Monthly Retail Credit Update – September 2024 (July 2024 data, unless otherwise stated)

New Lending

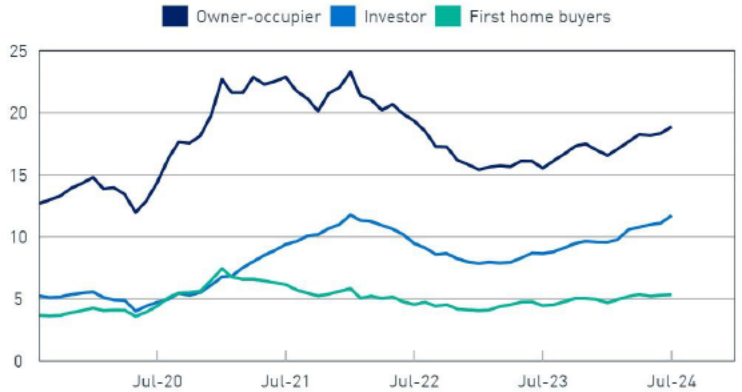
- **New lending continued to grow,** for both owner-occupiers and investors, while lending to first home buyers remained stable. Credit growth continued to increase.
- **Lenders continue to focus on the investor segment**, further reducing interest rates spreads. The share of new lending to investors continued to increase. Most banks surveyed expect this trend to continue over the next 12 months (see [Credit Conditions Survey June 2024]).
- **Banks are expecting margins to remain stable** over the next 12 months. Competitive pressure appears to have stabilised, with refinancing in line with long term averages. However, some lenders have recently reinstated of cash-back offers, which drove record levels of refinancing in 2023 as banks sought to grow market shares.

Existing Lending

- **NPLs were stable for the month, for the first time since interest rates started increasing,** potentially supported by Stage 3 tax cuts. While it is too early to be definitive if this is a change of trend for NPLs, the share of loans 1-29 days past due has fallen for 4 consecutive months. However, the ADIs surveyed continued to be unanimously pessimistic on delinquency rates over the next 12 months for owner-occupiers and near-unanimously for investors.

New loan commitments

Total housing $bn



Seasonally adjusted. ADIs and Non-ADI Lenders.
Source: ABS Lending Indicators

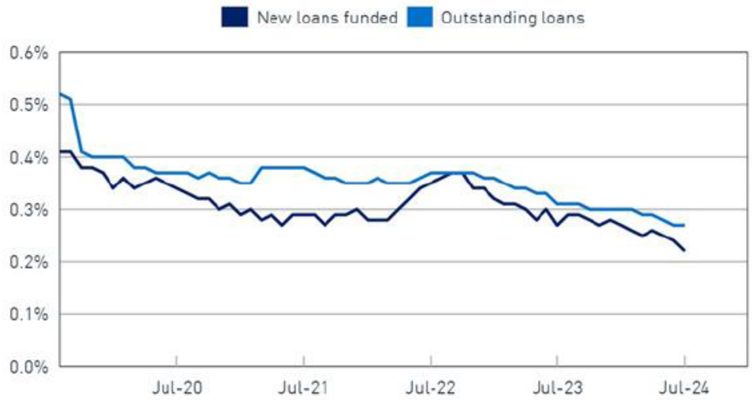
Share of new loan commitments

Excluding refinancing

Seasonally adjusted. ADIs and Non-ADI Lenders.
Source: ABS Lending Indicators

Lending rates: Spread between Inv and OO

Variable rate loans



ADIs and Non-ADI Lenders
Source: RBA

ADI forecasts of portions of new lending towards Inv - next 12 months

Section 38 [redacted]

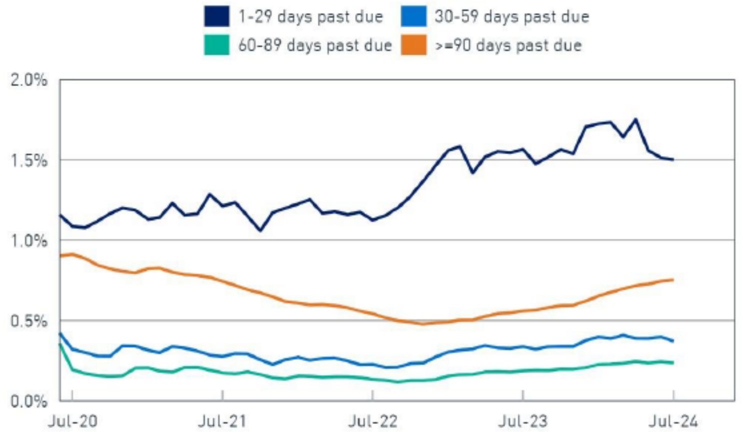
Source: June 2024 Credit Conditions Survey, 8 ADIs

ADI forecasts for owner-occupied margins - next 12 months

Section 38 [redacted]

Source: June 2024 Credit Conditions Survey, 8 ADIs

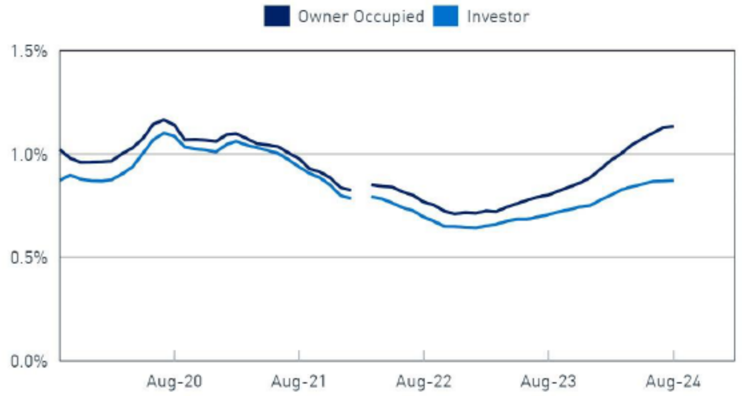
Residential mortgage arrears



ADIs and best endeavours collection
Source: ARF 923_0

Non-performing loan ratio

Share of credit outstanding



Note: series break is due to definitional change
ADIs, Source: ARF 720_1A,

ADI forecasts for owner-occupied delinquency rates - next 12 months

Section 38 [redacted]

Source: June 2024 Credit Conditions Survey, 8 ADIs