Statistics

Quarterly Authorised Deposit-taking Institution Property Exposures

December 2015 (issued 23 February 2016)

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Revisions

Future editions of this publication may incorporate revisions to data submitted by entities after publication. APRA regularly analyses past revisions to identify potential improvements to the source data and statistical compilation techniques, in order to minimise the frequency and scale of any future revisions.

Forthcoming issues

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

Notation

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

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

Glossary and explanatory notes

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

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Important notice

This publication is currently available in two versions:

- an Adobe PDF version for printing, containing data for the most recent periods; and
- a Microsoft Excel version, containing a complete time series since 2004 of data.

Revisions

This edition of the *Quarterly ADI Property Exposures* publication includes revisions to previously published statistics, due to better source data becoming available. For statistics measured in millions, two institutions resubmitted data, which changed the statistics by at least 10 per cent and $100 million.

DBS Bank Ltd

DBS Bank Ltd resubmitted data for the September 2015 quarter. As a result, the following statistics were revised by at least 10 per cent and $100 million:

- *Commercial property: Specific provisions and security (all ADIs)* for September 2015 was revised from $1,492m to $1,277m;
- *Commercial property: Specific provisions and security of which: Exposures in Australia (all ADIs)* for September 2015 was revised from $1,202m to $987m;
- *Impaired Commercial property exposures (all ADIs)* for September 2015 was revised from $1,472m to $1,304m;
- *Impaired Commercial property exposures of which: Exposures in Australia (all ADIs)* for September 2015 was revised from $1,189m to $1,020m;
- *Commercial property: Specific provisions and security (banks)* for September 2015 was revised from $1,490m to $1,275m;
- *Commercial property: Specific provisions and security of which: Exposures in Australia (banks)* for September 2015 was revised from $1,199m to $985m;
- *Impaired Commercial property exposures (banks)* for September 2015 was revised from $1,470m to $1,301m;
- *Impaired Commercial property exposures of which: Exposures in Australia (banks)* for September 2015 was revised from $1,186m to $1,018m;
- *Commercial property: Specific provisions and security (foreign branch banks)* for September 2015 was revised from $223m to $8m;
- *Commercial property: Specific provisions and security of which: Exposures in Australia (foreign branch banks)* for September 2015 was revised from $223m to $8m;
- *Impaired Commercial property exposures (foreign branch banks)* for September 2015 was revised from $176m to $8m;
- *Impaired Commercial property exposures of which: Exposures in Australia (foreign branch banks)* for September 2015 was revised from $176m to $8m;

Newcastle Permanent Building Society Limited

Newcastle Permanent Building Society Limited resubmitted data for the March 2015 quarter. As a result, the following statistic was revised by at least 10 per cent and $100 million:

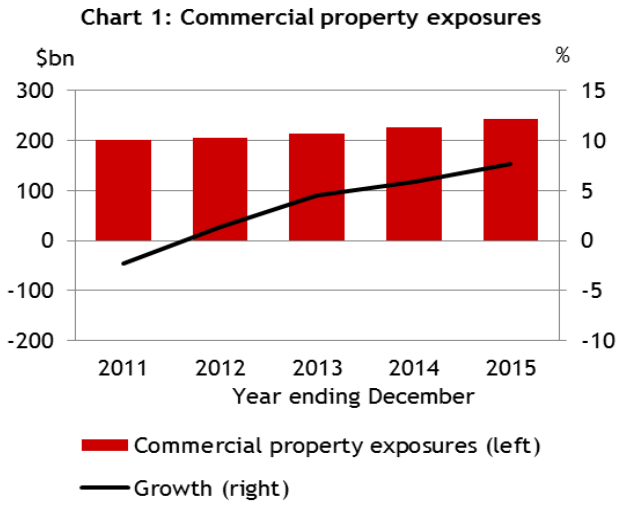
- *Residential term loans to households: Investment (building societies)* for March 2015 was revised from $3,155m to $3,476m.

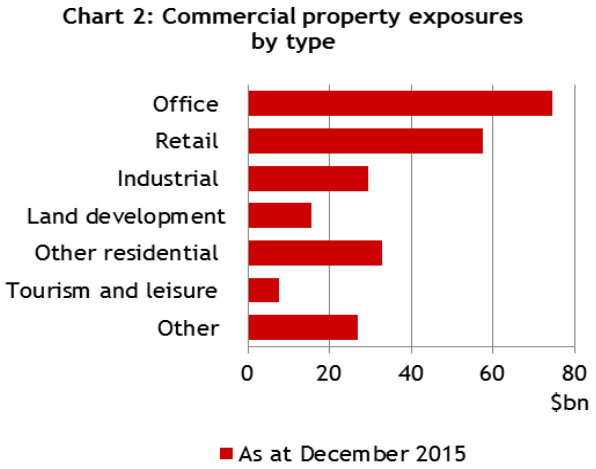
Highlights

Commercial property exposures

The commercial property exposures for all ADIs were $244.4 billion as at 31 December 2015. This is an increase of $17.4 billion (7.7 per cent) on 31 December 2014 (chart 1). Commercial property exposures within Australia were $204.4 billion, 83.6 per cent of all commercial property exposures.

The largest category of property exposures were office property ($74.6 billion) and retail property ($57.5 billion). These represented 30.5 per cent and 23.5 per cent of all exposures respectively (chart 2).



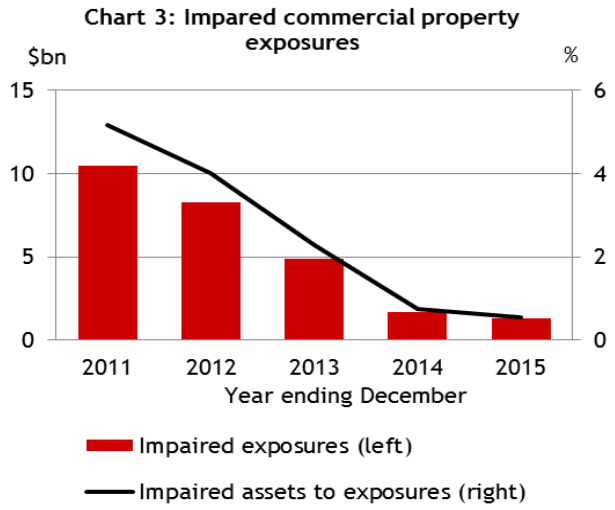


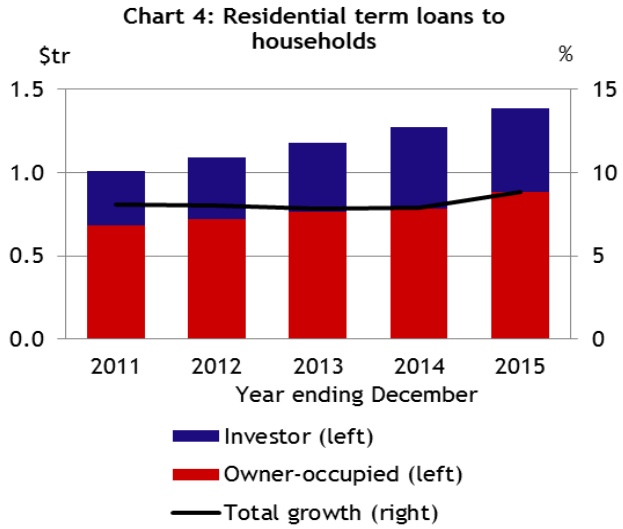
Impaired commercial property exposures were $1.3 billion at 31 December 2015, a decrease of $345.7 million (20.8 per cent) from 31 December 2014 (chart 3). Impaired commmercial property exposures were 0.5 per cent of total commercial property exposures.

Residential property exposures

ADIs' residential term loans to households were $1.38 trillion as at 31 December 2015. This is an increase of $112.6 billion (8.9 per cent) on 31 December 2014 (chart 4). Of these:

- owner-occupied loans were $884.1 billion (63.9 per cent), an increase of $100.1 billion (12.8 per cent) from 31 December 2014; and
- investor loans were $500.0 billion (36.1 per cent), an increase of $12.5 billion (2.6 per cent) from 31 December 2014.

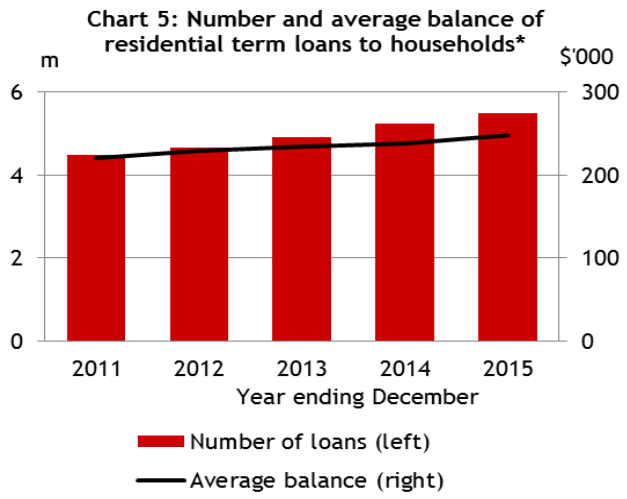


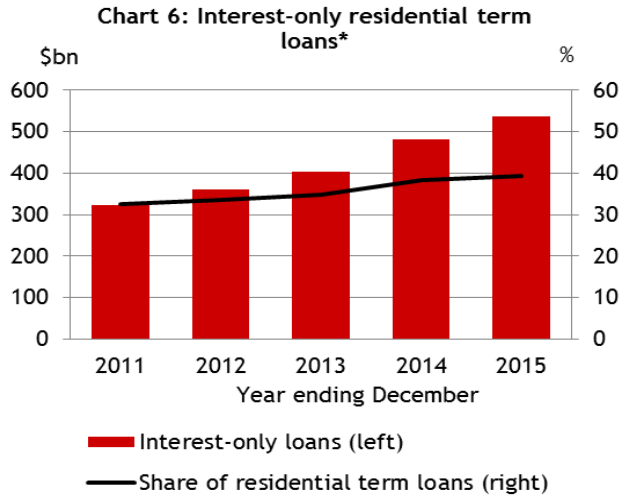


Note: 'Other ADIs' are excluded from all figures.

ADIs with greater than $1 billion of residential term loans held 98.7 per cent of all such loans as at 31 December 2015. These ADIs reported 5.5 million loans totalling $1.37 trillion. Of these:

- the average loan size was approximately $249,000, compared to $238,000 as at 31 December 2014 (chart 5); and
- $536.8 billion (39.3 per cent) were interest-only loans (chart 6).

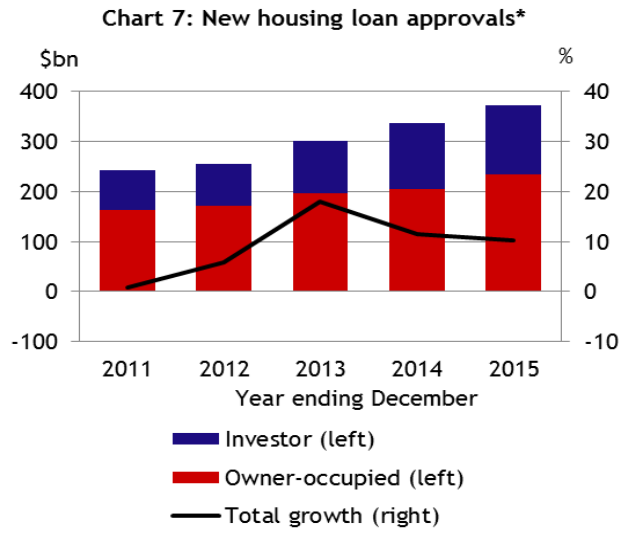


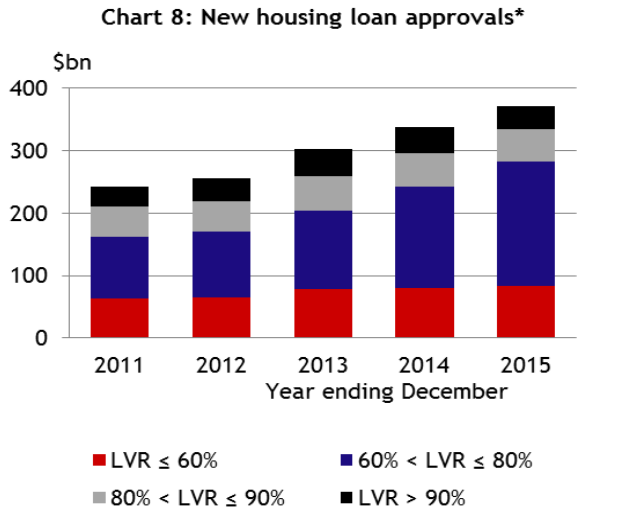


New housing loan approvals

ADIs with greater than $1 billion of residential term loans approved $371.8 billion of new loans in the year ending 31 December 2015. This is an increase of $34.6 billion (10.2 per cent) on the year ending 31 December 2014 (chart 7). Of these new loan approvals:

- owner-occupied loan approvals were $234.3 billion (63.0 per cent), an increase of $29.2 billion (14.2 per cent) from the year ending 31 December 2014;
- investment loan approvals were $137.5 billion (37.0 per cent), an increase of $5.4 billion (4.1 per cent) from the year ending 31 December 2014;
- $52.6 billion (14.1 per cent) had a loan-to-valuation ratio (LVR) greater than 80 per cent and less than or equal to 90 per cent, a decrease of $886.7 million (1.7 per cent) from the year ending 31 December 2014 (chart 8);
- $36.9 billion (9.9 per cent) had a LVR greater than 90 per cent, a decrease of $4.0 billion (9.8 per cent) from the year ending 31 December 2014; and
- $155.0 billion (41.7 per cent) were interest-only loans, an increase of $11.9 billion (8.3 per cent) from the year ending 31 December 2014.





* ADIs with greater than $1 billion of residential term loans

Note: 'Other ADIs' are excluded from all figures.

Table 1a All ADIs' commercial property exposures (Excludes 'other ADIs')

($ million, consolidated group)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Commercial property exposures					
Office	68,395	70,307	69,590	71,610	74,600
Retail	50,919	53,764	53,163	54,800	57,513
Industrial	28,522	29,000	27,771	28,112	29,388
Land development/subdivisions	12,476	13,156	14,367	14,637	15,553
Other residential	27,570	29,240	30,302	32,052	32,946
Tourism and leisure	8,438	8,483	8,545	8,352	7,632
Other	30,671	30,294	29,932	29,407	26,800
Total commercial property exposures	**226,990**	**234,244**	**233,669**	**238,970**	**244,433**
of which: Exposures in Australia	187,638	193,258	193,978	199,667	204,359
Impaired Commercial property exposures	**1,664**	**1,561**	**1,518**	**1,304**	**1,318**
of which: Exposures in Australia	1,281	1,170	1,175	1,020	1,066
Specific provisions	**696**	**636**	**542**	**478**	**504**
of which: Exposures in Australia	575	512	424	389	420
Specific provisions and security	**1,668**	**1,576**	**1,496**	**1,277**	**1,199**
of which: Exposures in Australia	1,278	1,179	1,139	987	942
Impaired assets to exposures	0.7%	0.7%	0.6%	0.5%	0.5%
Specific provisions to exposures	0.3%	0.3%	0.2%	0.2%	0.2%
Specific provisions to impaired exposures	41.8%	40.8%	35.7%	36.7%	38.3%
Specific provisions and security held to impaired exposures	100.2%	101.0%	98.5%	98.0%	91.0%
Number of entities[a]	159	159	154	152	150

[a] Domestic subsidiary ADIs are consolidated into their parents

Table 1b ADIs' residential property exposures (Excludes 'other ADIs')

(domestic or licensed books[a])

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
All ADIs	($ millions)				
Residential term loans to households					
Owner-occupied	783,982	794,654	809,568	839,659	884,094
Investment	487,575	500,559	518,099	515,148	500,042
Total residential term loans	**1,271,558**	**1,295,213**	**1,327,667**	**1,354,807**	**1,384,136**
Number of entities	161	161	155	153	151
ADIs with greater than $1 bn of term loans	($ millions)				
Residential term loans to households					
Owner-occupied	768,438	779,232	793,998	825,494	870,297
Investment	482,561	495,421	513,404	510,569	495,471
Total residential term loans to households	**1,250,999**	**1,274,654**	**1,307,402**	**1,336,063**	**1,365,768**
of which: [b]					
Loans with offset facilities	472,908	495,758	524,261	552,488	577,055
Interest-only mortgages	481,183	497,248	516,614	526,701	536,770
Reverse mortgages	2,686	2,696	2,704	2,708	2,729
Low-documentation loans	32,342	30,850	29,514	28,124	26,981
Other non-standard loans	1,181	1,118	1,131	1,073	1,113
	(thousands of loans)				
Number of residential term loans to households	**5,251**	**5,303**	**5,375**	**5,423**	**5,490**
of which: [b]					
Loans with offset facilities	1,669	1,716	1,778	1,841	1,900
Loans with redraw facilities	3,843	3,875	3,932	3,981	4,216
Interest-only mortgages	1,529	1,562	1,603	1,617	1,627
Reverse mortgages	29	29	29	29	29
Low-documentation loans	165	159	152	146	140
Other non-standard loans	6	5	6	6	6
	($ thousands)				
Average balance of residential term loans to households	**238**	**240**	**243**	**246**	**249**
of which: [b]					
Loans with offset facilities	283	289	295	300	304
Interest-only mortgages	315	318	322	326	330
Reverse mortgages	93	94	95	95	96
Low-documentation loans	196	194	194	193	193
Other non-standard loans	210	208	196	194	196
Number of entities	29	29	30	30	31

[a] Domestic books for banks, licensed books for credit unions and building societies

[b] Loan categories are neither exhaustive nor mutually exclusive

Table 1c ADIs' new housing loan approvals
(Excludes 'other ADIs')

($ million, domestic or licensed books[a])

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
ADIs with greater than $1 bn of term loans					
New residential term loans to households approved					
Owner-occupied	53,636	47,978	55,147	62,045	69,091
Investment	38,666	34,429	41,134	32,930	29,040
Total new residential term loans to households approved	**92,302**	**82,408**	**96,282**	**94,975**	**98,130**
of which: [b]					
Low-documentation loans approved	547	500	431	394	318
Interest-only loans approved	40,771	35,538	44,104	39,075	36,272
Other non-standard loans approved	99	79	104	107	127
Third-party originated loans approved	43,805	38,166	46,049	45,335	46,513
Loans approved outside serviceability	2,565	2,261	3,697	3,381	3,624
New residential term loan approvals by loan-to-valuation ratio (LVR)					
of which:					
Loans approved LVR≤60%	19,797	18,054	20,617	21,292	22,983
Loans approved 60%<LVR≤80%	49,409	44,181	51,462	51,362	52,409
Loans approved 80%<LVR≤90%	12,453	11,052	13,865	13,434	14,229
Loans approved LVR>90%	10,643	9,122	10,338	8,888	8,509
Number of entities	29	29	30	30	31

[a] Domestic books for banks, licensed books for credit unions and building societies

[b] Loan categories are neither exhaustive nor mutually exclusive

Table 2a Banks' commercial property exposures

($ million, consolidated group)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Commercial property exposures					
Office	68,322	70,238	69,534	71,573	74,563
Retail	50,808	53,657	53,056	54,722	57,435
Industrial	28,431	28,910	27,681	28,051	29,327
Land development/subdivisions	12,430	13,100	14,319	14,595	15,511
Other residential	27,464	29,135	30,196	31,975	32,869
Tourism and leisure	8,418	8,457	8,520	8,333	7,613
Other	30,608	30,228	29,866	29,360	26,753
Total commercial property exposures	**226,481**	**233,724**	**233,171**	**238,609**	**244,071**
of which: Exposures in Australia	187,129	192,738	193,480	199,306	203,997
Impaired Commercial property exposures	**1,661**	**1,557**	**1,515**	**1,301**	**1,315**
of which: Exposures in Australia	1,278	1,167	1,172	1,018	1,063
Specific provisions	**693**	**634**	**539**	**476**	**502**
of which: Exposures in Australia	573	510	422	387	418
Specific provisions and security	**1,665**	**1,573**	**1,492**	**1,275**	**1,197**
of which: Exposures in Australia	1,275	1,176	1,136	985	940
Impaired assets to exposures	0.7%	0.7%	0.6%	0.5%	0.5%
Specific provisions to exposures	0.3%	0.3%	0.2%	0.2%	0.2%
Specific provisions to impaired exposures	41.7%	40.7%	35.6%	36.6%	38.2%
Specific provisions and security held to impaired exposures	100.2%	101.0%	98.5%	98.0%	91.0%
Number of entities	70	70	72	73	74

Table 2b Banks' residential property exposures

(domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
All banks	($ millions)				
Residential term loans to households					
Owner-occupied	749,287	759,158	774,684	807,373	851,972
Investment	477,663	490,347	508,140	505,842	490,620
Total residential term loans	**1,226,950**	**1,249,505**	**1,282,824**	**1,313,215**	**1,342,592**
Number of entities	72	72	73	74	75
Banks with greater than $1 bn of term loans	($ millions)				
Residential term loans to households					
Owner-occupied	746,349	756,162	771,937	805,206	849,847
Investment	476,205	488,829	506,790	504,613	489,430
Total residential term loans to households	**1,222,553**	**1,244,991**	**1,278,727**	**1,309,819**	**1,339,276**
of which: [a]					
Loans with offset facilities	461,359	483,210	511,600	539,847	564,041
Interest-only mortgages	476,094	491,965	511,718	522,216	532,162
Reverse mortgages	2,686	2,696	2,704	2,708	2,729
Low-documentation loans	32,306	30,812	29,476	28,095	26,952
Other non-standard loans	1,179	1,116	1,129	1,072	1,111
	(thousands of loans)				
Number of residential term loans to households	**5,108**	**5,158**	**5,229**	**5,292**	**5,359**
of which: [a]					
Loans with offset facilities	1,617	1,661	1,725	1,790	1,847
Loans with redraw facilities	3,733	3,764	3,823	3,888	4,124
Interest-only mortgages	1,511	1,543	1,585	1,601	1,610
Reverse mortgages	29	29	29	29	29
Low-documentation loans	165	159	152	145	140
Other non-standard loans	6	5	6	6	6
	($ thousands)				
Average balance of residential term loans to households	**239**	**241**	**245**	**248**	**250**
of which: [a]					
Loans with offset facilities	285	291	297	302	305
Interest-only mortgages	315	319	323	326	331
Reverse mortgages	93	94	95	95	96
Low-documentation loans	196	194	194	193	193
Other non-standard loans	210	208	196	194	196
Number of entities	22	22	24	25	26

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 2c Banks' new housing loan approvals

($ million, domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Banks with greater than $1 bn of term loans					
New residential term loans to households approved					
Owner-occupied	51,670	46,396	53,392	60,412	67,208
Investment	38,036	33,877	40,609	32,390	28,529
Total new residential term loans to households approved	**89,706**	**80,273**	**94,001**	**92,801**	**95,737**
of which: [a]					
Low-documentation loans approved	547	500	431	394	318
Interest-only loans approved	40,089	35,033	43,645	38,624	35,787
Other non-standard loans approved	99	79	104	107	127
Third-party originated loans approved	43,179	37,747	45,615	44,790	45,965
Loans approved outside serviceability	2,462	2,183	3,618	3,234	3,493
New residential term loan approvals by loan-to-valuation ratio (LVR)					
of which:					
Loans approved LVR≤60%	18,991	17,390	20,001	20,644	22,293
Loans approved 60%<LVR≤80%	48,376	43,319	50,513	50,265	51,160
Loans approved 80%<LVR≤90%	11,980	10,667	13,404	13,171	13,963
Loans approved LVR>90%	10,359	8,897	10,083	8,721	8,321
Number of entities	22	22	24	25	26

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 3a Building societies' commercial property exposures

($ million, consolidated group)

	Half year end				
	Sep 2013	Mar 2014	Sep 2014	Mar 2015	Sep 2015
Commercial property exposures					
Office	29	44	42	41	7
Retail	83	80	64	59	39
Industrial	57	55	51	47	20
Land development/subdivisions	21	20	20	23	9
Other residential	20	24	25	29	4
Tourism and leisure	4	3	3	6	0
Other	11	10	6	7	2
Total commercial property exposures	**225**	**236**	**211**	**211**	**81**
of which: Exposures in Australia	225	236	211	211	81
Impaired Commercial property exposures	**1**	**0**	**0**	**0**	**0**
of which: Exposures in Australia	1	0	0	0	0
Specific provisions	**0**	**0**	**0**	**0**	**0**
of which: Exposures in Australia	0	0	0	0	0
Specific provisions and security	**1**	**0**	**0**	**0**	**0**
of which: Exposures in Australia	1	0	0	0	0
Impaired assets to exposures	0.4%	0.0%	0.0%	0.0%	0.0%
Specific provisions to exposures	0.2%	0.0%	0.0%	0.0%	0.0%
Specific provisions to impaired exposures	40.0%				
Specific provisions and security held to impaired exposures	140.0%				
Number of entities	9	9	8	8	6

Table 3b Building societies' residential property exposures

(licensed books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
All building societies	($ millions)				
Residential term loans to households					
Owner-occupied	12,790	13,072	12,040	9,587	9,831
Investment	3,821	3,957	3,544	2,752	2,771
Total residential term loans	**16,611**	**17,029**	**15,583**	**12,339**	**12,602**
Number of entities	8	8	7	6	5
Building Societies with greater than $1 bn of term loans	($ millions)				
Residential term loans to households					
Owner-occupied	11,218	11,381	10,338	8,521	8,744
Investment	3,367	3,476	3,042	2,341	2,344
Total residential term loans to households	**14,585**	**14,857**	**13,380**	**10,862**	**11,089**
of which: [a]					
Loans with offset facilities	4,024	4,129	3,492	3,054	3,126
Interest-only mortgages	2,502	2,584	1,938	1,424	1,411
Reverse mortgages	0	0	0	0	0
Low-documentation loans	2	7	7	0	0
Other non-standard loans	*	*	*	*	*
	(thousands of loans)				
Number of residential term loans to households	**81**	**82**	**75**	**61**	**62**
of which: [a]					
Loans with offset facilities	18	18	16	14	14
Loans with redraw facilities	72	72	67	52	52
Interest-only mortgages	10	10	8	6	6
Reverse mortgages	0	0	0	0	0
Low-documentation loans	0	0	0	0	0
Other non-standard loans	*	*	*	*	*
	($ thousands)				
Average balance of residential term loans to households	**180**	**182**	**178**	**177**	**179**
of which: [a]					
Loans with offset facilities	229	230	225	221	220
Interest-only mortgages	252	256	249	239	241
Reverse mortgages					
Low-documentation loans	39	178	173		
Other non-standard loans	*	*	*	*	*
Number of entities	4	4	3	2	2

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 3c Building societies' new housing loan approvals

($ million, licensed books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Building societies with greater than $1 bn of term loans					
New residential term loans to households approved					
Owner-occupied	822	635	812	578	837
Investment	300	262	248	169	124
Total new residential term loans to households approved	**1,122**	**897**	**1,060**	**746**	**961**
of which: [a]					
Low-documentation loans approved	0	0	0	0	0
Interest-only loans approved	287	195	197	130	109
Other non-standard loans approved	0	0	0	0	0
Third-party originated loans approved	289	184	232	232	322
Loans approved outside serviceability	53	34	30	28	23
New residential term loan approvals by loan-to-valuation ratio (LVR)					
of which:					
Loans approved LVR≤60%	310	256	272	265	345
Loans approved 60%<LVR≤80%	422	344	407	325	422
Loans approved 80%<LVR≤90%	218	166	237	108	144
Loans approved LVR>90%	172	131	144	49	50
Number of entities	**4**	**4**	**3**	**2**	**2**

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 4a Credit unions' commercial property exposures

($ million, consolidated group)

	Half year end				
	Sep 2013	Mar 2014	Sep 2014	Mar 2015	Sep 2015
Commercial property exposures					
Office	35	39	32	28	30
Retail	49	49	52	48	40
Industrial	53	46	42	43	42
Land development/subdivisions	35	45	40	34	33
Other residential	83	82	80	77	73
Tourism and leisure	19	18	20	20	19
Other	75	69	69	59	45
Total commercial property exposures	**349**	**347**	**334**	**309**	**281**
of which: Exposures in Australia	349	347	334	309	281
Impaired Commercial property exposures	**3**	**5**	**3**	**3**	**3**
of which: Exposures in Australia	3	5	3	3	3
Specific provisions	**2**	**3**	**3**	**2**	**2**
of which: Exposures in Australia	2	3	3	2	2
Specific provisions and security	**3**	**5**	**3**	**3**	**3**
of which: Exposures in Australia	3	5	3	3	3
Impaired assets to exposures	0.8%	1.3%	0.9%	1.0%	1.0%
Specific provisions to exposures	0.7%	0.7%	0.8%	0.8%	0.8%
Specific provisions to impaired exposures	80.9%	53.7%	85.2%	73.8%	81.2%
Specific provisions and security held to impaired exposures	109.5%	106.3%	104.3%	98.1%	91.3%
Number of entities	86	85	84	81	73

Table 4b Credit unions' residential property exposures

(licensed books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
All credit unions	($ millions)				
Residential term loans to households					
Owner-occupied	21,906	22,425	22,845	22,700	22,291
Investment	6,092	6,255	6,415	6,554	6,651
Total residential term loans	**27,997**	**28,679**	**29,260**	**29,253**	**28,942**
Number of entities	81	81	75	73	71
Credit unions with greater than $1 bn of term loans	($ millions)				
Residential term loans to households					
Owner-occupied	10,872	11,690	11,723	11,768	11,706
Investment	2,990	3,116	3,572	3,614	3,698
Total residential term loans to households	**13,861**	**14,806**	**15,295**	**15,382**	**15,404**
of which: [a]					
Loans with offset facilities	7,526	8,419	9,169	9,587	9,889
Interest-only mortgages	2,588	2,700	2,958	3,061	3,197
Reverse mortgages	0	0	0	0	0
Low-documentation loans	35	32	31	30	28
Other non-standard loans	*	*	*	*	*
	(thousands of loans)				
Number of residential term loans to households	**62**	**63**	**71**	**70**	**69**
of which: [a]					
Loans with offset facilities	34	37	37	38	38
Loans with redraw facilities	38	38	42	41	40
Interest-only mortgages	9	9	10	10	11
Reverse mortgages	0	0	0	0	0
Low-documentation loans	0	0	0	0	0
Other non-standard loans	*	*	*	*	*
	($ thousands)				
Average balance of residential term loans to households	**224**	**234**	**216**	**221**	**225**
of which: [a]					
Loans with offset facilities	223	228	247	256	258
Interest-only mortgages	298	299	299	302	305
Reverse mortgages					
Low-documentation loans	150	148	148	148	145
Other non-standard loans	*	*	*	*	*
Number of entities	3	3	3	3	3

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 4c Credit unions' new housing loan approvals

($ million, licensed books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Credit unions with greater than $1 bn of term loans					
New residential term loans to households approved					
Owner-occupied	1,144	947	944	1,056	1,046
Investment	329	290	277	372	387
Total new residential term loans to households approved	**1,473**	**1,238**	**1,221**	**1,428**	**1,432**
of which: [a]					
Low-documentation loans approved	0	0	0	0	0
Interest-only loans approved	395	310	262	322	376
Other non-standard loans approved	0	0	0	0	0
Third-party originated loans approved	337	235	202	313	225
Loans approved outside serviceability	50	45	50	119	107
New residential term loan approvals by loan-to-valuation ratio (LVR)					
of which:					
Loans approved LVR≤60%	495	409	344	384	346
Loans approved 60%<LVR≤80%	610	517	541	771	827
Loans approved 80%<LVR≤90%	255	219	224	155	122
Loans approved LVR>90%	113	93	112	118	137
Number of entities	**3**	**3**	**3**	**3**	**3**

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 5a Major banks' commercial property exposures

($ million, consolidated group)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Commercial property exposures					
Office	59,836	61,623	60,815	61,355	63,523
Retail	44,241	46,992	46,375	48,675	50,801
Industrial	25,467	26,000	24,497	24,733	25,648
Land development/subdivisions	10,193	10,831	11,892	12,184	12,679
Other residential	21,548	22,453	23,286	24,612	25,926
Tourism and leisure	6,544	6,505	6,392	5,861	5,859
Other	27,862	27,862	27,479	27,366	24,057
Total commercial property exposures	**195,690**	**202,266**	**200,736**	**204,785**	**208,493**
of which: Exposures in Australia	158,264	163,269	163,827	168,200	170,871
Impaired Commercial property exposures	**1,348**	**1,240**	**1,056**	**937**	**850**
of which: Exposures in Australia	980	864	726	653	598
Specific provisions	**533**	**486**	**399**	**343**	**344**
of which: Exposures in Australia	425	375	295	254	260
Specific provisions and security	**1,333**	**1,236**	**1,034**	**897**	**827**
of which: Exposures in Australia	957	853	691	607	570
Impaired assets to exposures	0.7%	0.6%	0.5%	0.5%	0.4%
Specific provisions to exposures	0.3%	0.2%	0.2%	0.2%	0.2%
Specific provisions to impaired exposures	39.5%	39.2%	37.8%	36.6%	40.5%
Specific provisions and security held to impaired exposures	98.9%	99.6%	97.9%	95.7%	97.3%
Number of entities[a]	4	4	4	4	4

[a] Domestic subsidiary ADIs are consolidated into their parents

Table 5b Major banks' residential property exposures

(domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
All major banks	($ millions)				
Residential term loans to households					
Owner-occupied	619,857	626,914	638,090	663,578	701,531
Investment	411,888	422,613	437,496	432,502	417,473
Total residential term loans	**1,031,744**	**1,049,526**	**1,075,587**	**1,096,080**	**1,119,004**
Number of entities[a]	4	4	4	4	4
Major banks with greater than $1 bn of term loans	($ millions)				
Residential term loans to households					
Owner-occupied	619,857	626,914	638,090	663,578	701,531
Investment	411,887	422,613	437,497	432,502	417,473
Total residential property exposures	**1,031,744**	**1,049,526**	**1,075,587**	**1,096,080**	**1,119,004**
of which: [b]					
Loans with offset facilities	408,748	426,857	451,279	474,461	493,904
Interest-only mortgages	415,165	427,822	444,920	453,802	462,396
Reverse mortgages	2,241	2,253	2,262	2,274	2,284
Low-documentation loans	29,494	28,183	26,990	25,733	24,696
Other non-standard loans	820	750	678	613	557
	(thousands of loans)				
Number of residential term loans to households	**4,272**	**4,303**	**4,346**	**4,379**	**4,419**
of which: [b]					
Loans with offset facilities	1,399	1,440	1,492	1,542	1,583
Loans with redraw facilities	3,041	3,057	3,094	3,124	3,346
Interest-only mortgages	1,310	1,337	1,370	1,381	1,389
Reverse mortgages	25	25	25	25	25
Low-documentation loans	152	146	140	134	129
Other non-standard loans	3	3	3	3	2
	($ thousands)				
Average balance of residential term loans to households	**242**	**244**	**248**	**250**	**253**
of which: [b]					
Loans with offset facilities	292	296	303	308	312
Interest-only mortgages	317	320	325	329	333
Reverse mortgages	90	91	91	92	92
Low-documentation loans	195	193	193	192	192
Other non-standard loans	256	254	251	249	247
Number of entities[a]	4	4	4	4	4

[a] Includes domestic subsidiary ADIs

[b] Loan categories are neither exhaustive nor mutually exclusive

Table 5c Major banks' new housing loan approvals

($ million, domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Major banks with greater than $1 bn of term loans					
New residential term loans to households approved					
Owner-occupied	40,265	35,887	41,526	47,776	51,971
Investment	31,203	27,792	33,462	26,090	24,074
Total new residential term loans to households approved	**71,468**	**63,680**	**74,988**	**73,866**	**76,045**
of which: [a]					
Low-documentation loans approved	533	490	417	380	298
Interest-only loans approved	32,792	28,730	35,832	31,899	30,016
Other non-standard loans approved	64	63	78	82	77
Third-party originated loans approved	32,519	28,331	34,959	34,334	36,016
Loans approved outside serviceability	2,044	1,694	2,982	2,803	2,799
New residential term loan approvals by loan-to-valuation ratio (LVR)					
of which:					
Loans approved LVR≤60%	15,060	13,642	16,127	16,242	17,094
Loans approved 60%<LVR≤80%	38,811	34,383	40,488	40,526	41,185
Loans approved 80%<LVR≤90%	9,054	8,328	10,177	9,911	10,819
Loans approved LVR>90%	8,543	7,328	8,196	7,187	6,947
Number of entities[b]	**4**	**4**	**4**	**4**	**4**

[a] Loan categories are neither exhaustive nor mutually exclusive

[b] Includes domestic subsidiary ADIs

Table 6a Other domestic banks' commercial property exposures

($ million, consolidated group)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Commercial property exposures					
Office	4,056	3,957	4,047	4,211	3,919
Retail	1,868	1,800	1,919	1,801	1,654
Industrial	1,476	1,477	1,465	1,405	1,511
Land development/subdivisions	1,025	1,012	1,046	945	942
Other residential	3,702	4,040	4,210	4,471	4,469
Tourism and leisure	1,182	1,218	1,382	1,213	1,172
Other	440	459	468	458	493
Total commercial property exposures	**13,748**	**13,963**	**14,537**	**14,503**	**14,160**
of which: Exposures in Australia	*	*	*	*	*
Impaired Commercial property exposures	**197**	**231**	**382**	**305**	**318**
of which: Exposures in Australia	*	*	*	305	318
Specific provisions	**95**	**91**	**91**	**84**	*****
of which: Exposures in Australia	*	*	*	84	*
Specific provisions and security	**213**	**244**	*****	**313**	**307**
of which: Exposures in Australia	*	*	*	313	307
Impaired assets to exposures	1.4%	1.7%	2.6%	2.1%	2.2%
Specific provisions to exposures	0.7%	0.7%	0.6%	0.6%	*
Specific provisions to impaired exposures	48.5%	39.5%	23.7%	27.5%	*
Specific provisions and security held to impaired exposures	108.3%	105.5%	*	102.7%	96.6%
Number of entities[a]	19	19	20	21	22

[a] Domestic subsidiary ADIs are consolidated into their parents

Table 6b Other domestic banks' residential property exposures

(domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
All other domestic banks	($ millions)				
Residential term loans to households					
Owner-occupied	93,689	97,198	101,556	108,124	112,664
Investment	48,128	50,631	53,754	55,750	55,889
Total residential term loans	**141,818**	**147,829**	**155,310**	**163,874**	**168,553**
Number of entities[a]	21	21	21	22	23
Other domestic banks with greater than $1 bn of term loans	($ millions)				
Residential term loans to households					
Owner-occupied	91,339	94,795	99,493	106,659	111,299
Investment	47,509	49,955	53,186	55,336	55,528
Total residential property exposures	**138,848**	**144,750**	**152,678**	**161,995**	**166,827**
of which: [b]					
Loans with offset facilities	40,589	43,665	46,603	50,463	53,223
Interest-only mortgages	43,087	46,574	49,466	51,065	52,771
Reverse mortgages	445	443	442	434	445
Low-documentation loans	2,443	2,329	2,234	2,127	2,045
Other non-standard loans	286	292	373	378	470
	(thousands of loans)				
Number of residential term loans to households	**600**	**623**	**655**	**684**	**709**
of which: [b]					
Loans with offset facilities	177	177	186	199	209
Loans with redraw facilities	501	521	545	578	589
Interest-only mortgages	139	147	158	163	165
Reverse mortgages	4	4	4	4	4
Low-documentation loans	11	11	11	10	10
Other non-standard loans	2	2	3	3	3
	($ thousands)				
Average balance of residential term loans to households	**232**	**232**	**233**	**237**	**235**
of which: [b]					
Loans with offset facilities	229	246	250	254	255
Interest-only mortgages	309	318	314	314	320
Reverse mortgages	115	116	118	117	120
Low-documentation loans	214	211	208	204	203
Other non-standard loans	142	143	140	141	155
Number of entities[a]	15	15	17	18	19

[a] Includes domestic subsidiary ADIs

[b] Loan categories are neither exhaustive nor mutually exclusive

Table 6c Other domestic banks' new housing loan approvals

($ million, domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Other domestic banks with greater than $1 bn of term loans					
New residential term loans to households approved					
Owner-occupied	8,944	8,516	9,439	9,664	11,175
Investment	5,348	4,794	5,384	4,958	4,037
Total new residential term loans to households approved	**14,292**	**13,310**	**14,823**	**14,622**	**15,213**
of which: [a]					
Low-documentation loans approved	14	10	14	14	21
Interest-only loans approved	6,179	5,254	5,959	5,045	5,090
Other non-standard loans approved	35	17	26	25	50
Third-party originated loans approved	7,994	7,392	7,879	7,412	6,698
Loans approved outside serviceability	382	466	591	405	680
New residential term loan approvals by loan-to-valuation ratio (LVR)					
of which:					
Loans approved LVR≤60%	3,413	3,304	3,153	3,591	4,061
Loans approved 60%<LVR≤80%	7,631	7,177	7,932	7,555	7,755
Loans approved 80%<LVR≤90%	1,910	1,626	2,192	2,116	2,123
Loans approved LVR>90%	1,338	1,203	1,546	1,360	1,274
Number of entities[b]	**15**	**15**	**17**	**18**	**19**

[a] Loan categories are neither exhaustive nor mutually exclusive

[b] Includes domestic subsidiary ADIs

Table 7a Foreign subsidiary banks' commercial property exposures

($ million, consolidated group)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Commercial property exposures					
Office	1,130	1,231	1,352	1,444	1,310
Retail	389	388	434	418	535
Industrial	816	825	951	935	989
Land development/subdivisions	650	677	706	713	746
Other residential	851	910	929	941	926
Tourism and leisure	15	14	13	11	10
Other	67	68	83	95	98
Total commercial property exposures	**3,917**	**4,113**	**4,467**	**4,556**	**4,615**
of which: Exposures in Australia	*	*	*	*	*
Impaired Commercial property exposures	**105**	**75**	**68**	**52**	**140**
of which: Exposures in Australia	*	*	*	*	*
Specific provisions	**53**	**46**	**41**	**41**	*
of which: Exposures in Australia	*	*	*	41	*
Specific provisions and security	**104**	**80**	*	**57**	**56**
of which: Exposures in Australia	*	*	*	57	56
Impaired assets to exposures	2.7%	1.8%	1.5%	1.1%	3.0%
Specific provisions to exposures	1.4%	1.1%	0.9%	0.9%	*
Specific provisions to impaired exposures	50.8%	60.9%	60.1%	79.8%	*
Specific provisions and security held to impaired exposures	99.6%	105.5%	*	110.4%	40.1%
Number of entities	7	7	7	7	7

Table 7b Foreign subsidiary banks' residential property exposures

(domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
All foreign subsidiary banks	($ millions)				
Residential term loans to households					
Owner-occupied	35,725	35,025	35,015	35,649	37,753
Investment	17,631	17,090	16,876	17,576	17,245
Total residential term loans	**53,356**	**52,115**	**51,890**	**53,225**	**54,998**
Number of entities	7	7	7	7	7
Foreign subsidiary banks with greater than $1 bn of term loans	($ millions)				
Residential term loans to households					
Owner-occupied	35,153	34,454	34,354	34,969	37,017
Investment	16,809	16,261	16,108	16,775	16,428
Total residential term loans to households	**51,962**	**50,716**	**50,462**	**51,744**	**53,445**
of which: [a]					
Loans with offset facilities	12,022	12,687	13,718	14,924	16,914
Interest-only mortgages	17,842	17,569	17,332	17,349	16,995
Reverse mortgages	0	0	0	0	0
Low-documentation loans	369	300	253	235	211
Other non-standard loans	73	74	79	80	85
	(thousands of loans)				
Number of residential term loans to households	**236**	**231**	**228**	**229**	**231**
of which: [a]					
Loans with offset facilities	41	43	47	50	55
Loans with redraw facilities	190	186	184	186	189
Interest-only mortgages	61	60	57	58	56
Reverse mortgages	0	0	0	0	0
Low-documentation loans	2	2	1	1	1
Other non-standard loans	0	0	0	0	0
	($ thousands)				
Average balance of residential term loans to households	**220**	**219**	**221**	**226**	**231**
of which: [a]					
Loans with offset facilities	295	293	293	300	305
Interest-only mortgages	291	293	303	301	303
Reverse mortgages					
Low-documentation loans	192	189	186	186	178
Other non-standard loans	188	198	206	210	222
Number of entities	3	3	3	3	3

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 7c Foreign subsidiary banks' new housing loan approvals

($ million, domestic books)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Foreign subsidiary banks with greater than $1 bn of term loans					
New residential term loans to households approved					
Owner-occupied	2,461	1,993	2,427	2,971	4,062
Investment	1,485	1,291	1,763	1,342	417
Total new residential term loans to households approved	**3,946**	**3,284**	**4,190**	**4,313**	**4,480**
of which: [a]					
Low-documentation loans approved	0	0	0	0	0
Interest-only loans approved	1,119	1,050	1,855	1,680	681
Other non-standard loans approved	0	0	0	0	0
Third-party originated loans approved	2,666	2,024	2,777	3,044	3,252
Loans approved outside serviceability	35	23	46	26	14
New residential term loan approvals by loan-to-valuation ratio (LVR)					
of which:					
Loans approved LVR≤60%	519	444	721	811	1,138
Loans approved 60%<LVR≤80%	1,934	1,760	2,094	2,184	2,220
Loans approved 80%<LVR≤90%	1,016	713	1,035	1,145	1,022
Loans approved LVR>90%	478	367	341	174	100
Number of entities	**3**	**3**	**3**	**3**	**3**

[a] Loan categories are neither exhaustive nor mutually exclusive

Table 8 Foreign branch banks' commercial property exposures

($ million, consolidated group)

	Quarter end				
	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Commercial property exposures					
Office	3,300	3,428	3,320	4,564	5,812
Retail	4,310	4,476	4,328	3,828	4,445
Industrial	672	609	769	977	1,179
Land development/subdivisions	562	580	675	754	1,144
Other residential	1,364	1,731	1,771	1,952	1,547
Tourism and leisure	678	720	733	1,249	573
Other	2,239	1,838	1,835	1,441	2,104
Total commercial property exposures	**13,126**	**13,383**	**13,431**	**14,764**	**16,804**
of which: Exposures in Australia	12,820	13,120	12,987	14,417	16,490
Impaired Commercial property exposures[a]	**11**	**10**	**9**	**8**	**6**
of which: Exposures in Australia	11	10	9	8	6
Specific provisions[a]	**11**	**10**	**9**	**8**	**6**
of which: Exposures in Australia	11	10	9	8	6
Specific provisions and security[a]	**14**	**13**	**12**	**8**	**6**
of which: Exposures in Australia	14	13	12	8	6
Impaired assets to exposures[a]	0.1%	0.1%	0.1%	0.1%	0.0%
Specific provisions to exposures[a]	0.1%	0.1%	0.1%	0.1%	0.0%
Specific provisions to impaired exposures[a]	100.0%	100.0%	100.0%	100.0%	100.0%
Specific provisions and security held to impaired exposures[a]	123.9%	126.5%	130.7%	100.0%	100.0%
Number of entities	40	40	41	41	41

[a] Foreign branch banks may report impairments and exposures on the book of their parent

Explanatory notes

ADI Industry Segments

To assist users analyse the ADI industry, the industry is broken down into three industry segments: banks, building societies and credit unions.

ADI means an authorised deposit-taking institution within the meaning of the *Banking Act 1959*.

Banks are ADIs that assume or use the term 'bank' in relation to their banking business. Data for banks are broken down into four segments: major banks, other domestic banks, foreign subsidiary banks and foreign branch banks.

Major banks comprises the Australia and New Zealand Banking Group Limited, the Commonwealth Bank of Australia, the National Australia Bank Limited, and the Westpac Banking Corporation.

Other domestic banks comprise all locally-owned banks excluding the major banks.

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

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

Building societies are locally-incorporated ADIs that assume or use the expression 'building society' in relation to their banking business.

Credit unions are locally-incorporated ADIs that assume or use the expression 'credit union' or 'credit co-operative' in relation to their banking business.

A list of all ADIs is provided on APRA's website.

Basis of preparation

The basis of preparation of the statistics in this publication differs between commercial property exposures and residential property exposures. Both types of statistics are sourced from two levels of reporting by ADIs:

- **Consolidated group book** includes the exposures of the global consolidated operations of ADIs ('consolidated group'). Locally-incorporated ADIs with controlled entities or associates are required to report consolidated group book data in accordance with the Australian accounting standards AASB 127 *Consolidated and Separate Financial Statements* and AASB 3 *Business Combinations* .
- **Licensed or domestic book** includes the business of an ADI on a standalone basis, excluding subsidiaries and associates. The domestic book is the licensed book excluding offshore banking operations such as offshore branches.

Commercial property exposures are sourced from the consolidated group books of the ADIs. Locally incorporated ADIs with controlled entities or associates are required to report consolidated group book data. For other ADIs, licensed and domestic book data are included.

Domestic ADIs which are themselves subsidiaries of a domestic ADI are not included in commercial property exposure statistics; the data for these ADIs are included in the data for the domestic parent ADI.

Residential property exposures are sourced from the domestic books of banks and the licensed books of credit unions and building societies.

Commercial property exposures are facilities provided for the development, acquisition or improvement of real estate, where the servicing of the facility is dependent on cash flows from the property itself through sale or rental income and/or from cash flows generated from other properties owned by the borrower.

Residential property exposures include only term loans to households which are secured by residential property. This is considerably narrower than the scope of commercial property exposures.

Source of statistics

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

- ARF 230.0 *Commercial Property (Licensed ADI and Consolidated Group Books)*
- ARF 320.8 *Housing Loan Reconciliation (Domestic or Licensed ADI Books)*
- ARF 320.0 *Statement of Financial Position (Domestic Books)*
- ARF 323.0 *Statement of Financial Position (Licensed ADI)*

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

Estimation of commercial property statistics

The *Quarterly Authorised Deposit-taking Institution Property Exposures* publication includes commercial property exposure statistics for all ADIs for the March and September quarters only, until September 2008.

From December 2008 onwards, statistics are included on a quarterly basis. In the March and September quarters, all ADIs are required to report their commercial property exposures. Therefore, statistics are available for all ADIs in these quarters. In the June and December quarters, only a sample of banks are required to report their commercial property exposures, with the remaining ADIs' exposures estimated using their previous quarters' exposures. This sample comprises those banks which have the largest commercial property exposures and together they hold approximately 99 per cent of total ADI commercial property exposures.

Comparison to Australian Bureau of Statistics 5609.0 - *Housing Finance*

The *Quarterly Authorised Deposit-taking Institution Property Exposures* publication includes statistics on new residential term loan approvals. A similar source of statistics is Australian Bureau of Statistics (ABS) publication 5609.0 - *Housing Finance*. For ADIs, the primary source of the ABS Housing Finance statistics is APRA's data collections. However, there are small conceptual differences users should be aware of when comparing the two publications.

ABS dwelling commitments in the *Housing Finance* publication exclude land purchases and alterations to property in the key statistics. These are reported by ADIs each month, ten business days after the end of the month.

New residential loan approvals in this publication are for term loans only and include land purchases and alterations. These are reported by ADIs holding a balance of more than $1 billion in housing term loans at the end of the quarter. The returns are due 15 business days after the end of the quarter for credit unions and building societies and 20 business days after the end of the quarter for banks.

The differences in scope lead to small differences in the value of new loans in each publication.

Glossary

ADI refers to an authorised deposit-taking institution, meaning a body corporate authorised under section 9 of the *Banking Act 1959* , to carry on banking business in Australia (e.g. a bank, building society or credit union).

Building societies are locally-incorporated ADIs that assume or use the expression 'building society' in relation to their banking business.

Commercial property exposures are facilities 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.

Commercial property exposures: *Industrial* are facilities for the development, acquisition or improvement of Industrial property, and the servicing and repayment of the facility is dependent on the cash flows generated by the Industrial property itself through sale or rental income, and/or from cash flows generated from other Industrial properties owned by the borrower.

Commercial property exposures: *Land development/subdivisions* are facilities for the development and/or subdivision of land, and the servicing and repayment of the facility is dependent on the cash flows generated through sale of the land, and/or from cash flows generated from other land development or subdivision activity owned by the borrower.

Commercial property exposures: *Office* are facilities for the development, acquisition or improvement of office buildings, and the servicing and repayment of the facility is dependent on the cash flows generated by the office property itself through sale or rental income, and/or from cash flows generated from other office properties owned by the borrower.

Commercial property exposures: *Other residential* are exposures to residential property excluding all loans to individuals or families and excluding loans to private family companies or family trusts for owner occupation.

Commercial property exposures: *Retail* are facilities for the development, acquisition or improvement of retail buildings, and the servicing and repayment of the facility is dependent on the cash flows generated by the retail property itself through sale or rental income, and/or from cash flows generated from other retail properties owned by the borrower.

Commercial property exposures: *Tourism and leisure* are facilities for the development, acquisition or improvement of land and buildings used in the tourism and leisure or hospitality industries, and the servicing and repayment of the facility is dependent on the cash flows generated by the property itself through sale or rental income, and/or from cash flows generated from other tourism and leisure properties owned by the borrower.

Credit unions are locally-incorporated ADIs that assume or uses the expression 'credit union' or 'credit co-operative' in relation to their banking business.

Foreign bank branches are 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).

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

Housing loans includes loans for the construction or purchase of dwellings for owner-occupation and investment.

Interest-only loans approved are interest-only term loans held by the reporting party and which were approved during the relevant period, irrespective of whether the funds have been advanced to the borrower.

Interest-only loans are loans where the repayments, for a set term, only pay the interest on the loan and do not reduce the principal balance.

Investment loans are loans to households for the purchase or construction of dwellings not for occupation by the owners.

Loan-to-valuation ratio (LVR) is the ratio of the outstanding amount of the loan to the value of the property that secures the exposure.

Loans approved LVR≤60% are loans approved with a loan-to-valuation ratio less than or equal to 60 per cent during the quarter.

Loans approved 60%<LVR≤80% are loans approved with a loan-to-valuation greater than 60 per cent but less than or equal to 80 per cent during the quarter.

Loans approved 80%<LVR≤90% are loans approved with a loan-to-valuation greater than 80 per cent but less than or equal to 90 per cent during the quarter.

Loans approved LVR>90% are loans approved with a loan-to-valuation greater than 90 per cent during the quarter.

Loans approved outside serviceability are loans approved where the lender believes that an exception to the institution's serviceability policy is appropriate.

Loans with offset facilities are loans with an offset account, typically a deposit account, in which the balance is either wholly or partly offset against the loan balance for the purposes of calculating interest.

Loans with redraw facilities are loans that allow the borrower to make advance repayments with the option of subsequently withdrawing the accumulated excess down to the extent of the loan balance specified in the loan schedule.

Low-documentation loans approved are low-documentation loans approved during the quarter.

Low-documentation loans are loans where the lender has not, prior to loan approval, documented, assessed and verified the ability of the borrower to meet the repayment obligations.

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.

Other ADI consist of ADIs that are not banks, building societies or credit unions. This includes providers of purchased payment facilities and specialist credit card institutions.

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

Other non-standard loans approved are non-standard loans approved during the quarter, including reverse mortgages.

Owner-occupied loans are loans to households for the purchase or construction of dwellings for occupation by the owners.

Residential property exposures are loans for the development, acquisition and improvement of housing for owner occupation or investment by individuals or families.

Reverse mortgages are generally loans where the loan is repayable when the borrower is deceased or no longer lives in the property. Reverse mortgages allow for the borrowing of money against a primary residence and do not require principal and interest payments until termination of the facility, which is not fixed and normally occurs when nominated borrowers die, vacate the mortgaged property or the asset is sold.

Security held is the value of security held in relation to the reporting party's exposure to commercial property.

Specific provisions are the provisions for impairment of the reporting party's exposure to commercial property.

Term loans are loans other than a revolving credit. A revolving credit is a loan arrangement in which the borrowing party may repay funds on the loan and immediately borrow it again up to an agreed limit.

Third-party originated loans approved are loans which originated through a broker or other third party, and were approved during the relevant period, irrespective of whether the funds have been advanced to the borrower.

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