



APRA

STATISTICS

Annual friendly society bulletin - highlights

June 2021 (released 16 December 2021)

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Industry highlights for the year ended 30 June 2021

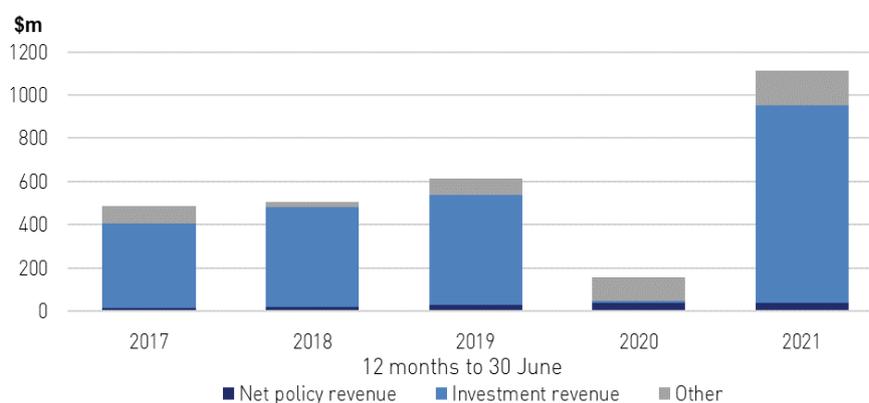
Overview

The friendly society (FS) industry comprised 11 societies at year end 30 June 2021.

Financial performance

For the 12 months to 30 June 2021, friendly societies' total revenue was \$1.1 billion, which represents a 611 per cent increase on the previous 12 months (Chart 1). This was nearly entirely driven by a substantial increase in investment revenue from \$11.3 million to \$918.4 million as financial markets recovered from the early onset of the pandemic in the 12 months to June 2020. Deposit inflow into benefit funds was \$1.3 billion in the year ending 30 June 2021, \$202.7 million higher than in the preceding 12 months. Deposit withdrawal from benefit funds in the 12 months to 30 June 2021 was \$1.1 billion, \$154.6 million higher than the corresponding period last year. Total entity net profit after tax was \$24.0m in the year ending 30 June 2021, compared with a \$23.0 million gain in the 12 months to 30 June 2020, driven by the improvement in year-on-year revenue mentioned above.

Chart 1: Revenue

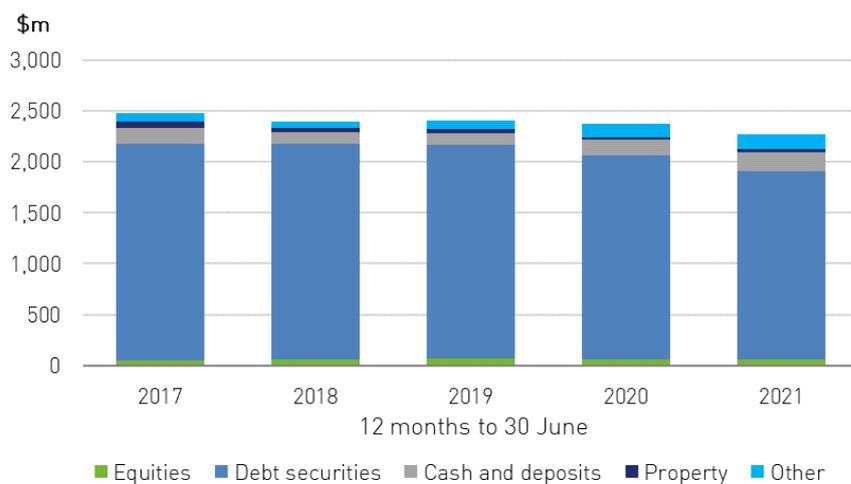


Industry assets

Total assets as at 30 June 2021 were \$8.5 billion. Of this amount, non-investment linked funds totalled \$2.3 billion and investment linked funds were \$6.3 billion. The level of non-investment linked assets has remained relatively steady compared to the previous year, whereas the level of investment linked assets has increased by \$1.0 billion. Of the total non-investment linked assets, \$1.9 billion (81.2 per cent) was invested in debt securities (Chart 2).

¹ 'Other revenue' includes management service fees

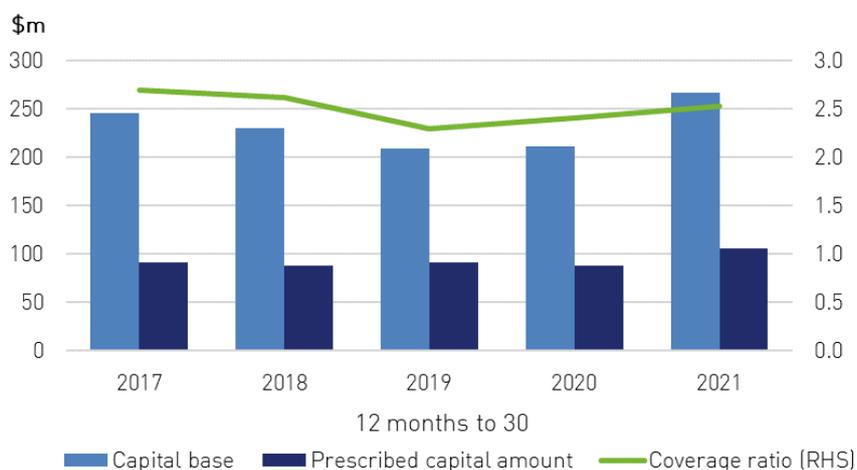
Chart 2²: Non-investment linked assets



Capital adequacy

The industry prescribed capital amount (PCA) coverage ratio increased from 2.41x to 2.53x over the year (Chart 3). This was driven by an increase in the capital base being larger than the increase in the PCA (primarily driven by a rise in the asset concentration risk charge).

Chart 3: Prescribed capital amount coverage ratio

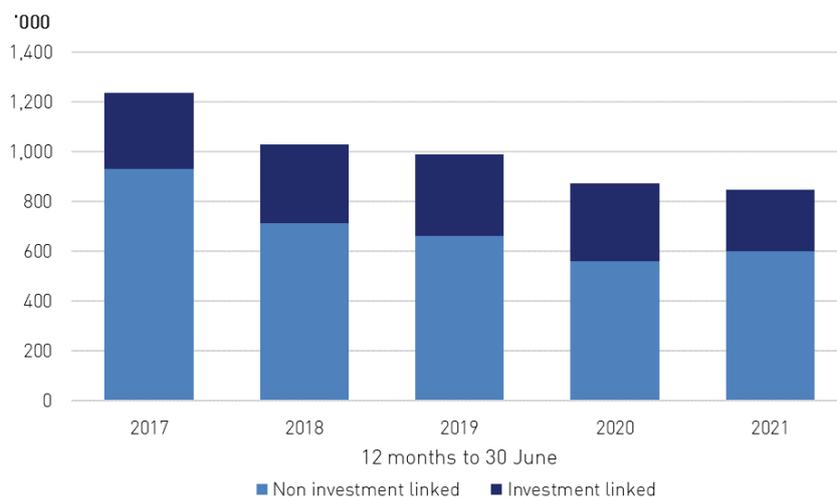


² 'Other' comprises of other investments and assets

Membership

Member count was 846 thousand for the year ending 30 June 2021, a decrease of 3.1 per cent from the same period last year. Of this amount, 71% of investments were non-investment linked, with the remaining 29% being investment linked (Chart 4).

Chart 4: Member count





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