



MARKET INTELLIGENCE REPORT

# Banking in Australia

An overview of Australia's major banks — the Big Four, key challengers, digital trends, and sector outlook for 2025–2026.

**\$4.5T**

COMBINED ASSETS

**7.5%**

OF GDP

**450K**

EMPLOYEES

**4**

DOMINANT BANKS

## Sector Overview

90+ LICENSED BANKS	48 FOREIGN BRANCHES	7.5% GDP CONTRIBUTION	450K INDUSTRY JOBS	AA- BIG FOUR S&P RATING
-----------------------	------------------------	--------------------------	-----------------------	----------------------------

Australia's banking sector is one of the most concentrated and stable in the world. The "Big Four" — Commonwealth Bank, ANZ, Westpac, and NAB — collectively dominate deposits, lending, and market capitalisation. The sector is regulated by two primary bodies: the Reserve Bank of Australia (RBA), which manages monetary policy, and the Australian Prudential Regulation Authority (APRA), which oversees prudential standards for banks, insurers, and superannuation funds.

**Key Context:** Australia's banking sector emerged largely unscathed from the 2008 global financial crisis, a resilience attributed to strong prudential regulation and conservative lending standards. However, the 2019 Royal Commission into banking misconduct triggered sweeping reforms around consumer protection and ethical conduct.

### Regulatory Framework

**Reserve Bank of Australia (RBA):** Sets the official cash rate and manages monetary policy. Responsible for financial system stability and payments infrastructure.

**APRA:** The prudential regulator — sets capital requirements, liquidity standards, and risk frameworks. All ADIs (Authorised Deposit-taking Institutions) are APRA-supervised.

**ASIC:** The Australian Securities and Investments Commission oversees consumer protection, market conduct, and licensing of financial services.

### Market Structure

The Australian banking system includes 90 Australian-owned financial institutions, 7 foreign subsidiaries, and 48 foreign bank branches. Despite this breadth, the Big Four command the overwhelming majority of the market — a concentration reinforced by decades of acquisitions and the "four pillars" policy, which prohibits mergers between the major banks.

Beyond the Big Four, notable second-tier players include Macquarie Group, Suncorp, Bendigo & Adelaide Bank, Bank of Queensland, and an emerging cohort of neobanks such as Up and ING Australia.

# The Big Four

The four major banks collectively hold trillions in assets and serve the majority of Australian retail, business, and institutional clients.

1

**Commonwealth Bank of Australia (CBA)**  
ASX: CBA · Founded 1911 · HQ: Sydney, NSW

<b>A\$1.25T</b> TOTAL ASSETS	<b>A\$883B</b> DEPOSITS	<b>A\$276B</b> MARKET CAP	<b>53,000</b> EMPLOYEES	<b>18M</b> CUSTOMERS
---------------------------------	----------------------------	------------------------------	----------------------------	-------------------------

Australia's largest bank by every major metric — assets, deposits, market capitalisation, and retail footprint. CBA provides banking, insurance, and investment services across retail, business, and institutional segments. It is widely regarded as the most digitally advanced of the Big Four, with its CommBank app consistently ranked among the best in the country. CBA holds a Aa2/AA- credit rating across Moody's, S&P, and Fitch.

- Retail Banking
- Business Banking
- Top Digital App
- Insurance
- Institutional

2

**ANZ Banking Group**  
ASX: ANZ · Founded 1835 · HQ: Melbourne, VIC

<b>A\$1.23T</b> TOTAL ASSETS	<b>A\$715B</b> DEPOSITS	<b>A\$6.7B</b> NET INCOME	<b>42,000</b> EMPLOYEES	<b>10M+</b> CUSTOMERS
---------------------------------	----------------------------	------------------------------	----------------------------	--------------------------

The second-largest bank by assets and Australia's most internationally diversified major bank, with operations across 30+ markets in Asia, Europe, and North America. ANZ operates approximately 390 branches and 900 ATMs domestically. Its acquisition of Suncorp Bank (completed 2024) strengthened its Queensland and retail presence significantly.

- International Presence
- Asia-Pacific Focus
- Trade Finance
- Suncorp Acquired

3

Westpac Banking Corporation

ASX: WBC · Founded 1817 · HQ: Sydney, NSW

A\$1.06T TOTAL ASSETS	~A\$700B DEPOSITS (EST.)	A\$115B MARKET CAP	~36,000 EMPLOYEES	13M+ CUSTOMERS
--------------------------	-----------------------------	-----------------------	----------------------	-------------------

Australia's oldest bank, founded in 1817 as the Bank of New South Wales. Westpac serves personal, business, and corporate customers through its flagship Westpac brand as well as sub-brands including St George, Bank of Melbourne, and BankSA. Named Australia's Best Major Bank by the Mozo Experts Choice Awards. Westpac shares also trade on the NYSE as American Depositary Shares (ADS), reflecting its international profile. Shares rose 23.87% in 2025.

- Oldest Australian Bank
- Mozo Best Major Bank
- St George / BoM
- NYSE Listed

4

National Australia Bank (NAB)

ASX: NAB · Founded 1982 · HQ: Melbourne, VIC

A\$1.1T TOTAL ASSETS	A\$680B DEPOSITS	~A\$100B MARKET CAP (EST.)	39,000 EMPLOYEES	~9M CUSTOMERS
-------------------------	---------------------	-------------------------------	---------------------	------------------

NAB is the fourth-largest bank and Australia's leading business bank, with a particular strength in SME lending and agricultural finance. Its product range covers transaction and savings accounts, mortgages, business loans, credit cards, insurance, superannuation, private banking, and international payments. Sub-brands include UBank (digital bank) and JN Bank. NAB shares rose 15.33% in 2025.

- Leading Business Bank
- SME Focus
- Agricultural Finance
- UBank (Neobank)

Credit Ratings Comparison

#	BANK	MOODY'S	S&P	FITCH
1	Commonwealth Bank	Aa2	AA-	AA-
2	ANZ Banking Group	Aa2	AA-	AA-
3	Westpac	Aa2	AA-	AA-
4	National Australia Bank	Aa2	AA-	AA-
5	Macquarie Bank	Aa3	A+	A+

Ratings as of December 2024. All Big Four carry identical ratings — a reflection of systemic importance and APRA's robust oversight framework.

Notable Challengers & Second-Tier Banks

 **Macquarie Group (ASX: MQG)**

Australia's premier investment bank and the world's largest infrastructure asset manager with AUM of A\$917B. Offers retail banking, home loans, and deposits through Macquarie Bank. Rated Aa3/A+. Increasingly competing with the Big Four in retail financial services.

 **Suncorp (now part of ANZ)**

Queensland-based financial group formerly offering banking, insurance, and wealth management. Its banking division was acquired by ANZ in 2024, significantly expanding ANZ's Queensland footprint. Insurance operations remain independent under Suncorp Group.

 **Bendigo & Adelaide Bank**

Australia's fifth-largest retail bank by customer numbers, with a community banking model. Known for customer satisfaction and regional presence. Winner of multiple Canstar and Mozo awards. Operates Up Bank as its neobank arm.

 **ING Australia**

Dutch-owned challenger bank and consistent winner of "Australia's Best Bank" at the Mozo Experts Choice Awards. Known for fee-free accounts, high savings rates, and excellent digital UX. No physical branches — fully digital.

 **Up Bank**

Australia's leading neobank, operated in partnership with Bendigo Bank. Targeted at younger Australians with a slick mobile-first experience, spending analytics, and competitive savings rates. Winner of best bank account awards.

 **UBank (owned by NAB)**

NAB's digital-only bank offering high-interest savings accounts, home loans, and everyday banking. Merged with 86 400 (another neobank) in 2022. Strong focus on automated savings tools and low-cost home lending.

Digital Banking Landscape

Australia is among the world's most advanced digital banking markets, with high smartphone penetration and strong consumer appetite for mobile-first banking. The Big Four have all invested heavily in digital transformation:

**CommBank** leads with its CommBank app — widely regarded as the best banking app in Australia, featuring AI-powered spend insights, instant payments, and home loan management tools. **NAB** and **Westpac** have significantly rebuilt their mobile platforms. **ANZ Plus** is ANZ's new digital banking platform, designed as a next-generation replacement for its legacy systems.

The neobank wave of 2018–2020 saw several challengers enter (Xinja, Volt, 86 400) — most of which either failed or were acquired. The survivors (Up, UBank, ING) have consolidated the digital challenger space. Regulations under the Consumer Data Right (CDR) framework now enable open banking, giving customers the ability to share financial data across providers.

Sector Outlook 2025–2026

 **Tailwinds**

Strong credit ratings and prudential oversight provide sector stability. Mortgage demand remains robust despite rate cycle. Digital banking investment driving efficiency gains. Big Four share prices rose 15–35% in 2025.

 **Headwinds**

Net interest margin pressure from RBA rate cuts. Post-Royal Commission compliance costs remain elevated. Rising competition from neobanks and international fintechs. Cost-of-living pressures affecting household debt serviceability.

**Bottom line:** Australia's banking sector remains among the most stable and profitable in the Asia-Pacific. The Big Four's identical AA- ratings and near-oligopoly position provide structural resilience, while digital investment and challenger pressure are gradually improving consumer outcomes.