



insight

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Results of pandemic stress
test of insurance industry

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Contents

Editorial Article

APRA's pandemic stress test of the insurance industry	2
---	---

Statistics	8
-------------------	---

March 2006

Banks	9
Credit Unions and Building Societies	17
General Insurers	28
Life Insurers	34

June 2006

Banks	36
Credit Unions and Building Societies	44
General Insurers	55
Life Insurers	61

September 2006

Banks	63
Credit Unions and Building Societies	71
General Insurers	82
Life Insurers	88

December 2006

Banks	90
Credit Unions and Building Societies	106
General Insurers	126
Life Insurers	132
Glossary and explanations	136

APRA's pandemic stress test of the insurance industry

In late 2006 APRA asked all life and general insurers in Australia to consider their potential claims exposures from a mild to a quite severe pandemic. The purpose of the modelling was to provide a baseline for understanding the possible financial impacts from a range of pandemic scenarios, and this article outlines APRA's findings.

During 2006, concerns escalated regarding the potential for a human influenza pandemic to emerge from avian flu outbreaks in Asia and elsewhere in the world. As part of its prudential responsibilities, APRA discussed pandemic planning with the larger regulated financial institutions to assess the extent of preparations within the financial industry.

APRA found that many of the larger banks and other financial institutions were taking pandemic risks very seriously and were devoting particular attention to the unique business continuity challenges posed by a pandemic. APRA published a summary of the issues and sound planning activities observed through its discussions in Prudential Practice Guide (PPG 223) Pandemic Planning and Risk Management in October 2006 and an accompanying information paper¹ for financial institutions.

APRA noted that financial institutions were less advanced at that time in estimating potential financial impacts of a pandemic. Indeed, financial institutions suggested that APRA should provide a common set of parameter assumptions so that all institutions could assess their exposures on a consistent basis. APRA accepted that, particularly for insurance companies that might face direct claims under policies in the event of a pandemic, a co-ordinated financial modelling exercise could assist in pandemic planning efforts.

As a result, in late 2006 APRA provided a set of stress test parameters to all life and general insurers in Australia and asked that they estimate the potential claims impacts on their business. The purpose was to provide a baseline for understanding the possible financial impacts on the life and general insurance industries arising from a range of pandemic scenarios, from mild to quite severe. The intent was not to assess the financial impact on particular institutions from the perspective of prudential requirements.

Pandemic financial modelling and scenarios

A pandemic can occur when a new and highly contagious virus develops and spreads quickly throughout the world's population.² Recent concerns have revolved around the deadly H5N1 avian influenza virus and the possibility of human-to-human transmission emerging before preventive measures, such as vaccines, can be widely put in place.

¹ See APRA *Insight Issue 1*, 2007 for further information. ² Refer to World Health Organisation, *Avian Influenza: assessing the pandemic threat*, 2005.

Life and general insurers may be exposed to financial risks due to an increased rate of claims for certain products under existing policies, as well as from the indirect effects from changes in behaviour and economic variables that could result from a pandemic. Because there is a virtually unlimited set of variables and outcomes and the nature of a pandemic is very uncertain, designing an appropriate set of parameters on which to base estimated claims is very difficult.

APRA looked at how various published studies have modelled the economic and financial impacts of pandemics (Table 1). These studies have developed a range of scenarios in terms of pandemic severity, based on the assumed infection and mortality rates. Economic modelling for Australia and other countries has generally found that a moderate or worse pandemic would have a similar impact on economic growth as a typical business-cycle recession, although the effects would be short-lived.³

For the most part, published studies have drawn on historical experience for scenario assumptions. The 1918-19 'Spanish flu' pandemic was by far the most severe and is often held up as a 'worst case' scenario in terms of spread and severity.⁴ Both the 1957 and 1969 pandemics were much milder, due to a variety of factors—a less lethal virus, better medical care, better prevention and some population immunity. Together, these three historical pandemics are often used as benchmarks for economic modelling. Even so, historical evidence is not always a good guide, due to the vast medical advances and societal changes since the last major pandemic and the major differences between each pandemic.

APRA's stress test: structure and parameters

APRA asked life and general insurers, reinsurers and friendly societies to model the impact of a set of specified pandemic scenarios on their insurance claims and balance sheet, based on their current exposures and policies over the next two years. In addition to baseline medical assumptions regarding infection, mortality and duration of illness, APRA provided insurers with stylised assumptions about business volumes and pricing and economic conditions. Although the choice of such parameters is largely arbitrary, they helped to ensure a base level of consistency across insurers by minimising the extent to which results could differ as a result of differing underlying assumptions. For example, if one insurer were to assume that share prices were unchanged as a result of a pandemic, whereas other assumed a large drop, the resulting balance sheet and capital impacts would not be comparable. The same is true for assumptions about business retention and pricing.

For illustrative purposes, this article focuses on a particular scenario that involved a 20 per cent infection rate in the population and a 0.5 per cent death rate of those infected. This would be a fairly high impact in the current low mortality environment, although it may not be nearly as severe as some historical pandemic which occurred before modern medical treatment. This scenario also assumed the associated parameters detailed in Table 2.

Table 1: Pandemic scenario modelling assumptions

Study	Case mortality rate (% of infected)	Infection rate (% of population)	Overall additional mortality (% of population)	Pandemic Severity Index ⁵
Mckibbin-Sidorenko (Australia) – Mild ⁶	-	-	0.01	2
CBO – Mild ⁷	0.14	25	0.034	
HHS – Moderate ⁸	0.23	30	0.07	3
Mckibbin-Sidorenko (Australia) – Moderate	-	-	0.11	
Australian Treasury; ABARE	-	-	0.20	
Mckibbin-Sidorenko (Australia) – Severe	-	-	0.54	4
HHS – Severe	2.10	30	0.63	5
CBO – Severe	2.50	30	0.75	
Mckibbin-Sidorenko (Australia) – Ultra	-	-	1.09	

³ See Buetre, Benjamin et al, "Avian Influenza: Potential economic impact of a pandemic on Australia", ABARE, June 2006; Kennedy, Steven, Jim Thomson and Petar Vujanovic, "A Primer on the Macroeconomic Effects of an Influenza Pandemic", Australian Treasury Working Paper 2006-01, February 2006. ⁴ As a result of strict quarantine measures, however, Australia was relatively less affected by the 1918 pandemic than many other countries. ⁵ The Pandemic Severity Index is a standard classification of pandemics for risk mitigation purposes. The case fatality rate (per cent of those infected who will die from the disease) is the key determinant of severity (based on an assumed infection rate of 30 per cent of the population without intervention). See US Department of Health and Human Services Center for Disease Control, *Interim Pre-pandemic Planning Guidance: Community Strategy for Pandemic Influenza Mitigation in the United States*, February 2007. ⁶ McKibbin, Warwick and Alexandra Sidorenko, *Global Macroeconomic Consequences of Pandemic Influenza*, Lowy Institute, February 2006. ⁷ US Congressional Budget Office, *A Potential Influenza Pandemic: Possible Macroeconomic Effects and Policy Issues*, 8 December 2005. ⁸ US Department of Health and Human Services, *HHS Pandemic Influenza Plan*, November 2005.

Table 2: Illustrative pandemic scenario assumptions

Parameter	Assumptions
Overall infection rate in population	20%
Mortality rate among infected population	0.5%
Average duration of illness/absence from work for each infection	2 weeks
Age distribution of infection/mortality	Neutral
Duration of pandemic	12 months
Proportion of infection attributable to workplace	10%
Proportion of businesses closed for 2 weeks due to infection on premises	20%
Volume of new business	No change
Risk insurance product pricing change in second year	+5%
Share market price impact in first year	-5%

In this particular scenario, all ages of the population are assumed to be equally at risk of infection and death and to experience an equal increase in the level of mortality. This does not mean that all insurers would necessarily experience the same level of mortality risk in their portfolios. According to the Australian Bureau of Statistics, in 2005 the overall standardised death rate in Australia (which eliminates the effect of the changing age structure of the population) was the lowest on record at six deaths per 1,000 population.⁹ The scenario mortality of one per thousand additional deaths therefore amounts to around a 17 per cent increase in mortality across the entire population. Insurance portfolios tend to be skewed toward low-mortality segments of the population and, as a result, the scenario would result in a substantially higher proportionate mortality impact for their insured population than the implied overall population mortality increase. As a result, this scenario can be viewed as a fairly severe pandemic, though not the worst that could be imagined based on historical experience or published studies mentioned above.

Stress test responses

All active APRA-regulated insurers and friendly societies with material insurance business lines that would be likely to see pandemic-related claims were asked to complete the stress test. The industry's responsiveness in participating in the stress test was excellent. Actuarial staff at each insurer were tasked with recalculating their existing actuarial models using APRA's assumptions to arrive at the requested financial projections within a fairly tight timeframe. In doing this, they needed to exercise significant expert judgement in analysing which policies would be affected and to what extent under each scenario.

Completed stress tests covered essentially the entire segment of the Australian life and general insurance industries (with the exception of health insurance, which is not regulated by APRA) likely to be directly affected by a pandemic. This included 30 life insurers (including reinsurance companies), 12 friendly societies and 63 general insurers and reinsurers. Excluded from the results discussed below are those institutions that did not report any material impact as well as a very small number of responses where data quality problems precluded their use in the aggregate results.

A large number of general insurers (about half) anticipated no material impact on their claims in a pandemic and therefore were not expected to submit the detailed stress test calculations. The excluded group also included many insurers that specialise in business lines such as motor vehicle, household fire and theft and other insurance products that would be highly unlikely to result in any direct claims arising out of a pandemic. In fact, some insurers argued that these businesses could actually see reduced claims in a pandemic.

Life insurers and friendly societies completed the stress test on a statutory or benefit fund-level basis, respectively. Under the *Life Insurance Act 1995*, these institutions maintain several separate funds, each relating to particular groups of business. Within the life insurance industry, products that would not experience any pandemic-related claims or other policy payments – for example, pure investment-linked funds – were excluded from the stress test.

⁹ Australian Bureau of Statistics statistical release, 3302.0 – *Deaths, Australia, 2005*.

Pandemic impact

Life insurers

Table 3 provides a summary of the estimated direct impact of the pandemic scenario outlined in Table 2 on life insurance claims of the affected statutory funds. For direct insurers, the impact of the pandemic is to increase claims across the affected statutory funds by 16 per cent above the base case (no-pandemic) claims level, with the added pandemic claims totalling about \$1.2 billion for the pandemic year. Claims in the second year were not material and are not reported here. These claims primarily included payouts on traditional life risk policies, as well as some coverage for disability, trauma and similar policies. Since non-risk funds (such as investment-linked or superannuation funds) are not included in the base amounts, the percentage increases tend to overstate the overall impact on life insurers as a whole.

There is a substantial variation across funds in the size of the claims impact, illustrated by the large difference between the weighted average and median change in claims. The increase in claims ranges from less than 10 per cent to above 100 per cent of the base level in some cases. This variation is also due to the extent to which the policies within each fund are concentrated in the pure mortality risk business that is more sensitive to pandemic-related claims. A greater mix of policies would dilute the impact of the pandemic on the fund's pure risk business.

Table 3: Estimated claims impact on life statutory funds (pandemic year 1)

	Pandemic scenario
Change in annual gross direct claims (\$ billion)	+1.2
Average increase across funds from base case	16%
Median increase across funds from base case	37%

Insurers were also asked to estimate overall capital impacts. The Life Insurance Act 1995 imposes a two-tier regulatory capital requirement on the statutory funds of life companies. The first tier is intended to ensure the solvency of the company (solvency requirement) while the second tier is intended to secure the financial soundness of the company as a going concern (capital adequacy requirement).¹⁰ The insurer's assets must be sufficient to cover 100 per cent of the capital adequacy requirement (for which the solvency requirement serves as a floor). Both requirements are based on calculations that are more conservative than the insurer's own best estimate assumptions and incorporate adverse scenarios.

The impact of the pandemic scenario on regulatory capital adequacy for life insurers (excluding life reinsurers) by the end of the pandemic year is presented in Table 4. (For the most part, the extension of the projections to the end of the second year did not materially change the impact assessment and, as a result, only the first-year impacts are presented.)

Table 4: Estimated capital impact on life insurance statutory funds (end year 1)

Scenario:	Base case	Pandemic scenario
Weighted average capital adequacy ratio	129%	125%
Median capital adequacy	212%	170%
Weighted average solvency ratio	203%	196%
Median solvency ratio	269%	238%

The stress test results showed that, for this particular pandemic scenario, the additional claims could for the most part be fairly readily absorbed by existing capital within the affected funds, with the average industry capital adequacy ratio falling by just four basis points. The larger impacts on the median fund reflect the wide dispersion of results across large and small funds. Even so, only one fund falls below the minimum capital adequacy requirement by the end of Year 1, and this fund would have resources available elsewhere in the company to make up the shortfall.

Sensitivity testing across different scenarios indicates that the business and economic assumptions made little difference to the estimated claims. The parameter with the largest impact, at least for life insurers, was the estimated mortality rate among the affected population. Much more extreme mortality rates would lead to correspondingly higher claims and capital impacts, which could cause some financial strain for some parts of the life insurance industry.

Reinsurance and friendly societies

The stress test results for direct insurers show that they would rely increasingly on reinsurers in a pandemic, with the proportion of life insurance claims expected to be covered by reinsurance rising from 9 per cent in the base case scenario to 12 per cent or higher in the pandemic scenarios. As a result, not surprisingly, the life reinsurance sector exhibited the most pronounced impact of any sector included in the stress test. For some statutory funds, reinsurance claims could increase in the pandemic scenario by as much as 50 per cent above the base case.

¹⁰ Refer to Life Insurance Actuarial Standards Board, *Actuarial Standard 2.04* and *Actuarial Standard 3.04*.

This is due to the fact that reinsurance is essentially entirely risk business – the impact on claims is not diluted or diversified across other non-risk business within the particular statutory fund or elsewhere in the business.

As Australian reinsurers are generally branches or subsidiaries of large global reinsurers, the impact may not be a problem for the local industry if the pandemic were limited to Australia.

However, APRA's stress test did not examine the scenario of a pandemic also occurring overseas and the resulting impact on the Australian branches and subsidiaries of these global reinsurers.

Friendly societies are very small mutual insurers that tend to write a limited class of insurance business that may include mortality, funeral and health-related policies. Friendly societies showed significant variation across entities in the expected impact of a pandemic, reflecting the different types of coverage that they provide. On average, however, the projected impact on benefit payments is significantly smaller than for life insurers. Friendly societies are also not significant users of reinsurance.

General insurers

For the general insurance industry, the impact of a pandemic would depend primarily on the particular business lines written. Some business lines would be unlikely to face any increase in claims in a pandemic, while other normally small claims segments could experience significantly increased claims under certain assumptions.

Table 5 provides a summary of the impact on total direct insurance claims estimated across those segments of the general insurance industry covered in the stress test during the year of the pandemic. Total gross claims are estimated to increase by more than 50 per cent above the claims reported by the affected insurers in the base case, or by \$3.2 billion. The median increase, however, was lower at 17 per cent. As product lines such as homeowners and motor vehicle insurance are not included, the additional claims amount to less than 20 per cent of the actual total direct claims in the general insurance industry in 2006. Reinsurance recoveries also reduce the additional claims amount below those reported here.

Table 5: Estimated claims impact on affected general insurers

	Pandemic scenario
Change in annual gross direct claims (\$ billion)	+3.2
Average increase from base case	56%
Median increase from base case	17%

By far the largest amount of additional gross claims arise from business interruption and industrial special risk (ISR) policies (the latter often include business interruption as standard coverage). These sectors account for the bulk of the increase in pandemic-related claims for the industry. As the normal level of claims in this business line is small, the percentage increase in claims for business interruption averaged more than 400 per cent, with ISR policy claims increasing about 120 per cent over the base case claims level. Traditionally, business interruption policies cover loss of income to an insured business due to a temporary inability to trade as a result of damage or loss of access to its premises. Coverage for infectious disease under business interruption and other commercial policies is considered to be somewhat unique to Australia. While some insurers do not include infectious disease coverage, or cover losses only if the insured business is closed by order of public authority or have relatively low sub-limits, others provide fairly liberal coverage for closure or disease reported anywhere within a specified radius of the insured business. However, APRA's understanding is that as a result of analysis conducted in 2006, most general insurers are reducing their coverage of pandemic infectious disease in new business interruption policies. As a result, the figures estimated in the pandemic scenario are likely to be significantly lower now than at the time of the stress test.

Significant proportional increases in claims were also anticipated in consumer credit insurance, although the potential exposure is very small in dollar terms for the industry as a whole. Consumer credit insurance typically provides income payments based on disability or unemployment that affects the insured's ability to make payments on a mortgage or other personal debt. These policies often have a deductible or waiting period of two to four weeks and, as a result, might not result in significant claims if the pandemic illness is fairly short-term. A number of other insurers also reported significant exposures for personal accident and health policies; however, these were not separately reported in the stress test.

Travel insurance covers claims such as medical costs for employees on business travel and emergency evacuation. Most insurers providing travel insurance expected some claims under this type of cover in a global pandemic, although the overall level of exposure for the industry is again very small. Some insurers have indicated that pandemic-related exclusions are also being introduced in this sector, which would tend to reduce the stated impacts going forward.

Other than the above insurance products, it was apparent that estimates of pandemic impacts for general insurance are more subjective and more difficult to model; as a result, much more variable outcomes were observed across companies. This included employers liability, public and product liability, medical indemnity insurance and mortgage insurance policies. Direct insurance to agricultural providers (e.g. damage to poultry inventory of a supermarket or agribusiness) was cited by some insurers as a potential exposure but not reported separately in the stress test.

As the business line impact is relatively localised, the capital impact across the general insurance industry would most likely be relatively small, particularly once the policy exclusions implemented since the time of the stress test are taken into account. For the most part, insurers most affected in terms of capital adequacy had large exposures to business interruption insurance or, in a few instances, to consumer credit or travel insurance. On average, the industry-wide APRA minimum capital requirement (MCR) coverage decreased by 14 basis points from the base case by the end of the year of the pandemic, with a slightly higher impact on the industry median, but remained above the required MCR of one. APRA is aware that some insurers have considered increasing their Maximum Event Retention (MER) capital charge, which is designed to cover concentration risk to particular risk events, as a result of pandemic analysis; however, this may not be needed if the risk can be reduced through policy exclusions or other methods.

Table 6: Estimated capital impact on affected general insurers (end year 1)

	Base case	Pandemic scenario
Weighted average MCR coverage	1.91	1.77
Median MCR	2.14	1.95

The general insurance stress test also illustrates the importance of reinsurance in a pandemic scenario. For direct insurers, the proportion of claims expected to be covered by reinsurance generally increases with the severity of the scenario. Insurers providing business interruption, travel and professional indemnity insurance would rely most heavily on reinsurance to cover claims in a pandemic. In aggregate, the additional pandemic-related reinsurance amounts projected by direct insurers exceeded the expected claims as reported by reinsurers.

This suggests that either reinsurers had not fully consulted with their direct insurers to ensure a common understanding of coverage at the time of the stress test, or that reinsurers and direct insurers have used somewhat differing assumptions, scope or methodologies in constructing their estimates.

Summary and conclusions

APRA's pandemic stress test provides an important initial benchmark for assessing the potential financial impact of a pandemic on the Australian insurance industry. The stress test ensured that all Australian insurers have now considered the potential impact of a pandemic on their financial profile in a consistent manner. It also provided APRA with a general indication of the level of pandemic severity that could begin to cause financial strain for the insurance industry. APRA and the industry can incorporate this information into their own pandemic planning.

The stress test deliberately incorporated a wide range of scenarios, which resulted in a similarly wide range of outcomes. In the milder scenarios, general insurers experienced a more marked impact on claims than life insurers, whereas in scenarios with higher mortality rates, life insurers were more significantly affected. Even so, the additional claims could be expected to be absorbed in insurers' current earnings and capital. Moreover, general insurers can, for some products, avoid unexpected pandemic exposures by adjusting their policy wordings and coverage of particular lines.

Business and macroeconomic assumptions had little impact on the pandemic claims estimates, with the largest impact resulting from the direct implications of assumptions about mortality, illness duration and closure of business. The stress test also pointed out some areas that may warrant further consideration within the insurance industry, such as how best to model certain types of pandemic exposures and ensuring the direct insurers and reinsurers have a common understanding of their pandemic coverage.

The main benefit of the study is not in obtaining precise quantitative estimates for given scenarios but the process by which the estimates were derived in a consistent manner across the industry. APRA expects insurers to continue to incorporate stress testing of their portfolios for pandemic risks in their routine activities and consider a range of plausible scenarios appropriate to their business. The understanding of pandemic risks will continue to evolve over time.

Contents

March 2006

Banks	9
Credit Unions and Building Societies	17
General Insurers	28
Life Insurers	34

June 2006

Banks	36
Credit Unions and Building Societies	44
General Insurers	55
Life Insurers	61

September 2006

Banks	63
Credit Unions and Building Societies	71
General Insurers	82
Life Insurers	88

December 2006

Banks	90
Credit Unions and Building Societies	106
General Insurers	126
Life Insurers	132

Glossary and explanations	136
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APRA

statistics



Table A1 Banks: Resident assets on Australian books

March 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
	As a percentage of total resident assets on Australian books				
Cash and liquid assets					
Notes and coins	0.5	0.3	0.1	0.0	0.4
Deposits at call	0.0	0.3	0.3	2.9	0.4
Other liquid assets	2.0	4.9	1.6	9.9	3.2
Total cash and liquid assets	2.5	5.4	2.0	12.8	4.1
Trading securities	4.3	6.0	4.9	21.6	6.6
Investment securities	2.3	2.5	10.1	7.2	3.5
Loans and advances					
Housing loans	42.6	41.0	45.8	0.0	37.7
Owner occupied	28.0	27.8	31.6	0.0	25.0
Investment	14.6	13.2	14.2	0.0	12.7
Other loans to households	6.7	7.8	7.4	0.0	6.1
Loans to non-financial corporations	18.6	17.5	25.4	20.8	19.2
Loans to financial corporations	1.7	1.5	0.6	6.0	2.1
Loans to community service organisations and government	0.5	0.1	0.0	0.1	0.4
Total loans and advances	70.1	67.9	79.3	26.8	65.5
Intra-group loans and advances	2.7	7.2	0.3	23.0	5.5
Other investments	5.3	4.2	0.4	0.1	4.2
Fixed assets	0.4	0.4	0.2	0.0	0.4
Intangible assets	0.3	0.3	0.0	0.0	0.2
Interest receivable	0.4	0.1	0.4	0.4	0.4
Unrealised gains on trading derivatives	3.4	0.6	0.3	5.5	3.0
Future income tax benefits	0.3	0.2	0.2	0.3	0.3
Other	8.0	5.2	1.8	2.3	6.5
Total resident assets (\$ billion)	952.7	200.7	107.9	164.0	1,425.4
Number of banks	5	9	12	27	53

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A1

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank. The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Figure A1.1

Growth of credit has been adjusted for breaks in series.

The source for nominal gross domestic product is the Australian Bureau of Statistics statistical release 5206.0.

Figure A1.2

Both housing loans and loans and advances are for resident figures only and are reported on a domestic books basis.

Loans and advances from September 2003 includes the reported intra-group loans and advances amounts.

Table A2 Banks: Resident liabilities on Australian books

March 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total resident liabilities on Australian books					
Due to financial institutions	0.6	0.6	0.3	1.3	0.6
Deposits					
Households	27.9	35.7	35.3	0.1	26.3
Non-financial corporations	20.5	19.0	17.8	6.8	18.3
Financial corporations	7.3	1.7	8.1	14.9	7.5
Other entities	2.0	0.8	1.3	0.2	1.6
Subtotal	57.7	57.3	62.4	22.0	53.7
Intra-group deposits	3.4	2.2	14.7	7.6	4.8
Certificates of deposit	11.5	22.6	12.1	31.1	15.6
Other borrowings	3.5	4.8	na	20.9	na
Income tax liability	0.5	0.3	na	0.1	na
Provisions	0.6	0.5	0.2	0.2	0.5
Interest payable	0.8	0.3	0.5	0.5	0.6
Unrealised losses on trading derivatives	4.3	1.4	0.3	7.4	3.9
Bonds, notes & long-term borrowings	3.9	0.9	6.6	5.8	4.0
Loan capital and hybrid securities	1.0	1.8	1.0	0.0	1.0
Other	12.2	7.4	1.7	3.1	9.4
Total resident liabilities (\$ billion)	669.2	155.1	96.0	128.8	1,049.2
Number of banks	5	9	12	27	53

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A2

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank. The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Shareholders' funds are excluded from liabilities.

Figure A2.1

Both deposits and liabilities refer to the total of residents and non-residents reported on an Australian books basis.

Deposits includes certificates of deposit and does not include intra-group deposits.

Figure A2.2

Deposits refers to the combined residents and non-residents totals reported on an Australian books basis.

Deposits includes certificates of deposit and from September 2003 includes the reported intra-group deposit amounts.

The source for total Australian financial assets is the Reserve Bank of Australia Bulletin Table B1.

Table A3 Banks: Gross off-balance sheet business

March 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total non-market related off-balance sheet transactions					
Non-market related transactions					
Direct credit substitutes	6.9	3.0	6.8	10.5	7.1
Performance related contingencies	5.7	0.9	na	na	4.9
Trade related contingencies	1.9	0.2	0.9	1.6	1.7
Other commitments					
Residual maturity of 1 year or less	27.6	19.7	na	na	29.9
Residual maturity over 1 year	17.0	9.5	25.5	22.3	17.5
Other	39.6	63.3	40.6	3.4	37.0
All other non-market related off-balance sheet business	1.4	3.3	0.0	5.8	2.0
As a percentage of total trading book and banking book derivative activity					
Trading book and banking book derivative activity					
Exchange traded derivatives	5.2	na	na	6.3	6.5
Over-the-counter derivatives					
Interest rate forwards	5.2	na	na	4.4	5.3
Interest rate swaps	42.7	30.8	72.7	47.9	43.6
Foreign exchange forwards	21.4	9.3	7.6	30.2	23.0
Foreign exchange swaps	11.9	11.0	2.7	7.5	10.4
Option positions purchased	2.9	na	na	1.8	2.9
Option positions sold	2.5	na	na	0.6	2.3
Other over-the-counter derivatives	8.2	5.8	0.6	1.4	5.9
Non-market related off-balance sheet transactions					
Gross (\$ billion)	404.5	40.9	26.6	65.3	537.3
Credit equivalent (\$ billion)	102.3	8.2	6.8	21.3	138.6
Market related off-balance sheet transactions (Locally incorporated banks)					
Gross (\$ billion)	5,505.1	710.7	80.9	na	6,296.7
Credit equivalent (\$ billion)	86.6	11.6	0.9	na	99.1
Total trading book and banking book derivative activity (\$ billion)	5,565.5	711.1	80.9	2,731.2	9,089.3
Number of banks	5	9	12	27	53

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A3

For locally incorporated banks the data relates to the off-balance sheet business of the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.

For banks operating as foreign bank branches, the data applies to the Australian branch only.

Figure A3.2

Information applies to locally incorporated banks only.

Table A4 Banks: Commercial property exposures in Australia

March 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
	As a percentage of total commercial property exposures in Australia				
Commercial property exposures in Australia					
Office	25.8	31.4	17.5	15.1	25.3
Retail	17.4	17.1	14.2	36.6	18.2
Industrial	9.8	8.0	24.7	6.0	10.9
Land development/subdivisions	12.2	8.1	13.5	na	na
Other residential	15.6	22.4	14.1	na	na
Tourism	5.0	2.8	2.5	7.3	4.5
Other	14.2	10.2	13.7	7.6	13.0
Impaired commercial property exposures	0.1	0.5	0.3	0.4	0.2
Total commercial property exposures in Australia (\$ billion)	70.6	19.5	11.5	6.6	108.2
Global consolidated group assets (\$ billion)	1,398.9	203.1	115.3	na	1,717.3
Commercial property exposures as a percentage of global consolidated group assets	5.0	9.6	10.0	na	6.3
Specific provisions as a percentage of impaired commercial property exposures	8.4	21.0	18.3	7.6	14.9
Specific provisions and security held as a percentage of impaired commercial property exposures	92.3	101.6	114.2	96.4	99.4
Number of banks	5	9	12	27	53

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A4

For locally incorporated banks commercial property exposures are reported as at the last business day of March and September for the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.

For banks operating as foreign bank branches, the data applies to the Australian branch only.

Foreign bank branches do not report globally consolidated group assets.

Figure A4.1

Information refers to commercial property exposures in Australia.

Figure A4.2

Information refers to commercial property exposures in Australia.

Table A5 Banks: Impaired assets

March 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total loans and advances			
Impaired assets				
Non-accrual items without provisions	0.1	0.1	0.2	0.08
Non-accrual items with provisions	0.2	0.2	0.2	0.20
Restructured items without provisions	0.0	0.0	0.0	0.00
Restructured items with provisions	0.0	0.0	0.0	0.00
Other assets acquired through security enforcement	0.0	0.0	0.0	0.00
Other real estate owned	0.0	0.0	0.0	0.00
Total impaired assets	0.3	0.3	0.4	0.29
Provisions held				
Specific provisions	0.1	0.1	0.1	0.10
Security held	0.1	0.2	0.2	0.14
Past due items	0.3	0.4	0.5	0.34
Total impaired assets (\$ billion)	2.6	0.4	0.3	3.4
Total loans and advances (\$ billion)	944.4	154.3	88.0	1186.8
Global consolidated group assets (\$ billion)	1,398.9	203.1	115.3	1,717.3
Impaired assets as a percentage of global consolidated group assets	0.2	0.2	0.3	0.2
Specific provisions as a percentage of impaired assets	35.2	33.6	31.5	34.6
Security held as a percentage of impaired assets	47.0	51.8	54.4	48.4
Impaired assets less specific provisions as a percentage of capital base	1.8	1.9	2.7	1.9
Impaired assets less specific provisions and security held as a percentage of capital base	0.5	0.4	0.6	0.5
Number of banks	5	9	12	26

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A5

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A6 Banks: Impaired assets percentiles

March 2006 No. of Locally Incorporated Banks 26	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Impaired assets						
Non-accrual items without provisions	0.00	0.00	0.02	0.10	0.19	0.08
Non-accrual items with provisions	0.02	0.05	0.16	0.34	1.10	0.20
Restructured items without provisions	0.00	0.00	0.00	0.00	0.00	0.00
Restructured items with provisions	0.00	0.00	0.00	0.00	0.01	0.00
Other assets acquired through security enforcement	0.00	0.00	0.00	0.00	0.00	0.00
Other real estate owned	0.00	0.00	0.00	0.00	0.00	0.00
Total impaired assets	0.04	0.13	0.31	0.68	1.62	0.29
Provisions held						
Specific provisions	0.02	0.05	0.06	0.14	0.39	0.10
Security held	0.00	0.00	0.09	0.25	0.95	0.14
Past due items	0.00	0.31	0.36	0.59	1.36	0.34
Impaired assets as a percentage of global consolidated group assets	0.0	0.1	0.2	0.4	0.8	0.2
Specific provisions as a percentage of impaired assets	2.2	24.1	41.8	74.8	100.0	34.6
Security held as a percentage of impaired assets	0.0	0.0	31.0	61.6	90.6	48.4
Impaired assets less specific provisions as a percentage of capital base	0.0	0.3	1.8	2.6	3.5	1.9
Impaired assets less specific provisions and security held as a percentage of capital base	-0.1	0.0	0.2	0.6	1.8	0.5

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A6

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A7 Banks: Capital-adequacy

March 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total capital base			
Tier 1 capital				
Paid-up ordinary share capital	37.7	69.8	47.9	42.6
General reserves and retained earnings	40.5	17.9	37.7	37.4
Other Tier 1 capital	15.4	17.7	-3.9	14.3
Tier 1 capital	93.6	105.4	81.6	94.3
Tier 1 capital deductions	21.5	29.1	5.1	21.4
Eligible Tier 1 capital	72.1	76.3	76.5	73.0
Tier 2 capital				
Upper Tier 2 capital				
General provisions for doubtful debts	5.3	3.8	3.2	5.0
Asset revaluation reserves	0.2	0.4	0.0	0.2
Other Upper Tier 2 capital	2.4	3.7	2.5	2.5
Upper Tier 2 deductions	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	7.8	7.9	5.7	7.7
Lower Tier 2 capital				
Eligible Lower Tier 2 capital	27.0	30.6	17.8	26.9
Eligible Tier 2 capital	34.9	38.5	23.5	34.5
Capital deductions	7.0	14.8	0.1	7.5
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	7.4	8.7	8.7	7.7
Capital-adequacy ratio	10.3	11.4	11.4	10.5
General provisions for doubtful debts ratio	0.6	0.4	0.4	0.5
Total capital base (\$ billion)	95.2	15.6	8.4	119.2
Total risk-weighted exposures (\$ billion)	921.8	136.4	73.5	1131.7
Number of banks	5	9	12	26

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A7

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A8 Banks: Capital-adequacy percentiles

March 2006 No. of Locally Incorporated Banks 26	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Paid-up ordinary share capital	25.5	39.2	57.5	97.2	111.7	42.6
General reserves and retained earnings	-14.6	3.4	20.0	37.8	68.8	37.4
Other Tier 1 capital	-4.8	1.0	5.9	13.6	15.9	14.3
Tier 1 capital	70.6	77.4	87.6	101.5	119.5	94.3
Tier 1 capital deductions	0.0	2.1	9.7	18.0	31.8	21.4
Eligible Tier 1 capital	64.8	66.4	74.9	91.7	97.9	73.0
Tier 2 capital						
Upper Tier 2 capital						
General provisions for doubtful debts	1.3	2.1	4.2	5.0	5.5	5.0
Asset revaluation reserves	0.0	0.0	0.0	0.0	0.5	0.2
Other Upper Tier 2 capital	0.0	0.0	0.0	3.4	10.8	2.5
Upper Tier 2 deductions	0.0	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	1.3	2.5	5.3	9.2	12.6	7.7
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	25.5	30.6	32.8	26.9
Eligible Tier 2 capital	2.1	9.3	32.2	36.0	40.6	34.5
Capital deductions	0.0	0.0	0.0	4.2	15.1	7.5
	As a percentage of total risk-weighted exposures					
Tier 1 capital ratio	6.8	7.3	8.2	12.3	18.2	7.7
Capital-adequacy ratio	10.2	10.6	11.3	14.7	18.8	10.5
General provisions for doubtful debts ratio	0.2	0.4	0.5	0.6	0.7	0.5

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A8

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Credit Unions and Building Societies

Table B1 Credit Unions and Building Societies: Assets

March 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of total assets				
Cash and liquid assets					
Notes and coins	0.8	0.8	0.6	0.6	0.5
Deposits at call	8.7	6.1	2.3	2.6	1.4
Other liquid assets	na	na	0.2	0.2	0.6
Total cash and liquid assets	9.8	7.0	3.2	3.5	2.5
Government securities	0.0	0.3	0.0	0.0	0.3
Other securities	na	na	4.1	4.0	14.3
Other deposits	29.9	13.7	8.9	9.4	2.9
Loans and advances					
Housing loans	35.8	49.7	61.9	60.9	67.4
Other loans and advances	19.5	24.1	19.5	19.8	10.3
Other investments	0.4	0.4	0.4	0.4	0.5
Fixed assets	1.4	1.7	1.2	1.2	1.0
Intangible assets	0.0	0.0	0.0	0.0	0.0
Other	0.9	0.9	0.9	0.9	0.8
Total assets (\$ billion)	0.3	2.5	32.7	35.4	17.8
Number of institutions	27	55	71	153	14

Notes

Credit union and building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Figure B1.1

Growth rates have been adjusted for breaks in series.

Figure B1.2

The first break in the series for building societies is due to a change in classification of housing loans for investment purposes from housing lending to commercial lending.

The second break in the series is due to a new reporting requirement change requiring housing loans for investment purposes to be reclassified from commercial lending to housing loans for investment.

Table B2 Credit Unions and Building Societies: Liabilities

March 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of total liabilities				
Due to financial institutions	0.1	0.1	0.3	0.3	0.1
Deposits					
Call deposits	53.6	50.9	48.8	49.0	38.8
Term deposits	43.3	46.5	44.5	44.6	49.5
Certificates of deposit	0.0	0.0	0.0	0.0	na
Other deposits	0.0	0.0	0.9	0.8	na
Total deposits	96.9	97.4	94.2	94.4	94.8
Other borrowings	0.0	0.2	1.4	1.3	2.3
Income tax liability	0.2	0.1	0.1	0.1	0.2
Provisions	0.4	0.5	0.3	0.3	0.2
Bonds, notes & long-term borrowings	0.0	0.1	2.2	2.0	0.7
Loan capital & hybrid securities	0.6	0.2	0.1	0.1	na
Other	1.8	1.5	1.4	1.4	na
Total liabilities (\$ billion)	0.2	2.2	29.8	32.2	16.6
Number of institutions	27	55	71	153	14

Notes

Credit union and building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Figure B2.1

Deposits does not include certificates of deposit.

Figure B2.2

Deposits does not include certificates of deposit.

Table B3 Credit Unions and Building Societies: Profitability

March 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of average assets				
Interest income					
Loans and advances	4.7	6.0	6.4	6.3	5.5
Investments	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	2.3	1.3	0.9	0.9	1.2
Total interest income	7.0	7.3	7.3	7.3	6.7
Interest expense					
Deposits	2.9	3.0	3.6	3.5	4.0
Loans	0.0	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.0	0.3	0.3	0.2
Total interest expense	2.9	3.0	3.9	3.8	4.2
Net interest income	4.1	4.3	3.4	3.5	2.5
Other income					
Fees and commissions	2.2	1.2	1.4	1.4	1.2
Other operating income	0.3	0.3	0.4	0.4	0.1
Total other income	2.6	1.5	1.7	1.7	1.3
Other expenses					
Information technology	0.6	0.5	0.3	0.3	0.1
Occupancy and equipment expenses	0.4	0.4	0.4	0.4	0.3
Personnel	2.5	1.9	1.6	1.6	1.1
Directors fees	0.1	0.1	0.0	0.0	0.0
Other operating expenses	2.2	1.9	1.5	1.6	1.3
Total other expenses	5.8	4.8	3.9	4.0	2.7
Return on average assets (ROA)	0.5	0.6	0.8	0.8	0.8
Number of institutions	27	55	71	153	14

Notes

Credit union and building society figures from December 2001 onwards are based on the new reporting requirements. Details on table may not add up to totals due to rounding of figures.

Table B3

The data in this table are reported on a quarterly basis and have been annualised.

Figure B3.1

Expense refers to non-interest expense.

Figure B3.2

Expense refers to non-interest expense.

Table B4 Building Societies: Profitability
March 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of average assets			
Interest income				
Loans and advances	4.6	5.7	6.0	5.5
Investments	0.0	0.0	0.0	0.0
Other interest earning assets	0.8	1.0	1.8	1.2
Total interest income	6.4	6.6	6.8	6.7
Interest expense				
Deposits	3.8	3.9	4.3	4.0
Loans	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.1	0.1	0.2
Total interest expense	3.9	4.1	4.5	4.2
Net interest income	2.1	2.5	2.7	2.5
Other income				
Fees and commissions	0.6	1.0	1.3	1.2
Other operating income	0.0	0.1	0.2	0.1
Total other income	0.9	1.1	1.4	1.3
Other expenses				
Information technology	0.1	0.1	0.2	0.1
Occupancy and equipment expenses	0.2	0.3	0.4	0.3
Personnel	1.0	1.2	1.2	1.1
Directors fees	0.0	0.1	0.1	0.0
Other operating expenses	0.7	1.2	1.4	1.3
Total other expenses	2.3	2.6	3.1	2.7
Return on average assets (ROA)	0.6	0.7	0.8	0.8

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table B4

The data in this table are reported on a quarterly basis and have been annualised.

Table B5 Credit Unions: Profitability

March 2006 No. of Credit Unions 153	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of average assets					
Interest income						
Loans and advances	4.5	5.5	6.0	6.5	6.9	6.3
Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	0.7	0.8	1.1	1.6	2.2	0.9
Total interest income	6.6	6.8	7.1	7.4	8.1	7.3
Interest expense						
Deposits	2.2	2.8	3.2	3.7	4.1	3.5
Loans	0.0	0.0	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.0	0.0	0.0	0.2	0.3
Total interest expense	2.2	2.8	3.3	3.8	4.3	3.8
Net interest income	2.6	3.3	3.8	4.5	5.5	3.5
Other income						
Fees and commissions	0.2	0.6	1.0	1.6	2.2	1.4
Other operating income	0.1	0.1	0.3	0.5	0.7	0.4
Total other income	0.4	0.9	1.4	2.0	2.6	1.7
Other expenses						
Information technology	0.1	0.2	0.4	0.6	0.9	0.3
Occupancy and equipment expenses	0.1	0.2	0.4	0.5	0.8	0.4
Personnel	1.1	1.5	1.8	2.2	2.7	1.6
Directors fees	0.0	0.0	0.0	0.1	0.1	0.0
Other operating expenses	0.9	1.2	1.7	2.1	2.7	1.6
Total other expenses	2.7	3.5	4.4	5.3	6.4	4.0
Return on average assets (ROA)	0.2	0.4	0.6	0.9	1.2	0.8

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table B5

The data in this table are reported on a quarterly basis and have been annualised.

Table B6 Building Societies: Liquidity

March 2006

No. of Building Societies 14

March 2006	Percentiles			Weighted Average
No. of Building Societies 14	25th	Median	75th	
	As a percentage of adjusted liabilities base			
Eligible cash and liquid assets				
Notes and coins	0.3	0.5	0.8	0.6
Settlement funds due	0.0	0.3	0.9	0.6
Eligible deposits invested on a call basis held with				
Banks	0.9	1.2	2.8	1.3
Other ADIs	0.0	0.0	0.3	0.3
Eligible bank bills	0.4	1.8	4.4	2.9
Eligible certificates of deposit	6.7	8.2	9.5	7.9
Other eligible deposits not invested on a call basis held with				
Banks	0.0	1.0	2.9	1.4
Other ADIs	0.0	0.0	0.6	0.2
Eligible securities	0.0	0.0	0.0	0.3
Total HQLA	14.2	15.7	20.3	15.5
Less placements	0.0	0.0	0.0	0.2
Total adjusted HQLA	14.2	15.4	20.3	15.3

Notes

Building society figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.

Details on table may not add up to totals due to rounding of figures.

Table B6

The information contained on this table is derived from the licensed books of the licensed building society. The licensed books of a building society is an unconsolidated report of the building society's operations/transactions.

Table B7 Credit Unions: Liquidity

March 2006 No. of Credit Unions 153	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of adjusted liabilities base					
Eligible cash and liquid assets						
Notes and coins	0.1	0.3	0.6	1.2	2.0	0.7
Settlement funds due	0.0	0.0	0.0	0.0	0.3	0.3
Eligible deposits invested on a call basis held with						
Banks	0.0	0.0	0.0	0.5	3.0	0.9
Other ADIs	0.0	0.6	2.2	5.6	14.4	1.8
Eligible bank bills	0.0	0.0	0.0	0.0	1.9	0.9
Eligible certificates of deposit	0.0	0.0	0.0	0.1	5.7	2.3
Other eligible deposits not invested on a call basis held with						
Banks	0.0	0.0	0.0	4.0	8.3	2.9
Other ADIs	0.0	3.2	11.1	17.1	27.9	7.9
Eligible securities	0.0	0.0	0.0	0.0	0.0	0.0
Total HQLA	13.7	16.3	20.8	29.7	45.0	17.8
Less placements	0.0	0.0	0.0	0.0	0.0	0.0
Total adjusted HQLA	13.7	16.3	20.8	29.3	45.0	17.7

Notes

Credit union figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.

Details on table may not add up to totals due to rounding of figures.

Table B7

The information contained on this table is derived from the licensed books of the licensed credit union. The licensed books of a credit union is an unconsolidated report of the credit union's operations/transactions.

Table B8 Building Societies: Impaired assets

June 2006 No. of Building Societies 14	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of total loans and advances			
Term of payments past due with prescribed provisions held				
Category Two facilities	0.00	0.00	0.00	0.04
Category Three facilities	0.00	0.01	0.02	0.03
Category Four facilities	0.00	0.00	0.01	0.02
Subtotal	0.01	0.02	0.10	0.08
Provisions held				
Prescribed provisions	0.01	0.01	0.03	0.03
Impaired assets as a percentage of total assets	0.01	0.02	0.08	0.07
Prescribed provisions as a percentage of impaired assets	40.00	47.67	71.83	37.32
Impaired assets less prescribed provisions as a percentage of capital base	0.04	0.17	0.52	0.57

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Figure B8.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B8.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Table B9 Credit Unions: Impaired assets

June 2006 No. of Credit Unions 148	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Term of payments past due with prescribed provisions held						
Category Two facilities	0.00	0.00	0.00	0.00	0.00	0.01
Category Three facilities	0.00	0.03	0.10	0.24	0.45	0.12
Category Four facilities	0.00	0.00	0.02	0.06	0.16	0.05
Subtotal	0.01	0.06	0.14	0.36	0.63	0.19
Provisions held						
Prescribed provisions	0.01	0.04	0.08	0.21	0.41	0.11
Impaired assets as a percentage of total assets	0.01	0.05	0.11	0.25	0.47	0.15
Prescribed provisions as a percentage of impaired assets	40.14	49.06	60.26	75.59	83.90	61.78
Impaired assets less prescribed provisions as a percentage of capital base	0.03	0.14	0.36	0.77	1.75	0.62

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.
Details on table may not add up to totals due to rounding of figures.

Figure B9.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B9.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Table B10 Building Societies: Capital-adequacy
March 2006

No. of Building Societies 14

March 2006	Percentiles			Weighted Average
No. of Building Societies 14	25th	Median	75th	
	As a percentage of total capital base			
Tier 1 capital				
Paid-up ordinary share capital	0.0	15.2	38.5	11.4
General reserves and retained earnings	35.0	63.6	79.6	71.1
Other Tier 1 capital	2.1	5.7	9.0	6.4
Tier 1 capital	76.1	81.7	91.1	88.9
Tier 1 capital deductions	0.9	1.8	10.9	6.0
Eligible Tier 1 capital	68.7	77.1	87.9	82.9
Tier 2 capital				
Upper Tier 2 capital				
General provisions for doubtful debts	1.0	2.2	2.6	1.4
Asset revaluation reserves	0.6	3.5	5.5	3.7
Other Upper Tier 2 capital	0.0	0.0	14.5	2.5
Upper Tier 2 deductions	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	4.4	9.3	22.7	7.6
Lower Tier 2 Capital				
Eligible Lower Tier 2 capital	0.0	11.0	22.9	10.3
Eligible Tier 2 capital	12.5	25.1	33.8	17.9
Capital deductions	0.1	0.4	1.3	0.7
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	8.1	9.5	11.9	11.5
Capital-adequacy ratio	11.6	13.7	15.0	13.9
General provisions for doubtful debts ratio	0.1	0.3	0.4	0.2

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table B11 Credit Unions: Capital-adequacy

March 2006 No. of Credit Unions 153	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Paid-up ordinary share capital	0.0	0.0	0.0	0.0	0.0	0.0
General reserves and retained earnings	78.1	87.6	94.8	99.0	102.7	92.2
Other Tier 1 capital	0.0	2.5	4.5	7.0	8.8	6.0
Tier 1 capital	84.3	93.2	99.7	103.0	104.8	98.2
Tier 1 capital deductions	0.0	0.6	1.5	2.8	4.7	2.4
Eligible Tier 1 capital	80.1	91.1	98.5	101.0	102.0	95.8
Tier 2 capital						
Upper Tier 2 capital						
General provisions for doubtful debts	1.2	1.9	2.7	3.8	5.0	2.5
Asset revaluation reserves	0.0	0.0	0.0	4.1	11.1	2.2
Other Upper Tier 2 capital	0.0	0.0	0.0	0.0	0.0	0.0
Upper Tier 2 deductions	0.0	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	1.4	2.3	3.9	7.3	15.3	4.7
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	0.0	0.0	9.8	3.3
Eligible Tier 2 capital	1.4	2.5	4.3	12.2	24.1	8.0
Capital deductions	0.6	2.5	3.6	4.4	5.3	3.8
	As a percentage of total risk-weighted exposures					
Tier 1 capital ratio	11.4	13.0	15.5	20.4	25.9	15.0
Capital-adequacy ratio	12.6	13.9	16.3	20.9	27.2	15.7
General provisions for doubtful debts ratio	0.2	0.3	0.5	0.7	1.1	0.4

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table C1 General Insurers: Assets and liabilities

	Active Direct Insurers			Active Reinsurers	Inactive Institutions
March 2006	Diversified	Other	All		
	As a percentage of total assets				
Assets					
Cash and Liquid assets	1.4	3.2	1.8	0.9	2.7
Investments					
Interest	45.2	47.6	45.7	69.2	60.0
Equity	5.7	8.4	6.2	6.8	4.3
Property	0.8	0.0	0.7	0.0	0.2
Loans & advances	2.6	3.5	2.8	0.0	14.9
Indirect investments	4.2	5.4	4.4	0.2	5.5
Other investments	9.3	0.1	7.4	0.0	0.3
Reinsurance recoverables	12.0	11.4	11.9	6.1	7.5
Non-Reinsurance recoverables	3.1	3.6	3.2	0.0	0.5
Premium Receivables	6.2	7.1	6.4	12.7	0.8
Other assets	9.5	9.7	9.6	4.2	3.4
Total Assets (\$ billion)	57.5	14.5	72.0	7.8	3.7
	As a percentage of total liabilities				
Liabilities					
Outstanding Claims Provision	63.1	49.6	60.8	68.9	84.0
Premium Liabilities	21.0	34.4	23.2	16.9	3.8
Tax provisions	2.1	6.4	2.8	4.3	1.0
Payables on reinsurance contracts	1.5	1.9	1.6	4.7	1.5
Borrowings and loan capital	5.4	0.7	4.6	0.0	1.2
Other liabilities	6.9	7.1	7.0	5.2	8.6
Total Liabilities (\$ billion)	42.3	8.4	50.8	5.7	1.9
Number of entities	32	55	87	12	34

Notes

Details on table may not add up to totals due to rounding of figures.

Table C2 Active General Insurers: Revenues

March 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual revenue			
Total net premiums				
Fire and ISR	7.5	2.5	6.3	0.0
Houseowners householders	8.3	10.2	8.7	0.0
CTP motor vehicle	10.1	1.7	8.1	0.0
Commercial motor vehicle	6.4	0.1	4.9	0.0
Domestic motor vehicle	9.7	17.6	11.5	0.0
Marine and aviation	2.4	0.5	1.9	0.0
Professional indemnity	3.0	6.1	3.8	0.5
Public and product liability	7.9	1.5	6.4	0.0
Employers liability	5.3	1.0	4.3	0.0
Mortgage	0.0	9.8	2.3	0.0
Consumer credit	0.2	2.7	0.8	0.0
Travel	1.6	0.2	1.3	0.0
Other accident	3.7	1.6	3.2	0.0
Other	1.7	2.8	2.0	-0.8
Inward reinsurance	9.2	25.6	13.0	74.2
Subtotal	77.2	83.8	78.7	73.9
Investment Revenue				
Interest revenue	7.8	7.4	7.7	19.1
Dividend revenue	6.1	0.9	4.9	0.9
Rental revenue	0.5	0.0	0.4	0.0
Trust distributions	0.6	0.5	0.6	0.0
Capital gains/losses	3.8	5.6	4.3	5.1
Foreign Exchange gains/losses	0.0	0.0	0.0	0.9
Other investment revenue	0.0	0.0	0.0	0.0
Subtotal	18.9	14.3	17.8	26.0
Other revenue	3.9	1.9	3.4	0.1
Total revenue (\$ billion)	19.2	5.9	25.1	1.7
Number of entities	32	55	87	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C3 Active General Insurers: Expenses

March 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual expenses			
Total net claims				
<i>Relating to current and prior years</i>				
Fire and ISR	4.6	2.8	4.2	0.0
Houseowners householders	7.6	7.4	7.5	0.0
CTP motor vehicle	9.5	1.7	7.8	0.0
Commercial motor vehicle	6.3	0.1	4.9	0.0
Domestic motor vehicle	11.1	19.8	13.0	0.0
Marine and aviation	1.4	0.2	1.2	0.0
Professional indemnity	2.3	3.0	2.4	1.6
Public and product liability	4.9	1.6	4.2	0.0
Employers liability	4.7	0.2	3.7	0.0
Mortgage	0.0	1.5	0.3	0.0
Consumer credit	0.1	0.7	0.2	0.0
Travel	0.7	0.1	0.6	0.0
Other accident	1.8	0.7	1.5	0.0
Other	0.7	1.6	0.9	0.5
Inward reinsurance	10.1	22.3	12.7	59.6
Subtotal — current and prior years	65.6	63.7	65.2	61.7
<i>Relating to future years</i>				
Total (all classes)	1.9	6.5	2.9	-5.5
Subtotal — total net claims	67.5	70.1	68.1	56.2
Underwriting	26.5	19.1	24.9	35.0
General and administration	6.0	10.7	7.0	8.8
Total expenses (\$ billion)	16.6	4.5	21.1	1.0
Number of entities	32	55	87	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C4 Active General Insurers: Performance measures

March 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
Profitability measures				
Underwriting results (% of net premium revenue)	4.7	26.0	10.0	23.9
Profit from general insurance (% of net premium revenue)	27.6	35.6	29.6	51.9
Operating profit (% of total revenue)	16.9	21.5	18.0	28.5
Operating profit (% of shareholders' equity)	21.5	20.7	21.3	23.0
Operating profit (% of assets)	5.7	8.7	6.3	6.1
Operating Indicators				
Net claims loss (% of net premium revenue)	65.7	56.6	63.5	46.9
Underwriting expense (% of net premium revenue)	29.6	17.4	26.6	29.2
General and administrative expense (% of total revenue)	5.1	8.2	5.8	5.4
Investment revenue (% of total revenue)	18.9	14.3	17.8	26.0
Number of entities	32	55	87	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C5 Active General Insurers: Performance percentiles

March 2006	Percentiles			Weighted Average
	25th	Median	75th	
Profitability measures				
Underwriting results (% of net premium revenue)	6.5	21.4	49.2	10.8
Profit from general insurance (% of net premium revenue)	7.8	30.5	57.3	30.9
Operating profit (% of total revenue)	8.9	19.3	36.6	18.7
Operating profit (% of shareholders' equity)	9.3	20.4	33.1	21.5
Operating profit (% of assets)	3.6	6.0	9.9	6.3
Operating Indicators				
Net claims loss (% of net premium revenue)	31.5	54.9	69.0	62.5
Underwriting expense (% of net premium revenue)	5.5	17.5	27.9	26.7
General and administrative expense (% of total revenue)	3.2	9.6	21.1	5.8
Investment revenue (% of total revenue)	9.5	16.1	24.8	18.4

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C6.1 General Insurers: Capital-adequacy

March 2006	Active Direct Insurers			Active Reinsurers	Inactive Institutions
	Diversified	Other	All		
Minimum capital requirement (\$ billion)	6.1	3.2	9.3	1.0	0.5
Capital base (\$ billion)	13.8	5.1	18.9	2.2	1.7
Solvency coverage ratio	2.3	1.6	2.0	2.2	3.5
Number of entities	32	51	83	12	34

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table C6.2 General Insurers: Capital-adequacy percentiles

March 2006	Percentiles			Weighted Average
	25th	Median	75th	
Solvency coverage ratios				
Active diversified direct insurers	1.8	2.3	3.0	2.3
Active other direct insurers	1.4	2.1	2.9	1.6
All active direct insurers	1.6	2.2	2.9	2.0
Active reinsurers	1.9	2.5	3.7	2.2
Inactive institutions	1.4	2.8	5.0	3.5

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table D1 Life Insurers: Statutory-fund profitability

March 2006	Investment Linked	Non- Investment Linked	Company Aggregates
	As a percentage of total after-tax profit		
<i>Life insurers with year ended before 31 December 2005 (Pre-IFRS basis)</i>			
Source of profits			
Earnings on shareholders' capital	29.6	24.6	26.0
Policy-owner planned profits	0.0	23.8	17.2
Shareholders' planned profits	74.4	29.2	41.8
Unplanned (experience) profits	-2.7	14.9	10.0
Other profits	-1.2	7.5	5.0
Profit allocations			
Policy owners	0.0	34.8	25.9
Shareholders	100.0	65.2	74.1
Total profit (\$ million)	409.7	723.4	1,133.2
Number of entities	12	15	16
<i>Life insurers with year ended on or after 31 December 2005 (IFRS basis)</i>			
Source of profits			
Earnings on assets in excess of policy liabilities	20.8	26.8	26.0
Policy-owner planned profits	0.0	40.0	35.1
Shareholders' planned profits	6.4	27.1	24.5
Unplanned (experience) profits	-1.5	4.0	3.4
Financial Instrument Profit	39.1	0.8	5.5
Management Services Profit	35.2	0.3	4.6
Other profits	0.0	1.1	0.9
Profit allocations			
Policy owners	0.0	51.0	44.9
Shareholders	100.0	49.0	55.1
Total profit (\$ million)	270.2	1,086.5	1,356.7
Number of entities	10	20	20
<i>All life insurers</i>			
Shareholder profitability measures			
Return on equity (%)	32.2	17.9	20.4
Return on assets (%)	0.4	2.2	1.0
Return on net premium revenue (%)	32.5	25.2	27.0
Total profit (\$ million)	679.9	1,810.0	2,489.9
Number of entities	22	35	36

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies. With reference to the above table, life insurers with June and September 2005 balance dates reported on a pre-IFRS basis while life insurers with December 2005 and March 2006 balance dates reported on an IFRS basis.

Data sourced from annual returns for financial years in the 12 months to the period end.

Details on table may not add up to totals due to rounding of figures.

Table D2 Life Insurers: Statutory-fund solvency

March 2006	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of base liabilities					
Investment linked statutory funds						
Statutory requirement	0.2	0.3	0.4	0.7	1.6	0.5
Available funds	0.8	1.4	2.4	3.9	11.3	1.2
Non-investment linked statutory funds						
Statutory requirement	2.1	7.2	14.2	22.9	34.0	15.0
Available funds	11.7	19.2	31.6	50.1	87.8	26.4
Company fund aggregates						
Statutory requirement	0.4	1.2	6.2	16.6	32.8	4.4
Available funds	2.2	5.0	16.0	34.0	75.4	8.1
Base liabilities (\$ million)	30	191	1,326	3,085	21,654	5,874
Solvency-coverage ratios						
Investment linked statutory funds	1.9	2.6	4.5	9.4	20.0	2.6
Non-investment linked statutory funds	1.4	1.7	2.4	5.5	14.0	1.8
Company fund aggregates	1.5	1.7	2.7	4.6	7.9	1.8

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies.

Data sourced from annual returns for financial years in the 12 months to the period end.

Details on table may not add up to totals due to rounding of figures.

Table A1 Banks: Resident assets on Australian books

June 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
	As a percentage of total resident assets on Australian books				
Cash and liquid assets					
Notes and coins	0.4	0.3	0.1	0.0	0.3
Deposits at call	0.2	0.5	0.2	3.5	0.6
Other liquid assets	2.1	4.7	1.9	8.9	3.2
Total cash and liquid assets	2.7	5.5	2.2	12.4	4.2
Trading securities	5.0	7.9	5.1	23.9	7.6
Investment securities	2.4	2.6	10.2	7.2	3.6
Loans and advances					
Housing loans	42.9	39.6	44.6	0.0	37.6
Owner occupied	28.2	26.7	30.7	0.0	24.9
Investment	14.7	12.9	13.9	0.0	12.7
Other loans to households	6.8	8.1	7.5	0.0	6.2
Loans to non-financial corporations	18.7	17.6	26.2	20.9	19.3
Loans to financial corporations	1.8	0.6	0.7	5.2	2.0
Loans to community service organisations and government	0.5	0.1	0.1	0.1	0.4
Total loans and advances	70.6	66.0	79.0	26.2	65.5
Intra-group loans and advances	2.5	7.5	0.1	22.6	5.4
Other investments	5.2	4.6	0.4	0.0	4.2
Fixed assets	0.5	0.4	0.2	0.0	0.4
Intangible assets	0.3	0.3	0.0	0.0	0.2
Interest receivable	0.4	0.1	0.3	0.5	0.4
Unrealised gains on trading derivatives	3.1	0.2	0.3	5.0	2.7
Future income tax benefits	0.2	0.2	0.2	0.4	0.3
Other	7.0	4.7	1.8	1.6	5.7
Total resident assets (\$ billion)	984.0	208.1	109.7	168.6	1,470.4
Number of banks	5	9	12	28	54

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A1

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank.

The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Figure A1.1

Growth of credit has been adjusted for breaks in series.

The source for nominal gross domestic product is the Australian Bureau of Statistics statistical release 5206.0.

Figure A1.2

Both housing loans and loans and advances are for resident figures only and are reported on a domestic books basis.

Loans and advances from September 2003 includes the reported intra-group loans and advances amounts.

Table A2 Banks: Resident liabilities on Australian books

June 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total resident liabilities on Australian books					
Due to financial institutions	0.6	0.6	0.3	0.8	0.6
Deposits					
Households	27.0	34.8	35.1	0.1	25.6
Non-financial corporations	20.5	19.3	17.7	6.8	18.4
Financial corporations	8.2	2.4	8.5	18.9	8.7
Other entities	2.0	0.7	1.2	0.2	1.5
Subtotal	57.8	57.2	62.5	25.9	54.2
Intra-group deposits	2.8	3.1	12.7	6.1	4.1
Certificates of deposit	12.5	21.7	13.1	29.4	16.0
Other borrowings	3.9	4.1	na	20.2	na
Income tax liability	0.5	0.3	na	0.2	na
Provisions	0.7	0.7	0.2	0.4	0.6
Interest payable	0.7	0.2	0.5	0.5	0.6
Unrealised losses on trading derivatives	4.0	1.0	0.4	7.4	3.6
Bonds, notes & long-term borrowings	4.8	0.7	6.6	6.1	4.5
Loan capital and hybrid securities	1.1	2.1	1.2	0.0	1.2
Other	10.5	8.1	2.2	2.9	8.5
Total resident liabilities (\$ billion)	699.5	161.6	96.7	132.9	1,090.6
Number of banks	5	9	12	28	54

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A2

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank. The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Shareholders' funds are excluded from liabilities.

Figure A2.1

Both deposits and liabilities refer to the total of residents and non-residents reported on an Australian books basis.

Deposits includes certificates of deposit and does not include intra-group deposits.

Figure A2.2

Deposits refers to the combined residents and non-residents totals reported on an Australian books basis.

Deposits includes certificates of deposit and from September 2003 includes the reported intra-group deposit amounts.

The source for total Australian financial assets is the Reserve Bank of Australia Bulletin Table B1.

Table A3 Banks: Gross off-balance sheet business

June 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total non-market related off-balance sheet transactions					
Non-market related transactions					
Direct credit substitutes	6.2	3.0	5.8	9.8	6.3
Performance related contingencies	5.6	na	na	na	4.7
Trade related contingencies	1.8	0.2	1.3	1.7	1.6
Other commitments					
Residual maturity of 1 year or less	28.4	19.7	na	na	29.1
Residual maturity over 1 year	17.5	11.8	33.8	25.2	18.8
Other	37.7	62.4	52.1	4.1	36.4
All other non-market related off-balance sheet business	2.7	na	na	7.0	3.1
As a percentage of total trading book and banking book derivative activity					
Trading book and banking book derivative activity					
Exchange traded derivatives	5.2	na	na	10.6	7.7
Over-the-counter derivatives					
Interest rate forwards	5.4	na	na	6.6	6.4
Interest rate swaps	44.2	32.2	77.2	43.1	43.2
Foreign exchange forwards	20.1	16.0	5.7	26.2	21.
Foreign exchange swaps	10.8	4.4	3.4	6.9	8.9
Option positions purchased	3.0	na	na	1.8	2.9
Option positions sold	2.0	na	0.8	na	1.
Other over-the-counter derivatives	9.3	na	0.3	na	7.2
Non-market related off-balance sheet transactions					
Gross (\$ billion)	423.7	42.9	26.9	65.9	559.4
Credit equivalent (\$ billion)	105.6	8.8	7.7	23.0	145.1
Market related off-balance sheet transactions (Locally incorporated banks)					
Gross (\$ billion)	4,457.2	764.6	98.6	na	5,320.5
Credit equivalent (\$ billion)	74.2	12.8	1.0	na	88.1
Total trading book and banking book derivative activity (\$ billion)	5,693.1	765.2	98.6	3,525.1	10,082.1
Number of banks	5	9	12	28	54

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A3

For locally incorporated banks the data relates to the off-balance sheet business of the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.

For banks operating as foreign bank branches, the data applies to the Australian branch only.

Figure A3.2

Information applies to locally incorporated banks only.

Table A4 Banks: Commercial property exposures in Australia

June 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total commercial property exposures in Australia					
Commercial property exposures in Australia					
Office	25.8	31.4	17.5	15.1	25.3
Retail	17.4	17.1	14.2	36.6	18.2
Industrial	9.8	8.0	24.7	6.0	10.9
Land development/subdivisions	12.2	8.1	13.5	na	na
Other residential	15.6	22.4	14.1	na	na
Tourism	5.0	2.8	2.5	7.3	4.5
Other	14.2	10.2	13.7	7.6	13.0
Impaired commercial property exposures	0.1	0.5	0.3	0.4	0.2
Total commercial property exposures in Australia (\$ billion)	70.6	19.5	11.5	6.6	108.2
Global consolidated group assets (\$ billion)	1,398.9	203.1	115.3	na	1,717.3
Commercial property exposures as a percentage of global consolidated group assets	5.0	9.6	10.0	na	6.3
Specific provisions as a percentage of impaired commercial property exposures	8.4	21.0	18.3	7.6	14.9
Specific provisions and security held as a percentage of impaired commercial property exposures	92.3	101.6	114.2	96.4	99.4
Number of banks	5	9	12	27	53

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A4

For locally incorporated banks commercial property exposures are reported as at the last business day of March and September for the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.

For banks operating as foreign bank branches, the data applies to the Australian branch only.

Foreign bank branches do not report globally consolidated group assets.

Figure A4.1

Information refers to commercial property exposures in Australia.

Figure A4.2

Information refers to commercial property exposures in Australia.

Table A5 Banks: Impaired assets

June 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total loans and advances			
Impaired assets				
Non-accrual items without provisions	0.1	0.1	0.1	0.06
Non-accrual items with provisions	0.2	0.2	0.3	0.20
Restructured items without provisions	0.0	0.0	0.0	0.00
Restructured items with provisions	0.0	0.0	0.0	0.00
Other assets acquired through security enforcement	0.0	0.0	0.0	0.00
Other real estate owned	0.0	0.0	0.0	0.00
Total impaired assets	0.2	0.3	0.3	0.26
Provisions held				
Specific provisions	0.1	0.1	0.1	0.09
Security held	0.1	0.2	0.2	0.13
Past due items	0.3	0.4	0.5	0.37
Total impaired assets (\$ billion)	2.4	0.5	0.3	3.2
Total loans and advances (\$ billion)	978.4	157.9	89.0	1225.4
Global consolidated group assets (\$ billion)	1,423.9	213.6	118.9	1,756.4
Impaired assets as a percentage of global consolidated group assets	0.2	0.2	0.3	0.2
Specific provisions as a percentage of impaired assets	35.2	32.4	38.1	35.0
Security held as a percentage of impaired assets	46.3	51.7	56.6	48.1
Impaired assets less specific provisions as a percentage of capital base	1.6	1.9	2.2	1.7
Impaired assets less specific provisions and security held as a percentage of capital base	0.5	0.4	0.2	0.4
Number of banks	5	9	12	26

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A5

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A6 Banks: Impaired assets percentiles

June 2006 No. of Locally Incorporated Banks 26	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Impaired assets						
Non-accrual items without provisions	0.00	0.00	0.02	0.11	0.20	0.06
Non-accrual items with provisions	0.02	0.07	0.20	0.40	1.58	0.20
Restructured items without provisions	0.00	0.00	0.00	0.00	0.00	0.00
Restructured items with provisions	0.00	0.00	0.00	0.00	0.01	0.00
Other assets acquired through security enforcement	0.00	0.00	0.00	0.00	0.00	0.00
Other real estate owned	0.00	0.00	0.00	0.00	0.00	0.00
Total impaired assets	0.08	0.14	0.30	0.50	1.58	0.26
Provisions held						
Specific provisions	0.02	0.04	0.07	0.19	0.38	0.09
Security held	0.00	0.00	0.07	0.22	0.40	0.13
Past due items	0.00	0.18	0.38	0.57	0.97	0.37
Impaired assets as a percentage of global consolidated group assets	0.0	0.1	0.2	0.4	0.7	0.2
Specific provisions as a percentage of impaired assets	5.2	22.1	36.4	63.5	100.0	35.0
Security held as a percentage of impaired assets	0.0	0.0	34.9	67.3	92.6	48.1
Impaired assets less specific provisions as a percentage of capital base	0.0	0.5	1.3	2.4	3.4	1.7
Impaired assets less specific provisions and security held as a percentage of capital base	-0.4	0.0	0.1	0.6	1.6	0.4

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A6

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A7 Banks: Capital-adequacy

June 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total capital base			
Tier 1 capital				
Paid-up ordinary share capital	36.7	68.6	47.6	41.9
General reserves and retained earnings	38.8	17.7	35.9	35.6
Other Tier 1 capital	17.4	19.5	-2.5	16.3
Tier 1 capital	92.9	105.8	81.0	93.8
Tier 1 capital deductions	21.1	29.1	5.6	21.1
Eligible Tier 1 capital	71.8	76.7	75.4	72.7
Tier 2 capital				
Upper Tier 2 capital				
General provisions for doubtful debts	5.5	3.7	3.1	5.1
Asset revaluation reserves	0.2	0.4	0.0	0.2
Other Upper Tier 2 capital	2.2	2.0	2.4	2.2
Upper Tier 2 deductions	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	7.9	6.1	5.5	7.5
Lower Tier 2 capital				
Eligible Lower Tier 2 capital	27.5	31.9	19.2	27.5
Eligible Tier 2 capital	35.4	37.9	24.7	35.0
Capital deductions	7.2	14.6	0.1	7.7
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	7.3	9.0	8.7	7.6
Capital-adequacy ratio	10.2	11.7	11.5	10.5
General provisions for doubtful debts ratio	0.6	0.4	0.4	0.5
Total capital base (\$ billion)	97.3	17.1	8.8	123.1
Total risk-weighted exposures (\$ billion)	955.4	145.5	76.4	1177.3
Number of banks	5	9	12	26

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.
Details on table may not add up to totals due to rounding of figures.

Table A7

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A8 Banks: Capital-adequacy percentiles

June 2006 No. of Locally Incorporated Banks 26	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Paid-up ordinary share capital	24.6	38.6	55.6	93.3	122.4	41.9
General reserves and retained earnings	-14.5	1.9	16.4	38.0	69.2	35.6
Other Tier 1 capital	0.0	1.7	7.2	15.1	22.6	16.3
Tier 1 capital	69.9	75.1	88.7	101.6	125.4	93.8
Tier 1 capital deductions	0.0	2.0	9.3	18.1	40.5	21.1
Eligible Tier 1 capital	63.9	66.3	74.4	92.4	97.7	72.7
Tier 2 capital						
Upper Tier 2 capital						
General provisions for doubtful debts	1.2	2.2	3.8	5.1	6.0	5.1
Asset revaluation reserves	0.0	0.0	0.0	0.0	0.6	0.2
Other Upper Tier 2 capital	0.0	0.0	0.0	2.9	10.8	2.2
Upper Tier 2 deductions	0.0	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	1.2	2.6	4.4	8.9	12.7	7.5
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	25.6	32.0	32.7	27.5
Eligible Tier 2 capital	2.3	10.2	33.6	36.4	39.3	35.0
Capital deductions	0.0	0.0	0.0	4.2	15.0	7.7
	As a percentage of total risk-weighted exposures					
Tier 1 capital ratio	6.8	7.3	8.4	13.0	17.0	7.6
Capital-adequacy ratio	10.1	10.7	11.4	14.3	18.5	10.5
General provisions for doubtful debts ratio	0.2	0.4	0.5	0.6	0.7	0.5

Notes

Bank figures from March 2002 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table A8

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Credit Unions and Building Societies

Table B1 Credit Unions and Building Societies: Assets

June 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of total assets				
Cash and liquid assets					
Notes and coins	0.9	0.7	0.6	0.6	0.5
Deposits at call	10.0	5.0	1.9	2.2	1.5
Other liquid assets	na	na	0.5	0.5	0.7
Total cash and liquid assets	11.4	6.2	3.0	3.3	2.6
Government securities	na	na	0.0	0.0	0.8
Other securities	na	na	4.1	4.0	13.1
Other deposits	31.1	13.8	9.2	9.6	3.0
Loans and advances					
Housing loans	33.7	50.0	62.3	61.3	67.9
Other loans and advances	18.2	24.2	18.9	19.3	10.3
Other investments	0.4	0.4	0.4	0.4	0.4
Fixed assets	1.3	1.9	1.2	1.2	1.0
Intangible assets	0.0	0.0	0.0	0.0	0.0
Other	0.8	0.9	0.9	0.9	0.9
Total assets (\$ billion)	0.2	2.5	33.0	35.7	18.1
Number of institutions	24	54	70	148	14

Notes

Credit union and building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Figure B1.1

Growth rates have been adjusted for breaks in series.

Figure B1.2

The first break in the series for building societies is due to a change in classification of housing loans for investment purposes from housing lending to commercial lending.

The second break in the series is due to a new reporting requirement change requiring housing loans for investment purposes to be reclassified from commercial lending to housing loans for investment.

Table B2 Credit Unions and Building Societies: Liabilities

June 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of total liabilities				
Due to financial institutions	0.0	0.1	0.3	0.3	0.2
Deposits					
Call deposits	53.4	51.7	50.0	50.1	39.2
Term deposits	43.8	45.4	43.2	43.4	48.7
Certificates of deposit	0.0	0.0	0.0	0.0	na
Other deposits	0.0	0.0	0.9	0.8	na
Total deposits	97.2	97.0	94.1	94.3	94.5
Other borrowings	0.0	0.4	1.4	1.3	na
Income tax liability	0.1	0.1	0.1	0.1	0.2
Provisions	0.4	0.5	0.3	0.3	0.3
Bonds, notes & long-term borrowings	0.0	0.3	2.2	2.1	0.6
Loan capital & hybrid securities	0.7	0.3	0.2	0.2	0.2
Other	1.6	1.4	1.4	1.4	na
Total liabilities (\$ billion)	0.2	2.2	30.0	32.4	16.9
Number of institutions	24	54	70	148	14

Notes

Credit union and building society figures from December 2001 onwards are based on the new reporting requirements. Details on table may not add up to totals due to rounding of figures.

Figure B2.1

Deposits does not include certificates of deposit.

Figure B2.2

Deposits does not include certificates of deposit.

Table B3 Credit Unions and Building Societies: Profitability

June 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of average assets				
Interest income					
Loans and advances	4.4	8.1	6.4	6.5	5.5
Investments	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	2.4	1.6	0.9	1.0	1.2
Total interest income	6.9	9.7	7.3	7.5	6.7
Interest expense					
Deposits	2.9	4.6	3.6	3.7	3.9
Loans	0.0	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.0	0.3	0.3	0.3
Total interest expense	2.9	4.6	3.9	3.9	4.2
Net interest income	3.9	5.1	3.4	3.5	2.5
Other income					
Fees and commissions	2.4	1.1	1.4	1.4	1.3
Other operating income	0.3	0.4	0.4	0.4	0.1
Total other income	2.7	1.4	1.7	1.7	1.3
Other expenses					
Information technology	0.6	0.6	0.3	0.3	0.1
Occupancy and equipment expenses	0.4	0.4	0.5	0.4	0.3
Personnel	2.5	3.0	1.6	1.7	1.1
Directors fees	0.1	0.1	0.0	0.0	0.0
Other operating expenses	2.1	2.5	1.5	1.6	1.3
Total other expenses	5.6	6.6	3.9	4.1	2.7
Return on average assets (ROA)	0.6	-0.5	0.8	0.7	0.8
Number of institutions	24	54	70	148	14

Notes

Credit union and building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table B3

The data in this table are reported on a quarterly basis and have been annualised.

Figure B3.1

Expense refers to non-interest expense.

Figure B3.2

Expense refers to non-interest expense.

Table B4 Building Societies: Profitability
June 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of average assets			
Interest income				
Loans and advances	4.6	5.7	5.9	5.5
Investments	0.0	0.0	0.0	0.0
Other interest earning assets	0.8	1.0	1.7	1.2
Total interest income	6.5	6.7	6.8	6.7
Interest expense				
Deposits	3.8	3.9	4.3	3.9
Loans	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.1	0.3	0.3
Total interest expense	3.9	4.1	4.6	4.2
Net interest income	2.1	2.5	2.7	2.5
Other income				
Fees and commissions	0.7	1.0	1.3	1.3
Other operating income	0.0	0.1	0.3	0.1
Total other income	0.9	1.1	1.4	1.3
Other expenses				
Information technology	0.1	0.1	0.2	0.1
Occupancy and equipment expenses	0.2	0.3	0.4	0.3
Personnel	1.1	1.2	1.3	1.1
Directors fees	0.0	0.1	0.1	0.0
Other operating expenses	0.8	1.1	1.4	1.3
Total other expenses	2.4	2.7	3.1	2.7
Return on average assets (ROA)	0.6	0.7	0.8	0.8

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table B4

The data in this table are reported on a quarterly basis and have been annualised.

Table B5 Credit Unions: Profitability

June 2006 No. of Credit Unions 148	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of average assets					
Interest income						
Loans and advances	4.4	5.5	6.0	6.5	6.9	6.5
Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	0.7	0.8	1.1	1.5	2.2	1.0
Total interest income	6.6	6.9	7.1	7.4	8.1	7.5
Interest expense						
Deposits	2.2	2.8	3.2	3.7	4.2	3.7
Loans	0.0	0.0	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.0	0.0	0.0	0.2	0.3
Total interest expense	2.2	2.8	3.3	3.8	4.3	3.9
Net interest income	2.6	3.3	3.8	4.5	5.4	3.5
Other income						
Fees and commissions	0.2	0.5	1.0	1.6	2.2	1.4
Other operating income	0.0	0.1	0.3	0.4	0.6	0.4
Total other income	0.3	0.9	1.3	2.0	2.6	1.7
Other expenses						
Information technology	0.1	0.3	0.4	0.6	0.7	0.3
Occupancy and equipment expenses	0.1	0.2	0.4	0.5	0.7	0.4
Personnel	1.1	1.5	1.8	2.2	2.7	1.7
Directors fees	0.0	0.0	0.0	0.1	0.1	0.0
Other operating expenses	0.9	1.2	1.7	2.0	2.7	1.6
Total other expenses	2.7	3.6	4.3	5.3	6.3	4.1
Return on average assets (ROA)	0.2	0.3	0.6	0.9	1.1	0.7

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table B5

The data in this table are reported on a quarterly basis and have been annualised.

Table B6 Building Societies: Liquidity
June 2006

No. of Building Societies 14

June 2006	Percentiles			Weighted Average
No. of Building Societies 14	25th	Median	75th	
	As a percentage of adjusted liabilities base			
Eligible cash and liquid assets				
Notes and coins	0.3	0.5	0.8	0.5
Settlement funds due	0.0	0.3	0.9	0.7
Eligible deposits invested on a call basis held with				
Banks	0.8	1.3	2.9	1.5
Other ADIs	0.0	0.0	0.3	0.2
Eligible bank bills	0.0	0.9	2.7	2.3
Eligible certificates of deposit	6.4	7.6	9.5	7.5
Other eligible deposits not invested on a call basis held with				
Banks	0.0	2.1	3.1	1.6
Other ADIs	0.0	0.0	0.5	0.2
Eligible securities	0.0	0.0	0.0	0.5
Total HQLA	13.4	14.5	17.7	14.9
Less placements	0.0	0.0	0.0	0.0
Total adjusted HQLA	13.4	14.5	17.0	14.9

Notes

Building society figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.

Details on table may not add up to totals due to rounding of figures.

Table B6

The information contained on this table is derived from the licensed books of the licensed building society. The licensed books of a building society is an unconsolidated report of the building society's operations/transactions.

Table B7 Credit Unions: Liquidity

June 2006 No. of Credit Unions 148	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of adjusted liabilities base					
Eligible cash and liquid assets						
Notes and coins	0.1	0.2	0.6	1.1	1.7	0.6
Settlement funds due	0.0	0.0	0.0	0.0	0.5	0.3
Eligible deposits invested on a call basis held with						
Banks	0.0	0.0	0.0	0.5	3.3	0.8
Other ADIs	0.0	0.6	2.0	5.9	12.9	1.9
Eligible bank bills	0.0	0.0	0.0	0.0	0.9	0.9
Eligible certificates of deposit	0.0	0.0	0.0	0.1	6.0	2.6
Other eligible deposits not invested on a call basis held with						
Banks	0.0	0.0	0.3	4.1	7.8	2.8
Other ADIs	0.0	3.0	11.4	16.3	26.1	7.8
Eligible securities	0.0	0.0	0.0	0.0	0.0	0.0
Total HQLA	14.1	16.8	20.5	27.6	44.4	17.9
Less placements	0.0	0.0	0.0	0.0	0.0	0.0
Total adjusted HQLA	14.1	16.8	20.5	27.6	44.4	17.8

Notes

Credit union figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.
Details on table may not add up to totals due to rounding of figures.

Table B7

The information contained on this table is derived from the licensed books of the licensed credit union. The licensed books of a credit union is an unconsolidated report of the credit union's operations/transactions.

Table B8 Building Societies: Impaired assets

June 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of total loans and advances			
Term of payments past due with prescribed provisions held				
Category Two facilities	0.00	0.00	0.00	0.04
Category Three facilities	0.00	0.01	0.02	0.03
Category Four facilities	0.00	0.00	0.01	0.02
Subtotal	0.01	0.02	0.10	0.08
Provisions held				
Prescribed provisions	0.01	0.01	0.03	0.03
Impaired assets as a percentage of total assets	0.01	0.02	0.08	0.07
Prescribed provisions as a percentage of impaired assets	40.00	47.67	71.83	37.32
Impaired assets less prescribed provisions as a percentage of capital base	0.04	0.17	0.52	0.57

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Figure B8.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B8.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Table B9 Credit Unions: Impaired assets

June 2006 No. of Credit Unions 148	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Term of payments past due with prescribed provisions held						
Category Two facilities	0.00	0.00	0.00	0.00	0.00	0.01
Category Three facilities	0.00	0.03	0.10	0.24	0.45	0.12
Category Four facilities	0.00	0.00	0.02	0.06	0.16	0.05
Subtotal	0.01	0.06	0.14	0.36	0.63	0.19
Provisions held						
Prescribed provisions	0.01	0.04	0.08	0.21	0.41	0.11
Impaired assets as a percentage of total assets	0.01	0.05	0.11	0.25	0.47	0.15
Prescribed provisions as a percentage of impaired assets	40.14	49.06	60.26	75.59	83.90	61.78
Impaired assets less prescribed provisions as a percentage of capital base	0.03	0.14	0.36	0.77	1.75	0.62

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.
Details on table may not add up to totals due to rounding of figures.

Figure B9.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B9.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Table B10 Building Societies: Capital-adequacy
June 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of total capital base			
Tier 1 capital				
Paid-up ordinary share capital	0.0	14.8	36.7	11.2
General reserves and retained earnings	34.7	62.0	81.1	70.6
Other Tier 1 capital	2.0	8.1	11.1	7.6
Tier 1 capital	78.2	82.1	91.7	89.5
Tier 1 capital deductions	1.1	2.6	11.3	6.4
Eligible Tier 1 capital	69.2	76.8	88.3	83.1
Tier 2 capital				
Upper Tier 2 capital				
General provisions for doubtful debts	1.0	2.2	3.0	1.4
Asset revaluation reserves	0.6	3.4	6.5	3.5
Other Upper Tier 2 capital	0.0	0.0	13.3	2.5
Upper Tier 2 deductions	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	4.2	9.3	22.6	7.3
Lower Tier 2 Capital				
Eligible Lower Tier 2 capital	0.0	10.8	22.3	10.4
Eligible Tier 2 capital	12.1	26.4	34.6	17.7
Capital deductions	0.1	0.4	1.2	0.7
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	8.0	8.5	11.7	11.5
Capital-adequacy ratio	11.3	12.9	14.3	13.9
General provisions for doubtful debts ratio	0.1	0.3	0.4	0.2

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table B11 Credit Unions: Capital-adequacy

June 2006 No. of Credit Unions 148	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Paid-up ordinary share capital	0.0	0.0	0.0	0.0	0.0	0.0
General reserves and retained earnings	64.4	78.0	91.9	97.8	101.5	88.3
Other Tier 1 capital	0.0	2.4	6.4	10.5	15.1	8.8
Tier 1 capital	77.9	88.0	99.0	102.4	104.7	97.1
Tier 1 capital deductions	0.0	0.8	1.5	2.9	4.8	2.6
Eligible Tier 1 capital	76.9	85.5	97.8	100.7	101.7	94.5
Tier 2 capital						
Upper Tier 2 capital						
General provisions for doubtful debts	1.0	1.8	2.5	3.3	4.6	2.3
Asset revaluation reserves	0.0	0.0	0.0	4.1	14.6	2.4
Other Upper Tier 2 capital	0.0	0.0	0.0	0.0	0.0	0.3
Upper Tier 2 deductions	0.0	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	1.5	2.3	3.9	8.5	17.1	4.9
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	0.0	0.0	17.9	4.4
Eligible Tier 2 capital	1.6	2.6	5.4	17.9	26.1	9.3
Capital deductions	0.6	2.5	3.5	4.4	5.2	3.8
	As a percentage of total risk-weighted exposures					
Tier 1 capital ratio	11.5	13.4	16.1	20.1	25.0	15.3
Capital-adequacy ratio	13.4	15.0	17.5	21.0	26.7	16.2
General provisions for doubtful debts ratio	0.2	0.3	0.4	0.6	0.9	0.4

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Table C1 General Insurers: Assets and liabilities

June 2006	Active Direct Insurers			Active Reinsurers	Inactive Institutions
	Diversified	Other	All		
	As a percentage of total assets				
Assets					
Cash and Liquid assets	1.5	4.0	2.0	1.6	2.7
Investments					
Interest	43.7	46.6	44.3	67.5	57.8
Equity	5.9	7.7	6.3	na	na
Property	0.9	0.0	0.7	0.0	0.2
Loans & advances	1.8	3.3	2.1	0.1	15.5
Indirect investments	3.7	5.4	4.0	0.1	6.2
Other investments	9.5	0.0	7.5	na	na
Reinsurance recoverables	12.5	11.8	12.4	5.4	7.9
Non-Reinsurance recoverables	3.0	3.5	3.1	0.0	0.4
Premium Receivables	8.3	8.4	8.3	15.2	0.5
Other assets	9.2	9.2	9.2	4.7	4.1
Total Assets (\$ billion)	56.8	15.1	71.9	7.7	3.6
	As a percentage of total liabilities				
Liabilities					
Outstanding Claims Provision	61.2	47.2	58.8	70.1	86.2
Premium Liabilities	22.8	35.6	25.0	20.6	3.4
Tax provisions	1.2	5.9	2.0	3.2	1.5
Payables on reinsurance contracts	2.1	3.7	2.4	4.0	1.4
Borrowings and loan capital	5.6	0.7	4.7	0.0	0.5
Other liabilities	7.2	7.0	7.1	2.1	6.9
Total Liabilities (\$ billion)	42.0	8.8	50.8	5.5	1.8
Number of entities	32	55	87	12	34

Notes

Details on table may not add up to totals due to rounding of figures.

Table C2 Active General Insurers: Revenues

June 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual revenue			
Total net premiums				
Fire and ISR	7.3	2.7	6.2	0.0
Houseowners householders	8.0	10.4	8.6	0.0
CTP motor vehicle	na	na	8.2	0.0
Commercial motor vehicle	6.6	0.1	5.1	0.0
Domestic motor vehicle	9.9	18.2	11.9	0.0
Marine and aviation	2.4	0.5	1.9	0.0
Professional indemnity	3.0	6.5	3.8	0.0
Public and product liability	8.0	1.4	6.4	0.0
Employers liability	5.7	1.0	4.6	0.0
Mortgage	0.0	10.9	2.6	0.0
Consumer credit	0.2	2.8	0.9	0.0
Travel	na	na	1.4	0.0
Other accident	3.8	1.6	3.3	0.0
Other	1.8	2.8	2.0	-0.8
Inward reinsurance	9.7	25.1	13.3	84.5
Subtotal	78.3	85.9	80.1	83.7
Investment Revenue				
Interest revenue	8.0	7.6	7.9	16.3
Dividend revenue	7.1	0.9	5.6	0.8
Rental revenue	0.5	0.0	0.4	0.0
Trust distributions	0.8	0.5	0.7	0.0
Capital gains/losses	0.8	2.8	1.3	-1.2
Foreign Exchange gains/losses	-0.1	0.0	0.0	0.3
Other investment revenue	0.0	0.0	0.0	0.0
Subtotal	17.1	11.9	15.9	16.2
Other revenue	4.5	2.2	4.0	0.1
Total revenue (\$ billion)	18.9	5.8	24.7	2.0
Number of entities	32	55	87	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C3 Active General Insurers: Expenses

June 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual expenses			
Total net claims				
<i>Relating to current and prior years</i>				
Fire and ISR	4.9	1.5	4.1	0.0
Houseowners householders	7.6	7.9	7.7	0.0
CTP motor vehicle	8.1	1.5	6.6	0.0
Commercial motor vehicle	6.8	0.1	5.4	0.0
Domestic motor vehicle	11.4	22.6	13.8	0.0
Marine and aviation	1.5	0.4	1.3	0.0
Professional indemnity	1.6	3.7	2.0	-0.7
Public and product liability	4.0	0.5	3.2	0.0
Employers liability	3.6	0.9	3.0	0.0
Mortgage	0.0	2.2	0.5	0.0
Consumer credit	0.1	0.7	0.2	0.0
Travel	0.8	0.1	0.7	0.0
Other accident	1.9	0.7	1.6	0.0
Other	0.8	1.6	1.0	0.3
Inward reinsurance	11.1	20.2	13.1	40.8
Subtotal – current and prior years	64.0	64.7	64.2	40.4
<i>Relating to future years</i>				
Total (all classes)	0.6	5.5	1.6	26.9
Subtotal – total net claims	64.6	70.2	65.8	67.4
Underwriting	28.6	19.6	26.6	26.0
General and administration	6.8	10.1	7.5	6.6
Total expenses (\$ billion)	15.7	4.4	20.1	1.5
Number of entities	32	55	87	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C4 Active General Insurers: Performance measures

June 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
Profitability measures				
Underwriting results (% of net premium revenue)	10.4	27.8	14.8	17.5
Profit from general insurance (% of net premium revenue)	30.8	35.3	32.0	31.2
Operating profit (% of total revenue)	19.3	21.5	19.8	19.3
Operating profit (% of shareholders' equity)	24.6	20.0	23.3	18.0
Operating profit (% of assets)	6.4	8.4	6.8	5.0
Operating Indicators				
Net claims loss (% of net premium revenue)	59.3	55.1	58.2	59.5
Underwriting expense (% of net premium revenue)	30.3	17.2	27.0	23.0
General and administrative expense (% of total revenue)	5.7	7.6	6.1	4.9
Investment revenue (% of total revenue)	17.1	11.9	15.9	16.2
Number of entities	32	55	87	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C5 Active General Insurers: Performance percentiles

June 2006	Percentiles			Weighted Average
	25th	Median	75th	
Profitability measures				
Underwriting results (% of net premium revenue)	9.7	23.7	50.7	15.0
Profit from general insurance (% of net premium revenue)	12.2	30.7	61.0	31.9
Operating profit (% of total revenue)	9.8	19.9	35.1	19.8
Operating profit (% of shareholders' equity)	9.8	18.4	28.9	22.8
Operating profit (% of assets)	2.7	6.5	10.5	6.6
Operating Indicators				
Net claims loss (% of net premium revenue)	30.5	51.2	65.2	58.3
Underwriting expense (% of net premium revenue)	7.6	18.2	29.4	26.7
General and administrative expense (% of total revenue)	3.1	9.2	21.1	6.0
Investment revenue (% of total revenue)	7.5	13.8	22.6	15.9

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C6.1 General Insurers: Capital-adequacy

June 2006	Active Direct Insurers			Active Reinsurers	Inactive Institutions
	Diversified	Other	All		
Minimum capital requirement (\$ billion)	6.2	3.4	9.5	1.0	0.5
Capital base (\$ billion)	13.3	5.3	18.6	2.2	1.7
Solvency coverage ratio	2.2	1.6	2.0	2.2	3.8
Number of entities	32	51	83	12	34

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table C6.2 General Insurers: Capital-adequacy percentiles

June 2006	Percentiles			Weighted Average
	25th	Median	75th	
Solvency coverage ratios				
Active diversified direct insurers	1.9	2.2	3.0	2.2
Active other direct insurers	1.4	2.1	2.7	1.6
All active direct insurers	1.5	2.2	2.8	2.0
Active reinsurers	2.0	2.9	3.8	2.2
Inactive institutions	1.4	2.9	4.9	3.8

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table D1 Life Insurers: Statutory-fund profitability

	Investment Linked	Non- Investment Linked	Company Aggregates
June 2006			
	As a percentage of total after-tax profit		
<i>Life insurers with year ended before 31 December 2005 (Pre-IFRS basis)</i>			
Source of profits			
Earnings on shareholders' capital	29.1	14.4	20.8
Policy-owner planned profits	0.0	23.4	13.2
Shareholders' planned profits	66.3	44.5	54.0
Unplanned (experience) profits	6.8	9.8	8.5
Other profits	-2.3	7.8	3.4
Profit allocations			
Policy owners	0.0	41.9	24.5
Shareholders	100.0	58.1	75.5
Total profit (\$ million)	321.9	276.6	598.4
Number of entities	6	7	8
<i>Life insurers with year ended on or after 31 December 2005 (IFRS basis)</i>			
Source of profits			
Earnings on assets in excess of policy liabilities	20.3	26.0	25.3
Policy-owner planned profits	0.0	39.4	34.5
Shareholders' planned profits	5.4	27.2	24.5
Unplanned (experience) profits	-0.9	5.8	5.0
Financial Instrument Profit	31.9	0.6	4.5
Management Services Profit	43.3	0.1	5.5
Other profits	0.0	0.9	0.8
Profit allocations			
Policy owners	0.0	49.8	43.8
Shareholders	100.0	50.2	56.2
Total profit (\$ million)	334.9	1,340.7	1,675.6
Number of entities	15	27	27
<i>All life insurers</i>			
Shareholder profitability measures			
Return on equity (%)	33.5	16.1	19.0
Return on assets (%)	0.4	1.9	0.9
Return on net premium revenue (%)	30.6	22.2	24.2
Total profit (\$ million)	656.8	1,617.2	2,274.0
Number of entities	21	34	35

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies. With reference to the above table, life insurers with September 2005 balance dates reported on a pre-IFRS basis while life insurers with December 2005, March and June 2006 balance dates reported on an IFRS basis.

Data sourced from annual returns for financial years in the 12 months to the period end.

Details on table may not add up to totals due to rounding of figures..

Table D2 Life Insurers: Statutory-fund solvency

June 2006	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of base liabilities					
Investment linked statutory funds						
Statutory requirement	0.2	0.3	0.4	1.1	1.6	0.5
Available funds	0.8	1.4	2.3	4.5	20.1	1.2
Non-investment linked statutory funds						
Statutory requirement	2.1	5.5	13.0	20.2	31.7	14.9
Available funds	11.0	18.5	31.8	50.2	86.9	26.2
Company fund aggregates						
Statutory requirement	0.5	2.1	6.4	15.4	24.3	4.4
Available funds	2.1	5.2	17.2	34.5	70.8	8.1
Base liabilities (\$ million)	29	181	1,802	3,704	21,048	6,040
Solvency-coverage ratios						
Investment linked statutory funds	2.0	2.6	4.2	8.7	44.7	2.6
Non-investment linked statutory funds	1.4	1.8	2.4	5.6	11.6	1.8
Company fund aggregates	1.5	1.7	2.5	4.6	7.3	1.8

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies.

Data sourced from annual returns for financial years in the 12 months to the period end.

Details on table may not add up to totals due to rounding of figures.

Table A1 Banks: Resident assets on Australian books

September 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total resident assets on Australian books					
Cash and liquid assets					
Notes and coins	0.4	0.2	0.1	0.0	0.3
Deposits at call	0.2	0.7	0.3	2.8	0.6
Other liquid assets	2.7	4.6	1.5	9.0	3.6
Total cash and liquid assets	3.3	5.5	1.9	11.8	4.5
Trading securities	4.6	8.5	6.0	22.6	7.3
Investment securities	2.6	2.5	9.0	6.6	3.6
Acceptances of customers	6.9	3.5	0.0	0.2	5.1
Loans and advances					
Housing loans	42.7	38.3	45.5	0.0	37.3
Owner occupied	28.2	25.8	31.9	0.0	24.8
Investment	14.5	12.5	13.6	0.0	12.5
Other loans to households	6.6	8.2	6.7	0.0	6.1
Loans to non-financial corporations	18.6	16.7	26.1	21.9	19.3
Loans to financial corporations	1.8	0.7	0.7	6.8	2.2
Loans to community service organisations and government	0.5	0.1	0.0	0.1	0.4
Total loans and advances	70.3	64.0	79.1	28.8	65.2
Intra-group loans and advances	2.2	7.8	0.1	23.1	5.3
Other investments	4.9	3.8	0.4	0.0	3.8
Fixed assets	0.3	0.3	0.2	0.0	0.3
Intangible assets	0.5	0.4	0.1	0.1	0.4
Interest receivable	0.4	0.1	0.4	0.4	0.4
Derivative financial instruments	3.1	1.9	0.5	5.3	3.0
Deferred tax asset	0.3	0.2	0.2	0.5	0.3
Other	0.6	1.5	2.0	0.5	0.8
Total resident assets (\$ billion)	1,012.7	222.0	115.3	177.2	1,527.1
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A1

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank. The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Figure A1.1

Growth of credit has been adjusted for breaks in series.

The source for nominal gross domestic product is the Australian Bureau of Statistics statistical release 5206.0.

Figure A1.2

Both housing loans and loans and advances are for resident figures only and are reported on a domestic books basis.

Loans and advances from September 2003 includes the reported intra-group loans and advances amounts.

Table A2 Banks: Resident liabilities on Australian books

September 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total resident liabilities on Australian books					
Due to financial institutions	0.7	0.6	0.4	1.4	0.7
Acceptances	9.9	4.6	0.0	0.3	7.0
Deposits					
Households	28.0	34.4	35.1	0.1	26.1
Non-financial corporations	20.8	18.3	19.5	8.4	18.7
Financial corporations	8.6	2.2	7.0	18.1	8.7
Other entities	2.1	0.7	1.3	0.2	1.5
Subtotal	59.4	55.6	62.8	26.9	55.0
Intra-group deposits	2.8	2.7	12.9	4.8	4.0
Certificates of deposit	11.4	20.9	12.6	26.7	14.9
Other borrowings	4.0	4.9	0.0	22.8	6.1
Income tax liability	0.5	0.4	0.1	0.4	0.5
Provisions	0.7	0.5	0.2	0.3	0.6
Interest payable	0.8	0.3	0.5	0.2	0.6
Derivative financial instruments	3.9	2.2	0.6	6.1	3.6
Bonds, notes & long-term borrowings	3.2	0.7	6.5	6.4	3.5
Loan capital and hybrid securities	1.5	2.2	1.1	0.0	1.4
Other	1.2	4.5	2.2	3.9	2.2
Total resident liabilities (\$ billion)	704.2	171.9	101.4	141.7	1,119.2
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A2

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank. The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Shareholders' funds are excluded from liabilities.

Figure A2.1

Both deposits and liabilities refer to the total of residents and non-residents reported on an Australian books basis

Deposits includes certificates of deposit and does not include intra-group deposits.

Figure A2.2

Deposits refers to the combined residents and non-residents totals reported on an Australian books basis.

Deposits includes certificates of deposit and from September 2003 includes the reported intra-group deposit amounts.

The source for total Australian financial assets is the Reserve Bank of Australia Bulletin Table B1.

Table A3 Banks: Gross off-balance sheet business

September 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total non-market related off-balance sheet transactions					
Non-market related transactions					
Direct credit substitutes	6.1	3.0	5.4	7.0	6.0
Performance related contingencies	5.7	0.8	1.7	2.2	4.6
Trade related contingencies	1.7	0.2	0.7	1.5	1.5
Other commitments					
Residual maturity of 1 year or less	28.0	19.2	12.6	61.9	31.7
Residual maturity over 1 year	18.0	10.8	34.1	17.9	18.2
Other	38.0	63.9	45.5	3.1	35.1
All other non-market related off-balance sheet business	2.5	2.0	0.0	6.3	2.9
As a percentage of total trading book and banking book derivative activity					
Trading book and banking book derivative activity					
Exchange traded derivatives	12.2	13.1	3.4	6.5	10.3
Over-the-counter derivatives					
Interest rate forwards	6.0	9.8	5.9	5.5	6.1
Interest rate swaps	44.4	33.3	78.2	45.9	44.4
Foreign exchange forwards	19.5	14.6	8.3	23.6	20.4
Foreign exchange swaps	10.9	4.7	2.5	7.0	9.0
Option positions purchased	3.2	6.9	0.7	2.0	3.0
Option positions sold	1.7	11.5	0.5	0.5	2.0
Other over-the-counter derivatives	2.2	6.2	0.4	9.0	4.8
Non-market related off-balance sheet transactions					
Gross (\$ billion)	434.8	41.6	27.7	86.5	590.5
Credit equivalent (\$ billion)	108.9	8.2	7.3	22.7	147.1
Market related off-balance sheet transactions (Locally incorporated banks)					
Gross (\$ billion)	4,783.5	738.7	92.8	na	5,615.0
Credit equivalent (\$ billion)	75.5	11.4	1.0	na	87.9
Total trading book and banking book derivative activity (\$ billion)	6,149.3	741.3	92.8	3,610.1	10,593.5
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A3

For locally incorporated banks the data relates to the off-balance sheet business of the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.

For banks operating as foreign bank branches, the data applies to the Australian branch only.

Figure A3.2

Information applies to locally incorporated banks only.

Table A4 Banks: Commercial property exposures in Australia

September 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total commercial property exposures in Australia					
Commercial property exposures in Australia					
Office	26.7	34.6	16.6	12.7	26.1
Retail	17.5	15.8	15.5	37.5	18.3
Industrial	10.8	7.6	23.5	4.9	11.2
Land development/subdivisions	12.3	8.7	16.1	8.9	11.8
Other residential	14.4	19.4	14.6	18.6	15.6
Tourism and leisure	5.1	2.4	3.6	5.1	4.4
Other	13.4	11.6	10.1	12.3	12.6
Impaired commercial property exposures	0.1	0.7	0.2	0.4	0.2
Total commercial property exposures in Australia (\$ billion)	74.9	21.6	13.0	7.9	117.4
Global consolidated group assets (\$ billion)	1,471.8	216.6	122.5	na	1,810.9
Commercial property exposures as a percentage of global consolidated group assets	5.1	10.0	10.6	na	6.5
Specific provisions as a percentage of impaired commercial property exposures	8.6	20.7	28.3	10.2	16.7
Specific provisions and security held as a percentage of impaired commercial property exposures	90.1	112.1	96.9	95.9	103.2
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.
Details on table may not add up to totals due to rounding of figures.

Table A4

For locally incorporated banks commercial property exposures are reported as at the last business day of March and September for the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.
For banks operating as foreign bank branches, the data applies to the Australian branch only.
Foreign bank branches do not report globally consolidated group assets.

Figure A4.1

Information refers to commercial property exposures in Australia.

Figure A4.2

Information refers to commercial property exposures in Australia.

Table A5 Banks: Impaired assets

September 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total loans and advances			
Impaired facilities				
Non-accrual items with provisions	0.2	0.2	0.3	0.18
Non-accrual items without provisions	0.1	0.1	0.1	0.08
Restructured items with provisions	0.0	0.0	0.0	0.00
Restructured items without provisions	0.0	0.0	0.0	0.00
Other real estate owned	0.0	0.0	0.0	0.00
Other assets acquired through security enforcement	0.0	0.0	0.0	0.00
Total impaired facilities	0.2	0.3	0.4	0.26
Provisions held				
Specific provisions	0.1	0.1	0.1	0.08
Security held	0.1	0.2	0.2	0.13
Past due items	0.3	0.4	0.4	0.32
Total impaired facilities (\$ billion)	2.5	0.5	0.3	3.3
Total loans and advances (\$ billion)	1,013.1	162.7	93.4	1,269.2
Global consolidated group assets (\$ billion)	1,471.8	216.6	122.5	1,810.9
Impaired facilities as a percentage of global consolidated group assets	0.2	0.2	0.3	0.2
Specific provisions as a percentage of impaired facilities	32.5	32.4	33.7	32.6
Security held as a percentage of impaired facilities	48.8	54.6	55.1	50.3
Impaired facilities less specific provisions as a percentage of capital base	1.7	1.8	2.5	1.8
Impaired facilities less specific provisions and security held as a percentage of capital base	0.5	0.3	0.4	0.4
Number of banks	5	9	11	25

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A5

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A6 Banks: Impaired assets percentiles

September 2006 No. of Locally Incorporated Banks 25	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Impaired facilities						
Non-accrual items with provisions	0.02	0.07	0.14	0.26	0.87	0.18
Non-accrual items without provisions	0.00	0.00	0.03	0.12	0.20	0.08
Restructured items with provisions	0.00	0.00	0.00	0.00	0.01	0.00
Restructured items without provisions	0.00	0.00	0.00	0.00	0.00	0.00
Other real estate owned	0.00	0.00	0.00	0.00	0.00	0.00
Other assets acquired through security enforcement	0.00	0.00	0.00	0.00	0.00	0.00
Total impaired facilities	0.05	0.12	0.18	0.40	0.97	0.26
Provisions held						
Specific provisions	0.02	0.05	0.06	0.13	0.31	0.08
Security held	0.00	0.00	0.07	0.23	0.37	0.13
Past due items	0.07	0.26	0.37	0.47	0.67	0.32
Impaired facilities as a percentage of global consolidated group assets	0.0	0.0	0.1	0.3	0.4	0.2
Specific provisions as a percentage of impaired facilities	10.4	19.5	42.5	62.3	100.0	32.6
Security held as a percentage of impaired facilities	0.0	0.0	38.5	68.4	84.1	50.3
Impaired facilities less specific provisions as a percentage of capital base	0.0	0.2	1.2	2.3	3.2	1.8
Impaired facilities less specific provisions and security held as a percentage of capital base	-0.2	0.0	0.0	0.5	1.0	0.4

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A6

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A7 Banks: Capital-adequacy

September 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total capital base			
Tier 1 capital				
Fundamental Tier 1 capital				
Paid-up ordinary share capital	35.9	66.2	44.5	40.9
General reserves and retained earnings	35.5	20.1	33.8	33.2
Other Tier 1 capital	3.7	2.9	-0.2	3.3
Residual Tier 1 capital	15.4	14.0	4.0	14.4
Gross Tier 1 capital	90.5	103.3	82.2	91.7
Tier 1 capital deductions	20.8	28.4	8.0	21.0
Eligible Tier 1 capital	69.7	74.9	74.2	70.8
Tier 2 capital				
Upper Tier 2 capital				
General reserve for credit losses	4.9	3.8	2.8	4.6
Asset revaluation reserves	0.1	0.7	0.0	0.2
Other Upper Tier 2 capital	2.3	1.6	2.4	2.2
Upper Tier 2 adjustments and deductions	0.0	0.4	0.0	0.0
Eligible Upper Tier 2 capital	7.3	5.8	5.2	6.9
Lower Tier 2 capital				
Eligible Lower Tier 2 capital	28.3	32.5	20.6	28.3
Eligible Tier 2 capital	35.6	38.3	25.9	35.3
Capital deductions	5.3	13.2	0.1	6.0
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	7.1	9.1	8.5	7.5
Capital-adequacy ratio	10.2	12.2	11.5	10.6
General reserve for credit losses ratio	0.5	0.5	0.3	0.5
Total capital base (\$ billion)	100.3	18.3	9.0	127.7
Total risk-weighted exposures (\$ billion)	980.8	150.8	78.6	1210.1
Number of banks	5	9	11	25

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A7

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Table A8 Banks: Capital-adequacy percentiles

September 2006 No. of Locally Incorporated Banks 25	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Fundamental Tier 1 capital						
Paid-up ordinary share capital	23.5	34.9	57.4	81.2	104.4	40.9
General reserves and retained earnings	-15.6	3.8	20.3	34.6	68.7	33.2
Other Tier 1 capital	-2.5	1.0	3.9	5.9	7.6	3.3
Residual Tier 1 capital	0.0	0.0	2.4	13.6	17.4	14.4
Gross Tier 1 capital	69.6	76.4	86.3	98.6	115.4	91.7
Tier 1 capital deductions	0.0	2.2	11.3	19.4	31.5	21.0
Eligible Tier 1 capital	63.6	64.9	74.9	85.4	97.8	70.8
Tier 2 capital						
Upper Tier 2 capital						
General reserve for credit losses	0.9	2.1	4.4	4.6	5.4	4.6
Asset revaluation reserves	0.0	0.0	0.0	0.1	1.4	0.2
Other Upper Tier 2 capital	0.0	0.0	0.0	2.9	10.9	2.2
Upper Tier 2 adjustments and deductions	-0.1	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	0.9	2.4	4.9	8.0	16.6	6.9
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	26.3	31.8	32.7	28.3
Eligible Tier 2 capital	2.2	19.5	34.0	36.7	39.9	35.3
Capital deductions	0.0	0.0	0.3	3.8	16.8	6.0
	As a percentage of total risk-weighted exposures					
Tier 1 capital ratio	6.8	7.4	8.1	13.2	17.7	7.5
Capital-adequacy ratio	10.0	10.6	10.9	15.5	18.7	10.6
General reserve for credit losses ratio	0.2	0.4	0.5	0.5	1.0	0.5

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A8

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Credit Unions and Building Societies

Table B1 Credit Unions and Building Societies: Assets

September 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of total assets				
Cash and liquid assets					
Notes and coins	0.8	0.8	0.6	0.6	0.5
Deposits at call	6.7	5.8	2.5	2.7	3.2
Other liquid assets	1.1	0.1	0.2	0.2	0.6
Total cash and liquid assets	8.6	6.6	3.3	3.5	4.3
Government securities	0.4	0.3	0.0	0.0	0.4
Other securities	2.9	2.6	4.9	4.7	13.1
Other deposits	29.1	14.5	9.0	9.5	3.0
Loans and advances					
Housing loans	36.2	49.4	62.5	61.5	64.7
Other loans and advances	20.0	23.3	17.8	18.2	10.8
Other investments	0.4	0.3	0.4	0.4	0.8
Fixed assets	1.4	2.0	1.1	1.1	0.9
Intangible assets	0.0	0.1	0.1	0.1	1.0
Other	1.0	0.8	1.0	1.0	0.9
Total assets (\$ billion)	0.3	2.4	34.4	37.1	19.1
Number of institutions	25	51	71	147	14

Notes

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B1.1

Growth rates have been adjusted for breaks in series.

Figure B1.2

The first break in the series for building societies is due to a change in classification of housing loans for investment purposes from housing lending to commercial lending.

The second break in the series is due to a new reporting requirement change requiring housing loans for investment purposes to be reclassified from commercial lending to housing loans for investment.

Table B2 Credit Unions and Building Societies: Liabilities

September 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of total liabilities				
Due to financial institutions	0.0	0.1	0.4	0.3	0.1
Deposits					
Call deposits	53.0	51.8	50.2	50.3	37.0
Term deposits	44.0	45.3	42.3	42.5	51.2
Certificates of deposit	0.0	0.0	0.0	0.0	6.6
Other deposits	0.0	0.0	0.8	0.8	0.0
Total deposits	97.0	97.0	93.3	93.6	94.8
Other borrowings	0.0	0.2	1.3	1.2	2.7
Income tax liability	0.1	0.2	0.1	0.1	0.3
Provisions	0.4	0.5	0.3	0.3	0.2
Bonds, notes & long-term borrowings	0.0	0.3	2.8	2.6	0.6
Loan capital & hybrid securities	0.6	0.3	0.2	0.2	0.3
Other	1.8	1.4	1.6	1.6	1.0
Total liabilities (\$ billion)	0.2	2.1	31.4	33.7	17.6
Number of institutions	25	51	71	147	14

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Figure B2.1

Deposits does not include certificates of deposit.

Figure B2.2

Deposits does not include certificates of deposit.

Table B3 Credit Unions and Building Societies: Profitability

September 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of average assets				
Interest income					
Loans and advances	4.8	6.0	6.3	6.2	5.8
Investments	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	2.4	1.3	1.0	1.0	1.2
Total interest income	7.2	7.4	7.2	7.2	7.1
Interest expense					
Deposits	3.1	3.1	3.6	3.6	4.2
Loans	0.0	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.0	0.3	0.3	0.3
Total interest expense	3.1	3.1	3.9	3.9	4.6
Net interest income	4.0	4.3	3.3	3.4	2.5
Other income					
Fees and commissions	2.3	1.0	1.2	1.2	1.0
Other operating income	0.3	0.3	0.4	0.4	0.1
Total other income	2.5	1.3	1.6	1.6	1.1
Other expenses					
Personnel	2.6	1.8	1.5	1.5	1.2
Directors fees	0.1	0.1	0.0	0.0	0.0
Occupancy and equipment expenses	0.4	0.3	0.4	0.4	0.3
Information technology	0.5	0.5	0.3	0.3	0.1
Fees and commissions	0.4	0.2	0.3	0.3	0.3
Other operating expenses	1.9	1.7	1.1	1.1	0.8
Total other expenses	5.8	4.6	3.6	3.7	2.6
Return on average assets (ROA)	0.5	0.6	0.9	0.9	0.6
Number of institutions	25	51	71	147	14

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table B3

The data in this table are reported on a quarterly basis and have been annualised.

Interest income and interest expense includes intra-group interest amounts.

Figure B3.1

Expense refers to non-interest expense.

Figure B3.2

Expense refers to non-interest expense.

Table B4 Building Societies: Profitability
September 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of average assets			
Interest income				
Loans and advances	4.9	5.8	6.0	5.8
Investments	0.0	0.0	0.0	0.0
Other interest earning assets	1.0	1.2	1.8	1.2
Total interest income	6.8	6.9	7.0	7.1
Interest expense				
Deposits	4.0	4.0	4.6	4.2
Loans	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.1	0.3	0.3
Total interest expense	4.1	4.4	5.0	4.6
Net interest income	2.0	2.5	2.9	2.5
Other income				
Fees and commissions	0.4	0.9	1.2	1.0
Other operating income	0.0	0.1	0.1	0.1
Total other income	0.7	1.1	1.4	1.1
Other expenses				
Personnel	1.1	1.2	1.3	1.2
Directors fees	0.0	0.1	0.1	0.0
Occupancy and equipment expenses	0.1	0.3	0.4	0.3
Information technology	0.1	0.1	0.2	0.1
Fees and commissions	0.2	0.4	0.5	0.3
Other operating expenses	0.5	0.7	0.9	0.8
Total other expenses	2.1	2.8	3.4	2.6
Return on average assets (ROA)	0.4	0.6	0.6	0.6

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Interest income and interest expense includes intra-group interest amounts.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Table B4

The data in this table are reported on a quarterly basis and have been annualised.

Table B5 Credit Unions: Profitability

September 2006 No. of Credit Unions 147	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of average assets					
Interest income						
Loans and advances	4.5	5.6	6.2	6.6	7.0	6.2
Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	0.7	0.9	1.1	1.6	2.4	1.0
Total interest income	6.8	7.0	7.3	7.6	8.1	7.2
Interest expense						
Deposits	2.3	2.9	3.3	3.7	4.4	3.6
Loans	0.0	0.0	0.0	0.0	0.1	0.0
Other interest bearing liabilities	0.0	0.0	0.0	0.0	0.2	0.3
Total interest expense	2.3	2.9	3.4	3.9	4.5	3.9
Net interest income	2.7	3.3	3.9	4.6	5.5	3.4
Other income						
Fees and commissions	0.2	0.5	1.0	1.4	2.0	1.2
Other operating income	0.0	0.1	0.2	0.4	0.6	0.4
Total other income	0.3	0.7	1.2	1.7	2.5	1.6
Other expenses						
Personnel	0.9	1.4	1.8	2.1	2.7	1.5
Directors fees	0.0	0.0	0.0	0.1	0.1	0.0
Occupancy and equipment expenses	0.1	0.2	0.3	0.5	0.7	0.4
Information technology	0.1	0.2	0.4	0.5	0.8	0.3
Fees and commissions	0.0	0.0	0.0	0.3	0.8	0.3
Other operating expenses	0.6	0.9	1.4	1.9	2.6	1.1
Total other expenses	2.6	3.3	4.3	5.2	6.1	3.7
Return on average assets (ROA)	0.2	0.4	0.6	0.9	1.1	0.9

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Interest income and interest expense includes intra-group interest amounts.

Table B5

The data in this table are reported on a quarterly basis and have been annualised.

Table B6 Building Societies: Liquidity

September 2006 No. of Building Societies 14	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of adjusted liabilities base			
Eligible cash and liquid assets				
Notes and coins	0.3	0.5	0.7	0.5
Settlement funds due	0.0	0.2	0.7	0.3
Eligible deposits invested on a call basis held with				
Banks	0.6	1.1	2.2	3.0
Other ADIs	0.0	0.0	0.3	0.4
Eligible bank bills	0.0	2.0	3.2	1.8
Eligible certificates of deposit	4.2	7.6	9.1	6.0
Other eligible deposits not invested on a call basis held with				
Banks	0.0	2.3	3.4	1.5
Other ADIs	0.0	0.0	0.4	0.2
Other eligible or APRA approved securities	0.0	0.0	0.0	0.4
Total HQLA	13.7	14.5	18.4	14.0
Less placements	0.0	0.0	0.0	0.0
Total adjusted HQLA	13.5	14.5	18.4	14.0

Notes

Building society figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table B6

The information contained on this table is derived from the licensed books of the licensed building society. The licensed books of a building society is an unconsolidated report of the building society's operations/transactions.

Table B7 Credit Unions: Liquidity

September 2006 No. of Credit Unions 147	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of adjusted liabilities base					
Eligible cash and liquid assets						
Notes and coins	0.1	0.2	0.5	1.1	1.8	0.6
Settlement funds due	0.0	0.0	0.0	0.0	0.5	0.3
Eligible deposits invested on a call basis held with						
Banks	0.0	0.0	0.0	0.7	3.2	0.6
Other ADIs	0.0	0.7	2.0	5.1	13.3	1.5
Eligible bank bills	0.0	0.0	0.0	0.0	0.6	0.8
Eligible certificates of deposit	0.0	0.0	0.0	0.1	8.2	3.1
Other eligible deposits not invested on a call basis held with						
Banks	0.0	0.0	0.7	4.0	7.3	2.8
Other ADIs	0.0	3.9	10.4	15.5	23.3	7.6
Other eligible or APRA approved securities	0.0	0.0	0.0	0.0	0.0	0.0
Total HQLA	13.5	16.1	20.2	26.6	42.4	17.3
Less placements	0.0	0.0	0.0	0.0	0.0	0.0
Total adjusted HQLA	13.5	16.1	20.2	26.5	42.4	17.3

Notes

Credit union figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table B7

The information contained on this table is derived from the licensed books of the licensed credit union. The licensed books of a credit union is an unconsolidated report of the credit union's operations/transactions.

Table B8 Building Societies: Impaired assets

September 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of total loans and advances			
Term of payments past due with prescribed provisions held				
Category Two facilities	0.00	0.00	0.03	0.04
Category Three facilities	0.00	0.01	0.08	0.04
Category Four facilities	0.00	0.00	0.01	0.01
Subtotal	0.01	0.07	0.12	0.09
Provisions held				
Prescribed provisions	0.01	0.01	0.03	0.04
Impaired assets as a percentage of total assets	0.01	0.05	0.08	0.07
Prescribed provisions as a percentage of impaired assets	27.51	42.94	74.95	43.14
Impaired assets less prescribed provisions as a percentage of capital base	0.09	0.33	0.61	0.56

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B8.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B8.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Table B9 Credit Unions: Impaired assets

September 2006 No. of Credit Unions 147	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Term of payments past due with prescribed provisions held						
Category Two facilities	0.00	0.00	0.00	0.00	0.00	0.02
Category Three facilities	0.00	0.03	0.10	0.23	0.58	0.13
Category Four facilities	0.00	0.00	0.03	0.07	0.12	0.05
Subtotal	0.02	0.07	0.15	0.37	0.71	0.19
Provisions held						
Prescribed provisions	0.01	0.03	0.08	0.20	0.44	0.12
Impaired assets as a percentage of total assets	0.01	0.05	0.11	0.24	0.54	0.16
Prescribed provisions as a percentage of impaired assets	42.01	50.40	62.53	72.28	83.95	60.30
Impaired assets less prescribed provisions as a percentage of capital base	0.04	0.13	0.42	0.94	2.05	0.69

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B9.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B9.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Table B10 Building Societies: Capital-adequacy
September 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of total capital base			
Tier 1 capital				
Fundamental Tier 1 capital				
Paid-up ordinary share capital	0.0	15.5	38.6	27.9
General reserves and retained earnings	35.8	73.4	92.9	76.9
Other Tier 1 capital	0.0	1.6	2.6	1.5
Residual Tier 1 capital	0.0	0.0	0.0	0.8
Gross Tier 1 capital	82.1	87.3	99.2	107.1
Tier 1 capital deductions	1.8	5.2	14.5	19.4
Eligible Tier 1 capital	72.2	79.6	89.0	87.8
Tier 2 capital				
Upper Tier 2 capital				
General reserve for credit losses	1.3	1.9	3.0	1.3
Asset revaluation reserves	0.5	2.2	3.3	1.9
Other Upper Tier 2 capital	0.0	0.0	14.4	2.4
Upper Tier 2 adjustments and deductions	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	3.5	5.0	22.0	5.8
Lower Tier 2 capital				
Eligible Lower Tier 2 capital	0.0	10.7	22.4	11.2
Eligible Tier 2 capital	11.8	25.4	37.6	17.0
Capital deductions	0.1	0.4	1.3	4.7
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	8.2	8.8	12.6	12.0
Capital-adequacy ratio	11.0	13.0	15.1	13.7
General reserve for credit losses ratio	0.1	0.2	0.4	0.2

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Table B11 Credit Unions: Capital-adequacy

September 2006 No. of Credit Unions 147	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Fundamental Tier 1 capital						
Paid-up ordinary share capital	0.0	0.0	0.0	0.0	0.0	0.0
General reserves and retained earnings	67.9	84.5	97.6	101.4	104.9	94.6
Other Tier 1 capital	0.0	0.8	1.5	2.4	3.1	2.9
Residual Tier 1 capital	0.0	0.0	0.0	0.0	10.9	1.6
Gross Tier 1 capital	79.4	90.0	99.5	103.0	106.6	99.1
Tier 1 capital deductions	0.0	0.8	1.9	3.8	5.8	3.5
Eligible Tier 1 capital	76.1	87.7	97.9	100.6	102.0	95.6
Tier 2 capital						
Upper Tier 2 capital						
General reserve for credit losses	0.8	1.7	2.6	3.8	5.2	2.5
Asset revaluation reserves	0.0	0.0	0.0	2.6	8.7	1.5
Other Upper Tier 2 capital	0.0	0.0	0.0	0.0	0.0	0.3
Upper Tier 2 adjustments and deductions	0.0	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	1.2	2.2	3.7	7.4	15.5	4.4
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	0.0	3.0	18.5	4.4
Eligible Tier 2 capital	1.4	2.4	4.9	15.9	28.5	8.9
	As a percentage of total risk-weighted exposures					
Capital deductions	0.7	2.5	3.5	4.6	5.8	4.5
As a percentage of total risk-weighted exposures						
Tier 1 capital ratio	11.4	13.5	16.1	20.5	24.9	15.1
Capital-adequacy ratio	12.6	14.6	17.1	21.0	26.3	15.8
General reserve for credit losses ratio	0.1	0.3	0.5	0.7	1.0	0.4

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Table C1 General Insurers: Assets and liabilities

September 2006	Active Direct Insurers			Active Reinsurers	Inactive Institutions
	Diversified	Other	All		
	As a percentage of total assets				
Assets					
Cash and Liquid assets	2.0	3.3	2.2	0.9	2.2
Investments					
Interest	42.9	47.9	44.0	73.1	59.9
Equity	6.2	7.6	6.5	na	na
Property	0.9	0.0	0.7	0.0	0.2
Loans & advances	1.9	3.5	2.3	0.1	13.9
Indirect investments	4.4	5.0	4.5	0.3	6.8
Other investments	9.1	0.7	7.3	na	na
Reinsurance recoverables	12.5	11.4	12.3	5.2	7.7
Non-Reinsurance recoverables	2.9	3.5	3.1	0.0	0.4
Premium Receivables	7.4	7.8	7.4	13.9	0.6
Other assets	9.9	9.2	9.7	4.4	3.7
Total Assets (\$ billion)	57.8	15.5	73.3	7.6	3.1
	As a percentage of total liabilities				
Liabilities					
Outstanding Claims Provision	60.7	46.9	58.3	72.7	89.1
Premium Liabilities	22.6	35.2	24.8	18.5	1.3
Tax provisions	1.6	6.3	2.4	3.7	2.3
Payables on reinsurance contracts	1.8	2.7	2.0	2.7	1.6
Borrowings and loan capital	5.2	0.7	4.4	0.0	0.6
Other liabilities	8.0	8.3	8.1	2.3	5.2
Total Liabilities (\$ billion)	42.9	9.1	52.0	5.3	1.6
Number of entities	32	56	88	12	33

Notes

Details on table may not add up to totals due to rounding of figures.

Table C2 Active General Insurers: Revenues

September 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual revenue			
Total net premiums				
Fire and ISR	7.7	2.2	6.4	0.0
Houseowners householders	8.2	10.3	8.7	0.0
CTP motor vehicle	na	na	8.0	0.0
Commercial motor vehicle	6.5	0.1	5.0	0.0
Domestic motor vehicle	9.9	18.1	11.8	0.0
Marine and aviation	2.4	0.5	2.0	0.0
Professional indemnity	2.9	6.3	3.7	0.0
Public and product liability	8.3	1.3	6.6	0.0
Employers liability	5.6	0.9	4.5	0.0
Mortgage	0.0	11.7	2.8	0.0
Consumer credit	0.2	3.0	0.9	0.0
Travel	na	na	1.4	0.0
Other accident	3.8	1.6	3.3	0.0
Other	2.0	2.9	2.2	-1.0
Inward reinsurance	9.9	26.0	13.7	79.9
Subtotal	79.1	86.7	80.9	78.9
Investment Revenue				
Interest revenue	8.1	7.7	8.0	20.5
Dividend revenue	6.2	1.1	5.0	0.9
Rental revenue	0.6	0.0	0.4	0.0
Trust distributions	0.8	0.6	0.7	0.0
Capital gains/losses	0.8	1.5	0.9	-0.4
Foreign Exchange gains/losses	0.1	0.0	0.1	0.1
Other investment revenue	0.0	0.0	0.0	0.0
Subtotal	16.5	10.9	15.2	21.1
Other revenue	4.3	2.5	3.9	0.0
Total revenue (\$ billion)	19.0	5.9	25.0	1.6
Number of entities	32	56	88	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C3 Active General Insurers: Expenses

September 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual expenses			
Total net claims				
<i>Relating to current and prior years</i>				
Fire and ISR	4.9	1.7	4.2	0.0
Houseowners householders	7.1	7.7	7.3	0.0
CTP motor vehicle	8.7	1.5	7.1	0.0
Commercial motor vehicle	6.6	0.1	5.1	0.0
Domestic motor vehicle	11.1	22.7	13.7	0.0
Marine and aviation	1.5	0.4	1.2	0.0
Professional indemnity	1.6	3.3	2.0	na
Public and product liability	3.9	0.5	3.1	0.0
Employers liability	3.8	1.0	3.2	0.0
Mortgage	0.0	2.9	0.7	0.0
Consumer credit	0.1	0.7	0.2	0.0
Travel	0.8	0.1	0.6	0.0
Other accident	1.9	0.7	1.6	0.0
Other	0.8	1.7	1.0	na
Inward reinsurance	11.5	18.7	13.1	57.0
Subtotal - current and prior years	64.3	63.9	64.2	55.9
<i>Relating to future years</i>				
Total (all classes)	1.1	6.5	2.3	3.7
Subtotal - total net claims	65.4	70.4	66.5	59.5
Underwriting	27.7	19.3	25.8	31.4
General and administration	6.8	10.3	7.6	9.1
Total expenses (\$ billion)	16.1	4.6	20.7	1.1
Number of entities	32	56	88	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C4 Active General Insurers: Performance measures

September 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
Profitability measures				
Underwriting results (% of net premium revenue)	9.1	26.4	13.5	17.7
Profit from general insurance (% of net premium revenue)	28.1	32.5	29.3	36.2
Operating profit (% of total revenue)	17.9	20.1	18.4	21.7
Operating profit (% of shareholders' equity)	23.0	18.6	21.7	15.6
Operating profit (% of assets)	5.9	7.7	6.3	4.6
Operating Indicators				
Net claims loss (% of net premium revenue)	61.3	56.3	60.0	53.9
Underwriting expense (% of net premium revenue)	29.6	17.3	26.5	28.4
General and administrative expense (% of total revenue)	5.8	8.0	6.3	6.5
Investment revenue (% of total revenue)	16.5	10.9	15.2	21.1
Number of entities	32	56	88	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C5 Active General Insurers: Performance percentiles

September 2006	Percentiles			Weighted Average
	25th	Median	75th	
Profitability measures				
Underwriting results (% of net premium revenue)	8.5	21.4	40.1	13.7
Profit from general insurance (% of net premium revenue)	8.1	25.9	45.8	29.7
Operating profit (% of total revenue)	7.6	17.4	34.8	18.6
Operating profit (% of shareholders' equity)	7.3	16.5	26.5	21.1
Operating profit (% of assets)	2.5	5.5	9.3	6.1
Operating Indicators				
Net claims loss (% of net premium revenue)	37.3	54.5	67.3	59.7
Underwriting expense (% of net premium revenue)	8.0	20.1	32.8	26.6
General and administrative expense (% of total revenue)	3.1	10.4	21.3	6.3
Investment revenue (% of total revenue)	7.7	13.7	21.1	15.5

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C6.1 General Insurers: Capital-adequacy

September 2006	Active Direct Insurers			Active Reinsurers	Inactive Institutions
	Diversified	Other	All		
Minimum capital requirement (\$ billion)	6.2	3.3	9.6	1.0	0.4
Capital base (\$ billion)	13.4	5.3	18.7	2.3	1.4
Solvency coverage ratio	2.2	1.6	2.0	2.3	3.2
Number of entities	32	52	84	12	33

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table C6.2 General Insurers: Capital-adequacy percentiles

September 2006	Percentiles			Weighted Average
	25th	Median	75th	
Solvency coverage ratios				
Active diversified direct insurers	1.9	2.2	3.0	2.2
Active other direct insurers	1.4	2.0	2.7	1.6
All active direct insurers	1.6	2.1	2.8	2.0
Active reinsurers	1.9	3.2	3.8	2.3
Inactive institutions	1.5	2.9	5.2	3.2

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table D1 Life Insurers: Statutory-fund profitability

September 2006	Investment Linked	Non- Investment Linked	Company Aggregates
	As a percentage of total after-tax profit		
Source of profits			
Earnings on assets in excess of policy liabilities	20.6	24.9	24.2
Policy-owner planned profits	0.0	36.9	30.9
Shareholders' planned profits	27.7	30.6	30.1
Unplanned (experience) profits	5.1	6.0	5.9
Financial Instrument Profit	20.2	0.6	3.8
Management Services Profit	26.9	0.1	4.5
Other profits	-0.5	0.8	0.6
Profit allocations			
Policy owners	0.0	47.2	39.5
Shareholders	100.0	52.8	60.5
Total profit (\$ million)	547.3	1,655.5	2,202.7
Shareholder profitability measures			
Return on equity (%)	42.5	16.4	19.4
Return on assets (%)	0.3	2.1	0.9
Return on net premium revenue (%)	27.1	23.1	24.1
Number of entities	21	34	35

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies.

Data sourced from annual returns for financial years in the 12 months to the period end. Also includes data from one entity covering the 12 months to 30 November 2006.

Details on table may not add up to totals due to rounding of figures.

Table D2 Life Insurers: Statutory-fund solvency

September 2006	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of base liabilities					
Investment linked statutory funds						
Statutory requirement	0.2	0.3	0.4	1.1	1.7	0.5
Available funds	0.8	1.3	2.2	3.7	20.1	1.1
Non-investment linked statutory funds						
Statutory requirement	2.1	5.7	13.5	21.5	31.6	15.1
Available funds	10.9	18.6	31.6	55.7	85.8	26.4
Company fund aggregates						
Statutory requirement	0.5	2.1	6.4	15.4	25.0	4.4
Available funds	2.0	5.2	17.2	34.7	63.5	7.8
Base liabilities (\$ million)	39	181	1,410	3,704	21,048	6,202
Solvency-coverage ratios						
Investment linked statutory funds	1.9	2.5	3.4	7.0	38.9	2.4
Non-investment linked statutory funds	1.4	1.8	2.4	4.2	11.3	1.7
Company fund aggregates	1.5	1.7	2.3	3.4	5.8	1.8

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies.

Data sourced from annual returns for financial years in the 12 months to the period end. Also includes data from one entity covering the 12 months to 30 November 2006.

Details on table may not add up to totals due to rounding of figures.

Table A1 Banks: Resident assets on Australian books

December 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
	As a percentage of total resident assets on Australian books				
Cash and liquid assets					
Notes and coins	0.6	0.3	0.1	0.0	0.4
Deposits at call	0.1	0.7	0.7	4.2	0.8
Other liquid assets	2.4	3.5	2.0	7.3	3.1
Total cash and liquid assets	3.1	4.4	2.9	11.5	4.3
Trading securities	5.5	9.7	5.3	18.7	7.7
Investment securities	2.5	2.8	10.1	6.5	3.6
Acceptances of customers	6.6	2.5	0.1	0.2	4.7
Loans and advances					
Housing loans	42.4	39.0	44.4	0.0	36.9
Owner occupied	28.1	26.3	31.7	0.0	24.6
Investment	14.3	12.7	12.7	0.0	12.2
Other loans to households	6.6	8.1	6.9	0.0	6.0
Loans to non-financial corporations	18.5	16.4	25.8	20.3	19.0
Loans to financial corporations	1.9	0.8	0.6	5.5	2.1
Loans to community service organisations and government	0.5	0.1	0.0	0.0	0.4
Total loans and advances	69.9	64.3	77.7	25.8	64.3
Intra-group loans and advances	2.0	8.3	0.1	28.2	6.0
Other investments	4.9	3.7	0.4	0.4	3.8
Fixed assets	0.3	0.3	0.2	0.1	0.3
Intangible assets	0.4	0.4	0.1	0.1	0.4
Interest receivable	0.4	0.1	0.4	0.5	0.4
Derivative financial instruments	3.5	1.9	0.6	7.1	3.5
Deferred tax asset	0.3	0.3	0.2	0.4	0.3
Other	0.5	1.3	1.8	0.7	0.8
Total resident assets (\$ billion)	1,047.9	229.4	119.6	194.5	1,591.3
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A1

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank. The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Figure A1.1

Growth of credit has been adjusted for breaks in series.

The source for nominal gross domestic product is the Australian Bureau of Statistics statistical release 5206.0.

Figure A1.2

Both housing loans and loans and advances are for resident figures only and are reported on a domestic books basis.

Loans and advances from September 2003 includes the reported intra-group loans and advances amounts.

Figure A1.1 Banks / Credit growth

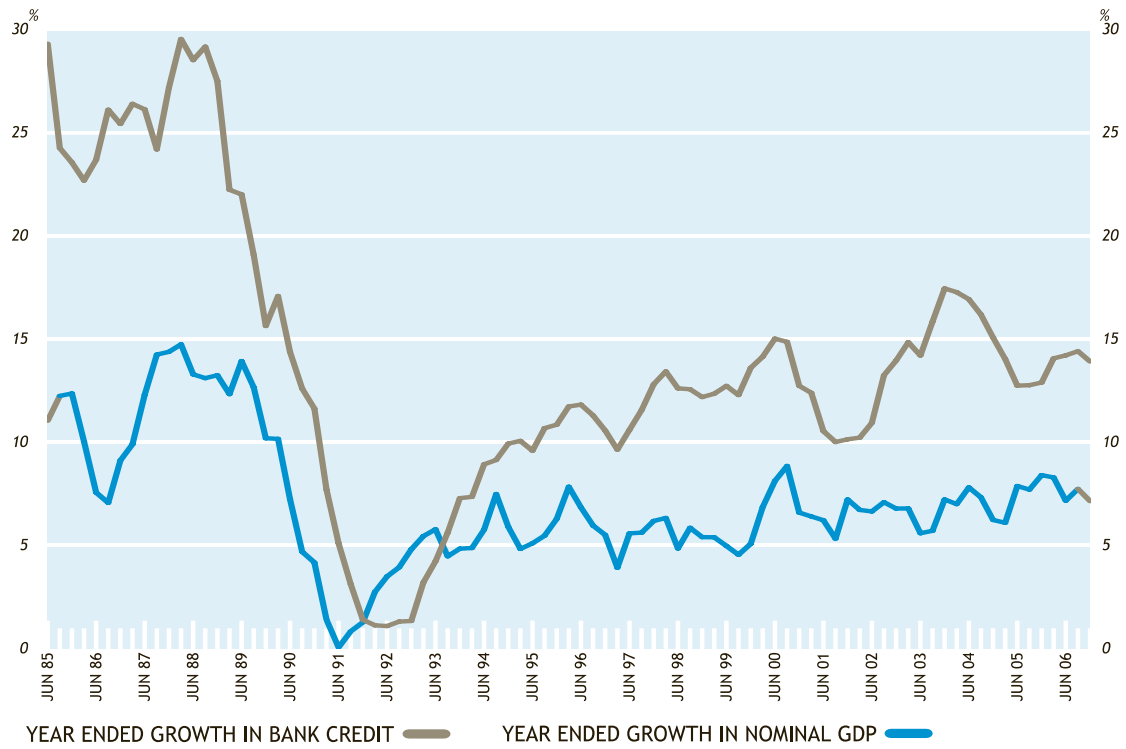


Figure A1.2 Banks / Housing loans as a percentage of loans and advances

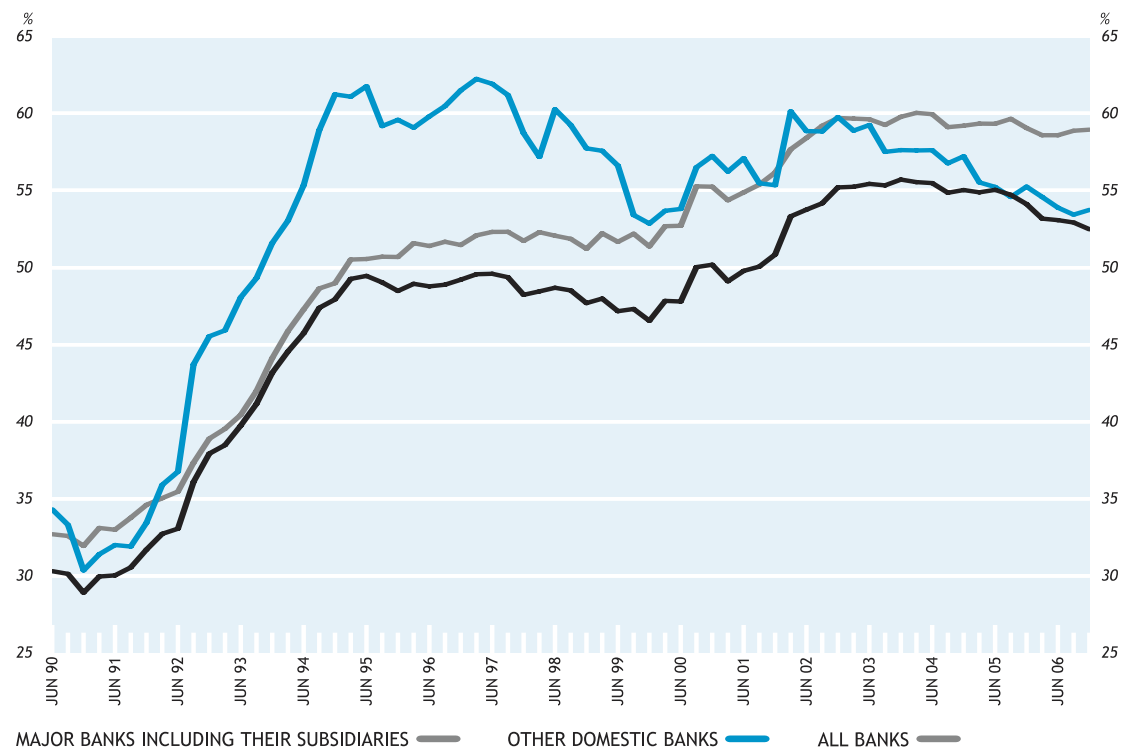


Table A2 Banks: Resident liabilities on Australian books

December 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total resident liabilities on Australian books					
Due to financial institutions	0.7	0.6	0.2	3.0	0.9
Acceptances	9.4	3.1	0.1	0.2	6.5
Deposits					
Households	27.6	33.4	35.8	0.1	25.7
Non-financial corporations	21.2	18.4	20.3	9.0	19.1
Financial corporations	8.4	2.1	7.4	16.5	8.4
Other entities	1.9	0.6	1.2	0.1	1.4
Subtotal	59.1	54.6	64.7	25.7	54.6
Intra-group deposits	2.9	3.7	12.9	4.8	4.1
Certificates of deposit	11.3	23.3	11.3	30.0	15.6
Other borrowings	4.1	4.0	0.0	17.7	5.4
Income tax liability	0.5	0.4	0.1	0.4	0.4
Provisions	0.4	0.3	0.2	0.3	0.3
Interest payable	0.8	0.3	0.5	0.3	0.6
Derivative financial instruments	5.2	2.1	0.9	7.9	4.7
Bonds, notes & long-term borrowings	3.1	0.6	6.2	6.8	3.5
Loan capital and hybrid securities	1.5	2.2	0.9	0.0	1.4
Other	1.0	4.8	2.0	2.9	1.9
Total resident liabilities (\$ billion)	736.3	180.5	103.5	150.2	1,170.5
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A2

The information contained on this table relates to Australian resident figures only and is derived from the domestic books of the licensed bank. The domestic books of the licensed bank is an unconsolidated report of the Australian bank's operations/transactions that are booked or recorded inside Australia.

Shareholders' funds are excluded from liabilities.

Figure A2.1

Both deposits and liabilities refer to the total of residents and non-residents reported on an Australian books basis.

Deposits includes certificates of deposit and does not include intra-group deposits.

Figure A2.2

Deposits refers to the combined residents and non-residents totals reported on an Australian books basis.

Deposits includes certificates of deposit and from September 2003 includes the reported intra-group deposit amounts.

The source for total Australian financial assets is the Reserve Bank of Australia Bulletin Table B1.

Figure A2.1 Banks / Deposits as a percentage of total bank liabilities

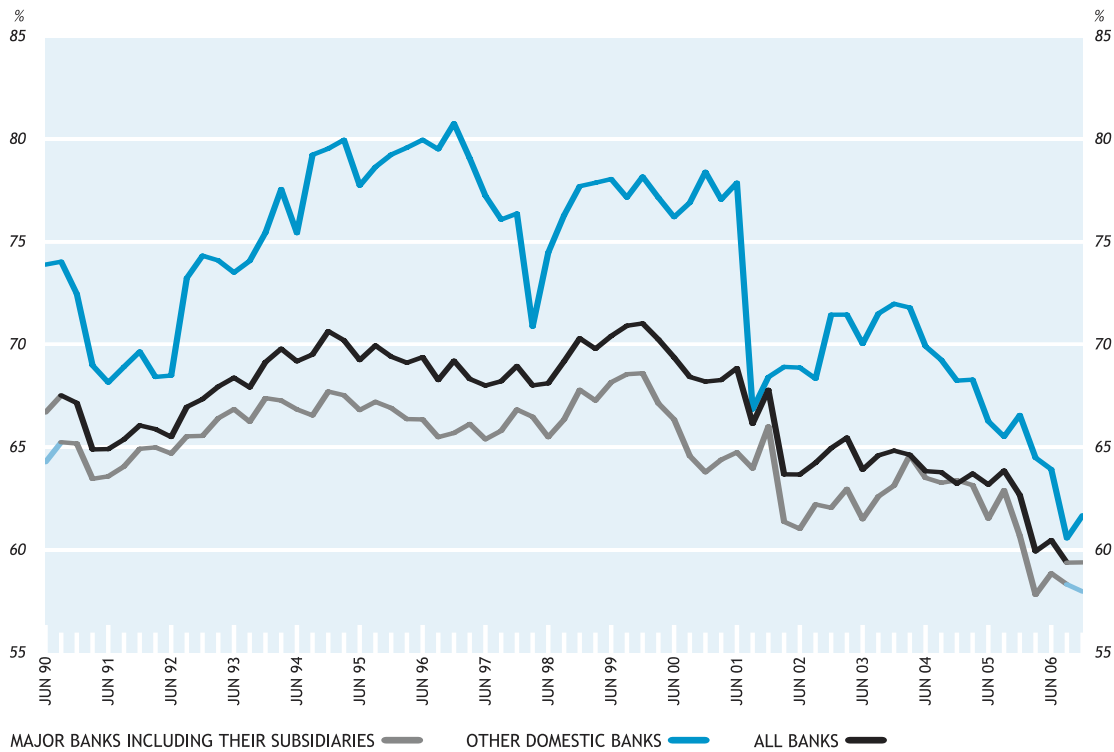


Figure A2.2 Banks / Deposits as a percentage of Australian financial sector assets

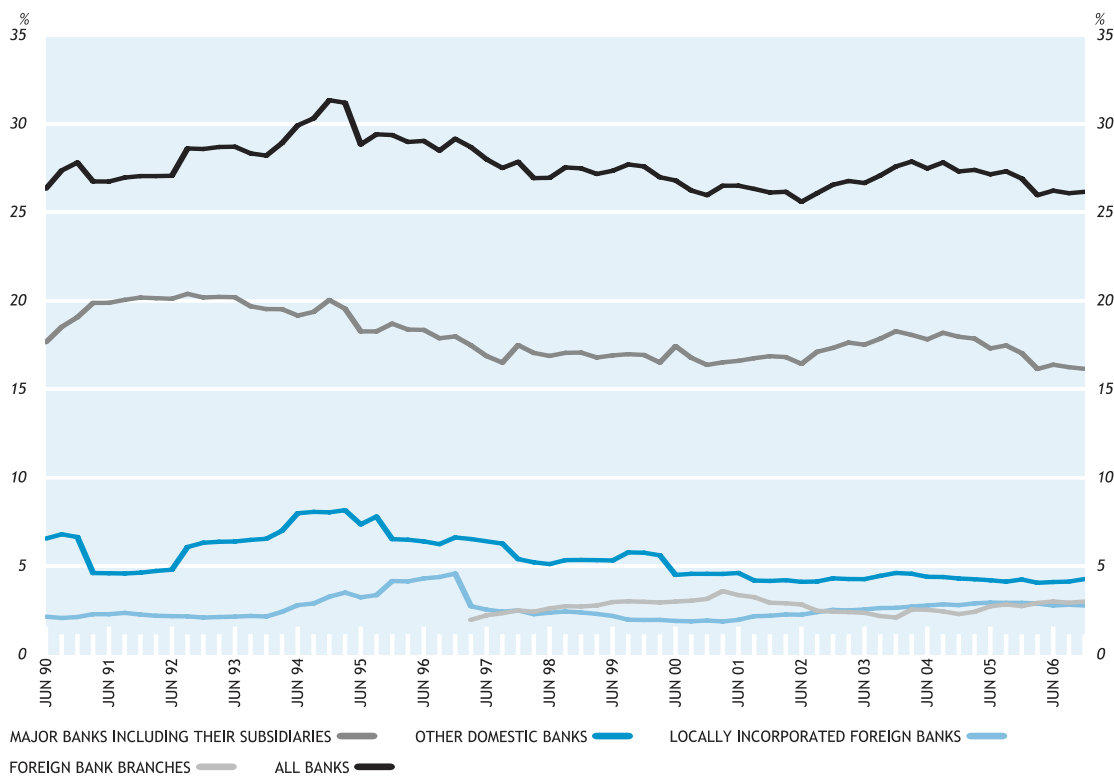


Table A3 Banks: Gross off-balance sheet business

December 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total non-market related off-balance sheet transactions					
Non-market related transactions					
Direct credit substitutes	6.2	3.2	5.8	6.4	6.0
Performance related contingencies	5.6	0.7	1.7	2.3	4.5
Trade related contingencies	1.8	0.2	0.8	1.3	1.5
Other commitments					
Residual maturity of 1 year or less	29.1	21.5	17.0	52.3	31.5
Residual maturity over 1 year	17.4	11.7	29.0	30.3	19.5
Other	36.9	60.5	45.8	3.4	33.9
All other non-market related off-balance sheet business	3.0	2.3	0.0	4.0	2.9
As a percentage of total trading book and banking book derivative activity					
Trading book and banking book derivative activity					
Exchange traded derivatives	13.2	14.6	0.0	7.1	11.4
Over-the-counter derivatives					
Interest rate forwards	5.0	5.1	7.6	5.8	5.3
Interest rate swaps	44.8	35.4	79.2	43.5	44.0
Foreign exchange forwards	19.0	17.1	7.5	29.3	21.8
Foreign exchange swaps	11.3	5.1	4.1	9.5	10.3
Option positions purchased	3.0	7.5	0.6	2.4	3.1
Option positions sold	1.7	8.1	0.4	0.5	1.8
Other over-the-counter derivatives	2.0	7.0	0.6	2.0	2.4
Non-market related off-balance sheet transactions					
Gross (\$ billion)	448.3	44.7	28.7	94.4	616.1
Credit equivalent (\$ billion)	111.8	8.8	6.9	28.0	155.6
Market related off-balance sheet transactions (Locally incorporated banks)					
Gross (\$ billion)	4,832.5	717.1	84.0	na	6,805.5
Credit equivalent (\$ billion)	83.3	12.6	1.0	na	109.7
Total trading book and banking book derivative activity (\$ billion)	6,143.6	719.9	84.0	2,995.3	9,942.8
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A3

For locally incorporated banks the data relates to the off-balance sheet business of the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.

For banks operating as foreign bank branches, the data applies to the Australian branch only.

Figure A3.2

Information applies to locally incorporated banks only.

Figure A3.1 Banks / Off-balance sheet business in credit substitutes

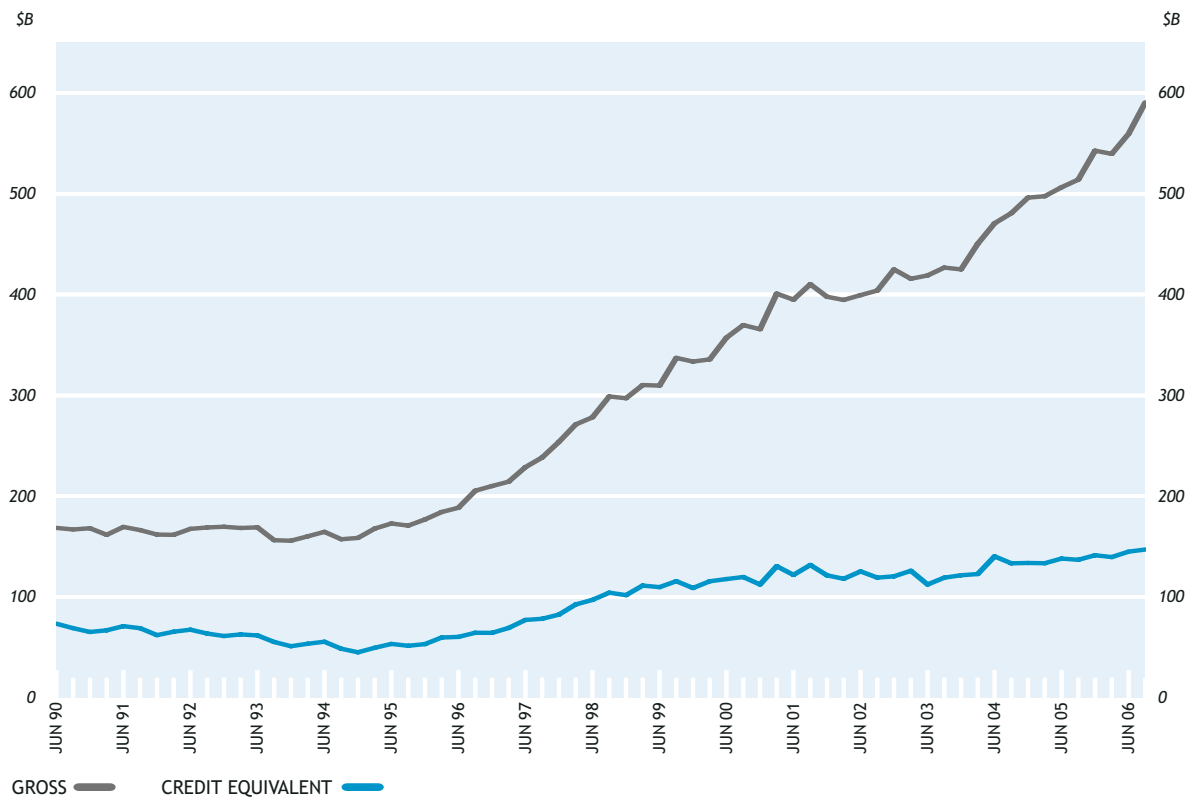


Figure A3.2 Banks / Off-balance sheet business in market related instruments

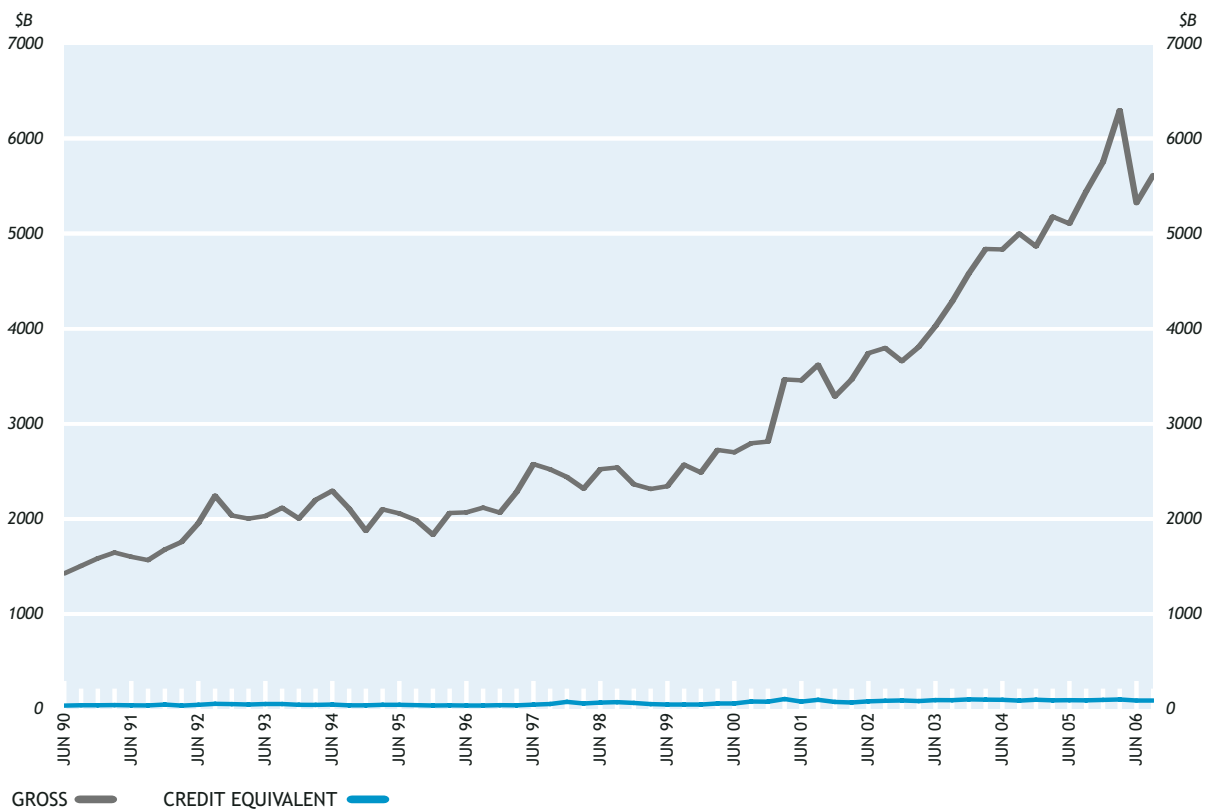


Table A4 Banks: Commercial property exposures in Australia

December 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	Foreign Bank Branches	All Banks
As a percentage of total commercial property exposures in Australia					
Commercial property exposures in Australia					
Office	26.7	34.6	16.6	12.7	26.1
Retail	17.5	15.8	15.5	37.5	18.3
Industrial	10.8	7.6	23.5	4.9	11.2
Land development/subdivisions	12.3	8.7	16.1	8.9	11.8
Other residential	14.4	19.4	14.6	18.6	15.6
Tourism and leisure	5.1	2.4	3.6	5.1	4.4
Other	13.4	11.6	10.1	12.3	12.6
Impaired commercial property exposures	0.1	0.7	0.2	0.4	0.2
Total commercial property exposures in Australia (\$ billion)	74.9	21.6	13.0	7.9	117.4
Global consolidated group assets (\$ billion)	1,473.4	216.6	122.5	na	1,812.5
Commercial property exposures as a percentage of global consolidated group assets	5.1	10.0	10.6	na	6.5
Specific provisions as a percentage of impaired commercial property exposures	8.6	20.7	28.3	10.2	16.7
Specific provisions and security held as a percentage of impaired commercial property exposures	90.1	112.1	96.9	95.9	103.2
Number of banks	5	9	11	29	54

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A4

For locally incorporated banks commercial property exposures are reported as at the last business day of March and September for the consolidated group. To avoid double counting, subsidiaries are not included if their parents are included.

For banks operating as foreign bank branches, the data applies to the Australian branch only.

Foreign bank branches do not report globally consolidated group assets.

Figure A4.1

Information refers to commercial property exposures in Australia.

Figure A4.2

Information refers to commercial property exposures in Australia.

Figure A4.1 Banks / Impaired commercial property exposures as a percentage of commercial property exposures

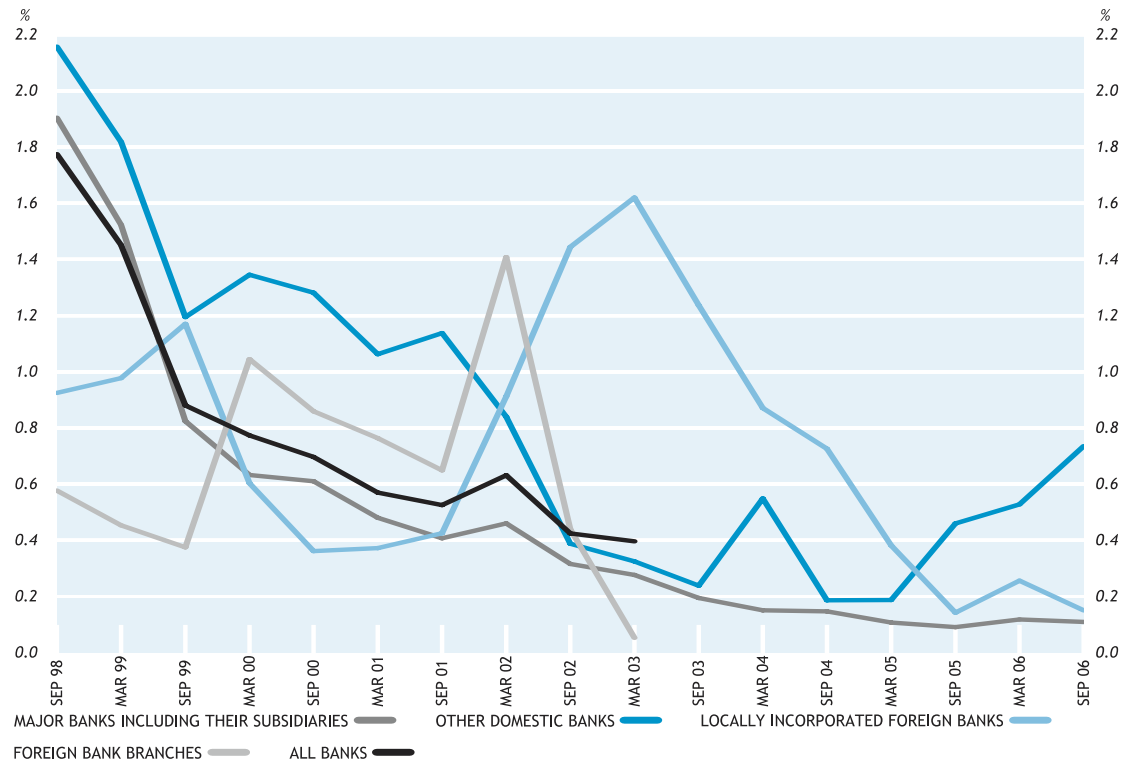


Figure A4.2 Banks / Specific provisions as a percentage of impaired commercial property exposures

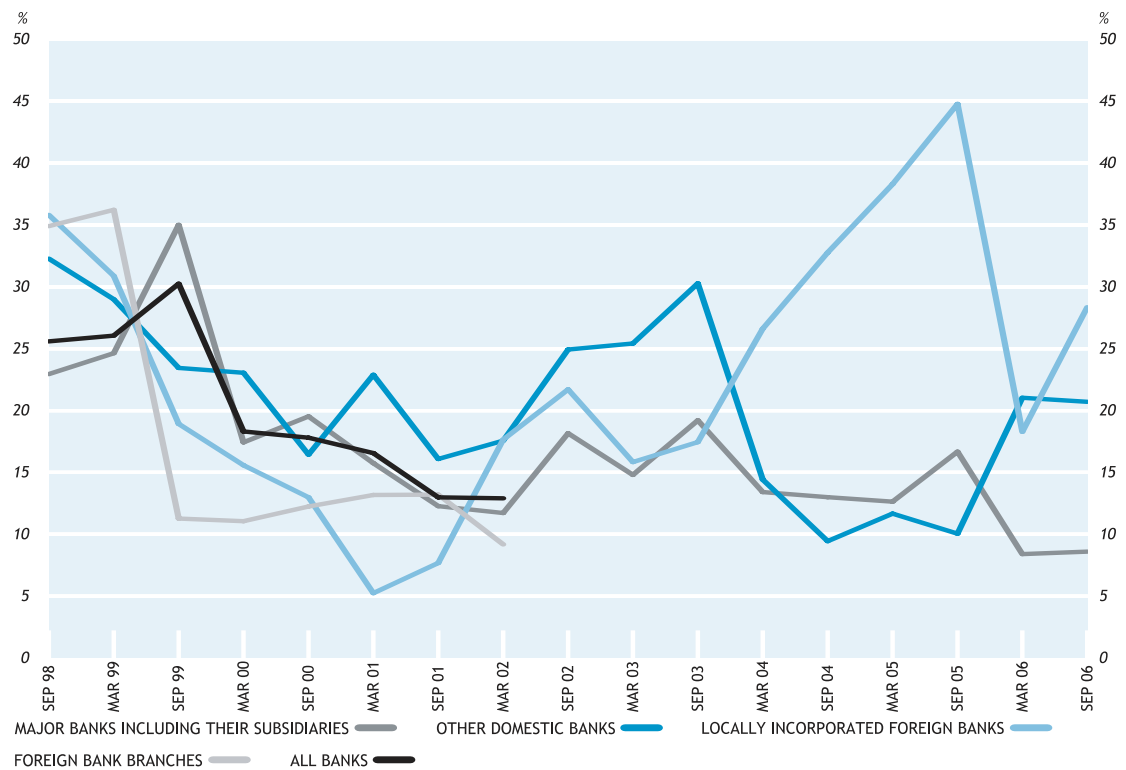


Table A5 Banks: Impaired assets

December 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total loans and advances			
Impaired facilities				
Non-accrual items with provisions	0.2	0.2	0.4	0.19
Non-accrual items without provisions	0.1	0.1	0.1	0.09
Restructured items with provisions	0.0	0.0	0.0	0.00
Restructured items without provisions	0.0	0.0	0.0	0.00
Other real estate owned	0.0	0.0	0.0	0.00
Other assets acquired through security enforcement	0.0	0.0	0.0	0.00
Total impaired facilities	0.3	0.3	0.4	0.27
Provisions held				
Specific provisions	0.1	0.1	0.2	0.09
Security held	0.1	0.2	0.3	0.14
Past due items	0.3	0.4	0.5	0.32
Total impaired facilities (\$ billion)	2.7	0.5	0.4	3.6
Total loans and advances (\$ billion)	1,044.8	171.7	95.3	1,311.8
Global consolidated group assets (\$ billion)	1,521.8	227.8	125.7	1,875.3
Impaired facilities as a percentage of global consolidated group assets	0.2	0.2	0.3	0.2
Specific provisions as a percentage of impaired facilities	32.1	32.8	40.0	33.1
Security held as a percentage of impaired facilities	50.3	53.3	69.5	52.8
Impaired facilities less specific provisions as a percentage of capital base	1.8	1.8	2.6	1.8
Impaired facilities less specific provisions and security - held as a percentage of capital base	0.5	0.4	-0.4	0.4
Number of banks	5	9	11	25

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A5

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Figure A5.1 Banks / Impaired assets as a percentage of capital base

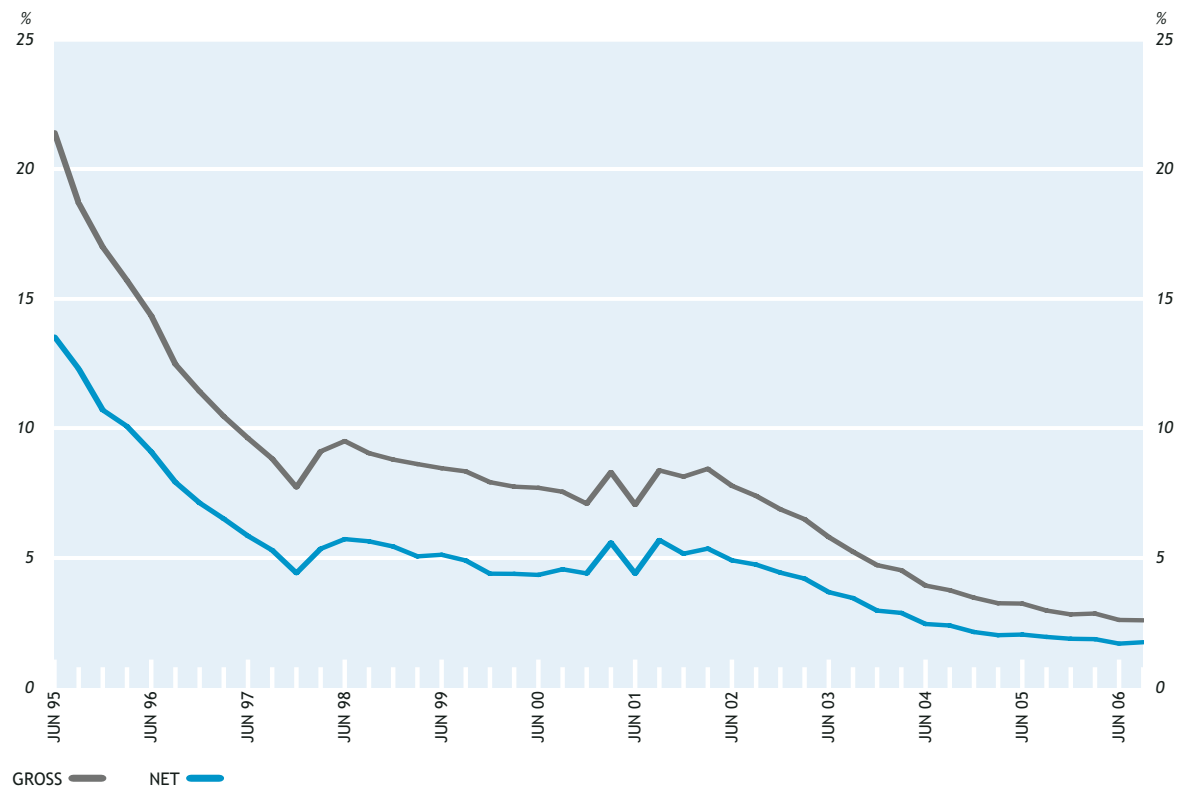


Figure A5.2 Banks / Total provisioning and security as a percentage of impaired assets

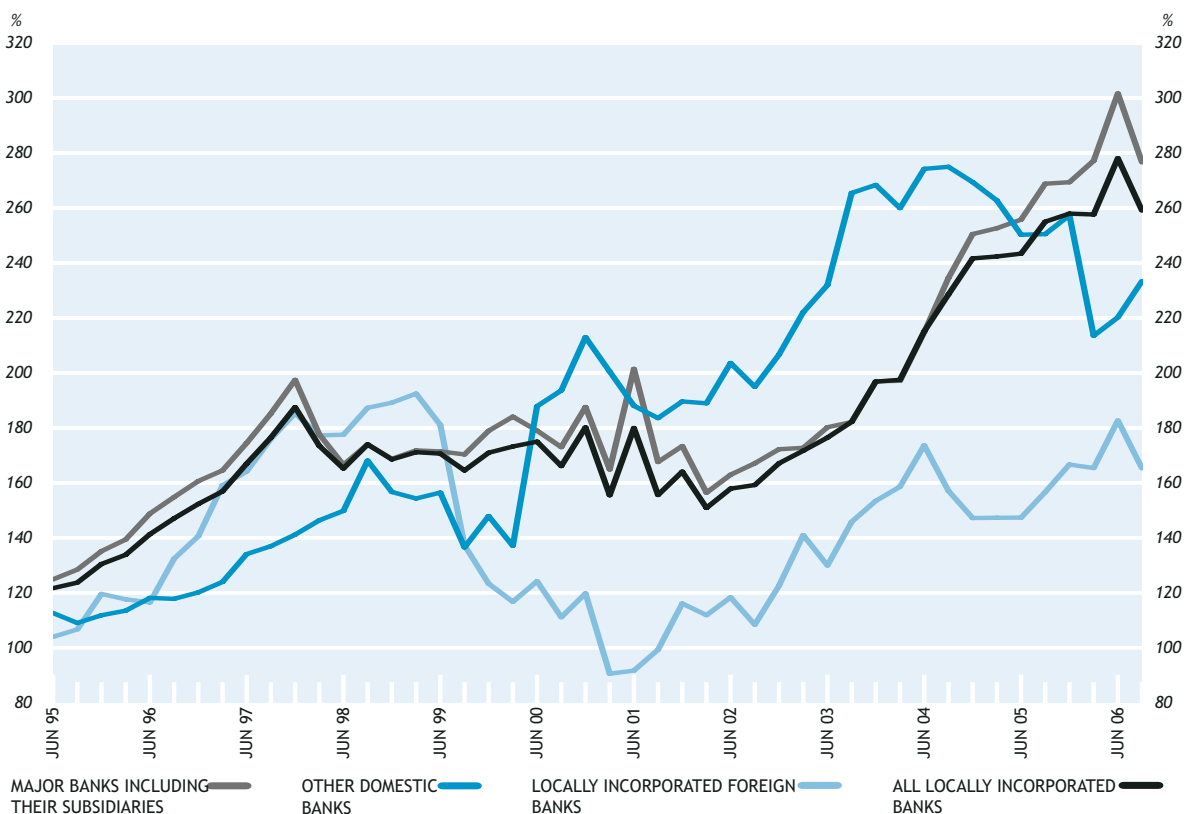


Table A6 Banks: Impaired assets percentiles

December 2006 No. of Locally Incorporated Banks 25	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Impaired facilities						
Non-accrual items with provisions	0.02	0.07	0.11	0.30	0.83	0.19
Non-accrual items without provisions	0.00	0.00	0.03	0.10	0.22	0.09
Restructured items with provisions	0.00	0.00	0.00	0.00	0.01	0.00
Restructured items without provisions	0.00	0.00	0.00	0.00	0.00	0.00
Other assets acquired through security enforcement	0.00	0.00	0.00	0.00	0.00	0.00
Total impaired facilities	0.03	0.08	0.18	0.41	0.95	0.27
Provisions held						
Specific provisions	0.02	0.05	0.07	0.10	0.37	0.09
Security held	0.00	0.00	0.08	0.25	0.36	0.14
Past due items	0.03	0.21	0.37	0.58	0.87	0.32
Impaired facilities as a percentage of global consolidated group assets	0.0	0.0	0.1	0.3	0.6	0.2
Specific provisions as a percentage of impaired facilities	11.0	27.6	44.3	62.2	100.0	33.1
Security held as a percentage of impaired facilities	0.0	5.8	40.1	65.9	88.3	52.8
Impaired facilities less specific provisions as a percentage of capital base	0.0	0.2	1.3	2.5	3.9	1.8
Impaired facilities less specific provisions and security held as a percentage of capital base	-0.1	0.0	0.1	0.6	0.8	0.4

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A6

For locally incorporated banks data are for the impaired assets of the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Figure A6.1 Banks / Specific provisions as a percentage of impaired assets

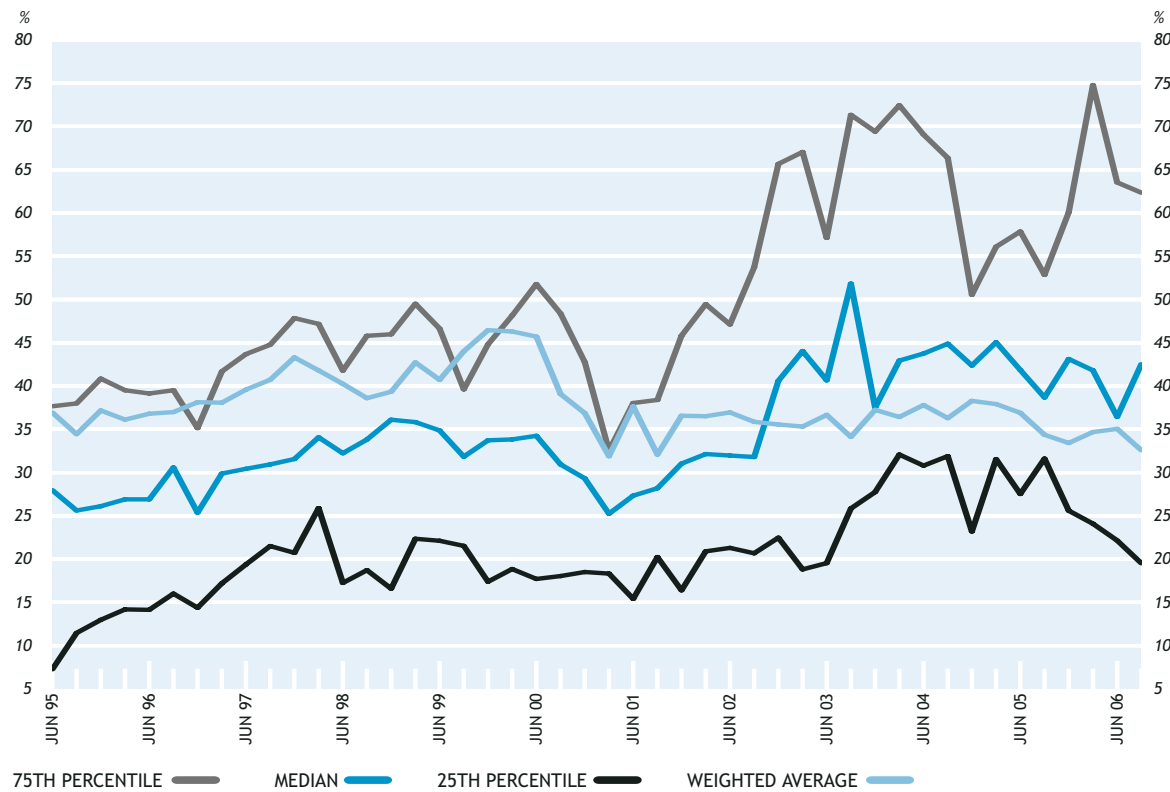


Figure A6.2 Banks / Impaired assets less specific provisions as a percentage of capital base

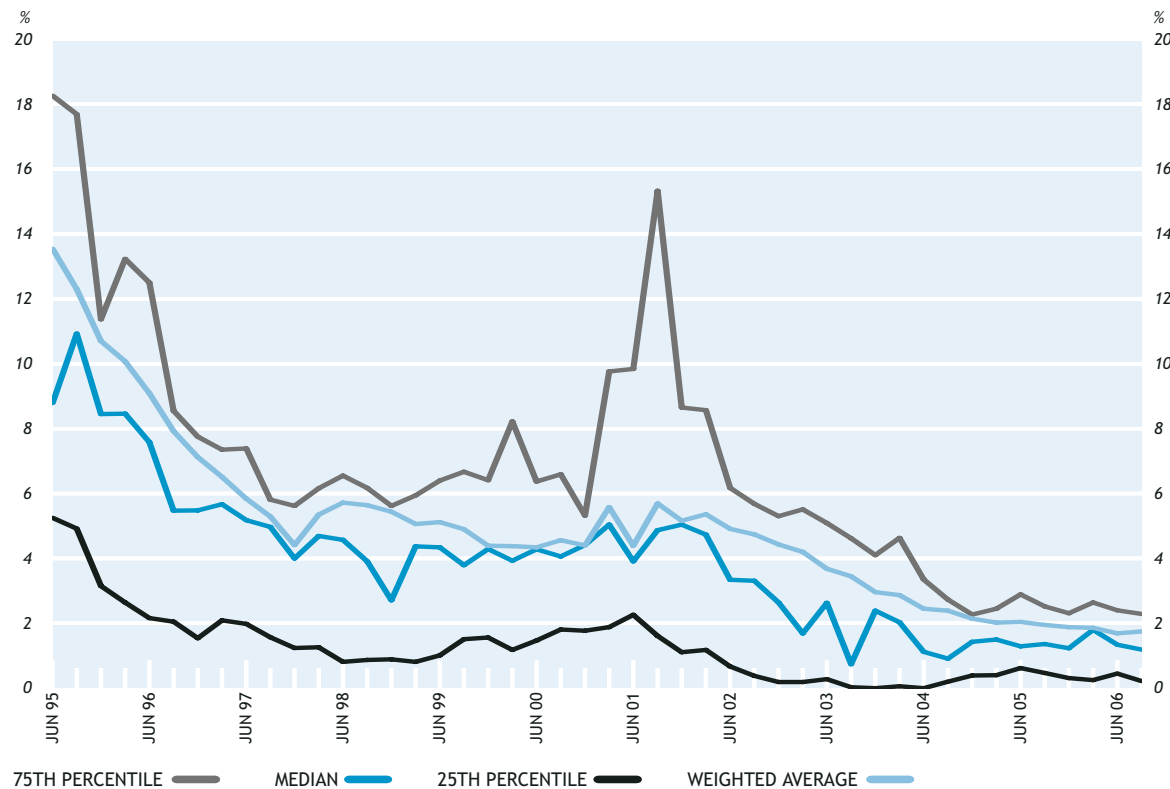


Table A7 Banks: Capital-adequacy

December 2006	Major Banks including their Bank Subsidiaries	Other Domestic Banks	Locally Incorporated Foreign Banks	All Locally Incorporated Banks
	As a percentage of total capital base			
Tier 1 capital				
Fundamental Tier 1 capital				
Paid-up ordinary share capital	36.6	64.2	45.3	41.4
General reserves and retained earnings	39.8	19.0	34.6	36.3
Other Tier 1 capital	0.6	2.8	1.3	1.0
Residual Tier 1 capital	14.6	14.6	4.0	13.8
Gross Tier 1 capital	91.6	100.5	85.2	92.5
Tier 1 capital deductions	21.9	22.3	8.9	21.1
Eligible Tier 1 capital	69.7	78.2	76.3	71.4
Tier 2 capital				
Upper Tier 2 capital				
General reserve for credit losses	4.9	3.0	2.6	4.4
Asset revaluation reserves	0.1	0.9	0.0	0.2
Other Upper Tier 2 capital	1.9	2.3	2.5	2.0
Upper Tier 2 adjustments and deductions	0.0	0.3	0.0	0.0
Eligible Upper Tier 2 capital	6.9	6.0	5.2	6.6
Lower Tier 2 capital				
Eligible Lower Tier 2 capital	28.8	34.4	18.6	28.9
Eligible Tier 2 capital	35.7	40.3	23.8	35.5
Capital deductions	5.3	18.5	0.1	7.0
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	7.0	9.8	8.7	7.4
Capital-adequacy ratio	10.0	12.5	11.4	10.4
General reserve for credit losses ratio	0.5	0.4	0.3	0.5
Total capital base (\$ billion)	101.8	19.6	9.1	130.5
Total risk-weighted exposures (\$ billion)	1018.9	156.9	79.6	1255.4
Number of banks	5	9	11	25

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A7

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Figure A7.1 Banks / Capital-adequacy ratio

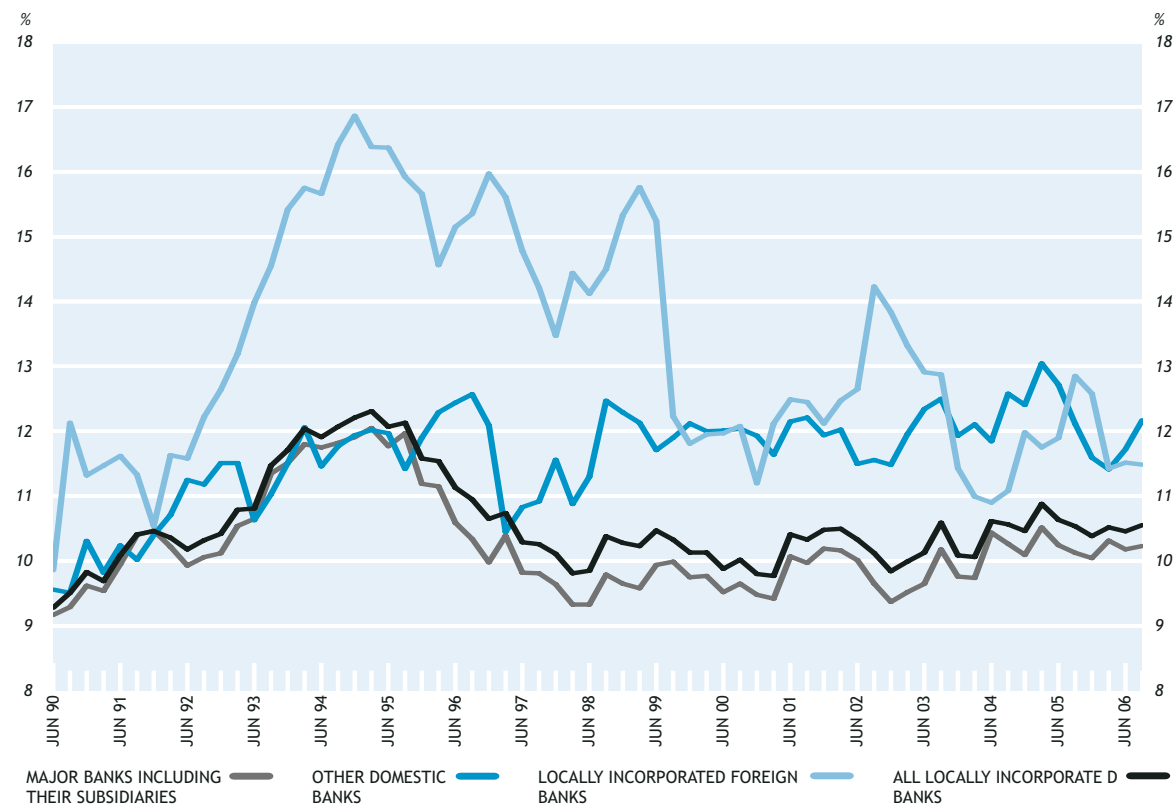


Figure A7.2 Banks / Traded market risk-contribution to capital-adequacy ratio

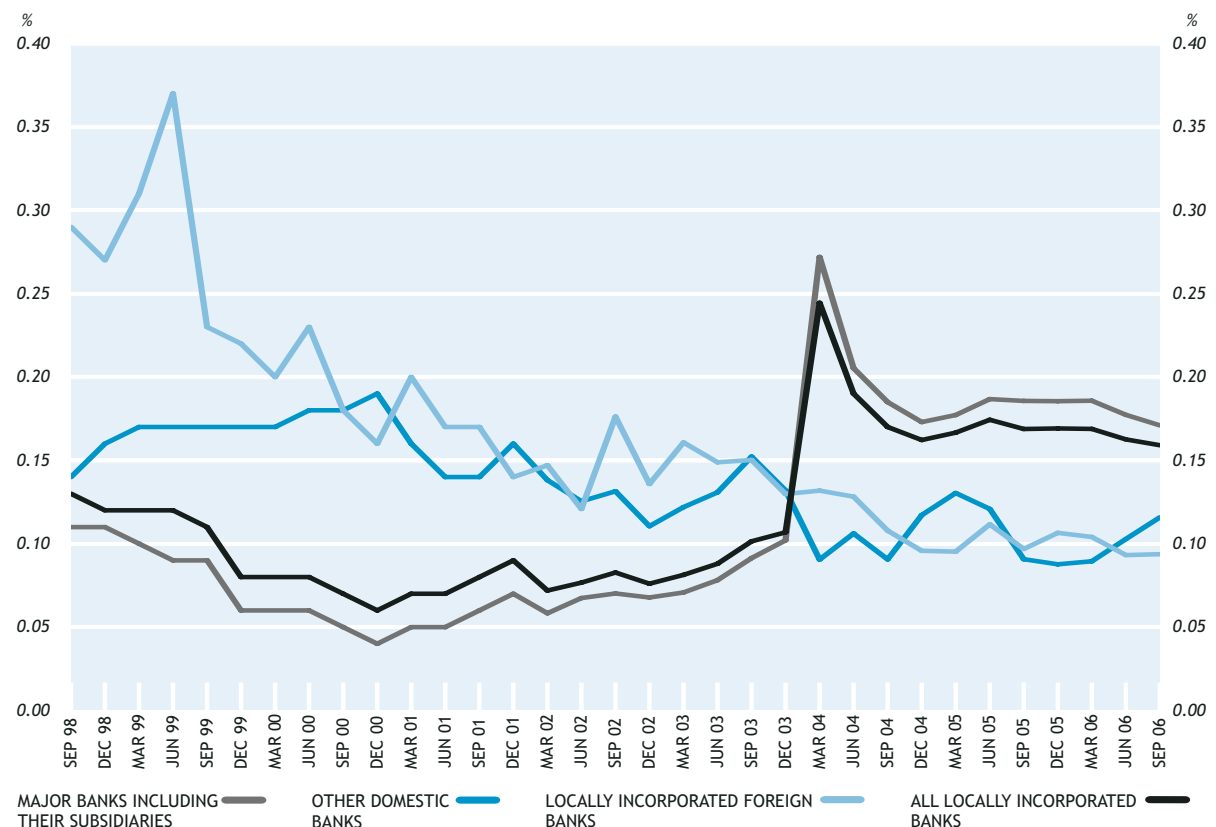


Table A8 Banks: Capital-adequacy percentiles

December 2006 No. of Locally Incorporated Banks 25	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Fundamental Tier 1 capital						
Paid-up ordinary share capital	25.1	34.8	56.1	79.9	98.6	41.4
General reserves and retained earnings	-14.9	4.7	20.9	37.1	62.0	36.3
Other Tier 1 capital	-1.1	0.7	2.3	5.2	12.7	1.0
Residual Tier 1 capital	0.0	0.0	2.2	13.0	17.2	13.8
Gross Tier 1 capital	70.5	77.8	89.0	98.8	110.4	92.5
Tier 1 capital deductions	0.0	2.2	12.1	19.0	27.8	21.1
Eligible Tier 1 capital	64.5	66.1	74.5	85.7	97.7	71.4
Tier 2 capital						
Upper Tier 2 capital						
General reserve for credit losses	0.4	1.6	4.3	4.8	5.3	4.4
Asset revaluation reserves	0.0	0.0	0.0	0.1	1.9	0.2
Other Upper Tier 2 capital	0.0	0.0	0.4	2.9	10.9	2.0
Upper Tier 2 adjustments and deductions	0.0	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	1.0	2.6	5.6	8.1	16.7	6.6
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	25.9	30.5	32.5	28.9
Eligible Tier 2 capital	2.3	19.7	33.6	37.0	42.2	35.5
Capital deductions	0.0	0.0	0.1	4.4	16.6	7.0
	As a percentage of total risk-weighted exposures					
Tier 1 capital ratio	6.9	7.3	7.8	13.4	17.2	7.4
Capital-adequacy ratio	9.7	10.7	11.2	15.6	18.9	10.4
General reserve for credit losses ratio	0.0	0.2	0.5	0.5	0.8	0.5

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table A8

Capital-adequacy data are reported for the consolidated group. To avoid double counting, subsidiaries are excluded if their parents are included.

Figure A8.1 Banks / Capital-adequacy ratio

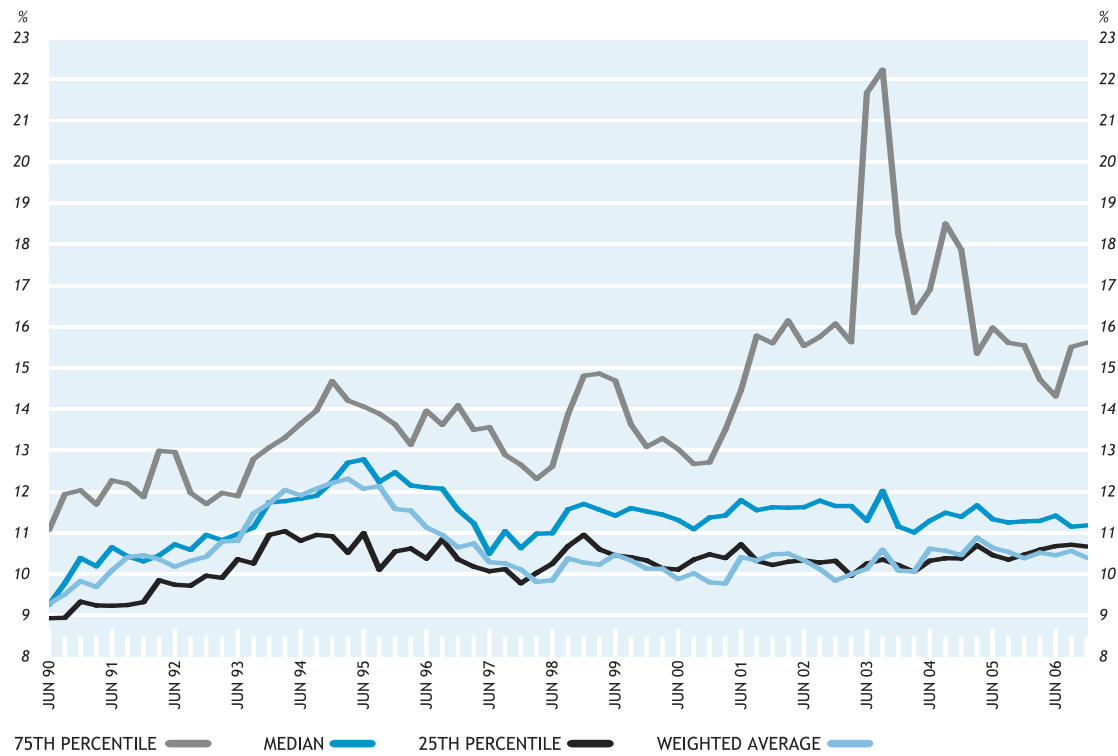
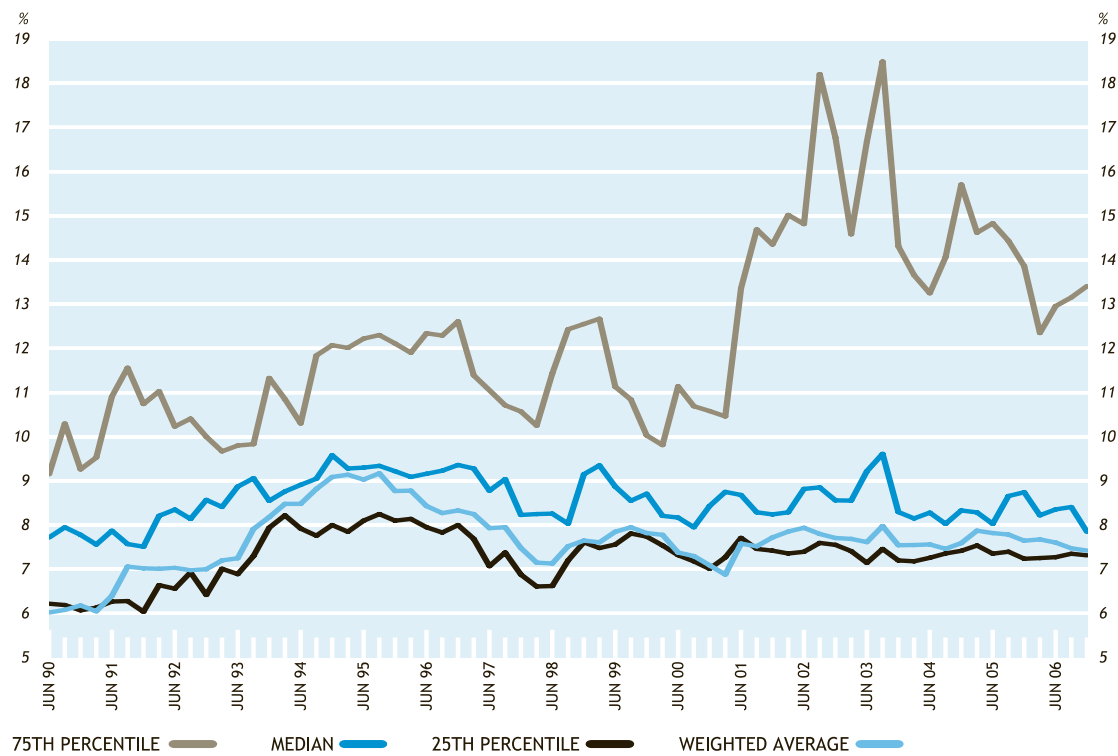


Figure A8.2 Banks / Tier 1 capital ratio



Credit Unions and Building Societies

Table B1 Credit Unions and Building Societies: Assets

December 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
As a percentage of total assets					
Cash and liquid assets					
Notes and coins	0.7	0.9	0.6	0.6	0.6
Deposits at call	6.6	5.8	2.4	2.7	3.5
Other liquid assets	1.2	0.1	0.2	0.2	0.3
Total cash and liquid assets	8.6	6.7	3.3	3.5	4.4
Government securities	0.6	0.2	0.0	0.0	0.4
Other securities	3.0	2.6	5.0	4.8	12.3
Other deposits	26.0	14.7	8.6	9.1	3.1
Loans and advances					
Housing loans	36.7	49.8	63.0	62.0	65.8
Other loans and advances	22.4	22.7	17.7	18.0	10.8
Other investments	0.4	0.4	0.4	0.4	0.5
Fixed assets	1.5	2.0	1.1	1.1	1.0
Intangible assets	0.0	0.1	0.1	0.1	0.9
Other	0.9	0.9	1.0	1.0	0.9
Total assets (\$ billion)	0.3	2.3	35.0	37.6	19.4
Number of institutions	24	49	71	144	14

Notes

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B1.1

Growth rates have been adjusted for breaks in series.

Figure B1.2

The first break in the series for building societies is due to a change in classification of housing loans for investment purposes from housing lending to commercial lending.

The second break in the series is due to a new reporting requirement change requiring housing loans for investment purposes to be reclassified from commercial lending to housing loans for investment.

Figure B1.1 Credit Unions and Building Societies / Year-ended asset growth

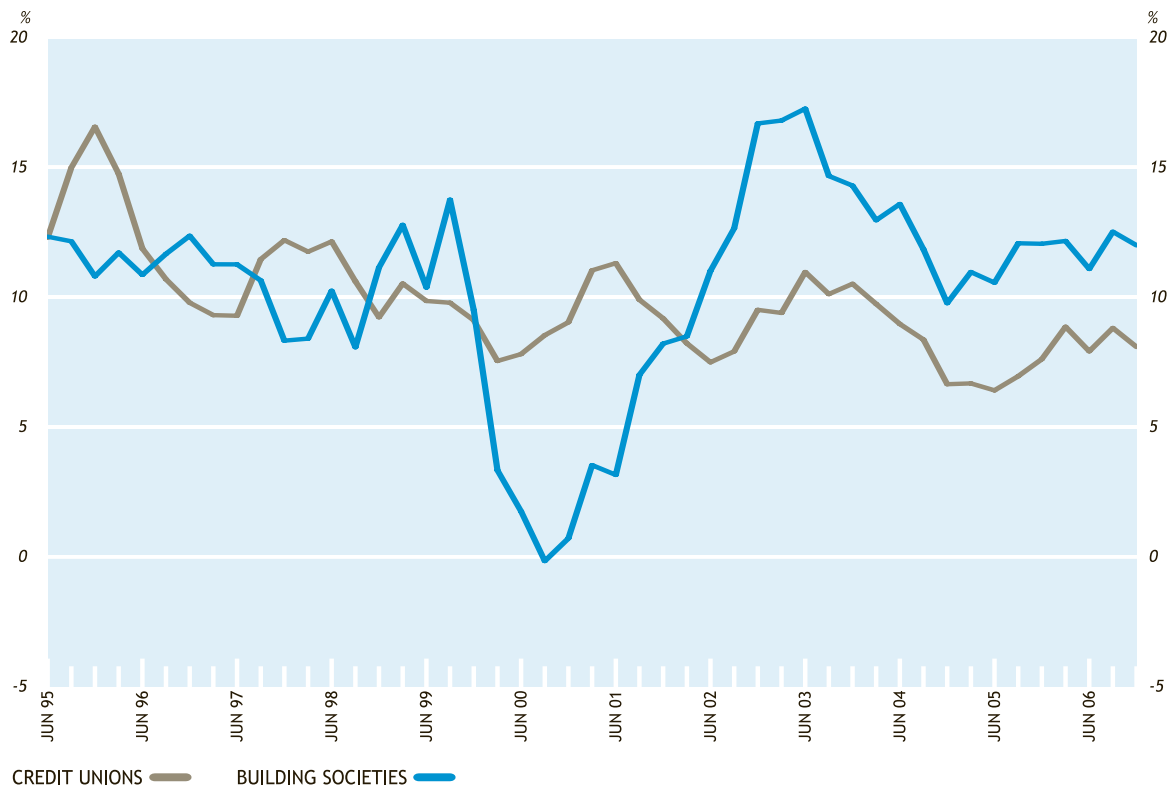


Figure B1.2 Credit Unions and Building Societies / Total housing loans as a percentage of total loans and advances

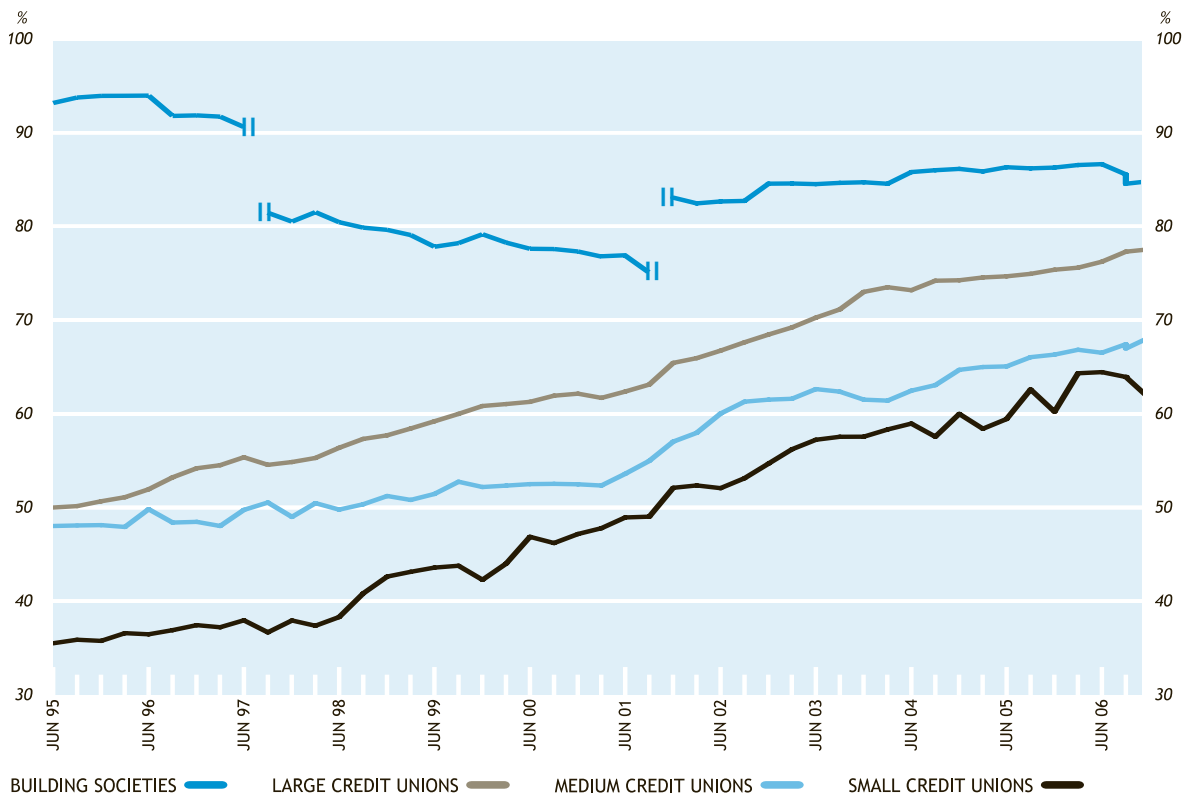


Table B2 Credit Unions and Building Societies: Liabilities

December 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of total liabilities				
Due to financial institutions	0.0	0.1	0.5	0.4	0.1
Deposits					
Call deposits	50.9	52.1	50.2	50.3	37.2
Term deposits	46.2	44.6	42.3	42.4	50.0
Certificates of deposit	0.0	0.0	0.0	0.0	7.0
Other deposits	0.0	0.0	0.8	0.8	0.0
Total deposits	97.1	96.7	93.4	93.6	94.1
Other borrowings	0.0	0.3	1.1	1.0	2.8
Income tax liability	0.2	0.2	0.2	0.2	0.3
Provisions	0.4	0.5	0.3	0.3	0.2
Bonds, notes & long-term borrowings	0.0	0.1	2.9	2.7	0.8
Loan capital & hybrid securities	0.6	0.7	0.3	0.3	0.3
Other	1.7	1.4	1.4	1.4	1.4
Total liabilities (\$ billion)	0.2	2.0	31.9	34.1	18.0
Number of institutions	24	49	71	144	14

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Figure B2.1

Deposits does not include certificates of deposit.

Figure B2.2

Deposits does not include certificates of deposit.

Figure B2.1 Credit Unions and Building Societies / Deposits as a percentage of total liabilities

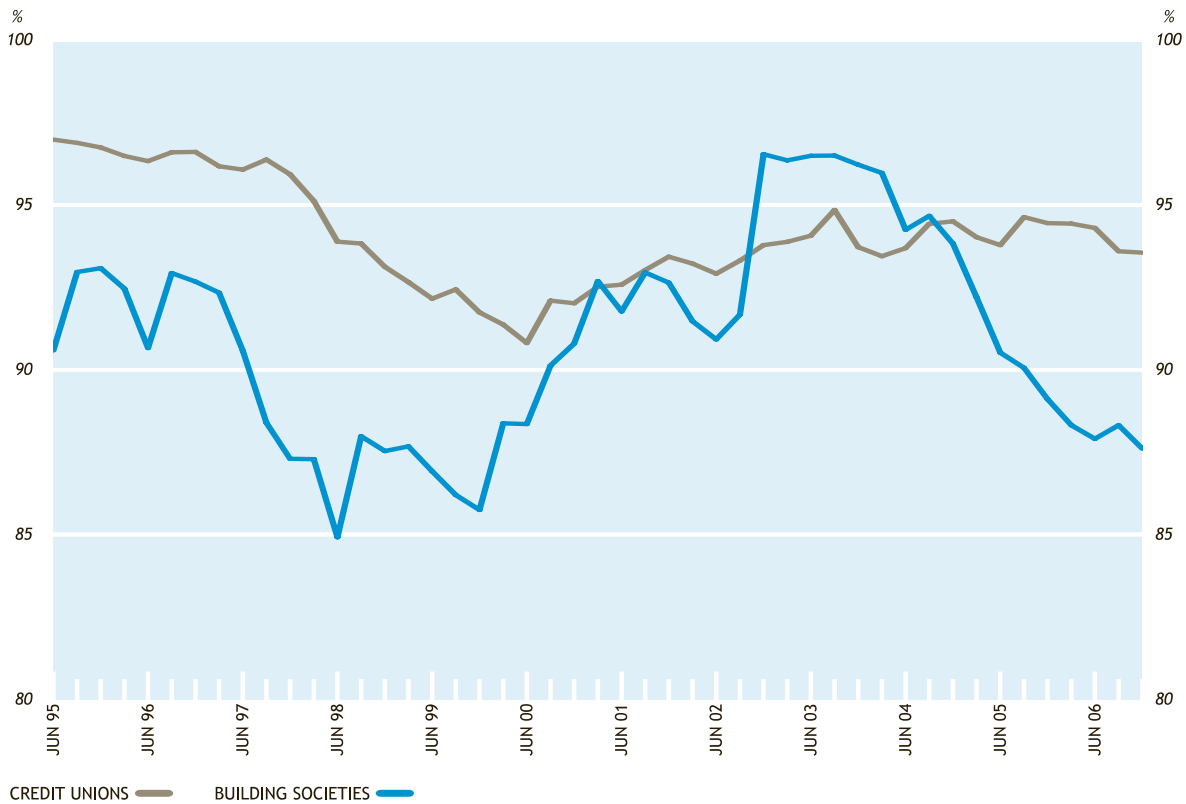


Figure B2.2 Credit Unions / Loans and advances as a percentage of total deposits

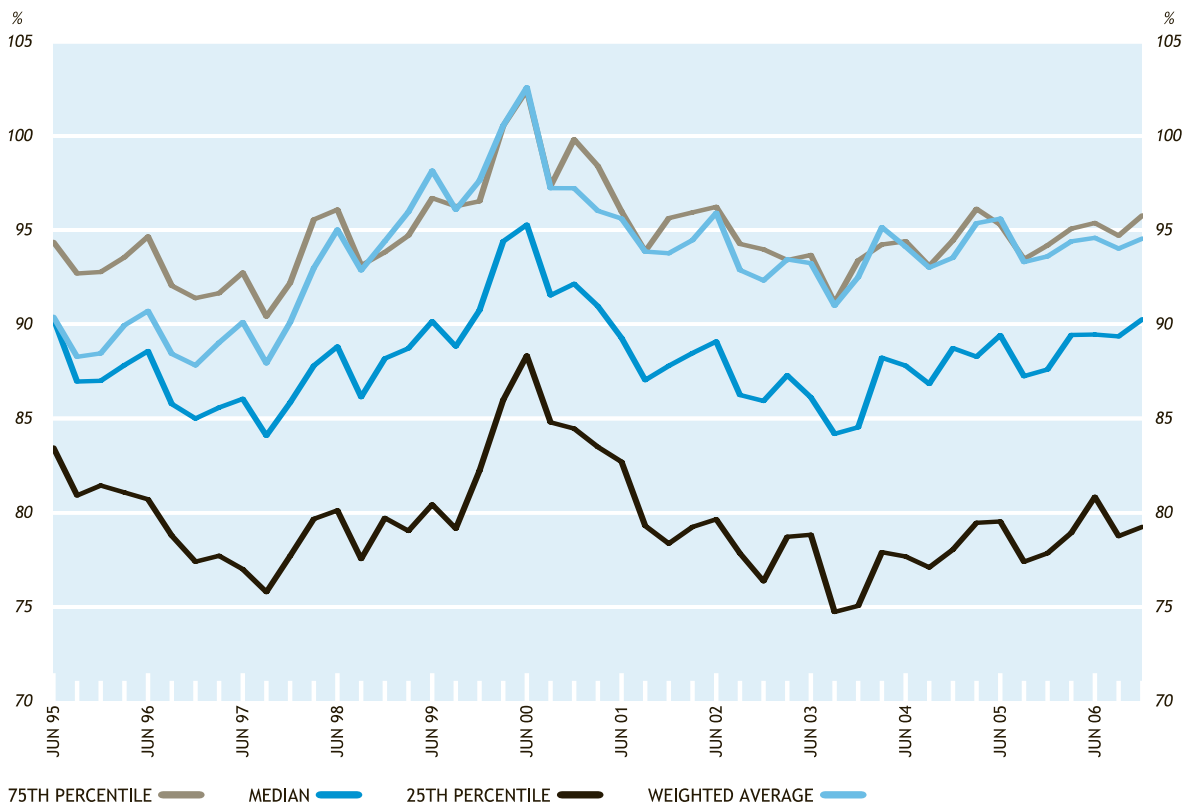


Table B3 Credit Unions and Building Societies: Profitability

December 2006	Credit Unions				Building Societies
	Small	Medium	Large	All	
	As a percentage of average assets				
Interest income					
Loans and advances	5.0	6.1	6.3	6.3	5.8
Investments	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	2.3	1.4	1.0	1.1	1.3
Total interest income	7.3	7.5	7.3	7.4	7.2
Interest expense					
Deposits	3.3	3.1	3.7	3.6	4.4
Loans	0.0	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.1	0.3	0.3	0.3
Total interest expense	3.3	3.2	4.0	3.9	4.7
Net interest income	4.0	4.3	3.4	3.4	2.5
Other income					
Fees and commissions	2.2	1.0	1.2	1.2	1.0
Other operating income	0.4	0.3	0.4	0.4	0.1
Total other income	2.6	1.3	1.6	1.6	1.1
Other expenses					
Personnel	2.6	1.9	1.5	1.5	1.1
Directors fees	0.1	0.1	0.0	0.0	0.0
Occupancy and equipment expenses	0.4	0.3	0.4	0.4	0.3
Information technology	0.6	0.5	0.3	0.3	0.1
Fees and commissions	0.3	0.2	0.3	0.3	0.3
Other operating expenses	1.8	1.6	1.1	1.1	0.8
Total other expenses	5.8	4.6	3.6	3.7	2.6
Return on average assets (ROA)	0.5	0.7	0.9	0.9	0.7
Number of institutions	24	49	71	144	14

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table B3

The data in this table are reported on a quarterly basis and have been annualised.

Interest income and interest expense includes intra-group interest amounts.

Figure B3.1

Expense refers to non-interest expense.

Figure B3.2

Expense refers to non-interest expense.

Figure B3.1 Credit Unions and Building Societies / Expense as a percentage of net revenue

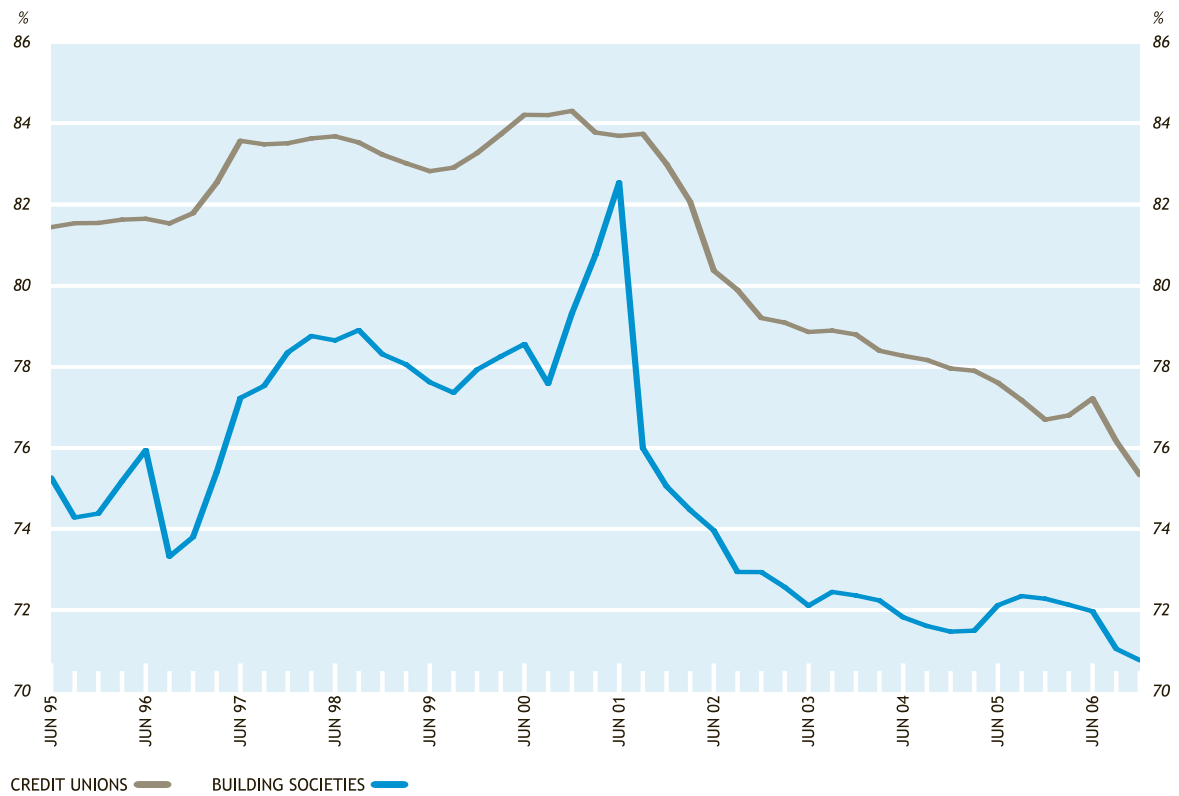


Figure B3.2 Credit Unions / Annual expense to revenue ratio

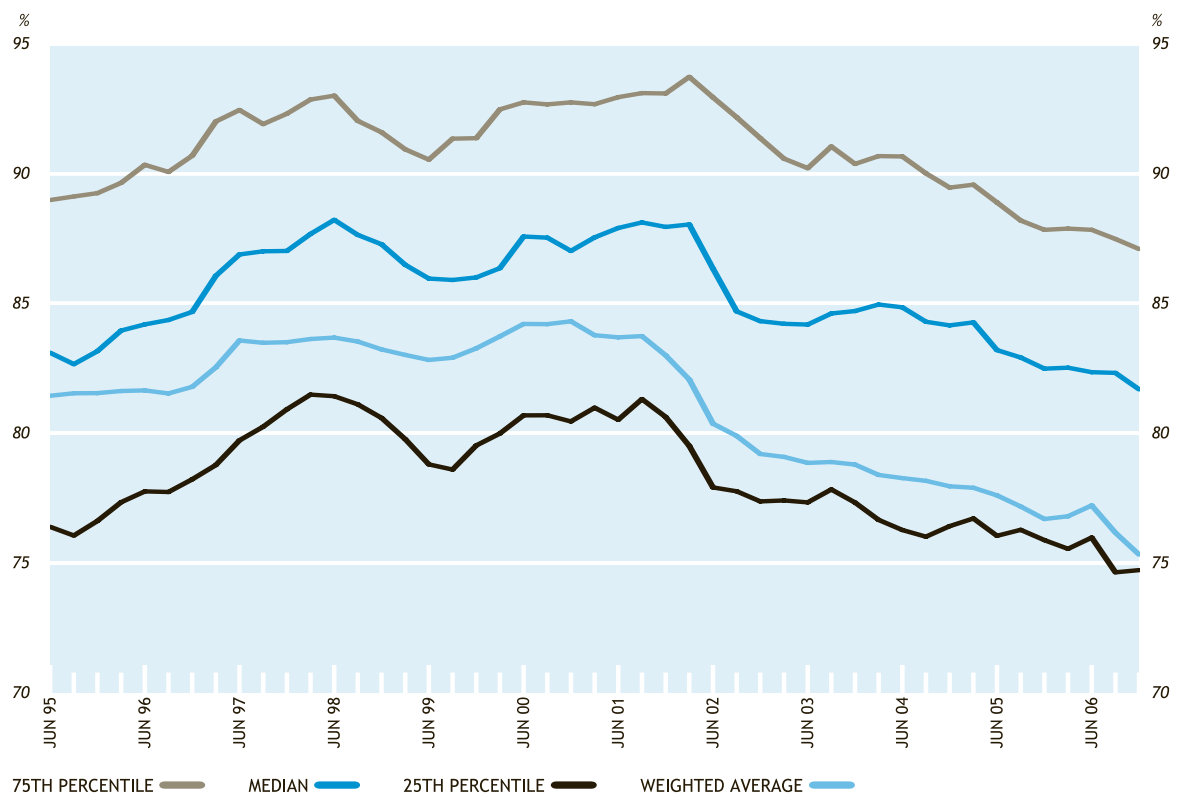


Table B4 Building Societies: Profitability

December 2006 No. of Building Societies 14	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of average assets			
Interest income				
Loans and advances	5.0	5.9	6.1	5.8
Investments	0.0	0.0	0.0	0.0
Other interest earning assets	1.0	1.3	1.8	1.3
Total interest income	6.9	7.0	7.3	7.2
Interest expense				
Deposits	4.1	4.1	4.8	4.4
Loans	0.0	0.0	0.0	0.0
Other interest bearing liabilities	0.0	0.1	0.3	0.3
Total interest expense	4.2	4.4	5.2	4.7
Net interest income	2.1	2.6	2.9	2.5
Other income				
Fees and commissions	0.4	1.0	1.2	1.0
Other operating income	0.0	0.1	0.2	0.1
Total other income	0.7	1.1	2.0	1.1
Other expenses				
Personnel	1.1	1.2	1.4	1.1
Directors fees	0.0	0.1	0.1	0.0
Occupancy and equipment expenses	0.2	0.3	0.4	0.3
Information technology	0.1	0.1	0.2	0.1
Fees and commissions	0.2	0.4	0.4	0.3
Other operating expenses	0.5	0.6	1.1	0.8
Total other expenses	2.1	2.7	3.5	2.6
Return on average assets (ROA)	0.5	0.6	0.7	0.7

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

Interest income and interest expense includes intra-group interest amounts.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Table B4

The data in this table are reported on a quarterly basis and have been annualised.

Figure B4.1 Building Societies / Year-ended return on average assets

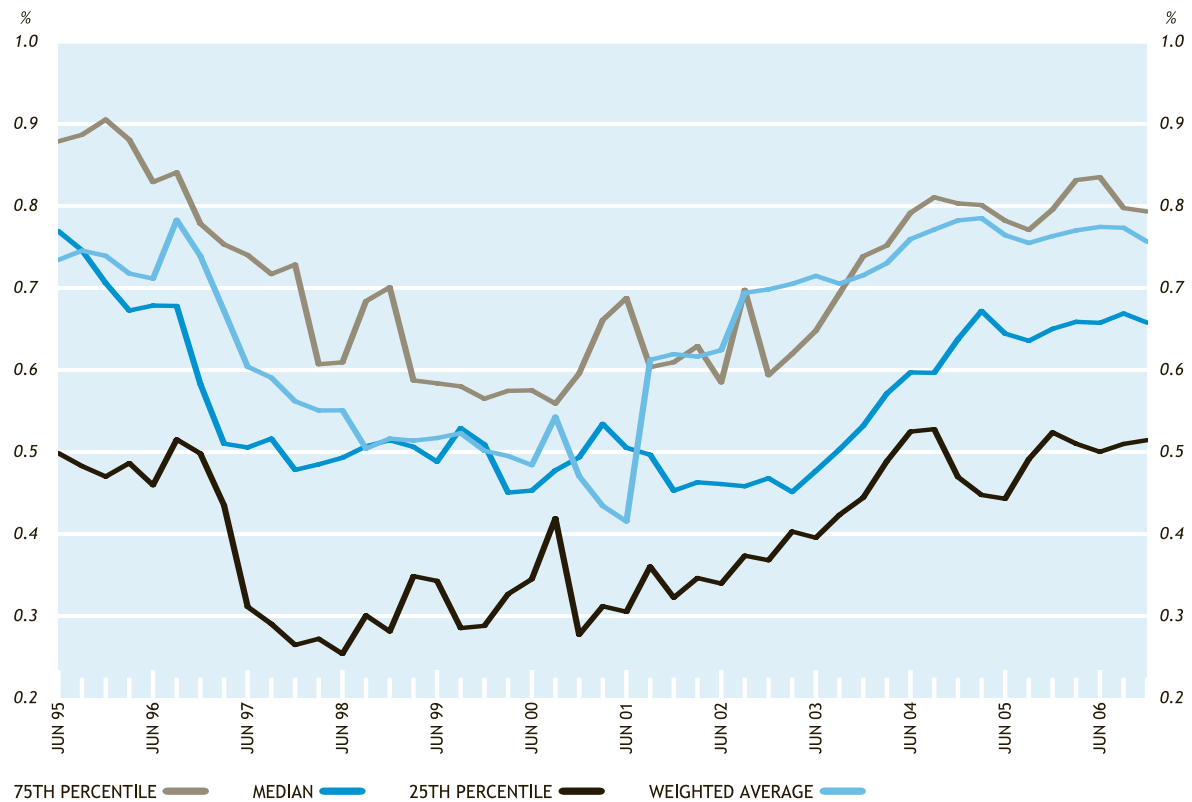


Figure B4.2 Building Societies / Year-ended net interest income as a percentage of average assets

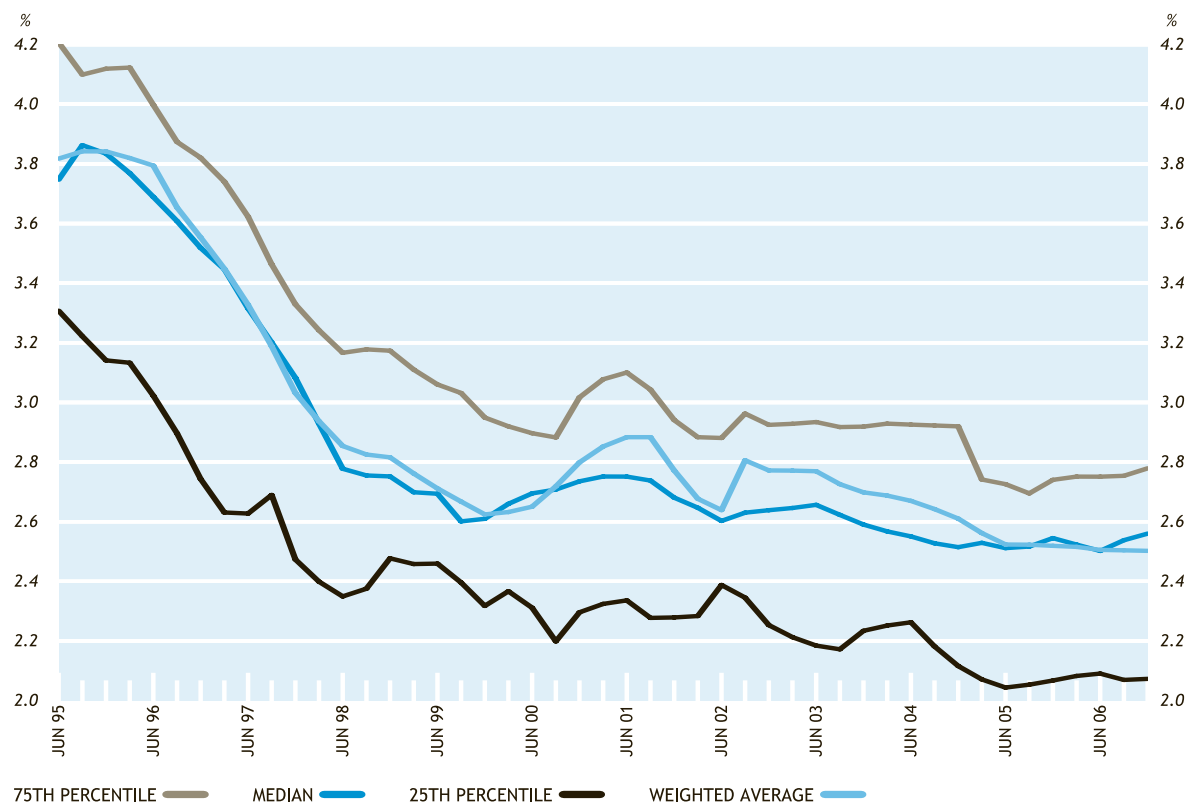


Table B5 Credit Unions: Profitability

December 2006 No. of Credit Unions 144	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of average assets					
Interest income						
Loans and advances	4.8	5.7	6.3	6.6	7.2	6.3
Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other interest earning assets	0.8	0.9	1.1	1.6	2.4	1.1
Total interest income	6.9	7.1	7.4	7.7	8.3	7.4
Interest expense						
Deposits	2.3	2.9	3.4	3.8	4.4	3.6
Loans	0.0	0.0	0.0	0.0	0.1	0.0
Other interest bearing liabilities	0.0	0.0	0.0	0.0	0.2	0.3
Total interest expense	2.3	3.0	3.6	3.9	4.6	3.9
Net interest income	2.7	3.3	3.9	4.7	5.5	3.4
Other income						
Fees and commissions	0.2	0.5	0.9	1.4	1.9	1.2
Other operating income	0.1	0.1	0.2	0.4	0.6	0.4
Total other income	0.3	0.8	1.2	1.7	2.5	1.6
Other expenses						
Personnel	1.0	1.5	1.8	2.2	2.7	1.5
Directors fees	0.0	0.0	0.0	0.1	0.1	0.0
Occupancy and equipment expenses	0.1	0.2	0.3	0.5	0.7	0.4
Information technology	0.1	0.3	0.4	0.6	0.8	0.3
Fees and commissions	0.0	0.0	0.0	0.3	0.8	0.3
Other operating expenses	0.6	0.9	1.4	1.8	2.5	1.1
Total other expenses	2.5	3.3	4.3	5.2	6.1	3.7
Return on average assets (ROA)	0.2	0.4	0.6	0.9	1.2	0.9

Notes

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Interest income and interest expense includes intra-group interest amounts.

Table B5

The data in this table are reported on a quarterly basis and have been annualised.

Figure B5.1 Credit Unions / Year-ended return on average assets

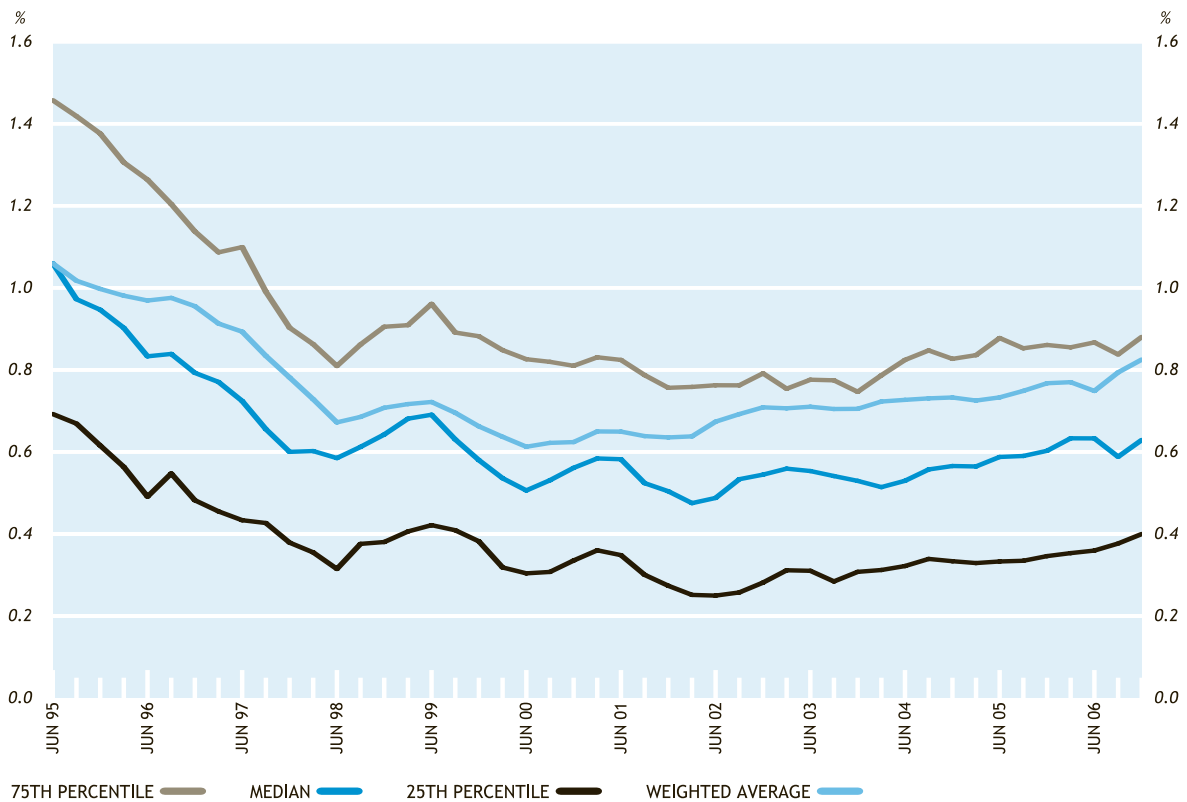


Figure B5.2 Credit Unions / Year-ended net interest income as a percentage of average assets

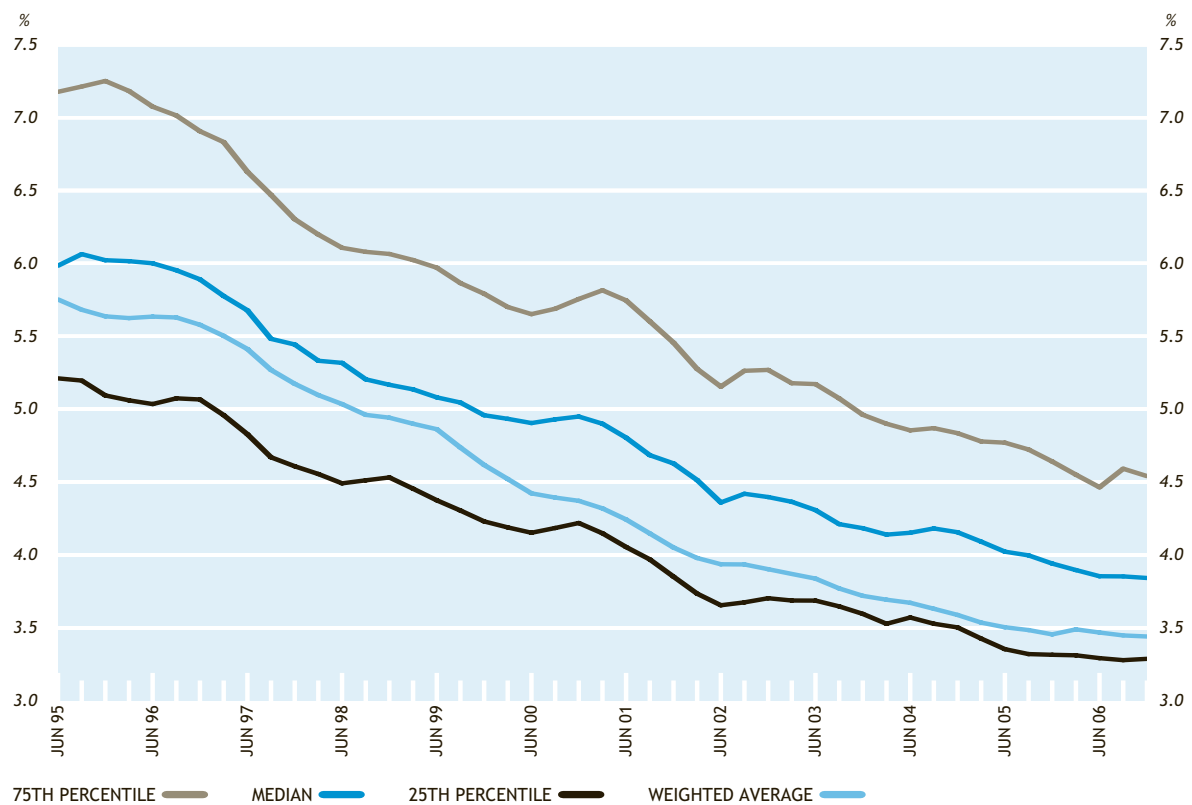


Table B6 Building Societies: Liquidity

December 2006	Percentiles			Weighted Average
	25th	Median	75th	
No. of Building Societies 14	As a percentage of adjusted liabilities base			
Eligible cash and liquid assets				
Notes and coins	0.3	0.5	0.7	0.5
Settlement funds due	0.0	0.1	0.7	0.4
Eligible deposits invested on a call basis held with				
Banks	0.6	1.5	2.6	3.3
Other ADIs	0.0	0.0	0.3	0.2
Eligible bank bills	0.0	1.3	3.4	2.1
Eligible certificates of deposit	3.2	7.3	8.8	5.2
Other eligible deposits not invested on a call basis held with				
Banks	0.0	2.2	3.3	1.4
Other ADIs	0.0	0.0	0.5	0.2
Other eligible or APRA approved securities	0.0	0.0	0.0	0.4
Total HQLA	11.9	14.7	18.7	13.7
Less placements	0.0	0.0	0.0	0.0
Total adjusted HQLA	11.9	14.7	18.7	13.7

Notes

Building society figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table B6

The information contained on this table is derived from the licensed books of the licensed building society. The licensed books of a building society is an unconsolidated report of the building society's operations/transactions.

Table B7 Credit Unions: Liquidity

December 2006 No. of Credit Unions 144	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of adjusted liabilities base					
Eligible cash and liquid assets						
Notes and coins	0.1	0.2	0.5	1.2	1.9	0.7
Settlement funds due	0.0	0.0	0.0	0.0	0.2	0.3
Eligible deposits invested on a call basis held with						
Banks	0.0	0.0	0.0	0.3	2.3	0.5
Other ADIs	0.0	0.6	2.2	4.4	10.7	1.3
Eligible bank bills	0.0	0.0	0.0	0.0	0.8	0.9
Eligible certificates of deposit	0.0	0.0	0.0	0.4	8.5	3.3
Other eligible deposits not invested on a call basis held with						
Banks	0.0	0.0	1.1	4.0	7.0	2.8
Other ADIs	0.0	3.7	10.0	15.3	22.6	7.2
Other eligible or APRA approved securities	0.0	0.0	0.0	0.0	0.0	0.0
Total HQLA	13.0	15.7	19.0	27.0	37.6	17.0
Less placements	0.0	0.0	0.0	0.0	0.0	0.0
Total adjusted HQLA	13.0	15.7	19.0	26.2	37.6	16.9

Notes

Credit union figures from June 2002 onwards are based on the new reporting requirements for high quality liquid assets.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Details on table may not add up to totals due to rounding of figures.

Table B7

The information contained on this table is derived from the licensed books of the licensed credit union. The licensed books of a credit union is an unconsolidated report of the credit union's operations/transactions.

Table B8 Building Societies: Impaired assets

December 2006 No. of Building Societies 14	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of total loans and advances			
Term of payments past due with prescribed provisions held				
Category Two facilities	0.00	0.00	0.01	0.04
Category Three facilities	0.00	0.01	0.02	0.05
Category Four facilities	0.00	0.00	0.01	0.01
Subtotal	0.01	0.04	0.12	0.11
Provisions held				
Prescribed provisions	0.01	0.02	0.02	0.05
Impaired assets as a percentage of total assets	0.01	0.03	0.09	0.08
Prescribed provisions as a percentage of impaired assets	20.89	55.64	64.83	46.34
Impaired assets less prescribed provisions as a percentage of capital base	0.11	0.29	0.66	0.61

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B8.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B8.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B8.1 Building Societies / Impaired assets as a percentage of total assets

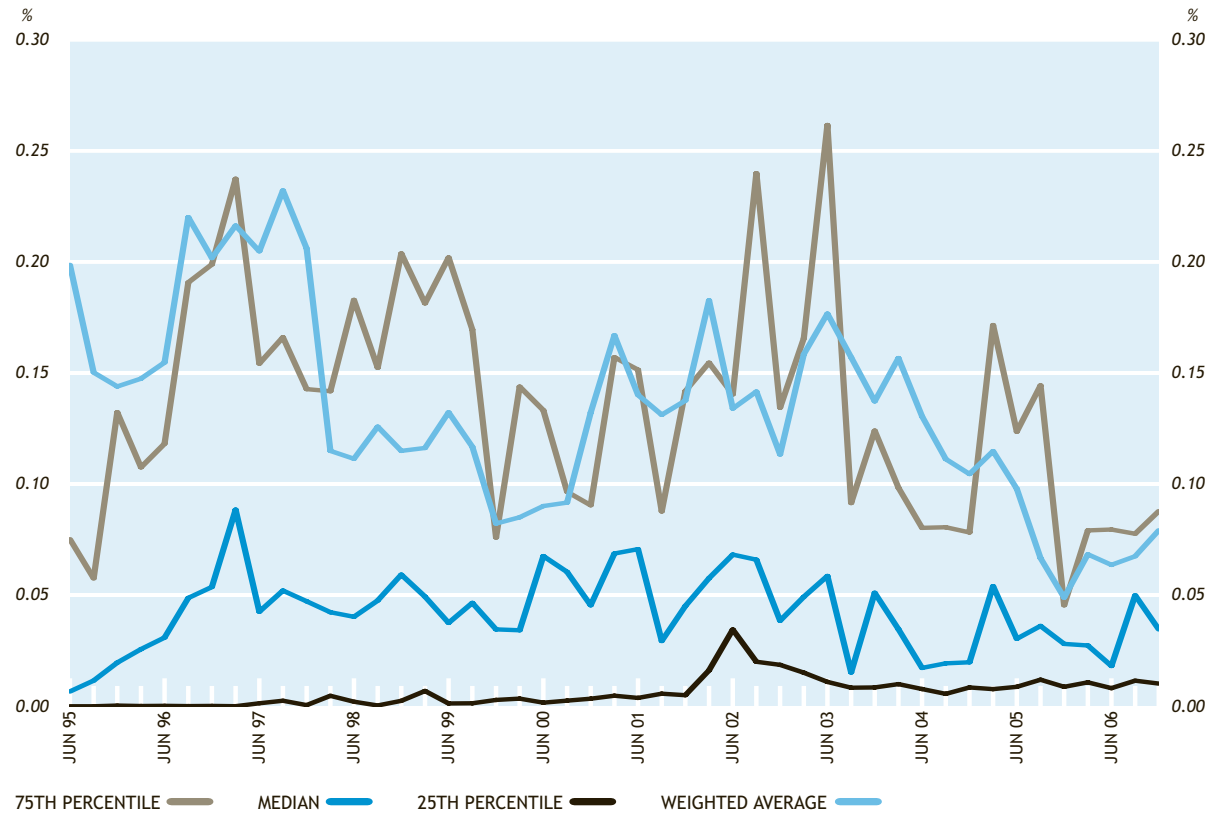


Figure B8.2 Building Societies / Impaired assets less prescribed provisions as a percentage of capital base

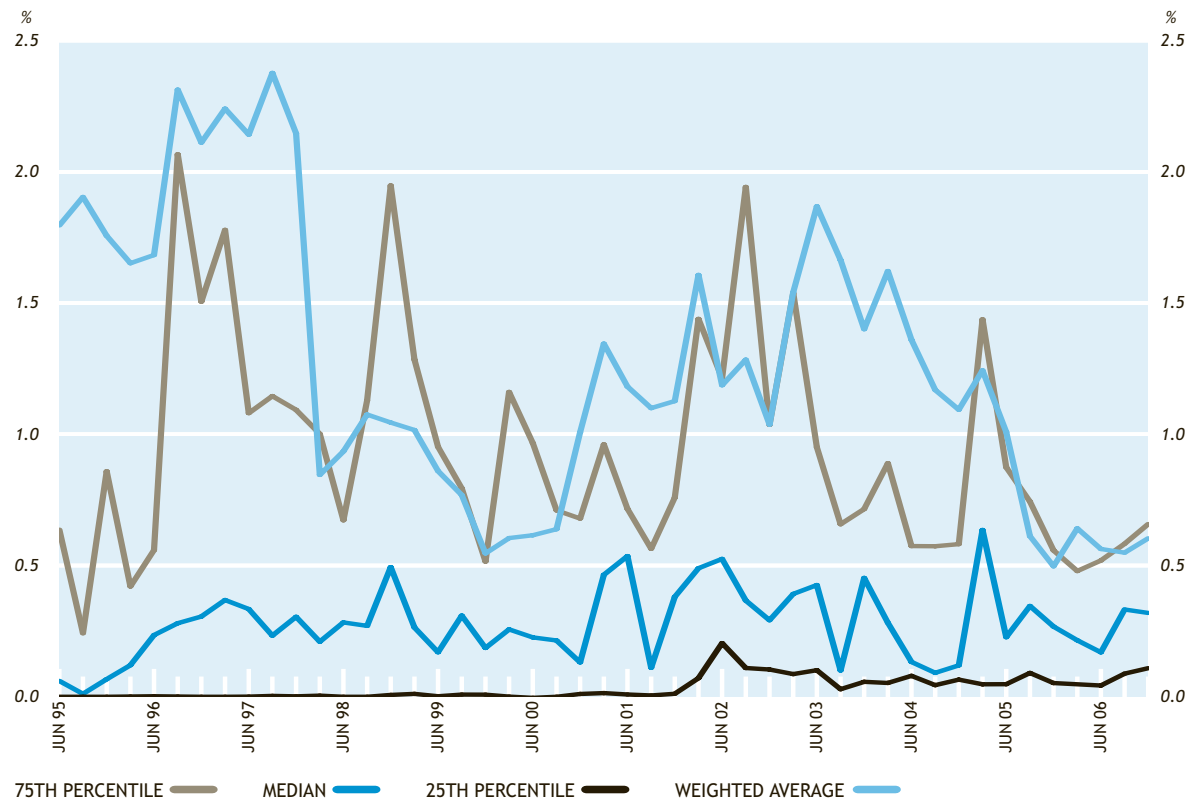


Table B9 Credit Unions: Impaired assets

December 2006 No. of Credit Unions 144	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total loans and advances					
Term of payments past due with prescribed provisions held						
Category Two facilities	0.00	0.00	0.00	0.00	0.00	0.02
Category Three facilities	0.00	0.04	0.09	0.28	0.67	0.12
Category Four facilities	0.00	0.00	0.03	0.06	0.12	0.05
Subtotal	0.02	0.06	0.13	0.36	0.84	0.19
Provisions held						
Prescribed provisions	0.01	0.03	0.08	0.22	0.54	0.11
Impaired assets as a percentage of total assets	0.01	0.04	0.10	0.26	0.57	0.15
Prescribed provisions as a percentage of impaired assets	42.81	52.70	61.84	70.48	86.05	57.60
Impaired assets less prescribed provisions as a percentage of capital base	0.02	0.12	0.35	1.00	2.05	0.71

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures. From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B9.1

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B9.2

Reporting the impaired assets of category one facilities commenced in June 1997.

Figure B9.1 Credit Unions / Impaired assets as a percentage of total assets

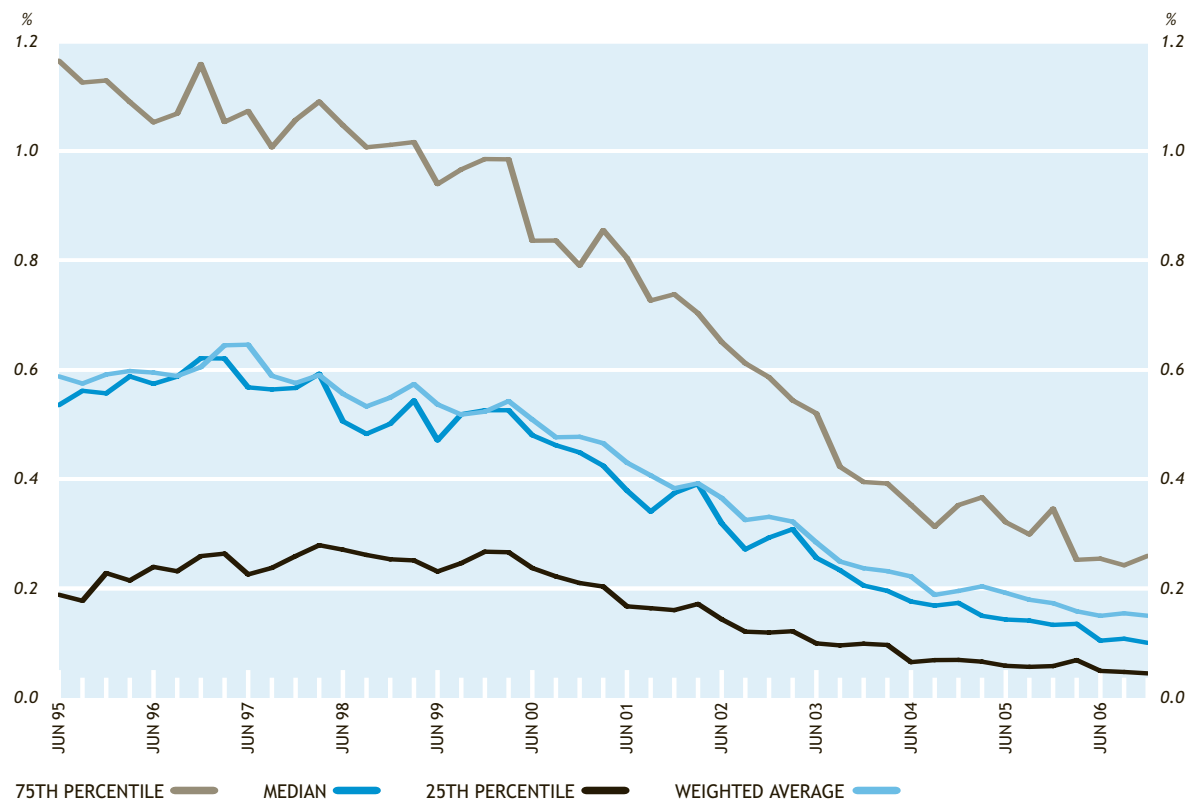


Figure B9.2 Credit Unions / Impaired assets less prescribed provisions as a percentage of capital base

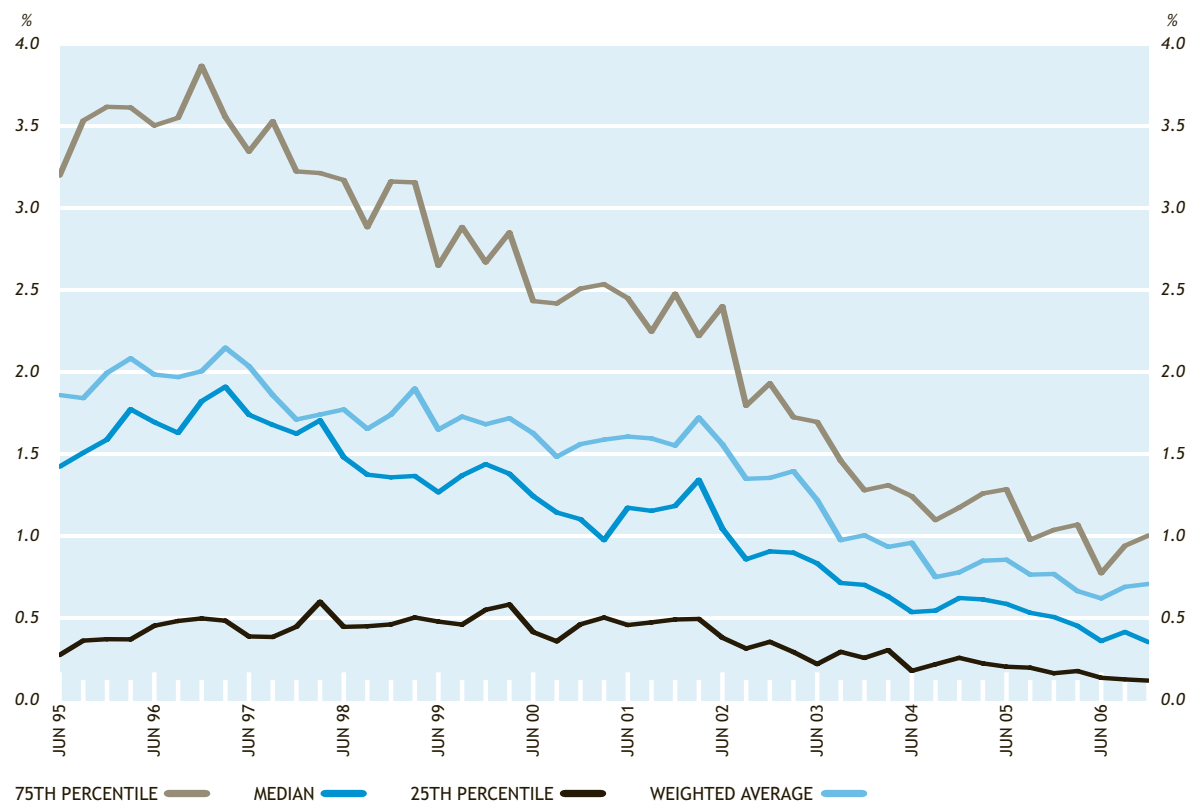


Table B10 Building Societies: Capital-adequacy
December 2006

No. of Building Societies 14

	Percentiles			Weighted Average
	25th	Median	75th	
	As a percentage of total capital base			
Tier 1 capital				
Fundamental Tier 1 capital				
Paid-up ordinary share capital	0.0	13.5	39.0	30.0
General reserves and retained earnings	32.6	71.3	91.0	71.2
Other Tier 1 capital	0.0	3.7	4.6	2.7
Residual Tier 1 capital	0.0	0.0	0.0	0.0
Gross Tier 1 capital	76.3	94.3	103.4	103.9
Tier 1 capital deductions	2.2	5.1	14.1	20.6
Eligible Tier 1 capital	64.6	77.1	88.7	83.3
Tier 2 capital				
Upper Tier 2 capital				
General reserve for credit losses	1.2	1.7	2.9	1.3
Asset revaluation reserves	0.6	1.7	2.8	1.8
Other Upper Tier 2 capital	0.0	0.0	0.0	0.9
Upper Tier 2 adjustments and deductions	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	3.2	4.7	14.8	4.2
Lower Tier 2 capital				
Eligible Lower Tier 2 capital	0.0	13.0	23.1	13.0
Eligible Tier 2 capital	11.6	24.5	38.5	17.1
Capital deductions	0.0	0.3	0.9	0.4
	As a percentage of total risk-weighted exposures			
Tier 1 capital ratio	7.9	9.4	11.7	11.5
Capital-adequacy ratio	12.2	13.2	13.7	13.8
General reserve for credit losses ratio	0.1	0.2	0.4	0.2

Notes

Building society figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B10.1 Building Societies / Capital-adequacy ratio

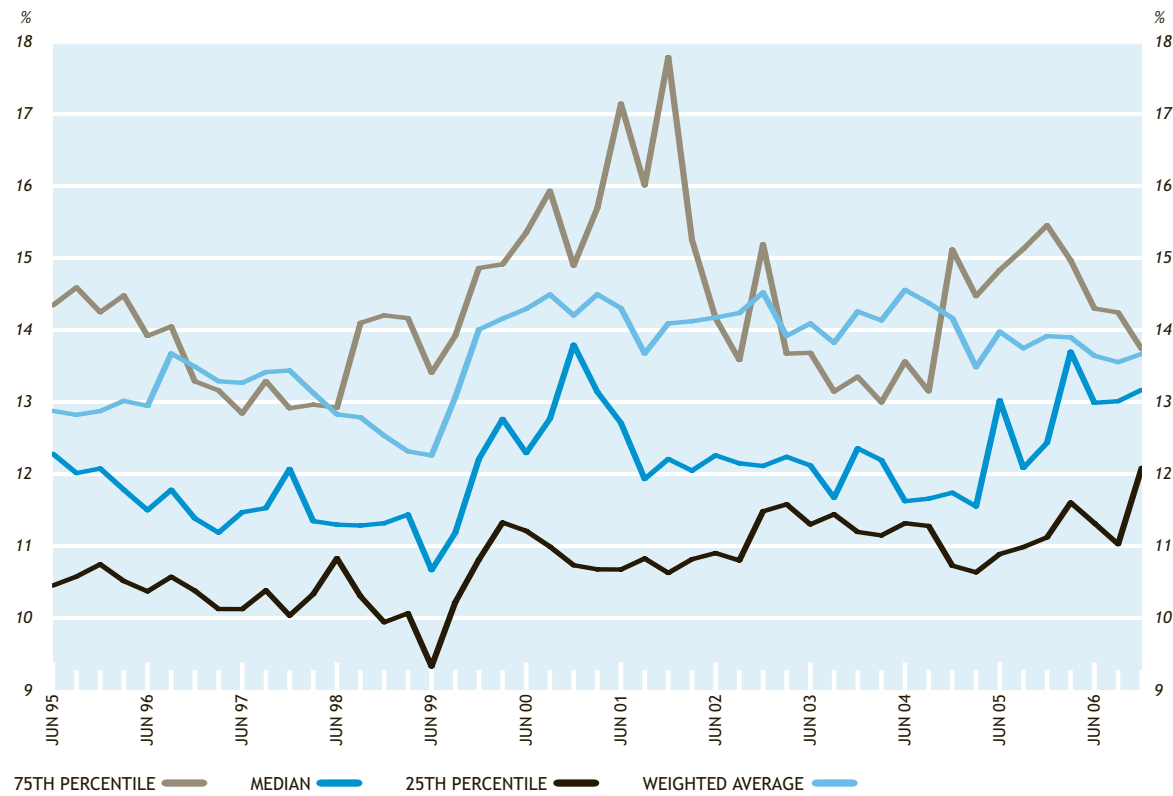


Figure B10.2 Building Societies / Tier 1 capital ratio

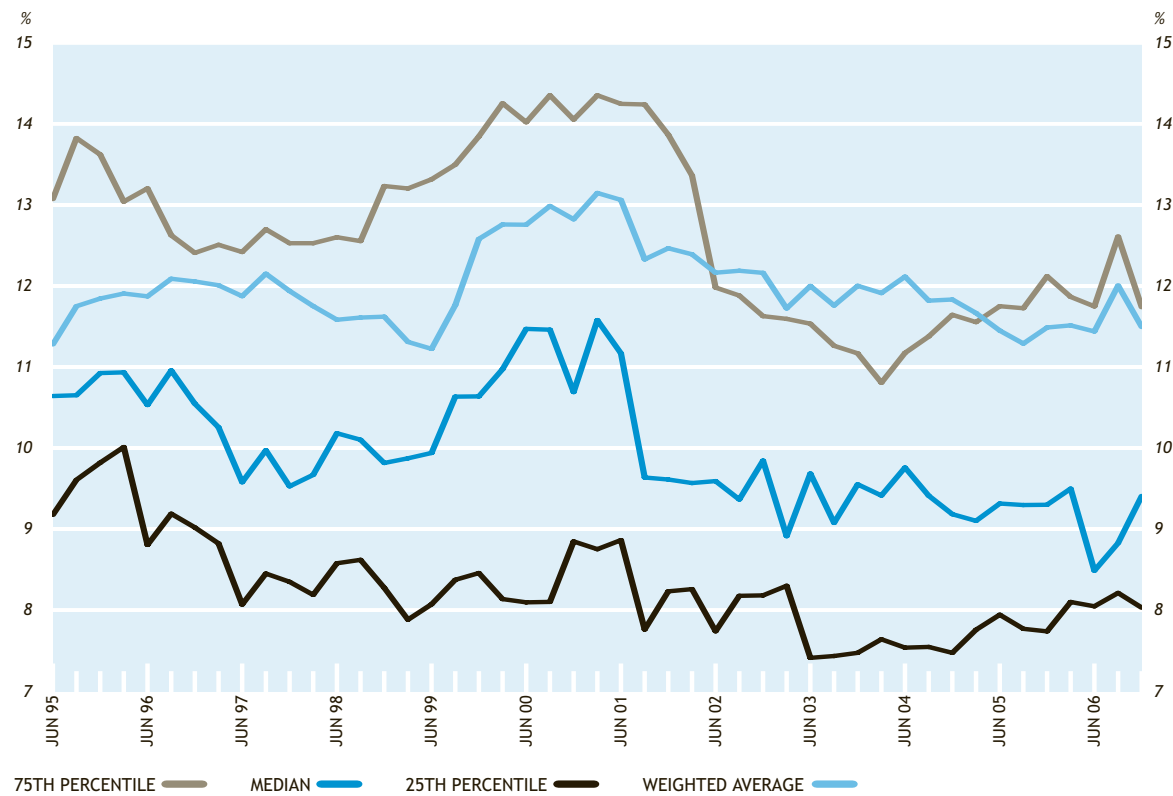


Table B11 Credit Unions: Capital-adequacy

December 2006 No. of Credit Unions 144	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of total capital base					
Tier 1 capital						
Paid-up ordinary share capital	0.0	0.0	0.0	0.0	0.0	0.0
General reserves and retained earnings	64.4	78.0	91.9	97.8	101.5	88.3
Other Tier 1 capital	0.0	2.4	6.4	10.5	15.1	8.8
Tier 1 capital	77.9	88.0	99.0	102.4	104.7	97.1
Tier 1 capital deductions	0.0	0.8	1.5	2.9	4.8	2.6
Eligible Tier 1 capital	76.9	85.5	97.8	100.7	101.7	94.5
Tier 2 capital						
Upper Tier 2 capital						
General provisions for doubtful debts	1.0	1.8	2.5	3.3	4.6	2.3
Asset revaluation reserves	0.0	0.0	0.0	4.1	14.6	2.4
Other Upper Tier 2 capital	0.0	0.0	0.0	0.0	0.0	0.3
Upper Tier 2 deductions	0.0	0.0	0.0	0.0	0.0	0.0
Eligible Upper Tier 2 capital	1.5	2.3	3.9	8.5	17.1	4.9
Lower Tier 2 capital						
Eligible Lower Tier 2 capital	0.0	0.0	0.0	0.0	17.9	4.4
Eligible Tier 2 capital	1.6	2.6	5.4	17.9	26.1	9.3
Capital deductions	0.6	2.5	3.5	4.4	5.2	3.8
	As a percentage of total risk-weighted exposures					
Tier 1 capital ratio	11.5	13.5	16.3	20.6	25.2	15.3
Capital-adequacy ratio	12.9	14.7	17.2	20.9	26.3	16.0
General reserve for credit losses ratio	0.1	0.3	0.5	0.7	1.1	0.4

Notes

Credit union figures from December 2001 onwards are based on the new reporting requirements.

Details on table may not add up to totals due to rounding of figures.

From September 2006 amounts are reported on an International Financial Reporting Standards basis.

Figure B11.1 Credit Unions / Capital-adequacy ratio

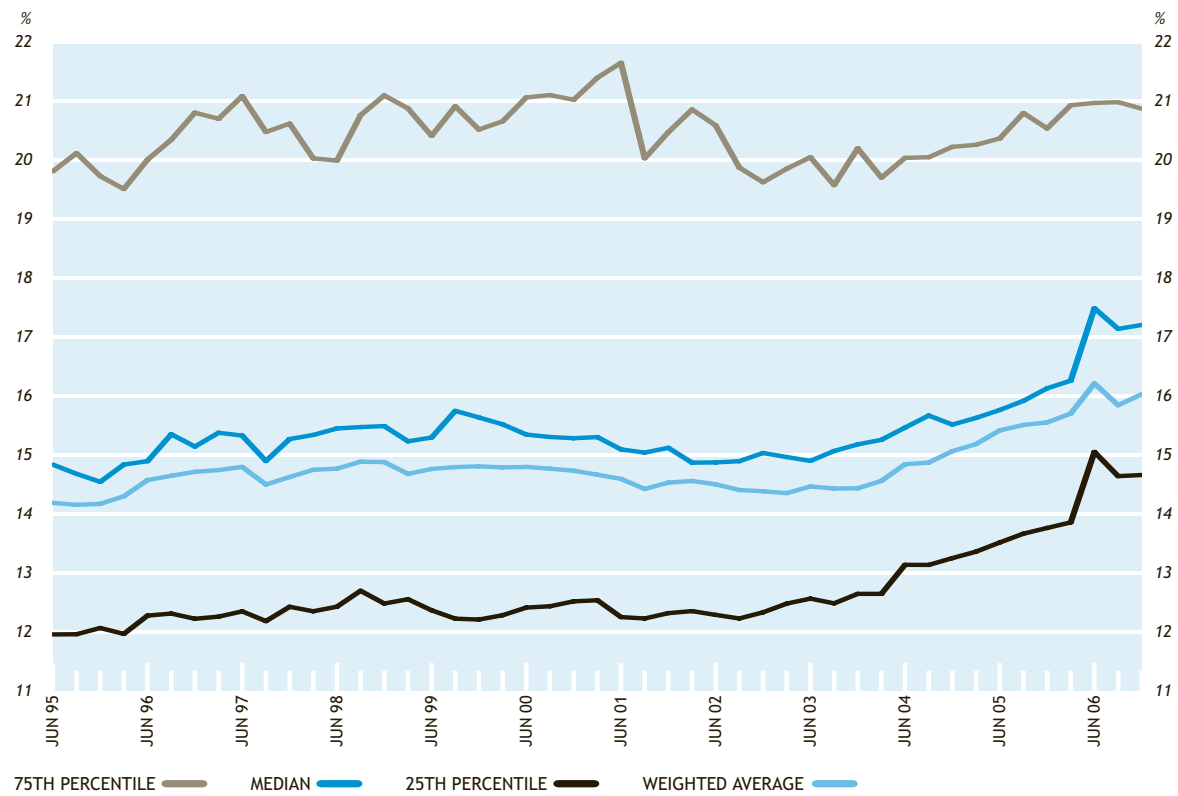


Figure B11.2 Credit Unions / Tier 1 capital ratio

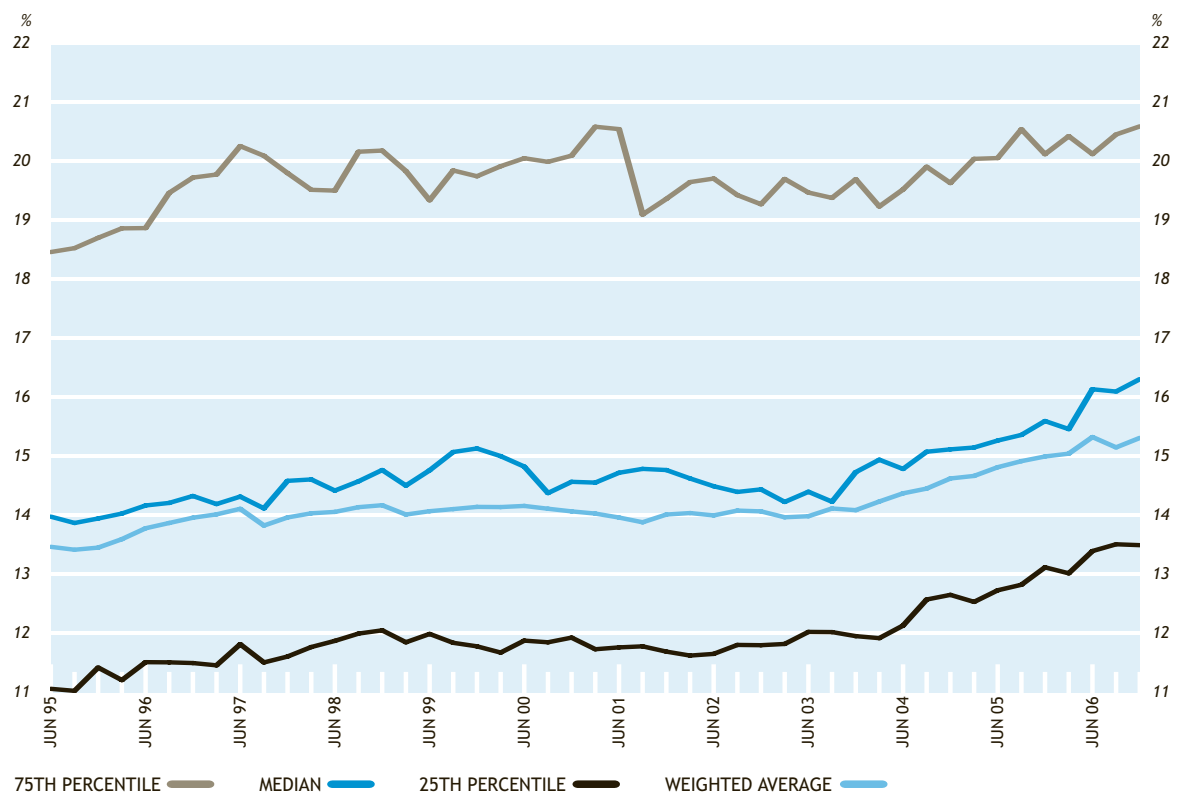


Table C1 General Insurers: Assets and liabilities

December 2006	Active Direct Insurers			Active Reinsurers	Inactive Institutions
	Diversified	Other	All		
	As a percentage of total assets				
Assets					
Cash and Liquid assets	1.5	3.2	1.9	1.0	2.3
Investments					
Interest	43.9	48.2	44.8	72.2	58.3
Equity	6.0	6.7	6.1	na	na
Property	0.9	0.1	0.7	0.0	0.2
Loans & advances	1.7	3.8	2.1	0.0	16.3
Indirect investments	6.3	5.8	6.1	0.4	7.4
Other investments	8.9	0.6	7.1	na	na
Reinsurance recoverables	11.7	12.2	11.8	4.9	7.7
Non-Reinsurance recoverables	2.9	3.4	3.0	0.0	0.3
Premium Receivables	6.7	7.4	6.9	14.5	0.4
Other assets	9.5	8.7	9.3	4.7	3.8
Total Assets (\$ billion)	58.5	16.2	74.7	7.5	3.0
	As a percentage of total liabilities				
Liabilities					
Outstanding Claims Provision	59.9	45.9	57.4	70.2	88.8
Premium Liabilities	21.5	36.5	24.2	19.3	1.1
Tax provisions	1.2	5.5	1.9	3.7	4.2
Payables on reinsurance contracts	1.8	2.3	1.9	2.9	1.7
Borrowings and loan capital	6.3	0.6	5.3	0.0	0.2
Other liabilities	9.3	9.1	9.3	3.8	4.1
Total Liabilities (\$ billion)	42.9	9.2	52.1	5.4	1.5
Number of entities	32	56	88	12	32

Notes

Details on table may not add up to totals due to rounding of figures.

Table C2 Active General Insurers: Revenues

December 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual revenue			
Total net premiums				
Fire and ISR	7.6	2.3	6.3	0.0
Houseowners householders	9.2	10.5	9.5	0.0
CTP motor vehicle	na	na	7.8	0.0
Commercial motor vehicle	6.5	0.0	5.0	0.0
Domestic motor vehicle	10.3	18.0	12.2	0.0
Marine and aviation	2.5	0.4	2.0	0.0
Professional indemnity	3.0	6.0	3.7	-0.2
Public and product liability	8.2	1.2	6.5	0.0
Employers liability	5.6	0.8	4.4	0.0
Mortgage	0.0	12.1	2.9	0.0
Consumer credit	0.3	3.0	0.9	0.0
Travel	na	na	1.3	0.0
Other accident	3.4	1.6	3.0	0.0
Other	2.2	2.7	2.3	0.0
Inward reinsurance	10.4	25.2	14.0	82.8
Subtotal	80.6	85.8	81.9	82.6
Investment Revenue				
Interest revenue	8.2	8.0	8.1	22.7
Dividend revenue	5.2	1.1	4.2	1.1
Rental revenue	0.7	0.0	0.5	0.0
Trust distributions	0.8	0.6	0.8	0.0
Capital gains/losses	-0.4	1.9	0.2	-5.6
Foreign Exchange gains/losses	0.2	0.0	0.2	-0.9
Other investment revenue	0.0	0.0	0.0	0.0
Subtotal	14.7	11.6	13.9	17.4
Other revenue	4.7	2.6	4.2	0.0
Total revenue (\$ billion)	18.7	6.0	24.8	1.5
Number of entities	32	56	88	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C3 Active General Insurers: Expenses

December 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
	As a percentage of total annual expenses			
Total net claims				
<i>Relating to current and prior years</i>				
Fire and ISR	5.1	1.8	4.4	0.0
Houseowners householders	7.0	7.6	7.1	0.0
CTP motor vehicle	8.2	0.7	6.5	0.0
Commercial motor vehicle	6.9	0.0	5.3	0.0
Domestic motor vehicle	11.3	23.6	14.1	0.0
Marine and aviation	1.6	0.4	1.3	0.0
Professional indemnity	1.5	3.4	2.0	-0.8
Public and product liability	3.0	0.1	2.3	0.0
Employers liability	3.6	1.0	3.0	0.0
Mortgage	0.0	3.5	0.8	0.0
Consumer credit	0.0	0.7	0.2	0.0
Travel	0.8	0.1	0.6	0.0
Other accident	2.0	0.9	1.8	0.0
Other	0.8	1.8	1.0	-0.4
Inward reinsurance	11.7	18.1	13.1	66.3
Subtotal - current and prior years	63.5	63.8	63.6	65.1
<i>Relating to future years</i>				
Total (all classes)	0.1	4.6	1.1	0.3
Subtotal - total net claims	63.6	68.4	64.7	65.4
Underwriting	28.6	20.2	26.7	26.2
General and administration	7.8	11.4	8.6	8.4
Total expenses (\$ billion)	15.8	4.6	20.3	1.0
Number of entities	32	56	88	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Details on table may not add up to totals due to rounding of figures.

Table C4 Active General Insurers: Performance measures

December 2006	Active Direct Insurers			Active Reinsurers
	Diversified	Other	All	
Profitability measures				
Underwriting results (% of net premium revenue)	11.7	28.5	16.0	21.8
Profit from general insurance (% of net premium revenue)	27.6	35.0	29.5	35.7
Operating profit (% of total revenue)	17.5	21.2	18.4	21.5
Operating profit (% of shareholders' equity)	21.0	18.8	20.3	15.1
Operating profit (% of assets)	5.6	8.1	6.1	4.2
Operating Indicators				
Net claims loss (% of net premium revenue)	58.4	53.7	57.2	55.8
Underwriting expense (% of net premium revenue)	29.9	17.8	26.8	22.3
General and administrative expense (% of total revenue)	6.6	8.6	7.1	5.9
Investment revenue (% of total revenue)	14.7	11.6	13.9	17.4
Number of entities	32	56	88	12

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C5 Active General Insurers: Performance percentiles

December 2006	Percentiles			Weighted Average
	25th	Median	75th	
Profitability measures				
Underwriting results (% of net premium revenue)	7.5	23.6	46.8	16.3
Profit from general insurance (% of net premium revenue)	14.3	28.1	54.7	29.8
Operating profit (% of total revenue)	9.7	18.8	36.2	18.6
Operating profit (% of shareholders' equity)	7.5	17.8	26.5	19.9
Operating profit (% of assets)	3.0	5.6	9.0	5.9
Operating Indicators				
Net claims loss (% of net premium revenue)	32.1	52.6	64.1	57.1
Underwriting expense (% of net premium revenue)	7.2	20.0	29.0	26.5
General and administrative expense (% of total revenue)	3.8	9.9	21.0	7.0
Investment revenue (% of total revenue)	7.5	13.1	23.2	14.1

Notes

The information contained on this table does not include entities in run-off.

Data refer to the 12 month period end.

Table C6.1 General Insurers: Capital-adequacy

December 2006	Active Direct Insurers			Active Reinsurers	Inactive Institutions
	Diversified	Other	All		
Minimum capital requirement (\$ billion)	6.2	3.5	9.6	1.0	0.4
Capital base (\$ billion)	14.1	5.9	20.0	2.1	1.4
Solvency coverage ratio	2.3	1.7	2.1	2.1	3.8
Number of entities	32	52	84	12	32

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table C6.2 General Insurers: Capital-adequacy percentiles

December 2006	Percentiles			Weighted Average
	25th	Median	75th	
Solvency coverage ratios				
Active diversified direct insurers	2.0	2.2	3.2	2.3
Active other direct insurers	1.4	2.2	3.0	1.7
All active direct insurers	1.7	2.2	3.0	2.1
Active reinsurers	1.7	2.5	3.8	2.1
Inactive institutions	1.4	3.0	4.9	3.8

Notes

The information contained on this table does not include medical indemnity insurers not required to meet minimum capital requirements.

Table D1 Life Insurers: Statutory-fund profitability

December 2006	Investment Linked	Non- Investment Linked	Company Aggregates
	As a percentage of total after-tax profit		
Source of profits			
Earnings on assets in excess of policy liabilities	16.8	22.9	21.8
Policy-owner planned profits	0.0	36.1	29.6
Shareholders' planned profits	20.5	28.6	27.2
Unplanned (experience) profits	4.5	10.1	9.1
Financial Instrument Profit	31.3	0.7	6.2
Management Services Profit	27.4	0.0	5.0
Other profits	-0.4	1.5	1.2
Profit allocations			
Policy owners	0.0	48.8	39.7
Shareholders	100.0	51.2	60.3
Total profit (\$ million)	705.7	1,801.4	2,507.1
Shareholder profitability measures			
Return on equity (%)	47.8	20.2	24.1
Return on assets (%)	0.4	2.2	0.9
Return on net premium revenue (%)	33.7	23.7	26.1
Number of entities	20	34	35

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies.

Data sourced from annual returns for financial years in the 12 months to the period end.

Details on table may not add up to totals due to rounding of figures.

Figure D1.1 Life Insurers / Return on assets

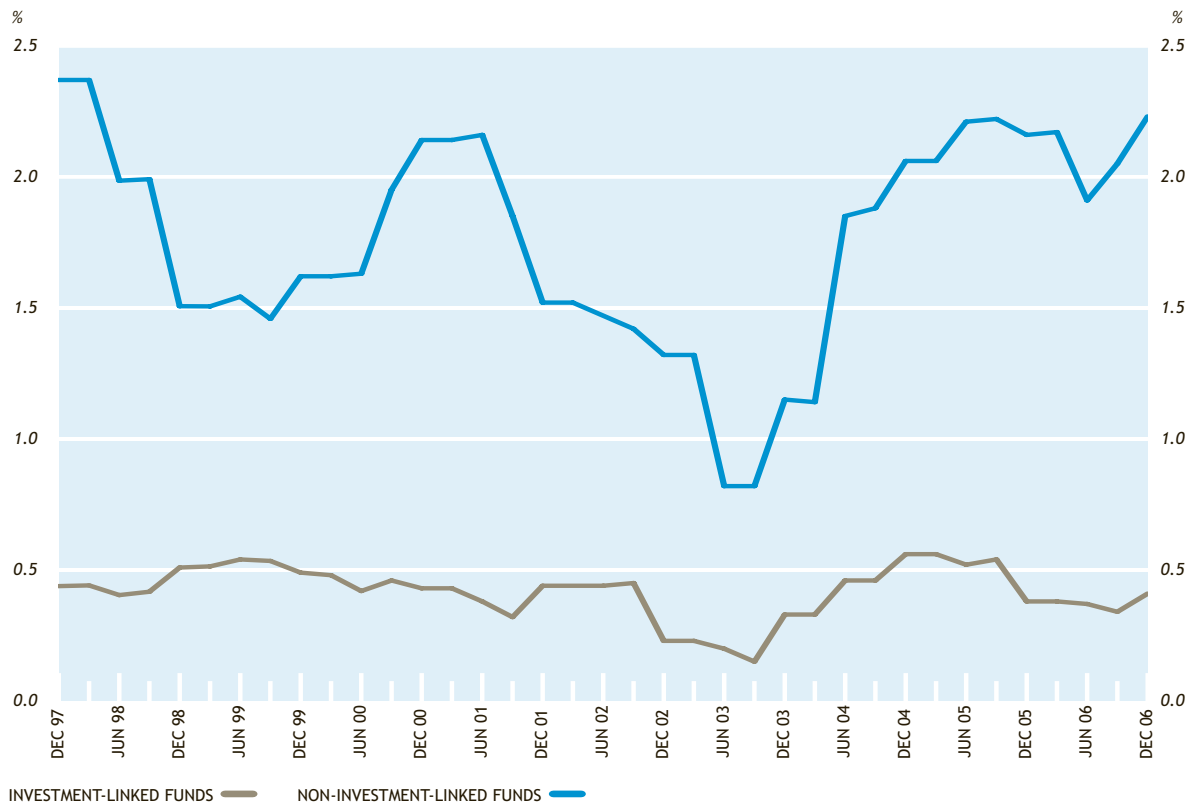


Figure D1.2 Life Insurers / Return on equity

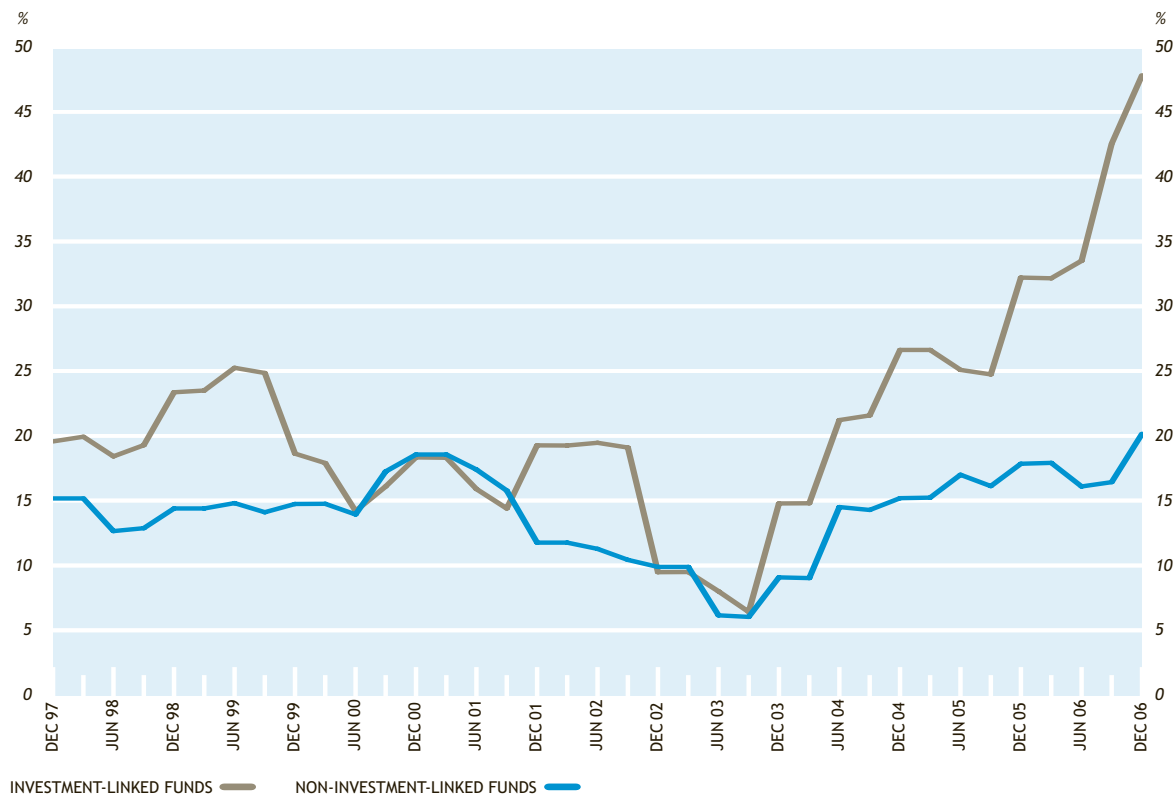


Table D2 Life Insurers: Statutory-fund solvency

December 2006	Percentiles					Weighted Average
	10th	25th	Median	75th	90th	
	As a percentage of base liabilities					
Investment linked statutory funds						
Statutory requirement	0.2	0.3	0.4	1.1	1.8	0.5
Available funds	0.9	1.2	2.2	3.9	20.1	1.1
Non-investment linked statutory funds						
Statutory requirement	1.7	5.9	12.7	19.3	34.3	13.8
Available funds	13.3	19.0	34.1	55.7	101.6	25.5
Company fund aggregates						
Statutory requirement	0.5	1.7	6.6	16.2	26.3	3.8
Available funds	2.0	5.2	18.0	38.7	61.7	7.2
Base liabilities (\$ million)	22	123	1,219	3,617	20,726	6,389
Solvency-coverage ratios						
Investment linked statutory funds	1.9	2.4	3.4	6.6	38.9	2.5
Non-investment linked statutory funds	1.3	1.7	2.6	5.5	11.2	1.8
Company fund aggregates	1.4	1.8	2.3	3.7	8.8	1.9

Notes

New regulatory reporting requirements were introduced in December 2005 as a result of the adoption of International Financial Reporting Standards (IFRS) by the life insurance companies.

Data sourced from annual returns for financial years in the 12 months to the period end.

Details on table may not add up to totals due to rounding of figures.

Figure D2.1 Life Insurers / Non-investment linked statutory funds : Solvency-coverage ratios

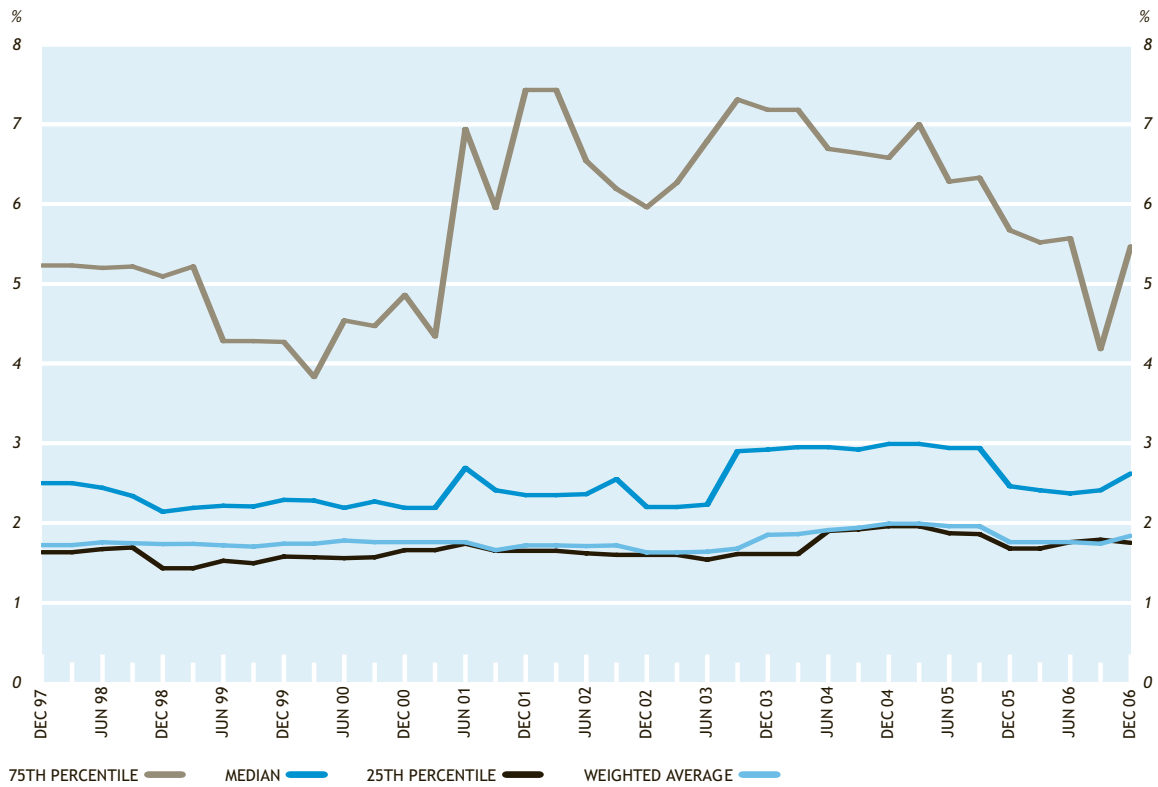
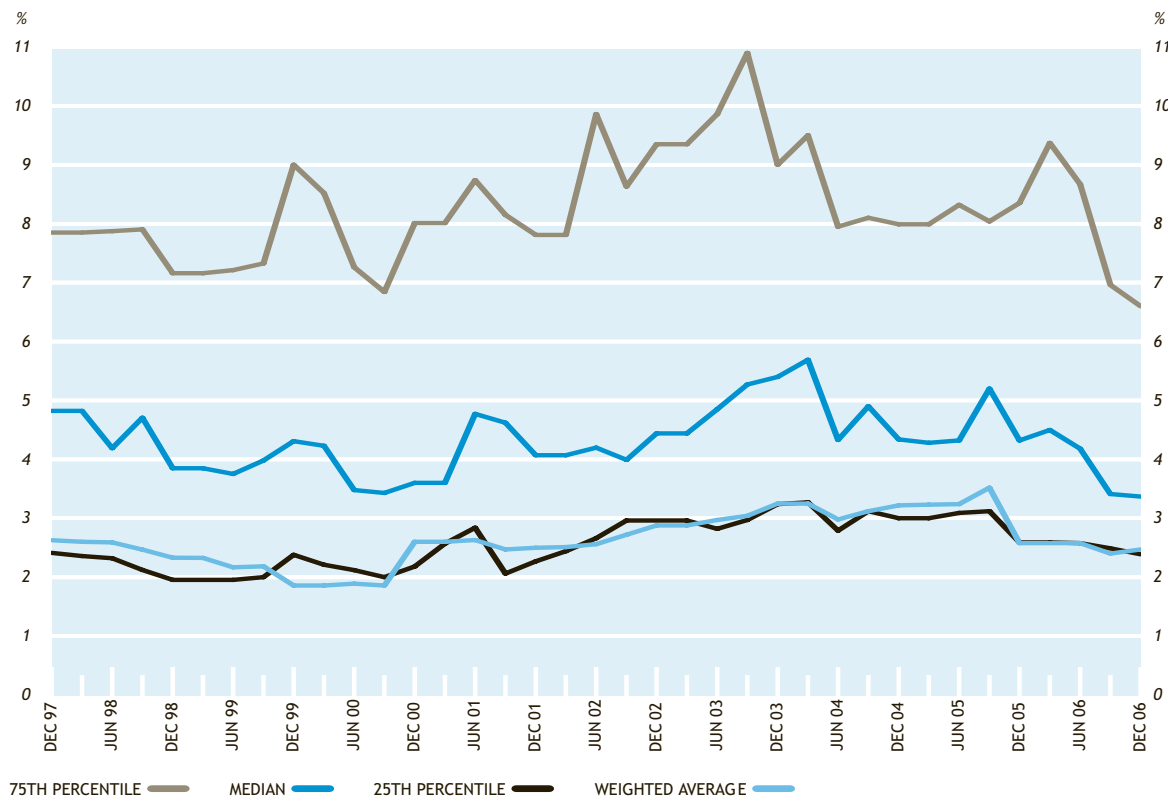


Figure D2.2 Life Insurers / Investment linked statutory funds : Solvency-coverage ratios



Glossary and Explanations

Active Insurers

Insurers that are not in run-off.

Adjusted liabilities base

Liabilities for the purpose of *APS 210 – Liquidity*. Adjusted liabilities base is total on-balance sheet liabilities (including equity) plus irrevocable commitments less eligible capital base defined in accordance with *APS 111 – Capital Adequacy: Measurement of Capital* (See Tables B6 and B7.)

All other non-market related off-balance sheet business

Includes sale and repurchase agreements, assets sold with recourse, forward asset purchases, partly paid shares and securities, placements of forward deposits, note issuance and revolving underwriting facilities, and all other non-market related off-balance sheet items not listed in Table A3.

Asset revaluation reserves

To be eligible for inclusion in Upper Tier 2 capital, reserves arising from the revaluation of assets must satisfy the conditions set out in *AGN 111.2 – Tier 2 capital*. (See Tables A7, A8, B10 and B11.)

Australian banks

Australian banks are defined under the Banking Act 1959. (See Table A1.)

Authorised Deposit-Taking Institution (ADI)

Authorised Deposit-Taking Institutions (ADIs) are corporations which are authorised under the *Banking Act 1959*. ADIs include banks, building societies and credit unions. All ADIs are subject to the same prudential standards, but to use the name 'bank', 'building society' or 'credit union' corporations must meet criteria set out in *Section 66* of the *Banking Act 1959*.

Available funds (Life Insurers)

Available funds are the amount by which the total assets (net of reinsurance assets) of the statutory fund exceed the base liabilities of the same statutory fund. (See Table D2.)

Average assets

The average on-balance sheet total assets is the average of the opening stock for the current period and the closing stock for the current period. (See Tables B3, B4, and B5; Figures B4.1, B4.2, B5.1, and B5.2.)

Base liabilities (Life Insurers)

Base liabilities are a measure of the liabilities of the statutory fund. On top of this an additional reserve is required to meet the solvency requirements under the *Life Insurance Act 1995* (See Table D2.)

Building Society

An authorised deposit-taking institution that is not a bank or a credit union.

Capital base

Banks, Building Societies and Credit Unions

Capital base is equal to Total Eligible Tier 1 and Tier 2 capital less capital deductions. Deductions include investments in non-consolidated subsidiaries or associates and holdings of other banks' capital instruments. (See Tables A7, A8, B10 and B11.)

General Insurers

Capital base is equal to the total eligible Tier 1 and Tier 2 capital, less deductions including goodwill, intangible assets and net tax assets. (See Table C6.1.)

Capital gains/losses

Capital gains/losses are revenue arising from changes in the net market value of investments. (See Table C2.)

Capital-adequacy ratio

The capital-adequacy ratio is calculated in accordance with the prudential standards for capital adequacy. It is the capital base expressed as a percentage of total risk-weighted assets. (See Tables A7, A8, B10 and B11; Figures A7.1, A8.1, B10.1, and B11.1.)

Captive insurer

A captive insurer is a member of a group of related companies which acts as insurer exclusively to the group.

Category One facilities / Category (i) loans

Category One facilities are exposures which have a loan to valuation ratio no more than 80% and which are 100% secured by residential houses. Category One facilities do not require prescribed provisions.

Category Two facilities / Category (ii) loans

Category Two facilities are exposures that are secured by a registered first mortgage against residential building and/or development, where the ratio of the outstanding balance, less the amount of mortgage insurance, to the valuation of the security is greater than 80% but no more than 100%. Where the loan is 6 months or more in arrears, the valuation must be no more than 12 months old. (See Tables B8 and B9.)

Category Three facilities / Category (iii) loans

Category Three facilities includes unsecured and commercial loans, and mortgage loans where the ratio of the outstanding balance, less the amount of mortgage insurance, to the valuation of the security is greater than 100%. (See Tables B8 and B9.)

Category Four facilities / Category (iv) loans

Category Four facilities consists of overdrawn savings accounts and over-limit facilities. (See Tables B8 and B9.)

Certificates of deposit

Certificates of deposit are negotiable bearer debt securities. They are issued at a discount to the face value and do not require endorsement when sold. (See Tables A2 and B2.)

Commercial property exposures

Commercial property exposures are facilities in excess of \$250,000 for the development, acquisition and improvement of real estate, where the servicing and repayment of the facility is dependent on cash flows generated by the property itself or other properties owned by the borrower. Excluded are housing loans for owner occupation and loans to individuals or families for residential-property investment. Loans to construction companies which are paid by third parties are also excluded, where such payment is not dependent on the proceeds of the sale or rental of the property upon completion. (See Table A4; Figure A4.1.)

Commitments

Commitments are banks' agreements to purchase assets, to underwrite debt and equity issues and to provide funding facilities. (See Table A3.)

Community service organisations

Community service organisations are institutions financed mostly by member contributions, e.g trade unions, professional societies, consumer associations, political parties, churches and religious societies. The category also includes charities and aid organisations funded by voluntary transfers. (See Table A1.)

Credit equivalent

A credit equivalent amount is derived by the multiplication of the nominal value of an off-balance sheet item by a credit equivalent factor. The factor is chosen to translate the nominal value of the off-balance sheet item into a broad on-balance sheet equivalent value. This process recognises that the value of the off-balance sheet credit exposures are not related to principal amounts in the same way as on-balance sheet credit exposures, i.e. an off-balance sheet item may represent a lower level of credit exposure than the equivalent nominal value of an on-balance sheet item. (See Table A3.)

For more details on the calculation of credit equivalent amounts refer to *AGN 112.2 – Risk-Weighted Off-Balance Sheet Credit Exposures* and *AGN 112.3 – Netting*.

Credit substitutes

Credit substitutes are all off-balance sheet business that does not consist of market related instruments. Credit substitutes includes direct credit substitutes, performance- and trade-related contingencies, other commitments and all other non-market related off balance sheet business. (See Figure A3.1.)

Credit unions

Credit unions are co-operative organisations that accept deposits from and provide loans to members.

Deposits (Tables A2 and B2)**Banks**

Deposits includes AUD and FX (AUD equivalent) transaction and non-transaction deposits. (See Table A2.)

Building Societies and Credit Unions

Deposits includes AUD and FX (AUD equivalent) transaction and non-transaction deposits and certificates of deposit. (See Table B2.)

Deposits (Figures A2.1, A2.2, B2.1 and B2.2)

Deposits includes AUD and FX (AUD equivalent) transaction and non-transaction deposits and certificates of deposit. (See Figures A2.1, A2.2, B2.1 and B2.2.)

Direct credit substitutes

Direct credit substitutes are undertakings by a bank to support the financial obligations of a client. This category includes potential credit exposures arising from the issue of guarantees, credit derivatives, confirmation of letters of credit, stand-by letters of credit, and bill endorsements. (See Table A3.)

Diversified insurers

Diversified insurers are direct insurers which are active in six or more lines of business. Mortgage and captive direct insurers and reinsurers are excluded from this category.

Earnings on shareholders' capital

Earnings on shareholders' capital for life insurers are the investment earnings on shareholders' capital. (See Table D1.)

Eligible Lower Tier 2 capital

Eligible Lower Tier 2 capital includes term-subordinated debt and similar instruments, in accordance with *AGN 111.2 – Tier 2 Capital*, less deductions as advised by APRA as per *APS 111 – Capital Adequacy: Measurement of Capital*. (See Tables A7, A8, B10 and B11.)

Eligible securities

Eligible securities are securities eligible for repurchase with the RBA and other securities approved by APRA to be included in HQLA. (See Tables B6 and B7.) For further information, refer to *APS 210 – Liquidity*.

Fees and commissions

Includes fees and commissions from lending, transaction/deposit account service fees, funds management, broking activities, underwriting activities, syndication activities, corporate advisory activities, and securitisation activities. (See Tables B3, B4 and B5.)

Foreign bank branches

Foreign banks licensed to conduct banking business in Australia through branches, subject to a condition which specifically restricts the acceptance of retail deposits (referred to as Foreign ADIs under the *Banking Act 1959*).

Future income tax benefits (FITB)

Future income tax benefits is defined in accordance with *AASB 1020: Accounting for Income Tax (Tax-Effect Accounting)*.

General and administration (Expenses)

General and administration expenses are those expenses not directly related to underwriting e.g. accounting expenses. (See Table C3.)

General provisions for doubtful debts ratio

General provisions for doubtful debts ratio is general provisions for doubtful debts as a proportion of total risk-weighted assets. Refer to *AGN 110.2* for a definition. The general provisions for doubtful debts ratio is limited to a maximum of 1.25%; therefore, the distribution is artificially constrained to this maximum. (See Tables A7, A8, B10 and B11.)

Government

Government includes Commonwealth, state, and local government agencies but excludes public trading enterprises.

Commonwealth, state, territory and local governments provide non-market goods and services principally financed by taxes to regulate economic activity, maintain law and order and to redistribute income and wealth by means of transfers.

Government securities

Includes Australian (Commonwealth, state, and local) government agency securities and foreign government securities. (See Table B1.)

High Quality Liquid Assets (HQLA) / Eligible HQLA

HQLA refers to assets that are highly liquid and of a very high quality with regards to marketability and credit quality. To be classified as an eligible high quality liquid asset, the asset must be free from encumbrances and be readily convertible into cash within two business days (except where approved for prudential purposes by APRA). Eligible HQLA includes:

- i) Cash;
- ii) Securities eligible for repurchase transactions with the Reserve Bank, and other securities approved by APRA;
- iii) Bank bills and CDs issued by ADIs rated at least "investment grade" as set out in *AGN 113.3 – The Standard Method (Table 1 – Credit rating agencies and investment grade ratings)*; and

- iv) Deposits (at call and any other deposits readily convertible into cash within two business days) held with other ADIs net of placements by the other ADIs.

An ADI must maintain an adequate stock of high quality liquid assets to cater for unexpected liquidity pressures or fluctuations under adverse or normal operating conditions. These assets can provide an ADI with the capacity to meet its obligations while the underlying problems affecting liquidity are being addressed. (See Tables B6 and B7.) For further information, refer to *APS 210 – Liquidity*.

Housing loans

Housing loans includes loans for the construction or purchase of dwellings for owner-occupation and non-owner-occupation (investment). Revolving credit and redraw facilities originally approved for the purpose of predominantly owner-occupied and non-owner occupied housing are also included. (See Tables A1 and B1; Figures A1.2 and B1.2.)

Impaired assets

Banks

Impaired assets are the aggregate of a bank's restructured and non-accrual exposures, both on- and off-balance sheet, plus any assets acquired through security enforcement. (See Tables A5 and A6; Figures A5.1, A5.2, and A6.1.)

For more details on impaired assets methodology refer to *AGN 220.1 – Impaired Asset Definitions*.

Building Societies and Credit Unions

For Building Societies and Credit Unions, impaired assets are Category Two and Three exposures that are at least 90 days in arrears and Category Four exposures that are at least 14 days in arrears. (See Tables B8 and B9; Figures B8.1 and B9.1.)

For more details on the prescribed provisioning methodology refer to *AGN 220.3 – Prescribed Provisioning*.

Inactive insurers

Inactive insurers are insurers that are in run-off. Run-off companies are restricted by APRA from writing new or renewal business.

Information technology costs

Information technology costs are the amount expensed by the institution in the purchase, maintenance, upkeep and development of Information Technology (IT) Systems. This includes the amount expended for hardware and software. It excludes IT salaries and IT depreciation costs. (See Tables B3, B4 and B5.)

Interest payable

Includes interest accrued but not yet paid. (See Table A2.)

Interest receivable

Includes interest accrued but not yet received. (See Table A1.)

Intra-group deposits

Deposits and other borrowings from related parties that are resident entities. Excluded from this item are debt securities issued to related parties that are resident entities and other accounts payable (e.g. fees and commissions payable) from related parties that are resident entities. (See Table A2.)

Intra-group loans and advances

Loans and advances to related parties that are resident entities, net of provisions. Excluded from this item are holdings of debt securities issued by related parties that are resident entities (included under “Investment securities” or “Trading securities”) and other accounts receivable (e.g. fees and commissions receivable) from related parties that are resident entities. (See Table A1.)

Investment securities

Investment securities are securities which are not trading securities, as defined in accordance with AASB 1032: *Specific Disclosures by Financial Institutions*. These are securities purchased with the intent that they be generally held to maturity or held for a period of time, though not necessarily maturity (e.g. equity securities where it is not technically possible to hold to maturity).

The ADI's strategic investment in the equity securities of controlled entities, associates or joint ventures, defined in accordance with AASB 1024 *Consolidated Accounts*, AASB 1016: *Accounting for Investments in Associates* and AASB 1006: *Interests in Joint Ventures*, are to be disclosed in “Other Investments”. (See Table A1.)

Investment-linked statutory funds

Investment-linked statutory funds are funds whose returns to fund members are directly linked to the investment performance of the fund assets. Insured individuals purchase units in a pooled investment fund operated by the life insurer. The value of the units is linked to the market value of the underlying investments and as a result, the amount received on death or retirement cannot be guaranteed.

Large credit unions

Large credit unions are those with more than \$90 million in total assets.

Life company aggregates

Life company aggregates are the aggregates of all statutory funds operated by a given life insurer. Aggregates do not include the shareholders' fund.

Lines of business

Lines of business are the types of insurance policies available. The categories are listed below.

Commercial motor vehicle

Commercial motor vehicle business covers motor vehicle insurance (including third-party property damage) other than insurance of vehicles defined under Domestic Motor Vehicle below. It includes long and medium haul trucks, cranes and special vehicles and policies covering fleets.

Consumer credit

Consumer credit covers insurance to protect a consumer's ability to meet the loan repayments on personal loans and credit card finance in the event of death or loss of income due to injury, illness or unemployment.

CTP motor vehicle

CTP motor vehicle includes all policies providing Compulsory Third Party Motor Vehicle (CTP) insurance.

Domestic motor vehicle

Domestic motor vehicle covers motor vehicle insurance (including third-party property damage) covering private-use motor vehicles including utilities and lorries, motor cycles, private caravans, box and boat trailers and other vehicles not normally covered by business or commercial policies.

Employers' liability

Employers' liability includes Workers' Compensation, Seamen's compensation and domestic workers compensation.

Fire and ISR

Fire and ISR includes all policies normally classified as 'Fire' and includes: sprinkler leakage, subsidence, windstorm, hailstone, crop, arson, loss of profits and any extraneous risk normally covered under fire policies, e.g. flood.

Industrial Special Risks (ISR) policies are policies which contain a particular standard policy wording or where the wording is substantially similar to that standard wording.

Householders/houseowners

Householders/houseowners covers the common domestic policies inclusive of contents, personal property, arson, burglary and public liability normally attached to such policies.

Inward reinsurance

Inwards reinsurance includes (1) Facultative Reinsurance: the reinsurance of individual risks by offer and acceptance wherein the reinsurer has the “faculty” (option) to accept or reject each offer by the ceding company. (2) Proportional Reinsurance: a proportional treaty is an agreement between an insurer and a reinsurer in which the reinsurer shares an identical proportion of the premiums and losses of the ceding company. (3) Excess of Loss Reinsurance: a reinsurance that, subject to a specified limit, indemnifies the ceding company against the loss in excess of a specified retention. This type of reinsurance can involve any one-risk reinsurance; any one-event reinsurance; catastrophe reinsurance; aggregate excess of loss reinsurance; and stop loss reinsurance.

Marine and aviation

Marine and aviation includes marine hull (including pleasure craft), marine cargo (including sea and inland transit insurance) and aviation (including aircraft hull and aircraft liability) insurance policies.

Mortgage

Mortgage covers insurance against losses arising from the failure of debtors to meet financial obligations to creditors.

Other

Other includes all insurance business not specifically mentioned elsewhere. It includes, for example: Trade Credit; Extended Warranty (includes insurance by a third party for a period in excess of the manufacturer's or seller's normal warranty); Legal Expense; Kidnap and Ransom; and Contingency.

Other accident

Other accident includes the following types of insurance: Miscellaneous accident (involving cash in transit, theft, loss of money); All risks (baggage, sporting equipment, guns); Engineering (when not part of ISR or Fire policy); Plate glass; Guarantee (Insurance Bonds); Live Stock; Pluvius; Construction; Fidelity Guarantee; and Sickness and Accident.

Professional indemnity

Professional indemnity covers the liability of professional persons to clients through negligence etc. Includes Directors' and Officers' liability insurance.

Public and product liability

Public liability covers legal liability to the public in respect of bodily injury or property damage arising out of the operation of the insured's business. Product liability includes policies that provide compensation for loss or injury caused by, or as a result of, the use of goods. This also includes environmental clean-up of pollution spills where not covered by Fire and ISR policies.

Travel

Travel covers insurance against losses associated with travel including loss of baggage and personal effects, losses on flight cancellations and overseas medical costs.

Loans and advances

Loans and advances are net of provisions. Net loan item figures have been adjusted for instances where provisions reported have not been allocated to specific loan categories, but rather disclosed in aggregate. (See Tables A1 and B1.)

Locally incorporated foreign banks

Foreign banks established as locally incorporated companies in Australia, licensed to conduct banking business in Australia.

The Bank of China has been categorised as a locally incorporated foreign bank as it is a foreign bank with a license to collect retail deposits less than \$250,000.

Lower Tier 2 capital

Lower Tier 2 capital consists of term subordinated debt (net of amortisation), limited life redeemable preference shares and any similar debt or capital instrument as approved by APRA that satisfies the criteria set out in *AGN 111.2 – Tier 2 Capital*. (See Tables A7, A8, B10 and B11.)

Major banks

The 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.

Market related instruments

Contracts that are used to hedge an institution's exposures to market risks, such as foreign exchange contracts, interest rate contracts and equity contracts. (See Figure A3.2.)

Market related off-balance sheet transactions

Market related off-balance sheet transaction amounts are used for capital-adequacy purposes consistent with *APS 112 – Capital Adequacy: Credit Risk* and associated guidance notes. In accordance with *AGN 112.3 – Netting*, netting of off-balance sheet claims and obligations arising from market related contracts across both the trading and banking books with a single counterparty covered by an eligible bilateral netting agreement may be applied. (See Table A3.)

Market risk contribution

The minimum level of capital to be held by banks against the risk of losses in the trading book arising from movements in market prices. (See Figure A7.2.)

Medium credit unions

Medium credit unions are those with more than \$20 million and up to and including \$90 million in assets.

Minimum capital requirement

APRA has adopted a risk-based approach to the measurement of capital adequacy, with a minimum requirement of \$5 million. The minimum capital requirement for a general insurer is derived from the aggregation of three broad risk charge categories: insurance risk (the risk that the true value of net insurance liabilities are greater than those estimated); investment risk (the risk of adverse movement in the value of assets or off-balance sheet exposure); and concentration risk (the risk associated with an accumulation of exposure to a single event). (See Table C6.)

Mortgage insurers

Mortgage insurers provide cover to protect lenders from default by borrowers on loans secured by mortgage. Mortgage insurers are substantially different from other insurers and are subject to special conditions of authority.

Net claims loss

Total claims expense net of reinsurance and non reinsurance recoveries. (See Table C4 and C5.)

Net claims relating to future years (Table C3)

Claims relating to future years represents the movement in the value of premium liabilities held by the insurer.

Net interest income

Net interest income is total interest income less total interest expense. (See Tables B3, B4, and B5; Figures B4.2 and B5.2.)

Non-accrual items

Non-accrual items are exposures on which income may no longer be accrued ahead of its receipt because there is doubt about the ultimate ability to collect principal and/or interest. Included are facilities where contractual payments of principal and/or interest are 90 or more days past due (or which have remained continuously outside approved limits for 90 or more days) and the net current market value of associated security is insufficient to cover payment of principal and accrued interest.

Non-investment linked statutory funds

Non-investment linked statutory funds are funds whose returns to fund members are not directly linked to the investment performance of the fund assets.

Other (Other commitments)

Includes commitments with certainty of drawdown, commitments that can be unconditionally revoked at any time without notice, and irrevocable standby commitments provided under APRA's approved industry support arrangements. (See Table A3.)

Other (Table A1 and B1)**Banks**

Other includes net acceptances of customers, commodities other than gold bullion, amounts receivable from clients relating to outstanding security settlements, items in suspense, property acquired or is available for sale, and loan and credit card servicing rights. (See Table A1.)

Building Societies and Credit Unions

Other includes net acceptances of customers, investments relating to the institution's life insurance business, commodities other than gold bullion, interest receivable, unrealised gains on trading derivatives, amounts receivable from clients relating to outstanding security settlements,

future income tax benefits, items in suspense, property acquired or available for sale, loan and credit card servicing rights, deferred acquisition costs relating to general insurance policies, and general insurance premiums and receivables. (See Table B1.)

Other (Table A2 and B2)**Banks**

Other includes net acceptances of customers, interest received but not yet earned, amounts payable to clients relating to outstanding security settlements, items in suspense, and amounts due to recognised clearing houses within Australia. (See Table A2.)

Building Societies and Credit Unions

Other includes net acceptances of customers, insurance liabilities, interest payable, interest received but not yet earned, amounts payable to clients relating to outstanding security settlements, unrealised losses on trading derivatives, items in suspense and amounts due to recognised clearing houses within Australia and overseas. (See Table B2.)

Other assets (Table C1)

Other assets includes investment income receivable, other reinsurance assets receivable from reinsurers (i.e. other than reinsurance recoveries), GST receivable, other receivables, tax assets, other assets, plant and equipment (net of depreciation), and intangible assets.

Other borrowings

Other borrowings includes securities sold under agreements to repurchase, short-term loans due to controlled entities and associates, and subordinated loans, promissory notes and commercial paper with residual maturity of 12 months or less. (See Tables A2 and B2.)

Other deposits (Table B1 and B2)**Asset**

Deposits that are not invested on a call or short term basis. (See Table B1.)

Liability

All other forms of deposits not specifically included in the deposit account classifications listed under "Deposits" in the table. (See Table B2.)

Other domestic banks

The other domestic banks are Australian owned banks other than the major banks and their subsidiary banks.

Other entities

Other entities under deposit liabilities includes deposits held for community service organisations and government. (See Table A2.)

Other insurers

Niche insurers are direct insurers with less than six lines of business. Mortgage and captive direct insurers are included in this group, reinsurers are excluded.

Other interest bearing liabilities

Other interest bearing liabilities consists of interest expense from other borrowings (including long-term borrowings) not specifically categorised under “Interest expense”, banking book derivatives, bonds, notes and other interest bearing liabilities. (See Tables B3, B4 and B5.)

Other interest earning assets

Interest income reported for other interest earning assets comprises income from cash and liquid assets, banking book derivatives, securities and other interest earning assets. (See Tables B3, B4 and B5.)

Other investments

Includes equity investments in the parent entity, controlled entities, associates, and joint ventures. (See Tables A1 and B1.)

Other liabilities (Table C1)

Other liabilities includes creditors and accruals, provisions, and other liabilities.

Other liquid assets

Includes gold bullion, net claims on recognised clearing houses, securities purchased under agreements to resell, and amounts owing from financial institutions. (See Tables A1 and B1.)

Other operating expenses

Includes amortisation of other assets not specifically categorised under “Other expenses”, non-lending losses, frauds, audit fees, other fees and commissions. (See Tables B3, B4 and B5.)

Other operating income

Includes dividend revenue, trading income, net profit/loss from sale of investments, income from life and general insurance businesses, and rental income. (See Tables B3, B4 and B5.)

Other residential

Residential exposures other than residential property loans for owner occupation or loans to individuals or families for investment in residential property. (See Table A4.)

Other revenue (Table C2)

Other revenue consists of other operating income, which includes realised gains/losses on disposals, increments or write-downs on revaluation of investments and goodwill, fees and commissions and income on life insurance.

Other securities

Comprises securities other than those purchased from governments. This includes ADI securities, corporate paper, asset backed securities, and other debt and equity securities. (See Table B1.)

Other Tier 1 capital

Other Tier 1 capital includes current year’s earnings net of expected dividends and tax expenses, non-cumulative irredeemable preference shares and innovative capital instruments that APRA agrees may count as part of Tier 1 capital. (See Tables A7, A8, B10, and B11.)

Other Upper Tier 2 capital

Other Upper Tier 2 capital includes cumulative irredeemable preference shares, mandatory convertible notes, perpetual subordinated debt, and similar hybrid debt/equity capital instruments that satisfy the criteria set out in *AGN 111.2 – Tier 2 Capital*. (See Tables A7, A8, B10 and B11.)

Outstanding claims provision

The outstanding claims provision is the insurer’s liability for outstanding claims, and recognises the potential cost to the insurer of settling claims which it has incurred at the reporting date, but which have not been paid. The amount reported is after taking account of inflation, discount and without deducting reinsurance and other recoveries. (See Table C1.)

Paid-up ordinary share capital

Paid-up ordinary share capital is the paid-up value of ordinary shares on which dividends are non-cumulative. (See Tables A7, A8, B10 and B11.)

Past due items

Past due items are items that are 90 days or more in arrears but are not classified as impaired assets either because they are well secured and have no provisions held against them or because any provisions have been raised on a portfolio basis. (See Tables A5 and A6.)

Percentile

The n th percentile of a sample of observations is the value below which n percent of the observations occur. For example, 75 percent lie below and 25 percent are larger than or equal to the 75th percentile. Percentiles do not add down the columns of tables. This effect can be seen in Tables B8 through B11, for example.

Placements

This represents HQLA placements by other ADIs less the amount (if positive) by which HQLA placements by other ADIs exceed HQLA deposits of the reporting ADI. As required by APS 210 – Liquidity, placements by other ADIs is only deducted from the reporting ADI's HQLA up to the level of the reporting ADI's HQLA placements with other ADIs. This netting extends across ADIs and is not on a bilateral basis only. (See Tables B6 and B7.)

Policy-owner planned profits

Policy-owner planned profits for life insurers are expected profits attributable to participating policy-owners. (See Table D1.)

Premium liabilities

Premium liabilities relate to the future claims arising from future events insured under existing policies. This fully prospective determination is considered a more effective means of recognising potential risk than the accounting concept of unearned premium. Premium liabilities are assessed on the same basis as the outstanding claims provision. (See Table C1.)

Premium receivables

Premium receivables are all unpaid premiums on policies. These are disclosed according to the length of time the premium has been due and the party from whom it is due. The due date is the date of inception or, for installment premiums, the date when the installment is owed. (See Table C1.)

Premiums

Premium revenue is recognised fully when the business is written (i.e. at the attachment date). The accounting concepts of earned and unearned premium are no longer recognised under the APRA prudential framework. Instead, the potential claim liabilities arising from the uncovered term of written insurance business are recognised through the creation of premium liabilities. (See Table C1.)

Provision for taxation

The provision for taxation is the provision set-aside for unpaid taxes. (See Table C1.)

Reinsurance recoveries

Reinsurance recoveries include amounts recoverable on claims that have not yet been paid, which consist of claims disclosed in both the outstanding claims provision and premium liabilities, and amounts recoverable under reinsurance contracts, which is for claims that have been paid. (See Table C1.)

Reinsurers

Reinsurers are insurers which engage mainly in reinsurance activities.

Residents

An Australian resident is any individual, business or other organisation domiciled in Australia. Australian branches and Australian subsidiaries of foreign businesses are regarded as Australian residents, while foreign branches and foreign subsidiaries of Australian businesses are regarded as non-residents.

Restructured items

Restructured items are exposures not specified as non-accrual, where the original contractual terms have been modified to provide for concessions of principal or interest, for reasons related to customers' financial difficulties, in a way which renders the facilities 'non-commercial' to the bank. (See Tables A5 and A6.)

Return on average assets

Return on average assets is the ratio of grossed up after-tax income before extraordinary items, but including abnormals, divided by the average on-balance sheet total assets of the institution. The average on-balance sheet total assets is constructed from the opening stock for the current period and closing stock for the current period. (See Tables B3, B4, B5; Figures B4.1 and B5.1.)

Security held

Security held refers to the value of security held against impaired assets. (See Tables A5 and A6.)

Settlement funds due

Refers to settlement funds due from clearinghouses and financial institutions and includes margin deposit accounts, net claims on recognised clearinghouses in Australia, settlement account balances and amounts owing and in the course of collection from financial institutions in relation to the payments system. (See Tables B6 and B7.)

Shareholder planned profits

Shareholder planned profits for life insurers are expected profits attributable to shareholders. (See Table D1.)

Small credit unions

Small credit unions are those with total assets up to and including \$20 million.

Solvency-coverage ratio

General insurers

The solvency-coverage ratio is the capital base (or net assets inside Australia for branches of Foreign insurers) divided by the minimum capital requirement. (See Table C6.)

Life insurers

The solvency-coverage ratio is the ratio of available funds to the statutory requirement. (See Table D2, Figures D2.1 and D2.2.)

Statutory requirement

The statutory requirement is the reserve required to be held, on top of base liabilities, in order to meet the requirements under *Actuarial Standard 2.02 (Solvency Standard)*. (See Table D2.)

Tier 1 capital deductions

Includes goodwill, other intangible assets, future income tax benefits, capital investments in associated lenders mortgage insurers, and other Tier 1 capital deductions as advised by APRA. (See Tables A7, A8, B10, and B11.)

Tier 1 capital ratio

Ratio of Eligible Tier 1 capital to total risk-weighted assets. (See Tables A7, A8, B10 and B11; Figures A8.2, B10.2, and B11.2.)

Total net claims

Total net claims figures are net of reinsurance but gross of non-reinsurance recoveries. (See Table C3.)

Total risk-weighted exposures

Total assets after adjustment for credit risk weighting. (See Tables A7, A8, B10, and B11.)

Trading securities

Includes debt and equity securities measured and defined in accordance with *AASB 1032: Specific Disclosures by Financial Institutions* and are recorded at net fair value. (See Table A1.)

Underwriting expenses

Underwriting expenses are expenses incurred as a result of underwriting activities: e.g. commission expenses, acquisition expenses other than commission. (See Table C3.)

Underwriting result

A profitability measure for general insurers defined as premium revenue less reinsurance, underwriting and claims expenses, where claims expenses are adjusted for any reinsurance or other recoveries.

Unplanned (experience) profits

Unplanned (experience) profits for life insurers are those resulting from deviations in the experience of the statutory fund from the expected results during the year. (See Table D1.)

Unrealised gains/losses on trading derivatives

Unrealised gains/losses on traded derivative financial instruments are reported at their net fair value (defined in accordance with *AASB 1032: Specific Disclosures by Financial Institutions*) when favourable/unfavourable to the reporting entity. These derivative positions may be speculation or hedging physical trading positions or portfolios. Fair values are obtained from quoted market prices, discount cash flow models and options pricing models. (See Tables A1 and A2.)

Upper Tier 2 deductions

Includes Tier 2 capital deductions as advised by APRA. (See Tables A7, A8, B10 and B11.)

Weighted average

Weighted averages are only reported for ratios. They are simply the sum of the numerators (over the relevant institutions) divided by the sum of the denominators (for the same institutions). Weighted averages are used in all tables reporting data for the peer groups of institutions in given industry classes.



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