Overview of Presentation

- The Economy

- Securities Market Performance
  - Equities market review
  - Debt markets review
  - Market outlook

- Prospects for the Securities Industry
## A Snapshot of the Australian Economy

<table>
<thead>
<tr>
<th>Fiscal year – 12 months to end-June</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11#</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic growth (GDP, %)</strong></td>
<td>3.8</td>
<td>3.7</td>
<td>1.2</td>
<td>2.3</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Private consumption growth (%)</strong></td>
<td>4.2</td>
<td>4.0</td>
<td>0.9</td>
<td>2.8</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Business investment growth (%)</strong></td>
<td>7.3</td>
<td>15.3</td>
<td>4.8</td>
<td>(3.1)</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>Balance of payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Current a/c deficit (% of GDP)</td>
<td>5.5</td>
<td>6.3</td>
<td>3.2</td>
<td>4.4</td>
<td>3.0</td>
</tr>
<tr>
<td>- AUD/USD (year-end)</td>
<td>0.8487</td>
<td>0.9626</td>
<td>0.8114</td>
<td>0.8523</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Inflation (yearly growth, %)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Consumer price index</td>
<td>2.1</td>
<td>4.5</td>
<td>1.5</td>
<td>3.1</td>
<td>2.8</td>
</tr>
<tr>
<td>- Underlying rate of CPI</td>
<td>2.6</td>
<td>4.2</td>
<td>2.5</td>
<td>2.8</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Employment growth (yearly growth, %)</strong></td>
<td>3.1</td>
<td>2.9</td>
<td>0.2</td>
<td>2.9</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Unemployment rate (June quarter, %)</strong></td>
<td>4.3</td>
<td>4.2</td>
<td>5.8</td>
<td>5.1</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Wage price index (yearly growth, %)</strong></td>
<td>4.0</td>
<td>4.2</td>
<td>3.8</td>
<td>3.0</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Forecast (#) average year outcome for each item; from the Commonwealth (Federal) Government Economic Outlook.
Equities Market Review

Equity Asset Values

Australian and World Share Price Indices
End December 2001 = 100, daily

Source: Reserve Bank of Australia
Equities Market Review

Equity Capital Market

ASX Equity Capital Raisings (AUD $ million)

- Initial Public Offerings
- Secondary Issuance

Source: Australian Securities Exchange
Equities Market Review

Share Trading Activity

ASX Equities Turnover (AUD $ billion)

Source: Australian Securities Exchange
Debt Markets Review

Cost of funds

Source: Reserve Bank of Australia
Debt Markets Review

Debt Capital Market

- **Bonds on Issue in Australia**
  - Monthly
  - **Australian Government**
  - **State governments**
  - **Non-government**

- **Non-government Bond Issuance**
  - Average monthly issuance
    - Financial
    - Asset-backed
    - Corporate
    - Kangaroo

*Source: Reserve Bank of Australia*
Debt Markets Review

Debt Market Turnover

Debt Securities Turnover (AUD $ billion)

Source: Australian Financial Markets Report, 2010
Prospects for the Securities Industry

- Transfer of equity market supervision
- Global reform to OTC derivative markets
- Global developments on prudential regulation
- Retail products and investor protection
- Taxation reform
- Australia as a financial services hub