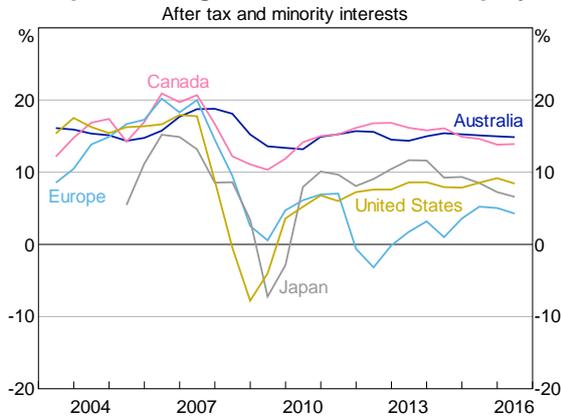


**Supplementary Information Provided at the Request of the House of Representatives
Standing Committee on Economics – 28 September 2016**

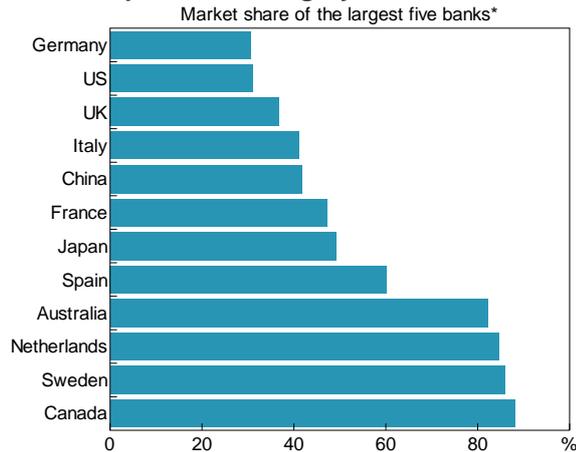
Graph S1: Large Banks' Return on Equity*



* Number of banks: Australia (4), Europe (52), Japan (4), Canada (6) and United States (18); adjusted for significant mergers and acquisitions; reporting periods vary across jurisdictions
Sources: Bloomberg; RBA; S&P Global Market Intelligence

- The major Australian banks' return on equity has averaged around 15 per cent over the past decade.
- It is similar to the return on equity for large Canadian banks, but higher than in the United States, Japan and Europe.

Graph S2: Banking System Concentration



* Data are the latest available in each jurisdiction; Australia, Canada, China, Japan, Sweden and US data are the share of domestic bank loans held by the largest five banks; France, Germany, Italy, Netherlands, Spain and UK data are the share of domestic banking system assets held by the largest five banks
Sources: APRA; Bank of Canada; Bank of Japan; Banks' reports; CEIC Data; ECB; Federal Reserve Board of Governors; RBA; S&P Global Market Intelligence; Swedish Bankers' Association

- Data on banking system concentration are compiled from multiple sources and on different bases in different countries. All estimates shown focus on the domestic business of banks operating in each country.
- These data indicate that concentration in the Australian banking system is relatively high but is not unusual compared with that in other countries.

Reserve Bank of Australia
28 September 2016