



STATISTICS

Quarterly Authorised Deposit-taking Performance Statistics

June 2019 (released 11 September 2019)

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Revisions

This edition of the publication may contain revisions to previously published statistics. Significant revisions, if any, are identified and quantified in the 'Important notice'.

This publication includes revisions to previously published statistics if better source data are available or if compilation errors are uncovered.

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 millions of 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.

The blank cells represent items that are not applicable, for example where data were collected up to or from a certain period end date.

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.

Enquiries

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Contents

Important notice	Important notice	3
Highlights	Highlights	4
Key statistics	Key statistics	6
Explanatory notes	Explanatory notes	8

Important notice

Merging Credit unions and building societies data

The Quarterly ADI Performance publication has been revised for the current edition. The Quarterly ADI Performance publication has combined Credit unions and Building Societies data together. APRA will continue to present data in this manner for future editions. The revised version of the Quarterly ADI Performance publication consists of an appendix that provides data for Credit unions and Building Societies separately. The data for the appendix ranges from December 2004 to March 2019. Please note the data for the appendix, will not take into account resubmissions by respective entities.

Revisions

This edition of the *Quarterly ADI Performance* publication includes revisions to previously published data. However the revisions did not change aggregates by at least 10 per cent and \$100 million.

Highlights

Population of ADIs

On a consolidated group basis, there were 147 ADIs operating in Australia as at 30 June 2019, compared to 145 at 31 March 2019 and 143 at 30 June 2018.

- Judo Bank became an Australian owned bank on 24 April 2019.
- Societe Generale became a Foreign Branch bank on 16 May 2019.

Financial performance

The net profit after tax for all ADIs was \$34.3 billion for the year ending 30 June 2019. This is a decrease of \$2.1 billion (5.8 per cent) from the year ending 30 June 2018. The cost-to-income ratio for all ADIs was 52.0 per cent for the year ending 30 June 2019, compared to 48.7 per cent for the year ending 30 June 2018 (chart 1).

The return on equity for all ADIs was 11.0 per cent for the year ending 30 June 2019, compared to 12.1 per cent for the year ending 30 June 2018 (chart 2).

Chart 1: Cost-to-income ratio

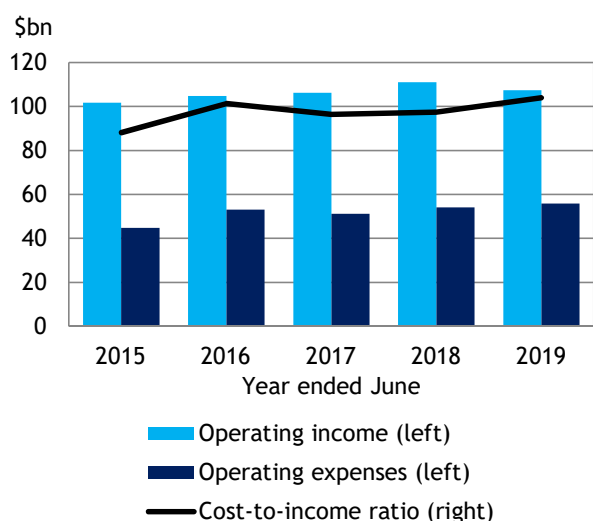
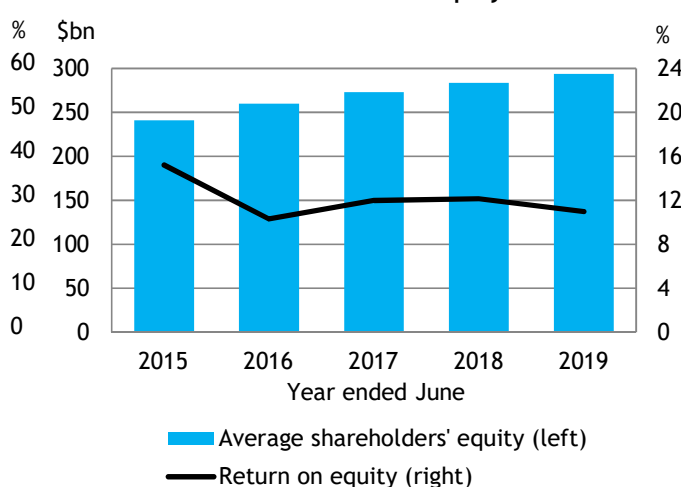


Chart 2: Return on equity



Financial position

The total assets for all ADIs was \$4.86 trillion at 30 June 2019 (chart 3). This is an increase of \$135.3 billion (2.9 per cent) from the year ending 30 June 2018.

The total gross loans and advances for all ADIs was \$3.37 trillion as at 30 June 2019. This is an increase of \$122.3 billion (3.8 per cent) on 30 June 2018 (chart 4).

Chart 3: Growth in total assets

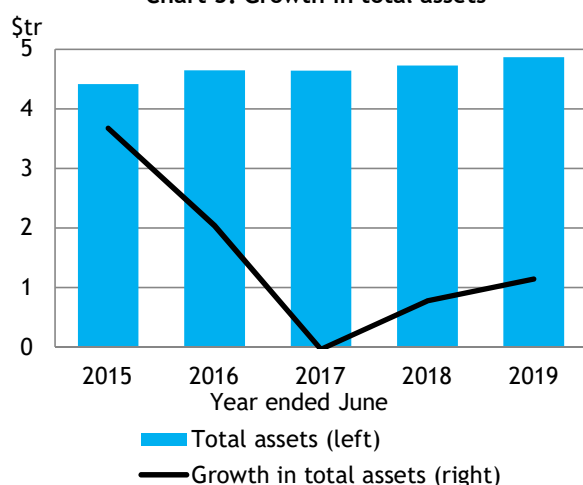
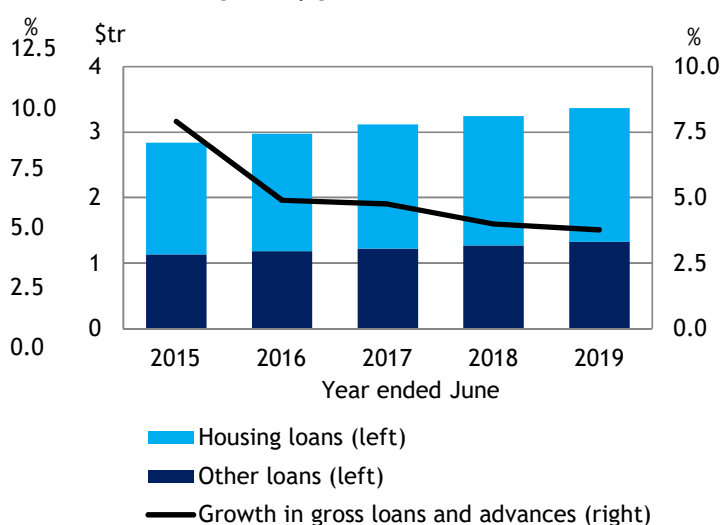


Chart 4: Gross loans and advances



Foreign branch banks are excluded from return on equity and capital adequacy figures.

Capital adequacy

The total capital ratio for all ADIs was 15.0 per cent at 30 June 2019 (chart 5), an increase from 14.6 per cent on 30 June 2018.

The common equity tier 1 ratio for all ADIs was 11.1 per cent at 30 June 2019, an increase from 10.6 per cent on 30 June 2018.

The risk-weighted assets (RWA) for all ADIs was \$2.02 trillion at 30 June 2019, an increase of \$5.5 billion (0.3 per cent) on 30 June 2018 (chart 6).

Chart 5: Capital ratios

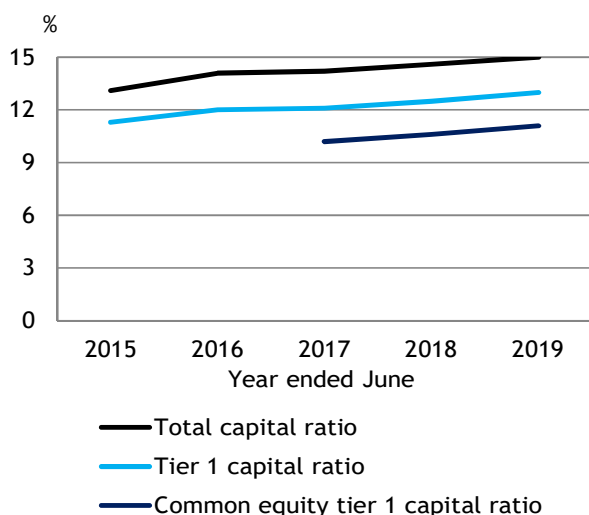
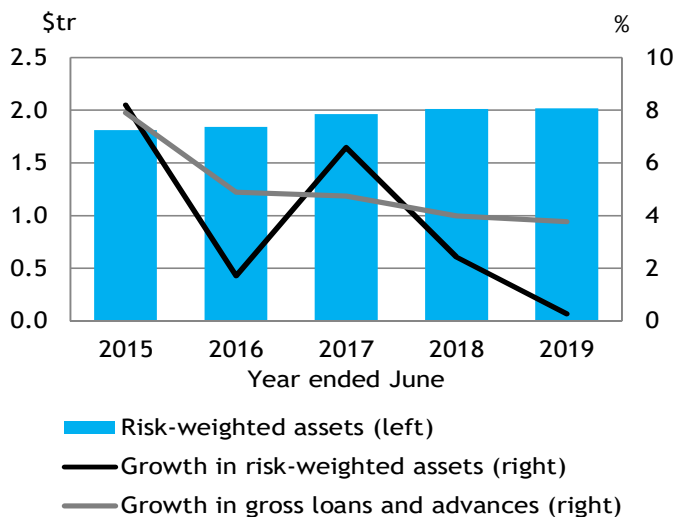


Chart 6: Risk-weighted assets



Asset quality

For all ADIs:

- Impaired facilities were \$12.3 billion as at 30 June 2019 (chart 7). This is an increase of \$0.9 billion (7.6 per cent) on 30 June 2018. Past due items were \$18.7 billion as at 30 June 2019 (chart 7). This is an increase of \$2.7 billion (17.2 per cent) on 30 June 2018;
- Impaired facilities and past due items as a proportion of gross loans and advances was 0.92 per cent at 30 June 2019, an increase from 0.84 per cent at 30 June 2018;
- Specific provisions were \$6.4 billion at 30 June 2019 (chart 8). This is an increase of \$0.6 billion (11.0 per cent) on 30 June 2018; and
- Specific provisions as a proportion of gross loans and advances was 0.19 per cent at 30 June 2019, an increase from 0.18 per cent at 30 June 2018.

Chart 7: Impaired facilities and past due items

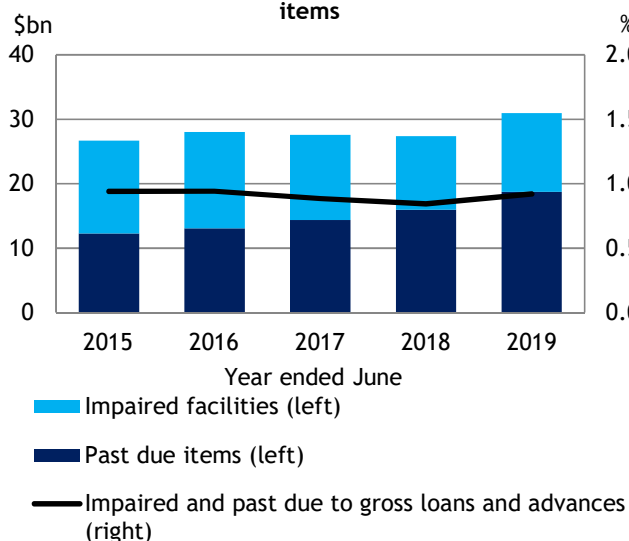
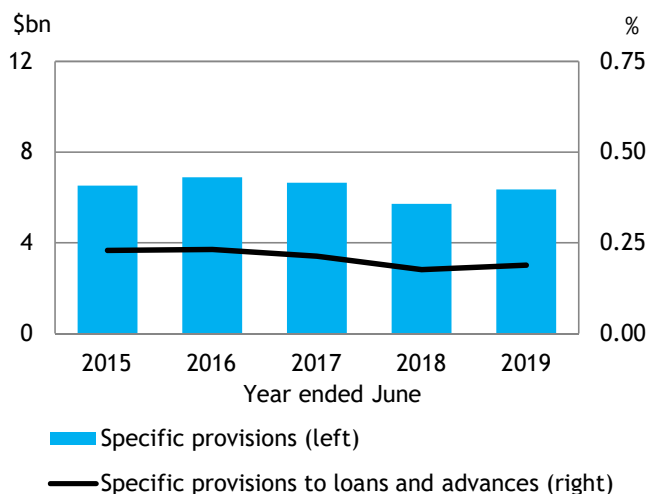


Chart 8: Provisions



Note: 'Other ADIs' are included in population and total asset figures only, and excluded from all other figures.
Foreign branch banks are excluded from return on equity and capital adequacy figures.

ADI industry profile

	Quarter end				
	Assets (\$m)				
	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019
ADIs					
Banks					
Major banks	3,615,673	3,592,109	3,672,376	3,657,689	3,664,962
Other domestic banks	467,805	477,003	480,456	467,719	478,724
Foreign subsidiary banks	136,310	138,952	143,531	148,277	152,180
Foreign branch banks	455,416	459,035	467,436	500,470	511,516
All banks	4,675,204	4,667,099	4,763,799	4,774,155	4,807,382
Credit unions and building societies	48,893	49,921	50,617	50,621	51,216
Other ADIs	4,475	5,007	5,233	5,045	5,275
All ADIs ^a	4,728,572	4,722,026	4,819,648	4,829,822	4,863,873
<i>of which: mutual ADIs</i>	113,062	115,867	117,581	119,485	121,487
	Number of entities				
	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019
ADIs					
Banks					
Major banks	4	4	4	4	4
Other domestic banks	31	31	31	34	35
Foreign subsidiary banks	7	7	7	7	7
Foreign branch banks	44	44	46	46	47
All banks	86	86	88	91	93
Credit unions and building societies	50	50	49	47	47
Other ADIs	7	7	7	7	7
Restricted ADIs	1	1	2	1	1
All ADIs	144	144	146	146	148
<i>of which: mutual ADIs</i>	71	71	70	69	69

^a Assets for All ADIs does not include Restricted ADIs

	Key figures					Year End Jun 2018	Year End Jun 2019
	Quarter end						
	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019		
ADIs (excludes 'other ADIs')							
Net interest income (\$m)	19,252	19,428	19,452	19,164	19,646	77,421	77,689
Other operating income (\$m)	8,416	8,290	6,909	6,457	8,012	33,677	29,667
Total operating income (\$m)	27,668	27,719	26,360	25,621	27,657	111,098	107,357
Operating expenses (\$m)	13,571	14,410	13,140	14,004	14,245	54,096	55,798
Net profit (loss) after tax (\$m)	9,180	8,665	9,540	7,306	8,750	36,357	34,262
Total assets (\$m)	4,724,097	4,717,020	4,814,416	4,824,776	4,858,598	4,724,097	4,858,598
Total shareholders' equity (\$m)	289,406	293,763	292,771	295,327	298,218	289,406	298,218
Return on assets (after tax) ^a	0.8%	0.7%	0.8%	0.6%	0.7%	0.8%	0.7%
Return on equity (after tax) ^a	11.9%	11.1%	12.3%	9.4%	11.1%	12.7%	11.5%
Total Impaired facilities (\$m)	11,412	11,505	11,476	12,096	12,277	11,412	12,277
Total capital base (\$m)	293,936	298,110	298,879	298,052	303,203	293,936	303,203
Total risk-weighted assets (\$m)	2,013,176	2,018,551	2,006,402	2,003,430	2,018,713	2,013,176	2,018,713
Capital-adequacy ratio	14.6%	14.8%	14.9%	14.9%	15.0%	14.6%	15.0%
Liquidity coverage ratio (LCR) ^b	131.8%	132.3%	131.9%	134.1%	129.7%	131.8%	129.7%
Minimum liquidity holdings (MLH) ratio ^c	14.9%	15.3%	15.1%	15.5%	15.5%	14.9%	15.5%
Number of entities	136	136	137	138	140	136	140

^a Quarterly figures expressed as annual percentage rates. See Glossary.

^b For those ADIs subject to liquidity coverage ratio (LCR) requirements.

^c For those ADIs subject to minimum liquidity holdings (MLH) ratio requirements.

Key statistics (continued)

Key figures (continued)

	Quarter end					Year End	Year End
	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Jun 2018	Jun 2019
Banks							
Net interest income (\$m)	18,986	19,155	19,178	18,903	19,381	76,341	76,618
Other operating income (\$m)	8,343	8,220	6,840	6,386	7,942	33,378	29,388
Total operating income (\$m)	27,329	27,376	26,019	25,288	27,323	109,719	106,006
Operating expenses (\$m)	13,300	14,142	12,864	13,740	13,948	53,016	54,693
Net profit (loss) after tax (\$m)	9,134	8,615	9,498	7,263	8,726	36,158	34,102
Total assets (\$m)	4,675,204	4,667,099	4,763,799	4,774,155	4,807,382	4,675,204	4,807,382
Total shareholders' equity (\$m)	285,342	289,645	288,619	291,200	294,068	285,342	294,068
Return on assets (after tax) ^a	0.8%	0.7%	0.8%	0.6%	0.7%	0.8%	0.7%
Return on equity (after tax) ^a	12.0%	11.2%	12.5%	9.4%	11.2%	12.8%	11.6%
Total Impaired facilities (\$m)	11,316	11,419	11,386	12,020	12,186	11,316	12,186
Total capital base (\$m)	290,207	294,325	295,057	294,251	299,372	290,207	299,372
Total risk-weighted assets (\$m)	1,990,675	1,995,725	1,983,319	1,980,544	1,995,474	1,990,675	1,995,474
Capital-adequacy ratio	14.6%	14.7%	14.9%	14.9%	15.0%	14.6%	15.0%
Liquidity coverage ratio (LCR) ^b	131.8%	132.3%	131.9%	134.1%	129.7%	131.8%	129.7%
Minimum liquidity holdings (MLH) ratio ^c	15.2%	15.8%	15.3%	15.7%	15.9%	15.2%	15.9%
Number of entities	86	86	88	91	93	86	93
Credit unions and building societies'							
Net interest income (\$m)	266	273	273	261	264	1,080	1,072
Other operating income (\$m)	73	70	69	71	70	299	279
Total operating income (\$m)	339	343	342	332	334	1,379	1,351
Operating expenses (\$m)	271	268	276	264	297	1,080	1,105
Net profit (loss) after tax (\$m)	46	50	43	43	25	199	160
Total assets (\$m)	48,893	49,921	50,617	50,621	51,216	48,893	51,216
Total shareholders' equity (\$m)	4,064	4,117	4,152	4,127	4,150	4,064	4,150
Return on assets (after tax) ^a	0.4%	0.4%	0.3%	0.3%	0.2%	0.4%	0.3%
Return on equity (after tax) ^a	4.6%	4.9%	4.1%	4.2%	2.4%	4.8%	3.9%
Total Impaired facilities (\$m)	97	87	90	77	91	97	91
Total capital base (\$m)	3,729	3,785	3,823	3,800	3,830	3,729	3,830
Total risk-weighted assets (\$m)	22,501	22,827	23,082	22,886	23,240	22,501	23,240
Capital-adequacy ratio	16.6%	16.6%	16.6%	16.6%	16.5%	16.6%	16.5%
Minimum liquidity holdings (MLH) ratio ^c	14.6%	14.5%	14.8%	15.2%	14.9%	14.6%	14.9%
Number of entities	50	50	49	47	47	50	47

^b For those ADIs subject to liquidity coverage ratio (LCR) requirements.

^c For those ADIs subject to minimum liquidity holdings (MLH) ratio requirements.

Explanatory notes

ADI industry segments

To assist users analyse the ADI industry, the industry is broken down into four industry segments consisting of banks, building societies, credit unions and other ADIs.

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 comprise the Australia and New Zealand Banking Group Limited, the Commonwealth Bank of Australia, the National Australia Bank Limited, the Westpac Banking Corporation and their subsidiary banks. Other domestic banks comprise all locally-owned banks excluding the major banks.

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

Foreign branch banks are 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 uses the expression ‘credit union’ or ‘credit co-operative’ in relation to their banking business.

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

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

Mutual ADIs

This publication also provides supplementary statistics on mutual ADIs.

Mutual ADIs are defined for this publication as ADIs operating under a mutual corporate structure in accordance with *ASIC Regulatory Guide 147*. Under the guide, an organisation is considered to have a mutual structure if it passes an economic relationship test and a governance relationship test. The economic relationship test explores the distribution of surpluses and places restrictions on the payment of dividends to investor shareholders. The governance relationship test explores the rights of members to participate in the governance of the organisation, with a requirement of ‘one member, one vote’ and restrictions on special voting rights.

The population of mutual ADIs tables is comprised of mutual banks, credit unions, mutual building societies and other mutual ADIs.

ADIs are classified as mutual ADIs by APRA for the purpose of this publication. Mutual ADIs have the same regulatory and reporting requirements as ADIs in the same segment.

Capital adequacy statistics

Capital data in this publication is collected under three different APRA reporting frameworks. These frameworks are based on:

- the Basel I capital framework prior to 1 January 2008;
- the Basel II capital framework from 1 January 2008; and
- the Basel III capital framework from 1 January 2013.

Following the introduction of the Basel II capital framework on 1 January 2008, from March 2008 there are significant changes to some data items. For example, there was no operational risk-weighted assets requirement prior to the introduction of the Basel II framework.

For details of the Basel II framework, refer to revoked ADI Prudential Standards and Guidance Notes at:

<http://www.apra.gov.au/adi/PrudentialFramework/Pages/revoked-adi-prudential-standards-and-guidance-notes.aspx>

For details of the Basel III framework, refer to APRA prudential standards APS 110-APS 116 and APS 120. For detailed definitions of the capital components, refer to APS 001 and APS 111.

Basis of preparation

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 .

This publication includes the consolidated group data of 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 this publication. The data for these ADIs are included in the data for the domestic parent ADI.

Capital adequacy data are presented on a consolidated group basis prior to 1 January 2008 and a Level 2 basis from 1 January 2008.

Liquidity data for building societies and credit unions are presented on a licensed ADI basis prior to 1 April 2014 and a Level 1 basis from 1 April 2014.

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 110.0 Capital Adequacy (Level 1, Level 2, Licensed ADI and Consolidated Group Books);
- ARF 210.0 Statement of High Quality Liquid Assets Calculation (Licensed ADI and Consolidated Group Books);
- ARF 210.1A Liquidity Coverage Ratio - all currencies (Level 1 and Level 2);
- ARF 210.1B Liquidity Coverage Ratio - AUD only (Level 1 and Level 2);
- ARF 210.2 Minimum Liquidity Holdings Ratio (Level 1);
- ARF 220.0 Impaired Facilities (Licensed ADI and Consolidated Group Books);
- ARF 320.0 Statement of Financial Position (Domestic Books);
- ARF 322.0 Statement of Financial Position (Consolidated Group Books).
- ARF 323.0 Statement of Financial Position (Licensed ADI); and
- ARF 330.0 Statement of Financial Performance (Licensed ADI and Consolidated Group Books);
- ARF 330.1 Interest Income and Interest Expense (Licensed ADI and Consolidated Group Books);
- ARF 330.2 Other Operating Income (Licensed ADI and Consolidated Group Books); and
- ARF 330.3 Other Operating Expense (Licensed ADI and Consolidated Group Books).

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

Please note that the September 2019 edition of the Quarterly ADI Performance publication will begin to source data from the Economic and Financial Statistics (EFS) collection.

Delayed release of selected statistics for banks

To ensure that individual banks' performance data cannot be derived from the *Quarterly ADI Performance Statistics* before they are made public, APRA will only publish financial performance statistics and selected financial position and capital adequacy statistics for the all banks segment two months after the end of the reference period. APRA will delay publication of financial performance and selected financial position data for the bank segments (major banks, other domestic banks, foreign subsidiaries and foreign branches) by one quarter.



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