

HOUSING LOANS

MISC Global
● ● ● ● ●
**Market
Intelligence
Strategy Centre**



**Omitted Home Loan Figures Add \$49 Billion
And Re-Ranks Top Ten Lender But Still Fails To
State True Lender Shares Says MINTEL**

FINAL RELEASE

Press embargoed for Midnight Thursday 11th February 1999

Please adhere to the following reference conventions for any MISC material used in your article(s):

1. Please refer to MISC in the following manner; MISC Australia (Market Intelligence Strategy Centre)
2. Do not cite any individual MISC staff
3. Please forward an original version of the published article(s) to MISC for internal records
4. Further information about MISC services please contact the Marketing Department

Omitted Home Loan Figures Add \$49 Billion And Re-Ranks Top Ten Lender But Still Fails To State True Lender Shares Says MINTEL

The recent debate in the Housing Loans market which last week saw the National Australia Bank fuel discussion about inclusion of some residential secured revolving credit line loans, eg. Flexiplus in contributed figures lodged with the APRA is leading many in the industry to question the way lender shares are measured. Renowned for its innovative approach to investigating financial markets, MINTEL proves to be ahead of the game in identifying new measurement measures. The respected Industry Research Group last year completed the first full scale inquiry into the Home Loan industry and demonstrated today the impact that all excluded extra home loan business for the Banks can have when all housing mortgage secured investor loans (which MINTEL says are an important segment of recent market expansion) are added back to revolving line of credit loans as well as housing only securitised loans. MINTEL says a further \$49 billion of accumulated loans would have been written by all banks by June 1998. These additional loans increase the housing loans business reported by APRA figures at that time by 36% says MINTEL and in some cases change significantly the market share ranking of Bank lenders. The adjusted MINTEL ranking offers further insight as to how these products change relative market positions against published APRA data for the latest financial year 1998.

Comparative Measures Of Accumulated Housing Loans Business			
Owner-Occupied (APRA) Versus All Housing Loan Business* (MINTEL)			
APRA	RANK	MINTEL	
Commonwealth Bank	1	Commonwealth Bank	
NAB including BNZ	2	Westpac including Challenge	
Westpac including Challenge	3	NAB including BNZ	
ANZ excluding Piba	4	St George including Advance	
St George including Advance	5	ANZ excluding Piba	
Colonial State Bank	6	Colonial State Bank	
Suncorp Metway	7	Suncorp Metway	
Bank West	8	Bank West	
Adelaide Bank	9	Adelaide Bank	
Citibank	10	Citibank	
Total All Banks \$138,645m		Total All Banks	\$188,617m
		Difference	\$49,972m
		%	36

** MINTEL banking institutional measures are of all housing secured lending whether securitised or on balance sheet.*

MINTEL adds back all securitised lending to reflect all accumulated lending balances as well as owner occupier lending and housing secured investor equity styled lending for any purpose. MINTEL excludes approved limits ie. additional draw down capability which is not drawn and reflected yet in loan balances. MINTEL excludes securitization raised by banks for other originators.

Source: MINTEL Housing Loans Research Programme 1998/99

PRESS RELEASE: HOUSING LOANS



However, MINTEL believes even these adjustments still fail to accurately reflect true lender shares. The Respected Industry Group regards meaningful measurement of market share can only be achieved with a combination of different measurement systems including separate and related measures of new business flows. The MINTEL preferred methodological approach to the market, measures lender share on a flow basis, i.e. all new loans written in the quarter or year both in number and value of loans. Flow-based measures in combination with 'complete' loan stock measures are considered by MINTEL superior to any single conceptual approach like the measure of accumulated stock of loans (as per APRA data) which naturally favours more established lenders. MINTEL is continuing to assess the development of all segments of the market, even non-banks, with its market monitoring service developed in response to increasing demands from all lenders eager to enhance their insight of this already fragmented market. Dissatisfaction with one method ie. accumulated stock based measure as adopted by the APRA has been a contributing factor to this demand.

	MINTEL	APRA
Commonwealth Bank	43099	31850
Westpac incl Challenge	34554	24478
NAB including BNZ	32974	24500
St George incl Advance	23934	16992
ANZ excluding Piba	22957	17057
Colonial State Bank	8331	6074
Suncorp Metway	7339	5453
Bank West	6608	4910
Adelaide Bank	2572	1911
Citibank	2609	1365
	Total All Banks \$188,617m	Total All Banks \$138,645m
	Difference \$49,972m	Total All Banks RBA \$194621m
	% 36	Difference \$54601m

MISC (Market Intelligence Strategy Centre)
Level 4, 14 Collins Street
Melbourne Vic 3000 Australia

Telephone: 03 9654 4266
Facsimile: 03 9650 7730
Email: miscinfo@marketintelligence.com.au