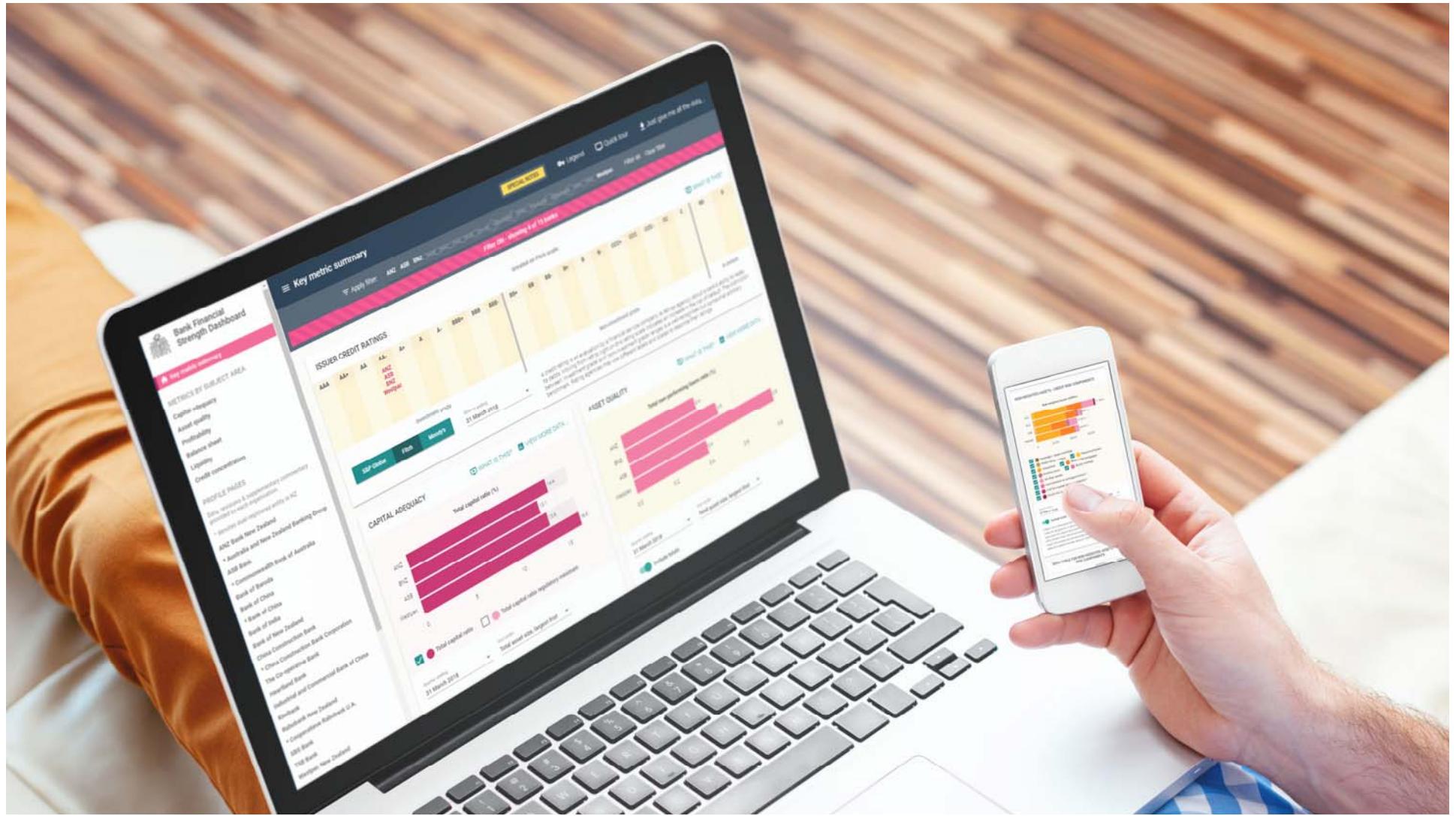




Bank Financial Strength Dashboard

Tobias Irrcher





**Self-
discipline**

**Market
discipline**

**Regulatory
discipline**



Background on prudential disclosures

- Public disclosure is a cornerstone of prudential supervision
- NZ disclosure regime for banks introduced in 1996 (pioneering)
- NZ disclosure regime reviewed and simplified in 2011 with a focus on sophisticated audience
- Basel updated disclosure standards in 2006, 2012, 2015 and 2017
 - Guiding principles: Clear, comprehensive, meaningful, consistent and comparable
 - Post GFC updates - more prescriptive & more detailed

The dashboard approach aims to improve the comparability, accessibility, and timeliness of information that banks are required to disclose to the public on their financial and prudential condition.

Bank of New Zealand Disclosure Statement

ANZ Disclosure Statement

ICBC Disclosure Statement

The Cooperative Bank Disclosure Statement

sbsbank Disclosure Statement

Southland Building Society Disclosure Statement

RESERVE BANK OF NEW ZEALAND TE PŪTEA MATUA Consultation Document: The Dashboard Approach to Quarterly Disclosure

Cooperative Rabobank U.A. – New Zealand Banking Group Disclosure Statement

Bank of China (New Zealand) Limited Disclosure Statement

Westpac New Zealand Limited Disclosure Statement

HEARTLAND BANK Disclosure Statement

Registered Bank Disclosure Statement

September 2016

China Construction Bank (NZ) Limited Disclosure Statement

TSB Bank Annual Report 2017

ASB Disclosure Statement and Annual Report

Bank of India (New Zealand) Limited Registered Bank Disclosure Statement

Reserve Bank of New Zealand Te Pūtea Matua

Bank Financial Strength Dashboard

[Key metric summary](#)

METRICS BY SUBJECT AREA

- Capital adequacy
- Asset quality
- Profitability
- Balance sheet
- Liquidity
- Credit concentration

PROFILE PAGES

- Data, revisions & supplementary commentary provided by each organisation.
- * denotes dual-registered entity in NZ.
- ANZ Bank New Zealand
- * Australia and New Zealand Banking Group
- ASB Bank
- * Commonwealth Bank of Australia
- Bank of Baroda
- Bank of China
- * Bank of China
- Bank of India
- Bank of New Zealand
- China Construction Bank
- * China Construction Bank Corporation
- The Co-operative Bank
- Heartland Bank
- Industrial and Commercial Bank of China
- KiwiBank
- Rabobank New Zealand
- * Coöperatieve Rabobank U.A.
- SBS Bank
- TSB Bank
- Westpac New Zealand
- * Westpac Banking Corporation

HELP & BACKGROUND

- How to use this dashboard
- Special notes
- Matrix definitions

Key metric summary

[SPECIAL NOTES](#) [Legend](#) [Quick tour](#) [Just give me all the data...](#)

Filter ON - showing 5 of 15 banks

ISSUER CREDIT RATINGS

Unrated on S&P Global scale:

AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	CC-	R	SD	D
ANZ	ASB	BNZ	Westpac		KiwiBank																		

Investment grade Non-investment grade In default

S&P Global Fitch Moody's Quarter ending 31 March 2018

A credit rating is an evaluation by a financial service company (a ratings agency) about a bank's ability to repay its debts. Moving from left to right on this rating scale indicates an increase in the risk of default. The distinction between 'investment grade' and 'non-investment grade' ranges is a well-recognised but somewhat arbitrary benchmark. Rating agencies may use different labels and scales to describe their ratings.

CAPITAL ADEQUACY

Total capital ratio (%)

Bank	Total capital ratio (%)
ANZ	14.4
BNZ	13.1
ASB	13.6
Westpac	16.6
KiwiBank	15.4

Total capital ratio Total capital ratio regulatory minimum

Quarter ending 31 March 2018 Sort order Total asset size, largest first Include totals

Capital is a form of funding that can help absorb large and unexpected losses if they exceed profits. The Reserve Bank requires banks to hold a minimum amount of capital and these minimums are set relative to the riskiness of a bank's assets. This regulatory concept of capital is related to but not the same as the accounting concept of equity that is found on the balance sheet. Standardised and internal ratings-based banks use different approaches to calculate their capital requirements.

ASSET QUALITY

Total non-performing loans ratio (%)

Bank	Total non-performing loans ratio (%)
ANZ	0.1
BNZ	0.5
ASB	0.8
Westpac	0.4
KiwiBank	0.1

Quarter ending 31 March 2018 Sort order Total asset size, largest first Include totals

Non-performing loans (NPL) are loans where a bank is likely to incur some losses. The NPL ratio measures the value of NPLs compared to the value of total loans. A lower NPL ratio typically indicates that a bank has less risky loans on its books. A higher NPL can indicate that a bank is more willing to lend to riskier borrowers. NPL ratios are also affected by the general state of the economy.



Expected benefits

Enhanced
market
discipline

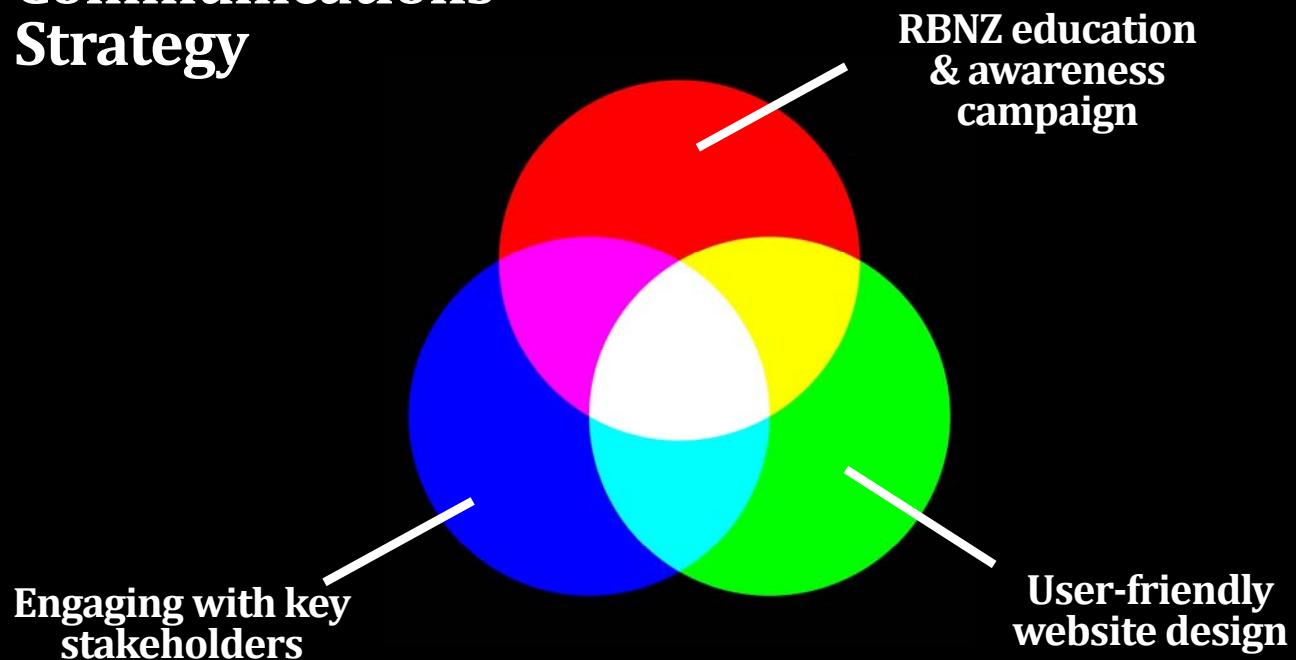
Better public
benchmark
data

Learning
and
research

Better
quality data

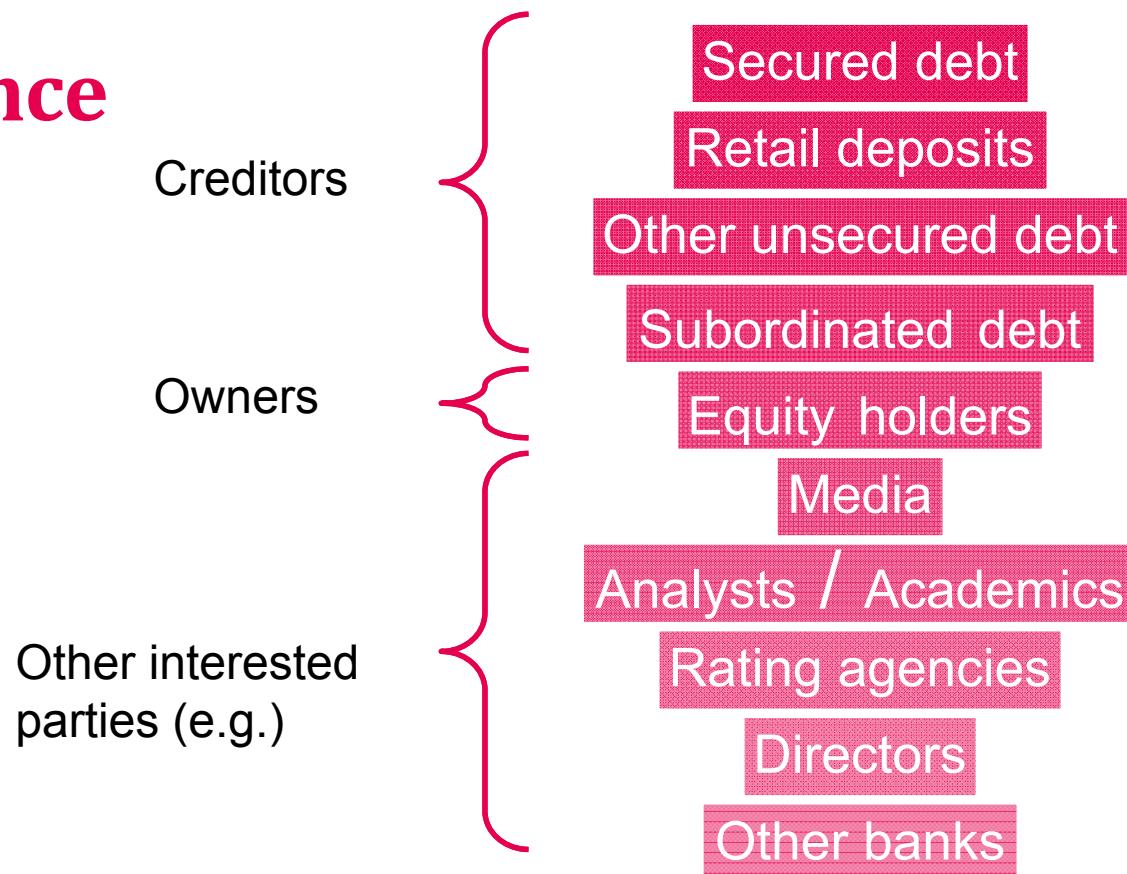


Communications Strategy





Disclosure target audience





What is next

- Continue to promote and build awareness of the Dashboard
- Possibly other disclosure dashboards (e.g. insurance and NBDTs)
- Develop new features to meet user needs:
 - Public API's for flexible and efficient use of data
 - Print / share image feature
- Further analytical work on market discipline
 - Quantitative and qualitative
 - Dashboard monitoring