The Australian Economy and Financial Markets

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**World Economy**

**GDP Growth – World**

- Year-ended
- Major trading partners*
- World**

* Weighted using Australian export shares
** PPP-weighted; accounts for 85 per cent of world GDP
Sources: ABS; CEIC Data; IMF; RBA; Refinitiv

**GDP Growth – Advanced Economies**

- Year-ended
- US
- Euro area
- Japan

Source: Refinitiv

**GDP Growth – East Asia**

- Year-ended
- Indonesia
- South Korea
- Malaysia

Sources: CEIC Data; RBA

**China – Contributions to GDP Growth**

- GDP growth (per cent)
- Consumption
- Investment
- Net exports

Sources: CEIC Data; RBA
World Economy

Inflation – Advanced Economies*

Year-ended

<table>
<thead>
<tr>
<th>Year-Ended</th>
<th>2015</th>
<th>2012</th>
<th>2009</th>
<th>2006</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Euro area</td>
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<td></td>
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<tr>
<td>Japan</td>
<td></td>
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</tbody>
</table>

* Personal consumption expenditure (PCE) inflation for the US; Japan data excludes the effects of the consumption tax increase in April 2014
Sources: RBA; Refinitiv

Inflation – East Asia

Year-ended

<table>
<thead>
<tr>
<th>Year-Ended</th>
<th>2014</th>
<th>2010</th>
<th>2006</th>
<th>2002</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td></td>
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<tr>
<td>Malaysia</td>
<td></td>
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<tr>
<td>South Korea</td>
<td></td>
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</tr>
</tbody>
</table>

Sources: CEIC Data; RBA

Inflation – China and India

Year-ended

<table>
<thead>
<tr>
<th>Year-Ended</th>
<th>2014</th>
<th>2010</th>
<th>2006</th>
<th>2002</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>India</td>
<td></td>
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</tr>
</tbody>
</table>

Source: Bloomberg

Labour Markets – Advanced Economies

Unemployment rate

<table>
<thead>
<tr>
<th>Year-ended</th>
<th>2008</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
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</tr>
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<tr>
<td>Japan</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

* Average hourly earnings for the US; compensation per employee for the euro area; smoothed full-time base wages for Japan
Sources: ECB; Eurostat; RBA; Refinitiv
China – Activity Indicators

Year-ended growth

- Manufacturing PMI*
  - 2008: 45
  - 2013: 55

- Industrial production
  - 2008: 10
  - 2013: 20

- Fixed asset investment
  - 2013: 20
  - 2008: 15
  - 2018: 30

- Real retail sales
  - 2013: 10
  - 2008: 20

* Diffusion index; average of the official and Caixin
Sources: CEIC Data; Markit Economics; RBA

China – Residential Property Indicators

Year-ended growth

- New property prices
  - 2018: 0

- Investment
  - 2018: 0

- Floor space sold
  - 2018: -50

- Inventory
  - 2018: -25

Sources: CEIC Data; RBA

China – Gross Output of Selected Products*

2006 average = 100

- Electricity generation
  - 2018: 250

- Plate glass
  - 2018: 200

- Cement
  - 2018: 200

- Steel products
  - 2018: 250

- Crude steel
  - 2018: 200

* Seasonally adjusted by RBA
Sources: CEIC Data; RBA

China – Total Social Financing

Contribution to six-month annualised growth

- Business financing*
  - 2008: 40
  - 2018: 10

- Household loans
  - 2008: 40
  - 2018: 10

- Debt swap adjustment**
  - 2008: 20
  - 2018: 10

* Sum of business loans, securities financing and off-balance sheet financing
** Upper bound estimate after including local government bond issuance to pay off debt previously included in TSF
Sources: CEIC Data; RBA
**Australian Growth**

**GDP Growth**

- **Year-ended**
  - 2018: 2%
  - 2017: 3%
  - 2016: 2%
  - 2015: 2%
  - 2014: 2%

- **Quarterly**
  - 2018 Q4: 0.5%
  - 2018 Q3: 0.2%
  - 2018 Q2: 0.6%
  - 2018 Q1: 0.3%

*Source: ABS*

**Mining and Non-mining Activity**

- **Year-ended growth, RBA estimates**
  - **Mining**
    - Mining investment: 5%
    - Resource exports: 2%
  - **Non-mining**
    - 2018: 3%
  - 2017: 4%
  - 2016: 2%

*Net of mining-related imports; components are contributions to year-ended mining activity growth; contribution from changes in inventories not shown*

*Sources: ABS; RBA*

**State Final Demand**

- **Year-ended growth**
  - WA: 5%
  - NSW and Vic: 4%
  - Rest of Australia: 3%

*Sources: ABS; RBA*
Australian Inflation

**Consumer Price Inflation***

```
Year-ended

Quarterly (seasonally adjusted)

```

* Excluding interest charges prior to the September quarter 1998 and adjusted for the tax changes of 1999–2000

Sources: ABS; RBA

** Tradable and Non-tradable Inflation***

```
Year-ended

Quarterly (seasonally adjusted)

```

* Adjusted for the tax changes of 1999–2000
** Excludes volatile items (fruit, vegetables & automotive fuel)
*** Excludes interest charges prior to the September quarter 1998, and deposit & loan facilities prior to the September quarter 2011

Sources: ABS; RBA

**Underlying Inflation***

```
Weighted median

Trimmed mean

CPI excl volatile items

```

* Excluding interest charges prior to the September quarter 1998 and adjusted for the tax changes of 1999–2000

Sources: ABS; RBA

**Consumer Price Inflation**

```
Year-ended

Quarterly (seasonally adjusted)

```

Sources: ABS; RBA

**Underlying Inflation**

```
Weighted median

Trimmed mean

CPI excl volatile items

```

Sources: ABS; RBA
Household Sector

**Household Income and Consumption***

- Real, year-ended growth
  - Consumption
  - Disposable income
  - Saving ratio

*Household sector includes unincorporated enterprises; disposable income is after tax and interest payments; saving ratio is net of depreciation

Sources: ABS; RBA

**Private Dwelling Investment***

- Chain volume, quarterly

*Reference year is 2016/17

Source: ABS

**Private Residential Building Approvals**

- Monthly

Source: ABS

**Consumer Sentiment***

- Average since 1980 = 100

*Average of the ANZ-Roy Morgan and Westpac-Melbourne Institute consumer sentiment measure of respondents’ perceptions of their personal finances relative to the previous year; ANZ-Roy Morgan index rescaled to have the same average as the Westpac-Melbourne Institute index since 1996

Sources: ANZ-Roy Morgan; RBA; Westpac and Melbourne Institute

---

Household Income and Consumption


Private Dwelling Investment

Chain volume, quarterly

2013 2008 2003 2008 2013 2018

Private Residential Building Approvals

Monthly

2013 2008 2003 2008 2013 2018

Consumer Sentiment

Average since 1980 = 100

2008 2010 2012 2014 2016 2018

---

*Household sector includes unincorporated enterprises; disposable income is after tax and interest payments; saving ratio is net of depreciation

Sources: ABS; RBA
Household Sector

Housing Prices and Household Debt*

Ratio to annual household disposable income

<table>
<thead>
<tr>
<th>Year</th>
<th>Housing prices</th>
<th>Household debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>2000</td>
<td>3.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2005</td>
<td>3.5</td>
<td>2.0</td>
</tr>
<tr>
<td>2010</td>
<td>4.0</td>
<td>2.5</td>
</tr>
<tr>
<td>2015</td>
<td>4.5</td>
<td>3.0</td>
</tr>
<tr>
<td>2020</td>
<td>5.0</td>
<td>3.5</td>
</tr>
</tbody>
</table>

* Households disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

Sources: ABS; APM; APRA; CoreLogic; RBA

Housing Prices

Year-ended growth, seasonally adjusted

<table>
<thead>
<tr>
<th>Year</th>
<th>ABS*</th>
<th>APM***</th>
<th>Residex*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>2010</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>2012</td>
<td>5%</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>2014</td>
<td>10%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>2016</td>
<td>5%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>2018</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

* ABS is a quarterly stratified median price index; Residex is a quarterly repeat sales price index.
** Monthly hedonic price index; non-seasonally adjusted.
*** Quarterly stratified median price index.

Sources: ABS; APM; CoreLogic; RBA

Household Wealth and Liabilities*

Per cent of annual household disposable income

<table>
<thead>
<tr>
<th>Year</th>
<th>Net wealth</th>
<th>Dwellings</th>
<th>Financial assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>50%</td>
<td>40%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2002</td>
<td>100%</td>
<td>90%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2010</td>
<td>150%</td>
<td>140%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2018</td>
<td>200%</td>
<td>190%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

* Households disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

Sources: ABS; RBA

Housing Loan Approvals

Total

<table>
<thead>
<tr>
<th>Year</th>
<th>Owner-occupiers*</th>
<th>Investors**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>2005</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>2010</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>2015</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>2020</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>

* Excludes refinancing.
** Includes refinancing.

Sources: ABS; RBA
### Business Sector

#### Business Investment*  
**Share of nominal GDP**

* Adjusted for second-hand asset transfers between the private and other sectors  
Source: ABS

#### Capital Expenditure – Mining and Non-mining*  
**Nominal, log scale**

* Dots are firms’ expectations for 2018/19, adjusted for historical differences between expected and realised spending  
Sources: ABS; RBA

#### Business Investment Components*  
**Share of nominal GDP**

* Adjusted for second-hand asset transfers between the private and other sectors  
Source: ABS

#### Industry Share of Business Investment*  

* Nominal; includes second hand asset transfers  
** Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services  
Source: ABS
Business Sector

Private Non-financial Corporation Profits*

Net balance; deviation from average since 1989

Sources: ABS; RBA

Business Lending by Banks*

Net balance; deviation from average since 1989

Sources: APRA; RBA

* Gross operating profits; inventory valuation adjusted

NAB Business Survey

* Net balance; deviation from average since 1989

Sources: NAB; RBA

* Credit exposures on the balance sheets of banks allowed by APRA to use an internal ratings-based approach for credit risk management

** Large business is the corporate category in APRA's capital framework; small business is the sum of the SME corporate and SME retail categories (the SME categories include businesses that have reported consolidated annual sales of less than $50 million)

Sources: APRA; RBA
Credit and Money

Credit and Broad Money Growth

Year-ended

Monetary Aggregates Growth

Year-ended

Credit Growth by Sector

Year-ended

Housing Credit Growth*

Source: APRA; RBA

* Seasonally adjusted and break-adjusted

Sources: APRA; RBA

Credit and Money Growth

Year-ended

Broad money

Currency

Credit

Sources: ABS; APRA; RBA

Credit and Broad Money Growth

Year-ended

Monetary Aggregates Growth

Year-ended

Credit Growth by Sector

Year-ended

Housing Credit Growth*

Source: APRA; RBA

* Seasonally adjusted and break-adjusted

Sources: APRA; RBA
Factors of Production and Labour Market

**Factors of Production**

- **Annual growth**
  - Net capital stock*
  - Working-age population

**Capital Ratios***

- 1979/80 = 100

**Wage Price Index Growth***

- Year-ended

**Unit Labour Costs Growth**

- Non-farm, year-ended

* Excluding livestock & orchards, dwellings and ownership transfer costs

Sources: ABS; RBA
Factors of Production and Labour Market

**Employment and Participation Rates**
- Participation rate
- Employment to working-age population
- Source: ABS

**Labour Market**
- Underemployment rate*
- Unemployment rate
- Source: ABS

**Job Vacancies and Advertisements**
- Vacancies* (ABS survey)
- Advertisements (ANZ survey)
- * This survey was suspended between May 2008 and November 2009
- Source: ABS; ANZ

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* Full-time workers on reduced hours for economic reasons and part-time workers who would like, and are available, to work more hours

* Smoothing lines are 13-period Henderson trends

Sources: ABS; RBA
Regions and Industry

**State Share of Output**

Nominal

- New South Wales
- Victoria
- Queensland
- Western Australia
- South Australia
- Tasmania

Source: ABS

**State Unemployment Rates**

Trend

- Tasmania
- South Australia
- Western Australia
- Victoria
- Queensland

Source: ABS

**Industry Share of Output***

- Manufacturing
- Retail and wholesale trade
- Financial and insurance services
- Construction
- Agriculture
- Other business services**

Source: ABS

**Employment Growth by Industry**

Cumulative change since February 2012

- Household services
- Public administration
- Business services
- Retail and wholesale trade
- Other*

Source: ABS

* Nominal gross value added
** Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services

Source: ABS
Government

**Australian Government Budget Balance***

Per cent of nominal GDP

![Graph showing Australian Government Budget Balance.](attachment:chart1.png)

* Underlying cash balance: 2018/19 Mid-year economic and fiscal outlook

Source: Australian Treasury

**State Budget Balances***

Per cent of nominal GDP

![Graph showing State Budget Balances.](attachment:chart2.png)

* Underlying cash balance

Source: ABS

**Public Construction Work Done**

Per cent of nominal GDP

![Graph showing Public Construction Work Done.](attachment:chart3.png)

Source: ABS

**Non-financial Public Sector Net Debt**

Per cent of nominal GDP

![Graph showing Non-financial Public Sector Net Debt.](attachment:chart4.png)

Source: Australian Treasury

*Underlying cash balance; 2018/19 Mid-year economic and fiscal outlook
Commodity Prices

RBA Index of Commodity Prices
SDR, 2016/17 average = 100, log scale

Source: RBA

Bulk Commodity Prices
Free on board basis

Iron ore (LHS)
Thermal coal (LHS)
Coking coal (RHS)

Average Australian export price
Spot price*

Sources: ABS; Bloomberg; IHS; RBA

Terms of Trade*
2016/17 average = 100, log scale

* RBA Index of Commodity Prices sub-indices; SDR terms; 2007 average = 100
Sources: Bloomberg; RBA

Base Metals, Rural and Oil Prices
Weekly

US$/b

Iron ore fines; Newcastle thermal coal and premium hard coking coal
Sources: ABS; Bloomberg; IHS; RBA
Balance of Payments and External Position

Current Account Balance
Per cent of nominal GDP

- Trade balance
- Net income balance

Current account balance

Source: ABS

Net Capital Inflow*
Per cent of nominal GDP

- Equity
- Debt
- Total

* 2018 values include the March, June and September quarters
Source: ABS

Net Foreign Liabilities
By type, per cent of nominal GDP

- Total
- Long-term debt*
- Short-term debt*
- Equity

* Short-term includes debt with residual maturity of one year or less; long-term includes all other debt
Source: ABS

External Position
Composition after hedging, quarterly*

- Gross foreign liabilities
- Gross foreign assets

* Hedge ratios inferred from ABS Foreign Currency Exposure surveys
Sources: ABS; RBA

RESERVE BANK OF AUSTRALIA
Interest Rates

Australian Cash Rate Target

Policy Interest Rates

Australian Cash Rate and 90-day Bill Yield

Policy Interest Rates – Selected Advanced Economies

* Policy rate is the midpoint of the 3-month LIBOR target band
Source: Central banks

Source: RBA

* Main refinancing rate until the introduction of three-year LTROs in December 2011; deposit facility rate thereafter
Source: Central banks

* Calculated using average of year-ended weighted median inflation and year-ended trimmed mean inflation
Sources: ABS; ASX; RBA

* Policy rate is the midpoint of the 3-month LIBOR target band
Source: Central banks
Interest Rates

**Interest Rates – China**

- 1-year benchmark lending
- 7-day repo (month average)
- 1-year benchmark deposit

Sources: CEIC Data; RBA

**10-year Australian Government Bond Yield**

Source: RBA

**Policy Interest Rates – Emerging Markets**

- Indonesia*
- Brazil
- Russia*
- India
- Malaysia
- South Africa
- Mexico
- Thailand
- South Korea

* Breaks in series indicate changes in the official policy rates for Russia (September 2013) and Indonesia (August 2016)

Source: Central banks

**10-year Government Bond Yields**

- US
- Germany
- Japan

Source: Refinitiv
Interest Rates

US Corporate Bond Yields
- BBB corporates*
- AA corporates*
- Five-year swap

Emerging Market Bond Yields
- Europe
- Latin America
- Asia

US Corporate Bond Spreads
- To US government bonds
- BBB corporates*
- AA corporates*
- Five-year swap

Emerging Market Bond Spreads
- To US government bonds, duration-matched
- Europe
- Latin America
- Asia

Sources: Bloomberg; RBA; Refinitiv
* Includes financials and non-financials

Sources: Bloomberg; ICE Data is used with permission
Interest Rates

Variable Housing Interest Rates

- Standard variable reference rate
- Outstanding loans
- New loans

Sources: RBA; Securitisation System

Australian Fixed Interest Rates

- 3-year maturity
- Small business
- Swap rate
- Housing

Sources: Banks’ websites; Bloomberg; Canstar Cannex; RBA

Variable Housing Interest Rates

- Outstanding loans
- Owner-occupier
- Investor

Sources: RBA; Securitisation System

Australian Business Lending Rates

- Average interest rate on outstanding lending
- Small business
- Large business

Sources: APRA; RBA

* Available across major banks’ rates; data to November
** Data to October
*** Variable loans originated over the past three months; data to August

Sources: RBA; Securitisation System
**Share Markets**

### Forward PE Ratios

- **MSCI World excluding Australia**
- **ASX 200**

Sources: Bloomberg, MSCI, Refinitiv

### Forecast Earnings per Share

**MSCI Australia**

Sources: MSCI, Refinitiv

### Dividend Yields

- **ASX 200**
- **MSCI World excluding Australia**

Sources: Bloomberg, MSCI, Refinitiv

### Australian Net Equity Raisings*

- **Non-financial corporations**
- **Financials**

*All listed companies*

**Includes banks and non-bank financials**

Sources: ASX, RBA
Bond Issuance

Bonds on Issue in Australia

Non-government Bonds on Issue in Australia

Total Non-government Bonds on Issue

Non-government Bond Issuance

Sources: ABS; AOFM; Bloomberg; KangaNews; RBA; State Treasury Corporations

Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA

Sources: ABS; Bloomberg; KangaNews; RBA

* Excludes bonds purchased by the Australian Government
** Excludes ADIs’ self-securitisations, includes government-guaranteed bonds

* Australian dollar-denominated bonds only

* Excludes ADIs’ self-securitisations
** Offshore non-resident issuance includes Australian dollar-denominated bonds only

Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA
Bond Issuance

US and Euro Area Corporate Bond Issuance*

**Gross issuance**

- **US**
  - Financials
  - Non-financials

- **Euro area**

* December quarter-to-date
Sources: Dealogic; RBA

Emerging Market Corporate Bond Issuance*

**Gross issuance**

- **China**
  - Foreign currency-denominated
  - Local currency-denominated

- **Other**

* December quarter-to-date
Sources: Dealogic; RBA
Exchange Rates

**Australian Dollar Trade-weighted Index***

- **Nominal** and **Real**
- Index values from 1988 to 2018
- * May 1970 = 100 for nominal; real indexed to equate post-float averages; latest observations for real TWI are estimates
- Sources: ABS; RBA; Refinitiv; WM/Reuters

**Official Reserve Assets***

- Official reserve assets, Net foreign reserves**, and RBA foreign exchange market intervention transactions***
- Data up to 30 June 2018; a positive value indicates a purchase of foreign exchange, while a negative value indicates a sale of foreign exchange
- * The reporting methodology for official reserve asset data changes in 2015
- ** Excludes net forward foreign currency commitments
- *** Data up to 30 June 2018; a positive value indicates a purchase of foreign exchange, while a negative value indicates a sale of foreign exchange
- Source: RBA

**Australian Dollar**

- Yen per A$ (LHS), US$ per A$ (RHS), Euro per A$*
- * ECU per A$ until 31 December 1998
- Source: Bloomberg
Banking Indicators

**Australian Bank Profits**

<table>
<thead>
<tr>
<th></th>
<th>Major banks</th>
<th>Other Australian-owned banks</th>
<th>Foreign-owned banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after tax (b)</td>
<td>6</td>
<td>2.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Bad and doubtful debts charge (b)</td>
<td>12</td>
<td>1.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Australian Bank Profitability***

- **Return on shareholders’ equity after tax and minority interests**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>-10</td>
</tr>
<tr>
<td>1993</td>
<td>0</td>
</tr>
<tr>
<td>1998</td>
<td>10</td>
</tr>
<tr>
<td>2003</td>
<td>20</td>
</tr>
<tr>
<td>2008</td>
<td>10</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>0</td>
</tr>
</tbody>
</table>

* Fiscal years from 2003 onwards; prior data are as reported in banks’ financial statements

**Sources:** APRA; Banks’ annual reports; RBA

**Major Banks’ Net Interest Margin***

- **Domestic, half-yearly**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3.0</td>
</tr>
<tr>
<td>2006</td>
<td>2.0</td>
</tr>
<tr>
<td>2010</td>
<td>2.5</td>
</tr>
<tr>
<td>2014</td>
<td>2.0</td>
</tr>
<tr>
<td>2018</td>
<td>1.5</td>
</tr>
</tbody>
</table>

* Data for a given period relate to banks’ public profit reports released in that half; IFRS basis from 2006; AGAAP prior; excludes St George Bank and Bankwest prior to the first half of 2009

**Sources:** Banks’ Financial Reports; RBA
Banking Indicators

**Banks’ Non-performing Assets**

Consolidated global operations, share of on-balance sheet assets

- Total*
- Impaired

* Includes assets 90+ days past due that are well secured

Source: APRA

**Capital Ratios**

Consolidated global operations of locally incorporated ADIs

- Total
- Tier 1
- Common Equity Tier 1
- Tier 2
- Other ADIs
- Building societies
- Credit unions

* Per cent of risk-weighted assets; break in March 2008 due to the introduction of Basel II for most ADIs; break in March 2013 due to the introduction of Basel III for all ADIs

Source: APRA

**Funding Composition of Banks in Australia**

Share of total funding

- Domestic deposits
- Short-term debt**
- Long-term debt
- Securitisation
- Equity

* Adjusted for movements in foreign exchange rates; tenor of debt is estimated on a residual maturity basis
** Includes deposits and intragroup funding from non-residents

Sources: APRA; RBA; Standard & Poor's

**Banks’ Non-performing Assets**

Domestic books

- Share of all loans
- Share of loans by type*

* Each category’s share of total domestic lending at September 2018 is shown in parentheses; shares may not add up to 100 due to rounding

** Includes lending to financial businesses, bills, debt securities and other non-household loans

Sources: APRA; RBA