

Competition within the Ausd  
banking sector  
Tabled: Australia Institute  
15 Dec 2010

### Bank funding costs, 2009 and 2010.

The banks in evidence to the Senate committee on competition in banking have presented lots of complicated graphs and figures for certain types of deposits and other funding costs compared with the cash rate, the bank bill swap rate, the mortgage rate and so on. What they did not do was actually present their own costs as they present them in their annual reports. The table below does precisely that and shows that for each of the top four banks interest expenses have fallen both in absolute terms and as a proportion of both liabilities and assets. These figures take us to the end of September for all but for the CBA which finish at the end of June 2010.

	<b>ANZ</b> total assets	liabilities	interest expenses	interest expense as share of liabilities	interest expenses as share of assets
	\$million	\$million	\$million		
2009	476 987	444 558	16 398	3.7%	3.4%
2010	531 739	497 584	15 739	3.2%	3.0%
	<b>CBA</b> total assets	liabilities	interest expenses	interest expense as share of liabilities	interest expenses as share of assets
	\$million	\$million	\$million		
2009	620 372	588 930	21 218	3.6%	3.4%
2010	646 330	610 760	20 293	3.3%	3.1%
	<b>NAB</b> total assets	liabilities	interest expenses	interest expense as share of liabilities	interest expenses as share of assets
	\$million	\$million	\$million		
2009	654 120	616 285	19 034	3.1%	2.9%
2010	685 652	646 998	17 568	2.7%	2.6%
	<b>WBC</b> total assets	liabilities	interest expenses	interest expense as share of liabilities	interest expenses as share of assets
	\$million	\$million	\$million		
2009	589 587	553 016	22 309	4.0%	3.8%
2010	618 277	578 159	21 506	3.7%	3.5%

Source: ANZ, CBA, NAB and WBC Annual Reports 2010.

Handwritten notes at the top of the page, including the date "18 Dec 2010" and some illegible text.

Several paragraphs of handwritten text, likely a preface or introduction, describing the purpose and scope of the document.

A large table with multiple columns and rows of handwritten data, possibly a list of items or a detailed report. The text is too faint to transcribe accurately.

Final handwritten notes or a signature block at the bottom of the page.