
Number of entities	9	8	8	8	8	7

^c Does not include St. George Bank Limited.

Table 9 Other domestic banks' key performance ratio trends

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c		
Net interest income (\$m)	1,378	1,195	1,117	1,467	1,013	5,056	4,792
Total operating income (\$m)	6,245	4,723	5,680	5,406	4,120	25,417	19,929
Operating expenses (\$m)	4,888	3,950	4,244	4,004	3,707	19,478	15,904
Net profit (loss) after tax (\$m)	923	503	1,001	751	141	4,238	2,396
Average total assets (\$m)	372,120	386,206	399,263	413,062	297,104	336,058	373,909
Average total shareholders' equity (\$m)	30,369	30,189	30,094	30,372	23,418	28,317	28,518
Net interest income to assets	1.5%	1.2%	1.1%	1.4%	1.4%	1.5%	1.3%
Operating income to assets	6.7%	4.9%	5.7%	5.2%	5.5%	7.6%	5.3%
Operating expenses to assets	5.3%	4.1%	4.3%	3.9%	5.0%	5.8%	4.3%
Profit margin	14.8%	10.7%	17.6%	13.9%	3.4%	16.7%	12.0%
Return on assets (after tax)	1.0%	0.5%	1.0%	0.7%	0.2%	1.3%	0.6%
Return on equity (after tax)	12.2%	6.7%	13.3%	9.9%	2.4%	15.0%	8.4%
Other operating income (\$m)	4,867	3,528	4,562	3,939	3,107	20,362	15,136
Fee and commission income (\$m)	1,723	1,521	1,004	822	512	6,286	3,859
Total operating income (\$m)	6,245	4,723	5,680	5,406	4,120	25,417	19,929
Operating expenses (\$m)	4,888	3,950	4,244	4,004	3,707	19,478	15,904
Personnel expenses (\$m)	1,835	1,348	1,104	952	704	6,990	4,108
Non-interest income share	77.9%	74.7%	80.3%	72.9%	75.4%	80.1%	75.9%
Fee income to total operating income	27.6%	32.2%	17.7%	15.2%	12.4%	24.7%	19.4%
Cost to income	78.3%	83.6%	74.7%	74.1%	90.0%	76.6%	79.8%
Personnel to operating expenses	37.5%	34.1%	26.0%	23.8%	19.0%	35.9%	25.8%
Total assets (\$m)	381,373	391,039	407,488	418,636	306,925	381,373	306,925
Average net loans and advances (\$m)	197,375	211,579	221,063	228,104	154,015	183,014	203,690
Average deposits (\$m)	180,975	191,717	196,392	205,837	131,525	160,125	181,368
Growth in total assets ^d	5.1%	2.5%	4.2%	2.7%	6.8%	34.2%	16.7%
Net loans to deposits	109.1%	110.4%	112.6%	110.8%	117.1%	114.3%	112.3%
Deposits to assets	48.6%	49.6%	49.2%	49.8%	44.3%	47.6%	48.5%
Equity to deposits	16.8%	15.7%	15.3%	14.8%	17.8%	17.7%	15.7%
Number of entities	8	8	8	8	7	8	7

^c Does not include St. George Bank Limited.

^d Growth in total assets in December 2008 excludes growth of St. George Bank Limited.

Table 10 Foreign subsidiary banks' financial performance trends

(\$ million)

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c		
Interest income	2,669	2,899	3,135	3,251	2,169	9,624	11,454
<i>of which:</i>							
Cash and liquid assets	38	24	60	42	55	81	181
Loans and advances	2,270	2,529	2,735	2,861	1,793	8,379	9,918
Housing loans	1,236	1,350	1,562	1,615	1,022	4,512	5,549
Term loans	718	838	864	930	456	2,607	3,087
Other	317	341	309	316	316	1,260	1,281
Other interest earning assets	360	346	341	348	321	1,163	1,356
Interest expense	2,005	2,175	2,436	2,541	1,549	7,104	8,701
<i>of which:</i>							
Deposits	1,186	1,319	1,515	1,412	902	4,436	5,149
Borrowings	736	763	810	998	567	2,381	3,138
Other interest bearing liabilities	83	93	111	130	80	287	414
Net interest income	662	724	700	709	620	2,519	2,753
Other operating income	406	339	316	394	275	1,395	1,324
<i>of which:</i>							
Fee and commission	301	290	288	315	223	1,165	1,116
Lending	81	84	93	81	71	296	329
Transaction/deposit account service fee	37	40	44	36	19	151	139
Other fee based activities	182	165	152	197	134	717	648
Other	105	49	27	79	52	230	207
Total operating income	1,068	1,063	1,016	1,103	895	3,914	4,077
Charge for bad or doubtful debts	121	85	122	147	103	306	456
Total operating expenses	689	694	677	700	560	2,484	2,631
<i>of which:</i>							
Personnel	344	361	372	374	163	1,339	1,269
Fees and commissions	28	19	18	17	22	78	76
Other	317	314	286	309	373	1,066	1,282
Profit before goodwill amortisation and tax	258	283	216	256	231	1,131	985
Goodwill amortisation							
Income tax	41	79	81	72	63	303	295
Net profit (loss) after tax and minority interests	217	205	134	184	167	828	690
Number of entities	10	10	10	10	9	10	9

^c Does not include Bank of Western Australia Ltd.

Table 11 Foreign subsidiary banks' financial position trends

(\$ million)

	Sep 2007	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c
Cash and liquid assets	5,763	5,817	5,853	5,111	9,071	7,088
Securities	23,473	22,765	21,461	20,341	21,198	14,733
Acceptances of customers	*	*	*	*	*	*
Gross loans and advances	105,721	112,152	116,005	123,607	128,425	77,453
<i>of which:</i>						
Total housing	55,531	59,344	62,277	67,185	70,464	47,020
Term	30,531	32,351	33,143	34,552	35,690	10,347
Other	19,659	20,457	20,585	21,870	22,271	20,087
Lending provisions	584	663	712	779	842	603
Net loans and advances	105,137	111,490	115,293	122,828	127,583	76,850
Other investments	*	*	*	*	*	*
Fixed assets	212	238	243	252	265	130
Intangible assets	*	*	*	*	*	*
Other assets	4,706	4,726	5,440	5,792	5,693	4,086
Total assets	139,828	145,664	148,940	155,022	164,456	103,473
Due to clearing houses and financial institutions	*	*	*	*	*	*
Acceptances	*	*	*	*	*	*
Deposits	107,420	111,522	105,522	105,044	108,936	69,558
<i>of which:</i>						
Call/on demand	47,071	48,847	45,740	44,042	45,909	29,505
Term deposits	41,149	42,190	38,337	42,749	44,531	22,999
Income tax liability	176	69	103	95	164	154
Provisions	455	405	337	327	380	361
<i>of which:</i>						
Employee entitlements	371	328	258	245	304	267
Other	85	76	80	82	75	95
Bonds, notes and other borrowings	6,630	6,306	7,655	8,850	10,099	11,119
Creditors and other liabilities	5,048	5,367	5,362	5,807	5,532	3,272
Total liabilities	128,897	134,311	137,082	141,937	150,526	92,592
Share capital	5,107	5,207	5,427	5,502	6,002	3,395
Reserves	*	*	*	*	*	*
Retained profits	*	*	*	*	*	*
Other	*	*	*	*	*	*
Total shareholders' equity	8,937	9,269	9,639	9,859	10,425	6,786
Number of entities	10	10	10	10	10	9

^c Does not include Bank of Western Australia Ltd.

Table 12 Foreign subsidiary banks' key performance ratio trends

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008 ^c		
Net interest income (\$m)	662	724	700	709	620	2,519	2,753
Total operating income (\$m)	1,068	1,063	1,016	1,103	895	3,914	4,077
Operating expenses (\$m)	689	694	677	700	560	2,484	2,631
Net profit (loss) after tax (\$m)	217	205	134	184	167	828	690
Average total assets (\$m)	142,746	147,302	151,980	159,739	103,656	132,085	140,669
Average total shareholders' equity (\$m)	9,103	9,454	9,749	10,142	6,745	8,586	9,022
Net interest income to assets	1.9%	2.0%	1.8%	1.8%	2.4%	1.9%	2.0%
Operating income to assets	3.0%	2.9%	2.7%	2.8%	3.5%	3.0%	2.9%
Operating expenses to assets	1.9%	1.9%	1.8%	1.8%	2.2%	1.9%	1.9%
Profit margin	20.3%	19.3%	13.2%	16.7%	18.7%	21.2%	16.9%
Return on assets (after tax)	0.6%	0.6%	0.4%	0.5%	0.6%	0.6%	0.5%
Return on equity (after tax)	9.5%	8.7%	5.5%	7.3%	9.9%	9.6%	7.7%
Other operating income (\$m)	406	339	316	394	275	1,395	1,324
Fee and commission income (\$m)	301	290	288	315	223	1,165	1,116
Total operating income (\$m)	1,068	1,063	1,016	1,103	895	3,914	4,077
Operating expenses (\$m)	689	694	677	700	560	2,484	2,631
Personnel expenses (\$m)	344	361	372	374	163	1,339	1,269
Non-interest income share	38.0%	31.9%	31.1%	35.7%	30.7%	35.6%	32.5%
Fee income to total operating income	28.2%	27.3%	28.4%	28.5%	24.9%	29.8%	27.4%
Cost to income	64.5%	65.3%	66.7%	63.4%	62.5%	63.5%	64.5%
Personnel to operating expenses	50.0%	52.0%	55.0%	53.4%	29.1%	53.9%	48.3%
Total assets (\$m)	145,664	148,940	155,022	164,456	103,473	145,664	103,473
Average net loans and advances (\$m)	108,314	113,392	119,070	125,205	76,720	101,996	108,597
Average deposits (\$m)	109,471	108,522	108,201	106,990	70,787	100,641	98,625
Growth in total assets ^d	4.2%	2.2%	4.1%	6.1%	-0.4%	17.5%	12.9%
Net loans to deposits	98.9%	104.5%	110.0%	117.0%	108.4%	101.3%	110.1%
Deposits to assets	76.7%	73.7%	71.2%	67.0%	68.3%	76.2%	70.1%
Equity to deposits	8.3%	8.7%	9.0%	9.5%	9.5%	8.5%	9.1%
Number of entities	10	10	10	10	9	10	9

^c Does not include Bank of Western Australia Ltd.

^d Growth in total assets in December 2008 excludes growth of Bank of Western Australia Ltd.

Table 13 Foreign branch banks' financial performance trends

(\$ million)

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008		
Interest income	6,821	5,527	6,008	7,260	6,392	19,361	25,186
<i>of which:</i>							
Cash and liquid assets	475	695	876	1,125	1,072	1,296	3,767
Loans and advances	2,482	2,643	3,143	3,815	3,223	8,084	12,824
Housing loans	1	1	1	0	1	3	3
Term loans	1,710	1,973	2,135	2,195	2,253	5,722	8,556
Other	772	670	1,008	1,619	969	2,360	4,266
Other interest earning assets	3,863	2,189	1,988	2,321	2,097	9,980	8,594
Interest expense	6,261	4,605	5,858	6,875	5,735	17,710	23,073
<i>of which:</i>							
Deposits	1,900	1,746	2,189	2,739	2,419	5,586	9,093
Borrowings	3,386	1,704	2,229	3,722	2,060	9,113	9,715
Other interest bearing liabilities	975	1,155	1,440	414	1,257	3,012	4,266
Net interest income	560	922	148	386	658	1,652	2,114
Other operating income	618	630	285	547	30	2,291	1,492
<i>of which:</i>							
Fee and commission	345	274	260	224	333	1,411	1,091
Lending	83	69	39	63	88	256	259
Transaction/deposit account service fee	35	31	30	31	29	128	121
Other fee based activities	226	174	190	130	216	1,026	710
Other	274	354	25	323	-304	871	399
Total operating income	1,178	1,552	433	934	687	3,943	3,606
Charge for bad or doubtful debts	43	198	-51	87	1,107	56	1,341
Total operating expenses	917	1,066	346	1,412	530	2,846	3,354
<i>of which:</i>							
Personnel	258	191	226	197	177	998	791
Fees and commissions	133	87	136	146	165	445	535
Other	527	787	-17	1,067	188	1,405	2,025
Profit before goodwill amortisation and tax	218	288	137	-563	-949	1,039	-1,087
Goodwill amortisation							
Income tax	26	117	121	-201	-280	318	-243
Net profit (loss) after tax and minority interests	192	172	16	-362	-669	722	-843
Number of entities	31	33	34	34	35	31	35

Table 14 Foreign branch banks' financial position trends

(\$ million)

	Sep 2007	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008
Cash and liquid assets	27,039	22,847	19,369	25,336	22,421	26,869
Securities	85,952	84,901	76,967	75,617	70,234	61,126
Acceptances of customers	*	*	*	*	*	*
Gross loans and advances	74,110	81,188	89,094	85,266	89,603	97,354
<i>of which:</i>						
Total housing	31	34	36	34	36	37
Term	48,269	52,867	61,600	57,612	60,917	69,490
Other	25,809	28,287	27,466	27,620	28,604	27,800
Lending provisions	143	152	333	435	808	1,857
Net loans and advances	73,967	81,036	88,761	84,831	88,795	95,497
Other investments	*	*	*	*	*	*
Fixed assets	192	189	185	186	183	178
Intangible assets	*	*	*	*	*	*
Other assets	94,450	88,944	93,836	97,759	117,550	163,075
Total assets	356,105	353,695	366,903	375,121	408,649	432,335
Due to clearing houses and financial institutions	*	*	*	*	*	*
Acceptances	*	*	*	*	*	*
Deposits	127,691	125,868	126,970	125,179	121,974	106,008
<i>of which:</i>						
Call/on demand	29,251	22,137	22,406	25,089	23,048	23,285
Term deposits	14,422	10,376	11,920	12,587	11,829	9,152
Income tax liability	1,147	945	898	1,126	1,358	1,474
Provisions	452	487	359	453	524	742
<i>of which:</i>						
Employee entitlements	279	301	183	218	244	181
Other	173	186	176	235	279	561
Bonds, notes and other borrowings	50,040	44,926	51,196	57,523	58,764	53,167
Creditors and other liabilities	23,813	23,468	20,844	27,245	29,046	41,623
Total liabilities	280,307	266,982	280,407	285,106	316,108	339,334
Number of entities	31	31	33	34	34	35

Table 15 Foreign branch banks' key performance ratio trends

	Quarter end					Year end Dec 2007	Year end Dec 2008
	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008		
Net interest income (\$m)	560	922	148	386	658	1,652	2,114
Total operating income (\$m)	1,178	1,552	433	934	687	3,943	3,606
Operating expenses (\$m)	917	1,066	346	1,412	530	2,846	3,354
Net profit (loss) after tax (\$m)	192	172	16	-362	-669	722	-843
Average total assets (\$m)	354,900	360,299	370,964	391,885	420,492	303,041	385,910
Net interest income to assets	0.6%	1.0%	0.2%	0.4%	0.6%	0.5%	0.5%
Operating income to assets	1.3%	1.7%	0.5%	1.0%	0.7%	1.3%	0.9%
Operating expenses to assets	1.0%	1.2%	0.4%	1.4%	0.5%	0.9%	0.9%
Profit margin	16.3%	11.1%	3.7%	-38.7%	-97.4%	18.3%	-23.4%
Other operating income (\$m)	618	630	285	547	30	2,291	1,492
Fee and commission income (\$m)	345	274	260	224	333	1,319	1,091
Total operating income (\$m)	1,178	1,552	433	934	687	3,943	3,606
Operating expenses (\$m)	917	1,066	346	1,412	530	2,846	3,354
Personnel expenses (\$m)	258	191	226	197	177	998	791
Non-interest income share	52.5%	40.6%	65.8%	58.6%	4.3%	58.1%	41.4%
Fee income to total operating income	29.3%	17.6%	60.0%	24.0%	48.5%	33.5%	30.3%
Cost to income	77.8%	68.7%	79.8%	151.2%	77.1%	72.2%	93.0%
Personnel to operating expenses	28.1%	17.9%	65.4%	14.0%	33.4%	35.1%	23.6%
Total assets (\$m)	353,695	366,903	375,121	408,649	432,335	353,695	432,335
Average net loans and advances (\$m)	77,501	84,898	86,796	86,813	92,146	65,308	87,663
Average deposits (\$m)	126,779	126,419	126,074	123,577	113,991	106,780	122,515
Growth in total assets	-0.7%	3.7%	2.3%	8.9%	5.8%	51.3%	18.5%
Net loans to deposits	61.1%	67.2%	68.8%	70.3%	80.8%	61.2%	71.6%
Deposits to assets	35.7%	35.1%	34.0%	31.5%	27.1%	35.2%	31.7%
Number of entities	31	33	34	34	35	31	35

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 after tax 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

Website
www.apra.gov.au

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