

This project analyses the Australian banking system using publicly available APRA monthly statistics.

The dashboard focuses on balance sheet scale, funding dynamics, institutional concentration, and loan portfolio structure across time and institutions. Risk and asset quality metrics were intentionally excluded to maintain analytical clarity.

The goal is to demonstrate end-to-end finance analytics capability, from data modelling and KPI design to executive-level insight generation.

## Page 1 — Executive Insights (Apra Banking System)

The dashboard shows a system transitioning from growth to consolidation, with lending constrained by funding availability and persistent housing concentration.

- System asset growth is slowing amid tighter credit conditions
- Loan expansion is increasingly constrained by deposit growth
- Housing remains the dominant exposure across the system
- Funding gaps remain contained, indicating conservative liquidity management

### System balance sheet continues to expand, but growth is moderating

#### What

Total system assets have continued to grow over the last 36 months.

Asset growth has slowed in the most recent year relative to the post-COVID rebound period.

#### Why it matters

Slowing balance sheet growth signals tighter credit conditions and more cautious lending behaviour.

This typically reflects higher interest rates, funding costs, and regulatory pressure.

#### Action / implication

Expect subdued credit expansion in the near term.

Planning assumptions should not rely on rapid balance sheet growth returning quickly.

### Loan growth is increasingly constrained by funding availability

#### What

Total loans have grown more slowly than deposits in recent periods.

The loan-to-deposit ratio has stabilised rather than rising.

#### Why it matters

Banks are prioritising funding stability over aggressive loan expansion.

This reduces liquidity risk but caps revenue growth from lending.

#### Action / implication

Margin management and product repricing become more important than volume growth.

Institutions with strong deposit franchises are structurally advantaged.

Housing remains the dominant exposure, with limited diversification shift

What

Housing loans, particularly owner-occupied mortgages, remain the largest component of system lending.

The mix between owner-occupied and investment lending has remained broadly stable.

Why it matters

Concentration in housing links system risk to household balance sheets and property prices.

Limited diversification means macroeconomic shocks transmit quickly to bank asset quality.

Action / implication

Stress testing assumptions should continue to focus on housing and household income resilience.

Business lending growth opportunities remain constrained at the system level.

Funding gap remains contained, signalling conservative balance sheet management

What

The funding gap has not materially widened over the past three years.

Short-term volatility exists, but no sustained deterioration is evident.

Why it matters

Contained funding gaps indicate limited reliance on volatile wholesale funding.

This reduces refinancing risk in a higher-rate environment.

Action / implication

System-level liquidity risk appears manageable.

Any future widening would be an early warning signal worth monitoring.

Recent trends suggest a shift from expansion to consolidation

What

Growth rates across assets, loans, and deposits have flattened in the most recent periods.

Momentum is weaker compared with earlier post-pandemic years.

Why it matters

This marks a transition from recovery-driven expansion to a mature cycle phase.

Earnings growth is likely to depend more on efficiency and pricing than scale.

Action / implication

Strategic focus should shift toward cost control, portfolio optimisation, and risk-adjusted returns.

Aggressive growth strategies are less likely to be rewarded in the current environment.

## Page 2 — Institution Comparison Insights

Page 2 shows a highly concentrated banking system where large institutions benefit from scale and stable funding, while smaller banks exhibit more diverse funding profiles and loan portfolio strategies.

- System assets are highly concentrated among a small number of large institutions
- Larger banks show more balanced loan-to-deposit profiles
- Funding strategies vary significantly even among similarly sized banks
- Loan portfolio composition reflects distinct strategic choices

The system is highly concentrated, with a small number of institutions dominating assets

What

A small group of large institutions holds a disproportionate share of total system assets.

Asset size drops sharply after the top tier.

Why it matters

High concentration amplifies systemic importance of large banks.

Performance or stress at a single major institution can materially affect the entire system.

Action / implication

Regulatory scrutiny and capital requirements will continue to focus on the largest institutions.

Smaller banks must differentiate through niche strategies rather than scale.

Larger institutions exhibit more balanced funding profiles

What

The largest banks generally show loan-to-deposit ratios closer to 1.0.

Smaller and mid-sized institutions display greater variation in funding balance.

Why it matters

Balanced funding reduces reliance on wholesale markets and funding volatility.

Higher or more volatile ratios increase liquidity and refinancing risk.

Action / implication

Funding resilience is a structural advantage of scale.

Institutions with elevated ratios should be monitored for funding stress under adverse conditions.

Funding gaps vary meaningfully across institutions despite similar asset sizes

What

Institutions of comparable size can show very different gaps between loans and deposits.

This indicates differing funding strategies rather than size alone.

### Why it matters

Funding strategy affects sensitivity to interest rate changes and market conditions.

Two banks with similar assets may have very different risk profiles.

### Action / implication

Peer comparison should consider funding structure, not just balance sheet size.

Investors and risk teams should look beyond headline asset figures.

## Loan portfolio composition reflects distinct strategic positioning

### What

Some institutions are heavily concentrated in housing lending.

Others show relatively higher exposure to business or non-housing lending.

### Why it matters

Portfolio mix determines exposure to economic cycles, property markets, and credit risk.

Housing-heavy portfolios are more sensitive to household income and property price movements.

### Action / implication

Strategy and risk assessments should align with portfolio composition.

Institutions with higher business lending exposure may experience more earnings volatility.

## Scale does not eliminate risk, but it changes its nature

### What

Large banks appear more diversified and better funded.

Smaller banks exhibit greater variability across key metrics.

### Why it matters

Large banks face systemic and regulatory risks.

Smaller banks face concentration and funding risks.

### Action / implication

Risk management priorities differ by institution size.

One-size-fits-all analysis misses these structural differences.

## Page 3 — Bank Deep-Dive Insights

### How to Interpret

Balance sheet trends should be interpreted in the context of broader system conditions rather than short-term volatility.

Alignment between loan and deposit growth indicates funding discipline, while divergence may signal increased liquidity risk.

Portfolio composition stability suggests incremental strategy; abrupt shifts may indicate strategic repositioning.

Performance differences should be assessed relative to peers and economic cycles.