

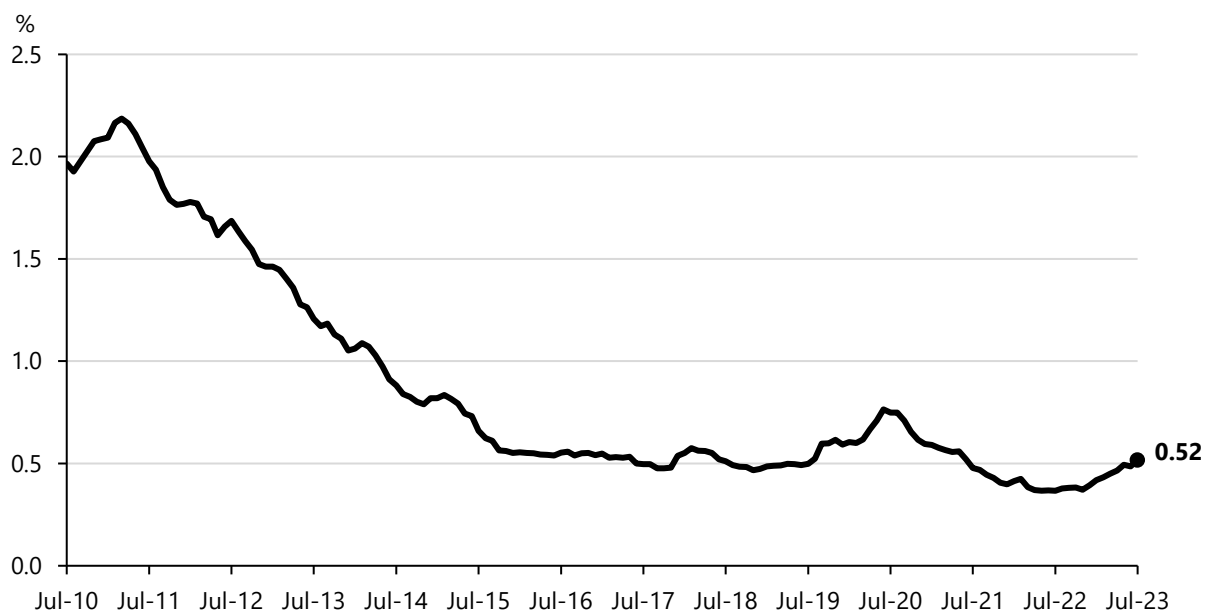
31 August 2023

## Asset quality summary – Banks

### Key points for July 2023:

- This month we introduce the new *Business loans by asset quality (S51)* table. Data in the S51 table will show asset quality data for the business sector broken down into small & medium enterprises (SME) loans and large business loans. Data is available from March 2018.
- System non-performing loans rose by \$158m (5.9%) in July 2023, with the non-performing loan (NPL) ratio hovering around 0.5%.
- Housing lending 90 days or more past due rose by \$50m in July 2023, and are up \$94m (9.0%) on the covid peak in Jul-20, but still down as a ratio to total housing lending comparatively. Housing impairments are also up \$39m (26.7%) from this time three years ago.
- Business loans 90 days or more past due rose \$29m in July 2023, with this increase all coming from lending to small & medium enterprises.
- The non-performing loans ratio for SME lending currently sits at 0.5%, which remains slightly above the ratio for large business lending at 0.4%. The large business NPL ratio peaked at 1.2% during the covid period.
- Agriculture non-performing loans rose by \$78m (10.9%), which drove its NPL ratio up to 1.3%. Provisions to the agriculture sector have risen sharply since the beginning of the year, up \$116m (26.8%).

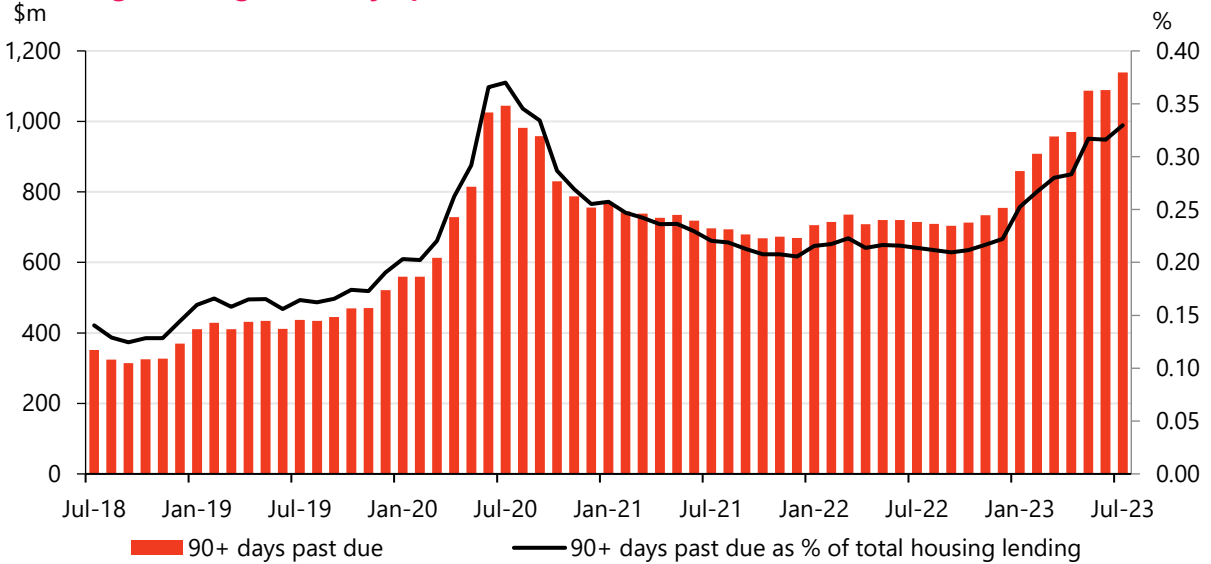
### System NPL ratio



Source: S50 Loans by asset quality

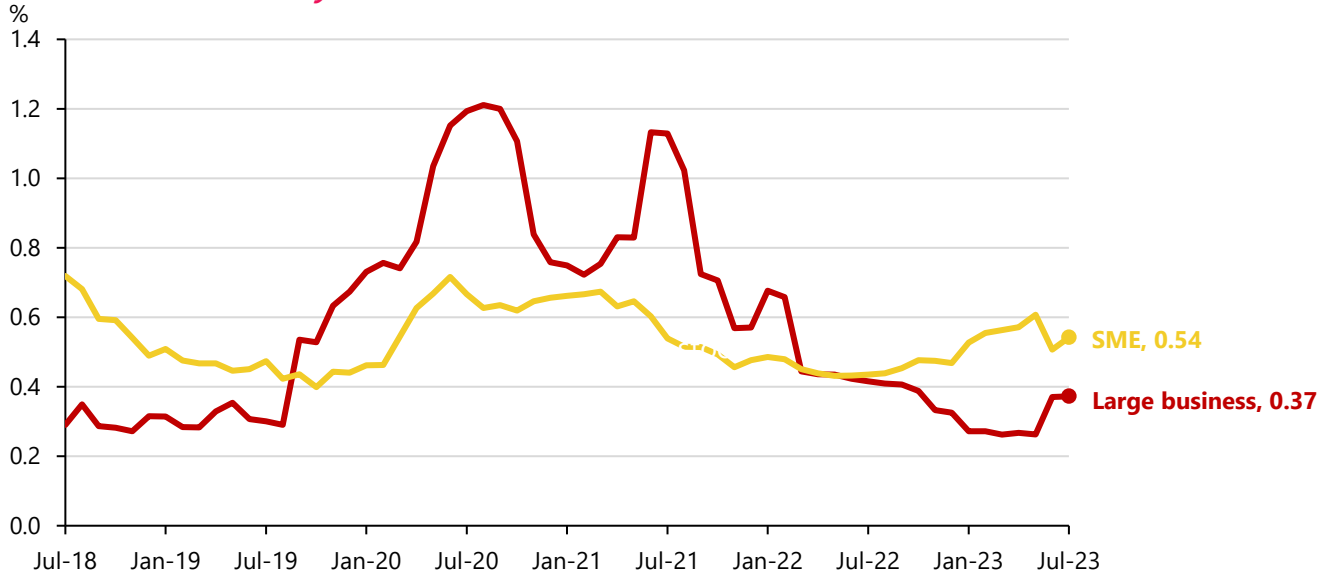
Note: Annual growth rates have been break-adjusted, reflecting the underlying market change.

### Housing lending 90+ days past due



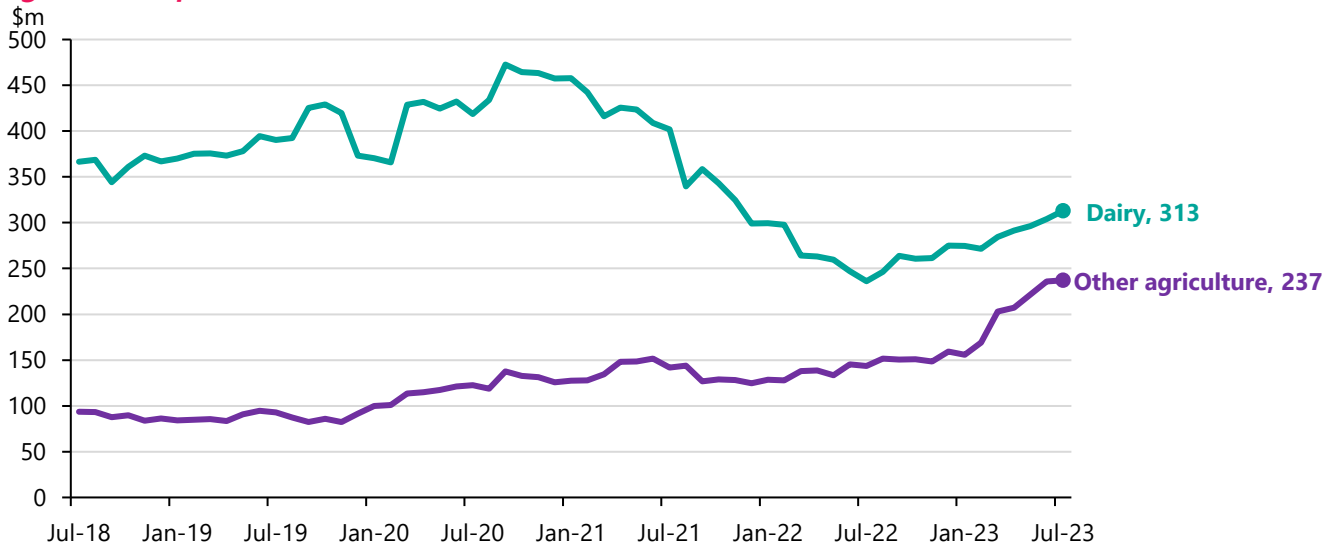
Source: S50 Loans by asset quality

### Business NPL ratios by business size



Source: S51 Business Loans by asset quality

### Agriculture provisions



Source: S50 Loans by asset quality

Note: Annual growth rates have been break-adjusted, reflecting the underlying market change.

**The Bank Balance Sheet release includes the following web tables:**

Lending and monetary statistics

- C5 Sector lending (banks and non-bank lending institutions)
- C50 Money and credit aggregates (depository corporations)
- C51 Other depository corporations analytical accounts
- C52 Depository corporations analytical accounts

Registered Banks

- S10 Banks: Balance sheet
- S30 Banks: Assets – Loans by sector
- S31 Banks: Assets – Loans by purpose
- S32 Banks: Assets – Loans by product
- S33 Banks: Assets – Loans fully secured by residential mortgage by repricing
- S34 Banks: Assets – Loans and Repos by Industry
- S35 Banks: Assets – Loans by business size
- S36 Banks: Assets – Business loans by product
- S37 Banks: Assets – Agriculture loans by product
- S40 Banks: Liabilities – Deposits by sector
- S41 Banks: Liabilities – Deposits by industry
- S50 Banks: Assets – Loans by asset quality
- S51 Banks: Assets – Business loans by asset quality