



STATISTICS

Quarterly Authorised Deposit-taking Institution Performance Statistics

March 2019 (released 19 June 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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Important notice

Mutual ADIs

Mutual ADIs are included in both the industry segment statistics and in the mutual ADI segment as a separate aggregation. To sum statistics for mutual ADIs with those for other segments would result in double-counting.

Revisions

This edition of the Quarterly ADI Performance publication includes revisions to previously published data. Five entities made revisions which changed aggregates by at least 10 per cent and \$100 million.

Table and item	Period(s) impacted*	Cause of revision	Entity (where applicable)	Previous Figure (\$ million)	Revised Figure (\$ million)
Table 1d, ADIs - Restructured items without provisions	Mar 2016	Resubmitted data		1,303.8	1,435.7
Table 1e, ADIs - Liquidity coverage ratio: Cash inflows: Derivatives	Jun 2015, Sep 2015, Dec 2015, Mar 2016	Resubmitted data		40,820.4	35,783.7

Highlights

Population of ADIs

On a consolidated group basis, there were 145 ADIs operating in Australia as at 31 March 2019, compared to 144 at 31 December 2018 and 147 at 31 March 2018.

- The Gympie Credit Union Ltd licence was revoked on 19 March 2019.
- Australian Unity Bank Limited changed sectors from building societies to Other Australian-owned Bank on 6 March 2019.
- Volt Bank was authorised as an other domestic bank on 21 January 2019.
- Lutheran Laypeople’s League of Australia Limited was authorised as an other domestic bank on 1 February 2019.

Financial performance

The net profit after tax for all ADIs was \$34.7 billion for the year ending 31 March 2019. This is a decrease of \$1.7 billion (4.6 per cent) on the year ending 31 March 2018.

The cost-to-income ratio for all ADIs was 51.3 per cent for the year ending 31 March 2019, compared to 48.5 per cent for the year ending 31 March 2018 (chart 1).

Chart 1: Cost-to-income ratio

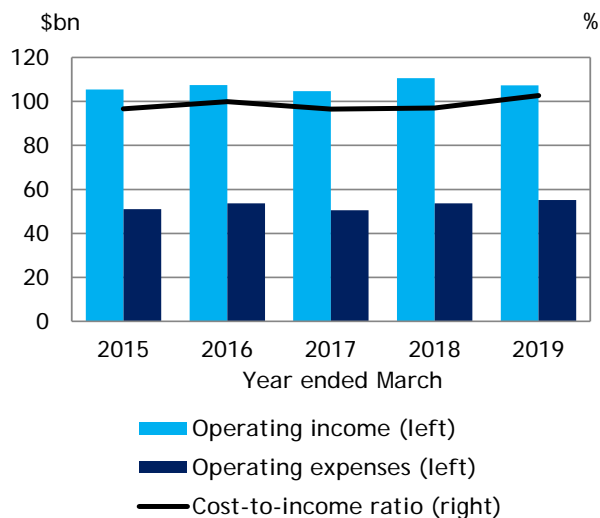
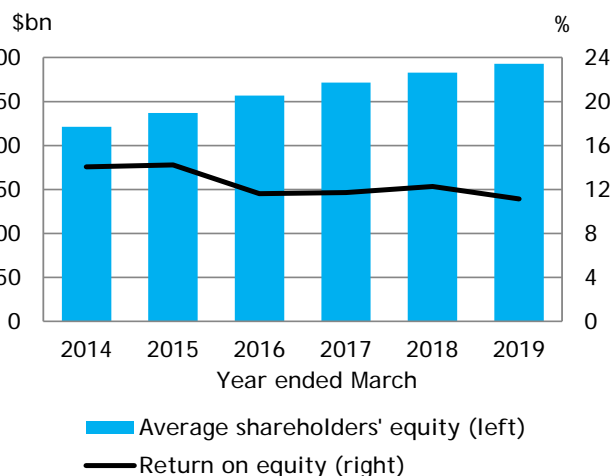


Chart 2: Return on equity



Financial position

The total assets for all ADIs was \$4.83 trillion at 31 March 2019 (chart 3). This is an increase of \$158.1 billion (3.4 per cent) on 31 March 2018.

The total gross loans and advances for all ADIs was \$3.35 trillion as at 31 March 2019. This is an increase of \$136.2 billion (4.2 per cent) on 31 March 2018 (chart 4).

Chart 3: Growth in total assets

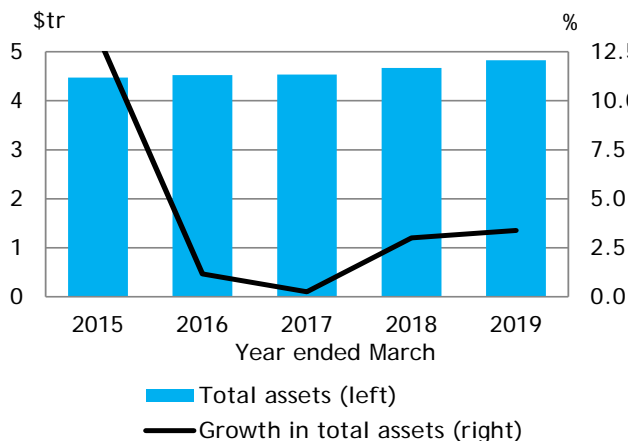
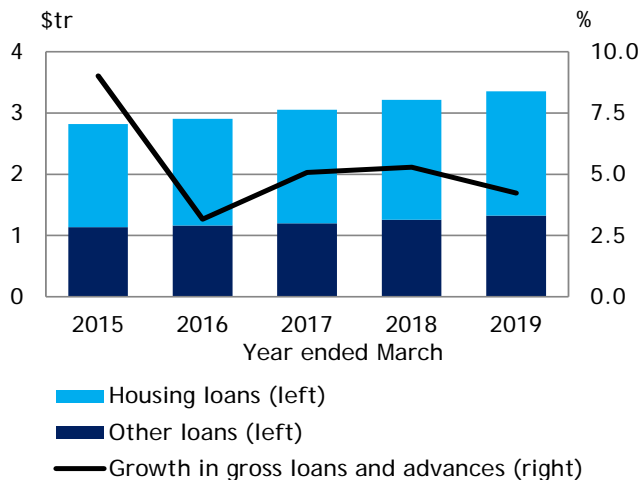


Chart 4: Gross loans and advances



Note: 'Other ADIs' are excluded from all figures other than population and total assets.

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

Australian Prudential Regulation Authority

Capital adequacy

The total capital ratio for all ADIs was 14.9 per cent at 31 March 2019 (chart 5), an increase from 14.8 per cent on 31 March 2018.

The common equity tier 1 ratio for all ADIs was 11.0 per cent at 31 March 2019, an increase from 10.7 per cent on 31 March 2018.

The risk-weighted assets (RWA) for all ADIs was \$2.00 trillion at 31 March 2019, an increase of \$14.1 billion (0.7 per cent) on 31 March 2018 (chart 6).

Chart 5: Capital Ratio

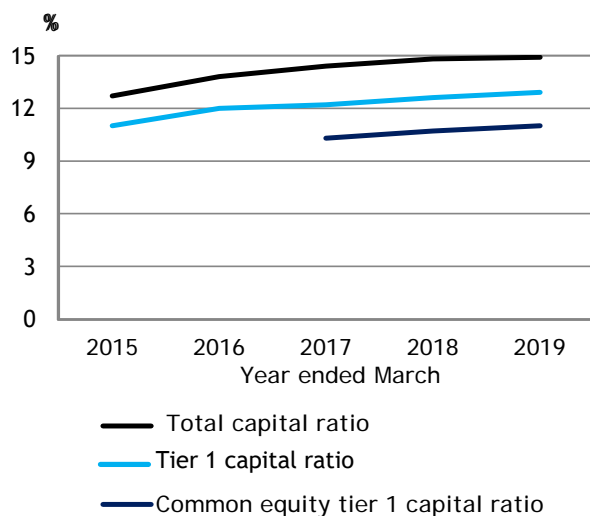
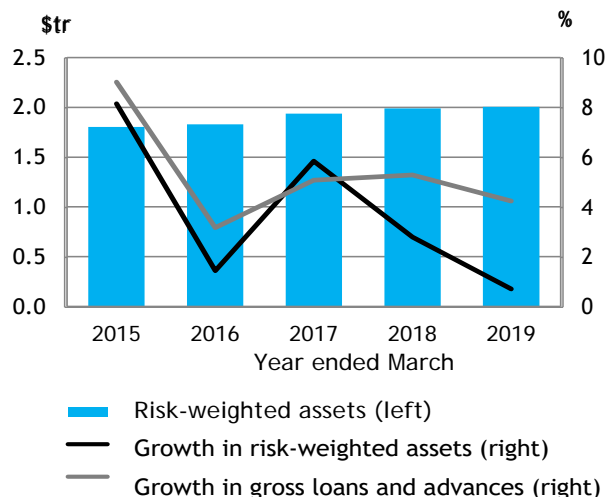


Chart 6: Risk-weighted assets



Asset quality

For all ADIs:

- Impaired facilities were \$12.1 billion as at 31 March 2019 (chart 7). This is an increase of \$0.7 billion (6.4 per cent) on 31 March 2018. Past due items were \$17.4 billion as at 31 March 2019 (chart 7). This is an increase of \$2.1 billion (13.5 per cent) on 31 March 2018;
- Impaired facilities and past due items as a proportion of gross loans and advances was 0.88 per cent at 31 March 2019, an increase from 0.83 per cent at 31 March 2018;
- Specific provisions were \$6.3 billion at 31 March 2019 (chart 8). This is an increase of \$0.4 billion (6.7 per cent) on 31 March 2018; and
- Specific provisions as a proportion of gross loans and advances was 0.19 per cent at 31 March 2019, an increase from 0.18 per cent at 31 March 2018.

Chart 7: Impaired facilities and past due items

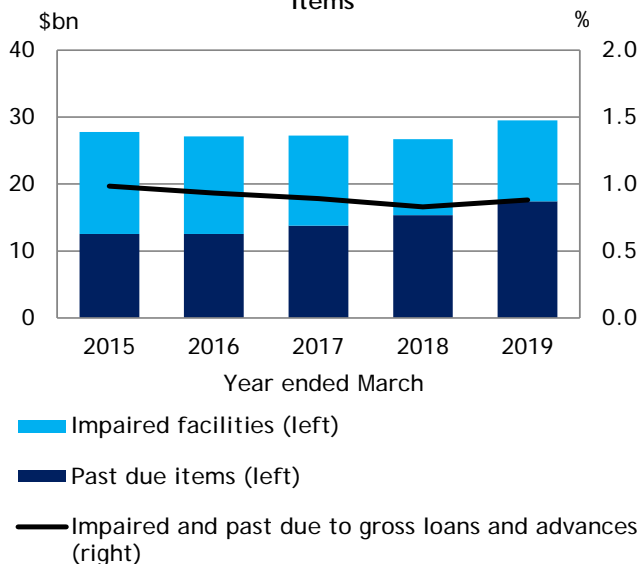
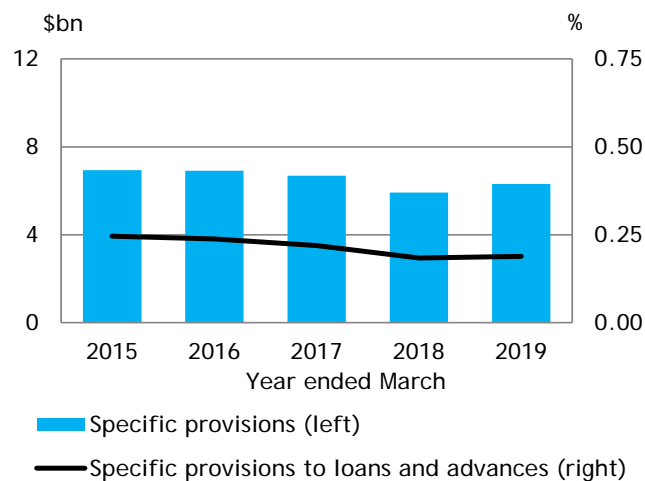


Chart 8: Provisions



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

Note: 'Other ADIs' are included in population and total asset figures only, and excluded from all other figures.

Key statistics

ADI industry profile

	Quarter end				
	Assets (\$m)				
	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019
ADIs					
Banks					
Major banks	3,570,789	3,615,673	3,592,109	3,672,376	3,657,689
Other domestic banks	458,757	467,805	477,003	480,456	467,719
Foreign subsidiary banks	132,557	136,310	138,952	143,531	148,277
Foreign branch banks	456,160	455,416	459,035	467,436	500,470
All banks	4,618,262	4,675,204	4,667,099	4,763,799	4,774,155
Building societies	12,158	12,139	12,262	12,428	11,603
Credit unions	36,754	37,659	38,189	39,018	39,018
Other ADIs	4,756	4,475	5,007	5,233	5,045
All ADIs	4,671,716	4,728,573	4,722,026	4,819,648	4,829,822
<i>of which: mutual ADIs</i>	111,928	113,062	115,867	117,581	119,485
Number of entities					
	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019
ADIs					
Banks					
Major banks	4	4	4	4	4
Other domestic banks	31	31	31	31	34
Foreign subsidiary banks	7	7	7	7	7
Foreign branch banks	44	44	44	46	46
All banks	86	86	86	88	91
Building societies	3	3	3	3	2
Credit unions	47	47	46	45	45
Other ADIs	7	7	7	7	7
All ADIs	147	143	143	144	145
<i>of which: mutual ADIs</i>	75	71	71	70	69

Key figures

	Quarter end					Year End	Year End
	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Mar 2018	Mar 2019
ADIs (excludes 'other ADIs')							
Net interest income (\$m)	19,374	19,252	19,428	19,452	19,164	77,117	77,296
Other operating income (\$m)	8,134	8,416	8,290	6,909	6,457	33,482	30,072
Total operating income (\$m)	27,508	27,668	27,719	26,361	25,621	110,599	107,368
Operating expenses (\$m)	13,912	13,571	14,410	13,140	14,004	53,633	55,124
Net profit (loss) after tax (\$m)	8,353	9,180	8,665	9,541	7,306	36,359	34,692
Total assets (\$m)	4,666,960	4,724,097	4,717,020	4,814,416	4,824,776	4,666,960	4,824,776
Total shareholders' equity (\$m)	290,366	289,406	293,763	292,771	295,327	290,366	295,327
Return on assets (after tax) ^a	0.7%	0.8%	0.7%	0.8%	0.6%	0.8%	0.7%
Return on equity (after tax) ^a	10.9%	11.9%	11.1%	12.3%	9.4%	12.3%	11.1%
Total impaired facilities (\$m)	11,364	11,413	11,505	11,476	12,097	11,364	12,097
Total capital base (\$m)	294,035	293,936	298,111	298,879	298,052	294,035	298,052
Total risk-weighted assets (\$m)	1,989,361	2,013,176	2,018,551	2,006,402	2,003,430	1,989,361	2,003,430
Capital-adequacy ratio	14.8%	14.6%	14.8%	14.9%	14.9%	14.8%	14.9%
Liquidity coverage ratio (LCR) ^b	135.1%	131.8%	132.3%	131.9%	134.1%	135.1%	134.1%
Minimum liquidity holdings (MLH) ratio ^c	15.6%	14.9%	15.3%	15.1%	15.5%	15.6%	15.5%
Number of entities	140	136	136	137	138	140	138

^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)

	Quarter end					Year End	Year End
	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Mar 2018	Mar 2019
Banks							
Net interest income (\$m)	19,111	18,986	19,155	19,178	18,903	76,031	76,222
Other operating income (\$m)	8,066	8,343	8,220	6,840	6,386	33,173	29,789
Total operating income (\$m)	27,177	27,329	27,376	26,019	25,288	109,204	106,011
Operating expenses (\$m)	13,647	13,300	14,142	12,864	13,740	52,547	54,045
Net profit (loss) after tax (\$m)	8,311	9,134	8,615	9,498	7,263	36,191	34,510
Total assets (\$m)	4,618,262	4,675,204	4,667,099	4,763,799	4,774,155	4,618,262	4,774,155
Total shareholders' equity (\$m)	286,341	285,343	289,645	288,619	291,201	286,341	291,201
Return on assets (after tax) ^a	0.7%	0.8%	0.7%	0.8%	0.6%	0.8%	0.7%
Return on equity (after tax) ^a	11.0%	12.0%	11.2%	12.5%	9.4%	12.4%	11.2%
Total Impaired facilities (\$m)	11,279	11,316	11,419	11,386	12,020	11,279	12,020
Total capital base (\$m)	290,334	290,207	294,325	295,057	294,251	290,334	294,251
Total risk-weighted assets (\$m)	1,966,975	1,990,675	1,995,725	1,983,319	1,980,544	1,966,975	1,980,544
Capital-adequacy ratio	14.8%	14.6%	14.7%	14.9%	14.9%	14.8%	14.9%
Liquidity coverage ratio (LCR) ^b	135.1%	131.8%	132.3%	131.9%	134.1%	135.1%	134.1%
Minimum liquidity holdings (MLH) ratio ^c	15.9%	15.2%	15.8%	15.3%	15.7%	15.9%	15.7%
Number of entities	86	86	86	88	91	86	91
Building societies							
Net interest income (\$m)	56	57	58	58	52	230	225
Other operating income (\$m)	8	7	7	6	8	29	28
Total operating income (\$m)	64	64	65	64	59	259	253
Operating expenses (\$m)	43	47	45	50	44	186	185
Net profit (loss) after tax (\$m)	14	11	14	10	8	50	43
Total assets (\$m)	12,158	12,139	12,262	12,428	11,603	12,158	11,603
Total shareholders' equity (\$m)	1,026	1,039	1,053	1,060	1,003	1,026	1,003
Return on assets (after tax) ^a	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%	0.4%
Return on equity (after tax) ^a	5.3%	4.3%	5.2%	4.0%	3.1%	4.8%	4.3%
Total Impaired facilities (\$m)	17	25	22	24	10	17	10
Total capital base (\$m)	985	1,000	1,013	1,021	959	985	959
Total risk-weighted assets (\$m)	5,062	5,118	5,129	5,223	4,844	5,062	4,844
Capital-adequacy ratio	19.5%	19.5%	19.7%	19.5%	19.8%	19.5%	19.8%
Minimum liquidity holdings (MLH) ratio ^c	16.2%	15.1%	15.4%	15.6%	15.7%	16.2%	15.7%
Number of entities	3	3	3	3	2	3	2
Credit unions							
Net interest income (\$m)	207	209	215	215	210	856	849
Other operating income (\$m)	61	66	63	63	63	280	255
Total operating income (\$m)	268	275	278	278	273	1,136	1,104
Operating expenses (\$m)	222	225	223	226	220	900	894
Net profit (loss) after tax (\$m)	29	35	36	32	35	119	139
Total assets (\$m)	36,540	36,754	37,659	38,189	39,018	36,540	39,018
Total shareholders' equity (\$m)	2,999	3,025	3,064	3,092	3,124	2,999	3,124
Return on assets (after tax) ^a	0.3%	0.4%	0.4%	0.3%	0.4%	0.3%	0.4%
Return on equity (after tax) ^a	3.8%	4.7%	4.8%	4.2%	4.5%	3.9%	4.5%
Total Impaired facilities (\$m)	67	72	64	66	67	67	67
Total capital base (\$m)	2,716	2,730	2,773	2,802	2,841	2,716	2,841
Total risk-weighted assets (\$m)	17,324	17,383	17,698	17,859	18,043	17,324	18,043
Capital-adequacy ratio	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%
Minimum liquidity holdings (MLH) ratio ^c	14.7%	14.4%	14.3%	14.5%	15.0%	14.7%	15.0%
Number of entities	51	47	47	46	45	51	45

^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.

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. Under the Basel II framework exposures to holding companies of ADIs and equivalent overseas entities were deducted on a 50/50 basis from Tier 1 and Tier 2 capital. Under Basel III the entire amount is reduced from regulatory adjustments to Common Equity Tier 1 capital.

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.

Liquidity statistics

APRA reviewed its liquidity framework in 2014 and introduced a revised *Prudential Standard APS 210 Liquidity* (APS 210) in response to the Basel Committee on Banking Supervision's globally harmonised liquidity framework, *Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools*. The revised APS 210 introduced the Liquidity Coverage Ratio regime in Australia, commencing from 1 January 2015, and revised the existing Minimum Liquidity Holdings (MLH) regime, commencing for the quarter ending 30 June 2014.

The introduction of this Prudential Standard was accompanied by a revised *Reporting Standard ARS 210 Liquidity* (ARS 210) and associated ADI reporting forms, which commenced for the quarter ending June 2014. While the LCR data collection was new, there are changes to some MLH data items as a result of the revised ARS 210. It also resulted in a change in MLH population, with a number of banks becoming subject to the MLH regime.

For details of the previous liquidity 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 APRA's liquidity framework, refer to APS 210. For further information on how to interpret the liquidity statistics, refer to *Selected feature: ADIs' Liquidity Statistics* at:

<http://www.apra.gov.au/adi/Publications/Pages/adi-quarterly-performance-statistics.aspx>

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.

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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