



Australian Banking  
Association

# Bank On It: Customer Trends 2025

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Commissioned by



Research by



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*Note: All dollar figures are in Australian dollars and accurate as of 2025.*



## Foreword by ABA CEO Anna Bligh

The digital revolution continues to reshape banking, and Australians are embracing change with enthusiasm and confidence. Digital adoption remains strong, with 99.3% of customer-bank interactions now occurring via digital channels, up from 99.1% the year prior. The value of mobile-wallet transactions alone has surged twenty-three-fold since 2019, demonstrating our nation's overwhelming appetite for speed and convenience.

Over the past year, Australians made \$160 billion in payments with their mobile wallets, up 28% from the previous year. The number of mobile wallet transactions is now eleven times that of ATM withdrawals.

This shift to digital banking is delivering real improvements for Australians. People are interacting with their banks more frequently than ever before, with digital banking interactions growing by 70% since 2019.

Customers increasingly preference digital channels over in-person services. Cash withdrawals have fallen by an average of 9% each year since 2019, outpacing the decline in ATMs. Similarly, branch visits have declined faster than branch numbers, leading to lower foot traffic since 2019.

Digital is now the norm, yet banks continue to invest in face-to-face banking options for Australians who want to use them. Australia's banks maintain a denser commercial branch network than comparably urbanised OECD peers, complemented by Bank@Post's 3,400-plus Australia Post outlets. This extensive footprint means people in regional and remote communities can still access face to face services, ensuring no Australian is left behind.

Customer satisfaction with banking channels remains exceptionally high. Australians consistently express greater satisfaction with their digital banking experiences compared to international peers. Banks' sustained investment in secure, intuitive platforms continues to translate into world-leading user satisfaction.

Beyond safeguarding customers, banks are keeping capital flowing to sectors that lift productivity, create jobs and boost prosperity. Small and medium-sized enterprises now receive 51% of Australia's business lending – up 9 percentage points since 2023. Agricultural lending has also risen to \$131 billion, reaffirming the banking sector's commitment to invigorating rural and regional communities.

Looking ahead, Australian banks will continue to provide a steady hand in uncertain times. With strong capital buffers and disciplined risk management, the sector is well positioned to support households, businesses and the broader economy through periods of volatility. As providers of credit and capital, banks are ready to catalyse Australia's drive for a more productive and resilient economy.

The Australian Banking Association's 'Bank on It' Report, delivered in collaboration with Accenture, reveals a sector that is stable but not static – one that champions progress while remaining steadfast in its duty to protect customers. We look forward to continuing to build an ever more resilient, innovative and inclusive financial system.

A handwritten signature in blue ink, reading 'Anna Bligh'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Anna Bligh  
CEO, Australian Banking Association



# Economic background

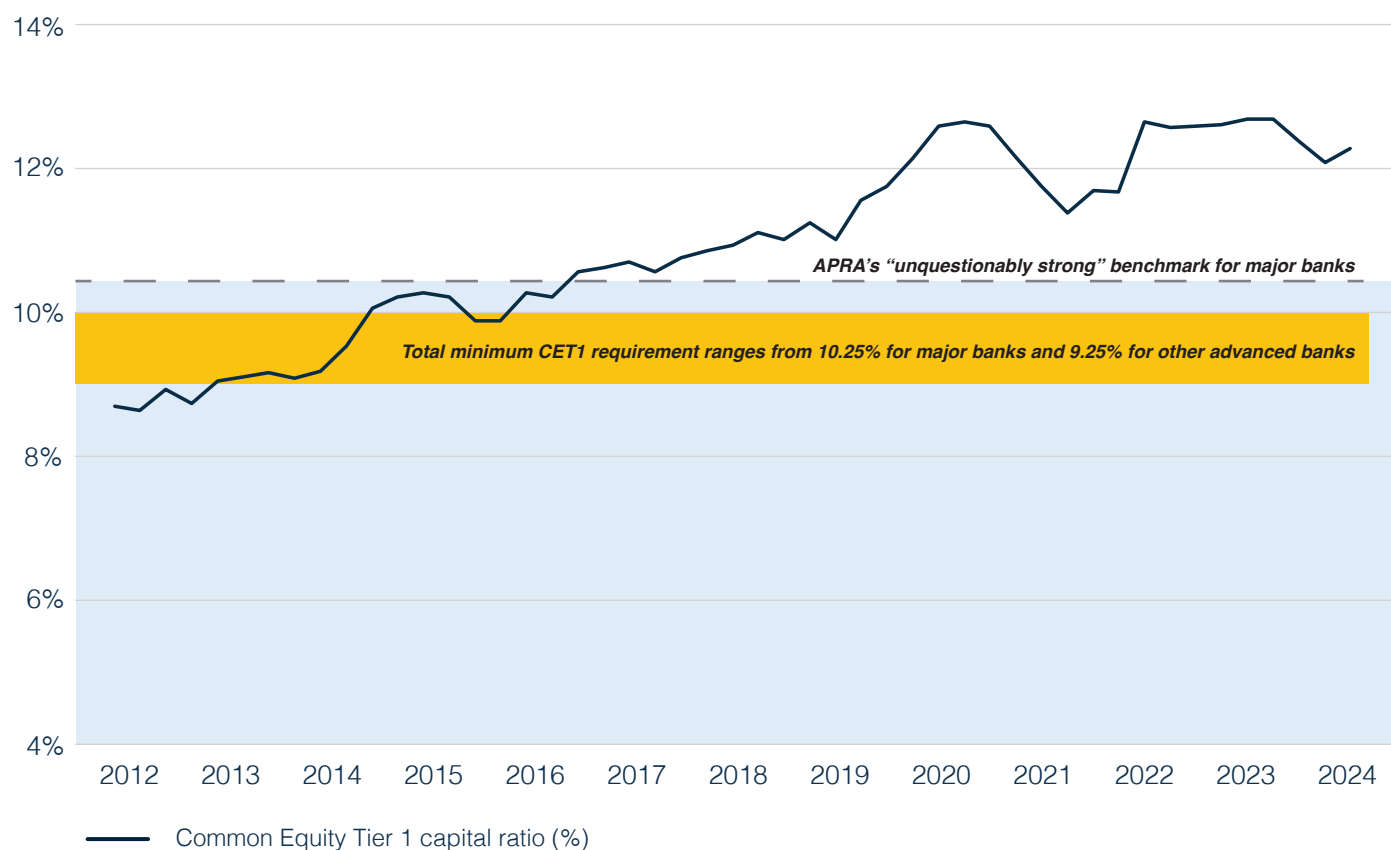
01

# Banks are keeping capital **well above APRA's 'unquestionably strong' benchmark**

- **Common Equity Tier 1 (CET1) ratio:** Measures how much core equity capital a bank holds relative to its risk-weighted assets. This key metric of financial strength remains a focus of regulatory oversight and bank resilience efforts.
- **Above APRA benchmarks:** Australian banks' CET1 has been over 12% since 2022, comfortably exceeding APRA's 10.5% "unquestionably strong" benchmark and ensuring resilience.
- **Robust buffers backed by reforms:** Regulators have continued to require bank capital strength – for example, APRA's updated capital framework took effect in 2023 (aligning with final Basel III rules) alongside additional loss-absorbing capacity requirements for major banks.

## Australian banks' Common Equity Tier 1 (CET1) ratios have steadily increased since Basel III reforms

Average bank CET1 ratio (%), all Authorised Deposit-Taking Institutions "ADIs")



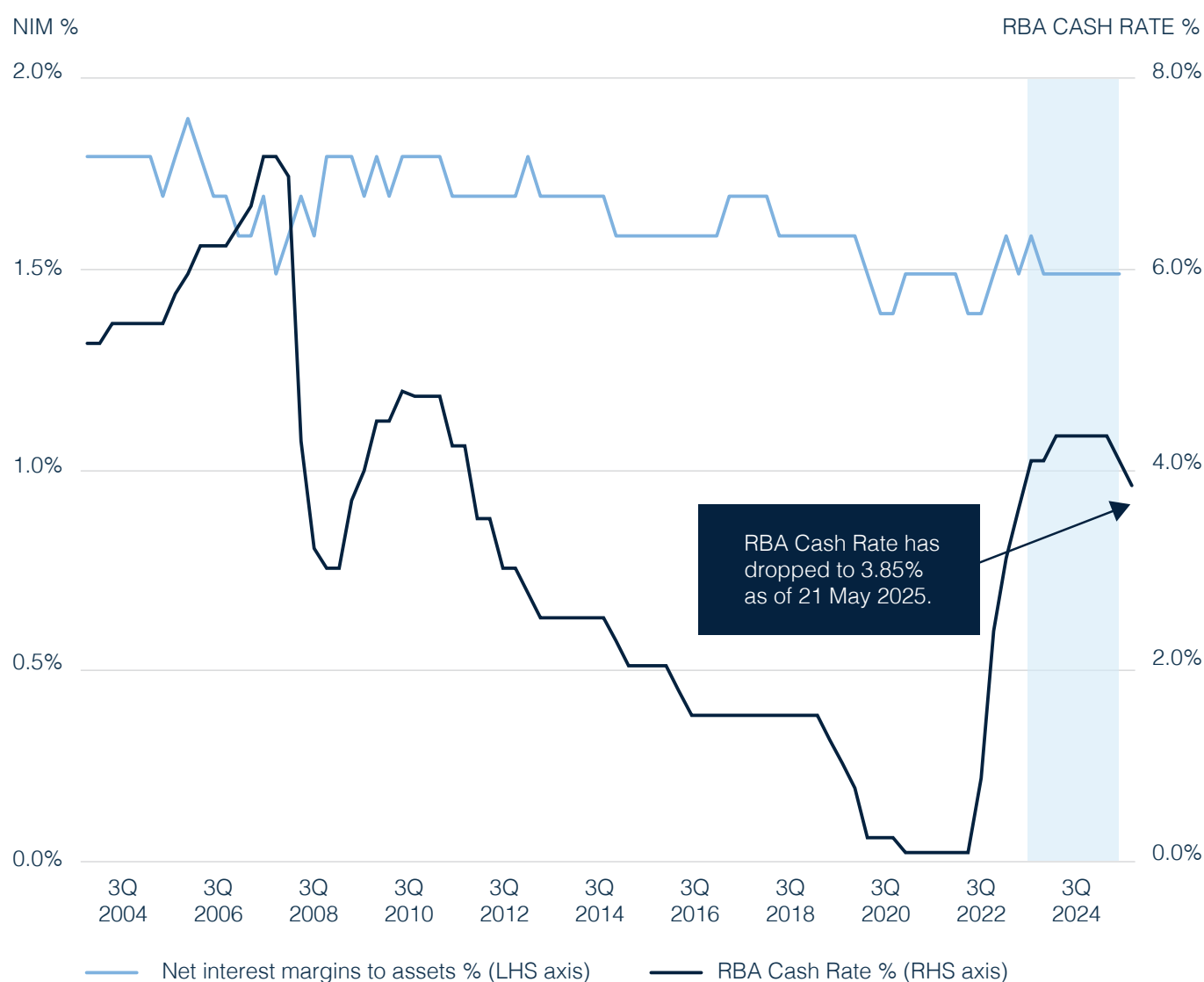
Source: Australian Prudential Regulation Authority Quarterly (APRA) ADI statistics (2025), Tab 1c and 1g.  
Note: The 'unquestionably strong' benchmarks are CET1 ratios of 10.5% for the four major Australian banks



## Strong competition among banks continues to put pressure on profitability

**Despite higher RBA cash rates in the last 24 months, banks' Net Interest Margins (NIMs) remain close to historic lows**

Net Interest Margins (% , all ADIs) (LHS axis) vs. RBA cash rate (%) (RHS axis)



- The Net Interest Margin (NIM), an indicator of banks' profitability, measures the difference between the interest income generated by lending and the interest paid on deposits and other capital.
- NIMs for Australian banks have remained relatively flat over the past two years, following a long-term downward trend.
- Despite a sharp increase in the RBA cash rate through 2022–2023 (peaking at 4.35% in late 2023), average bank NIMs rose only modestly, reaching approximately 1.80% in FY2024.

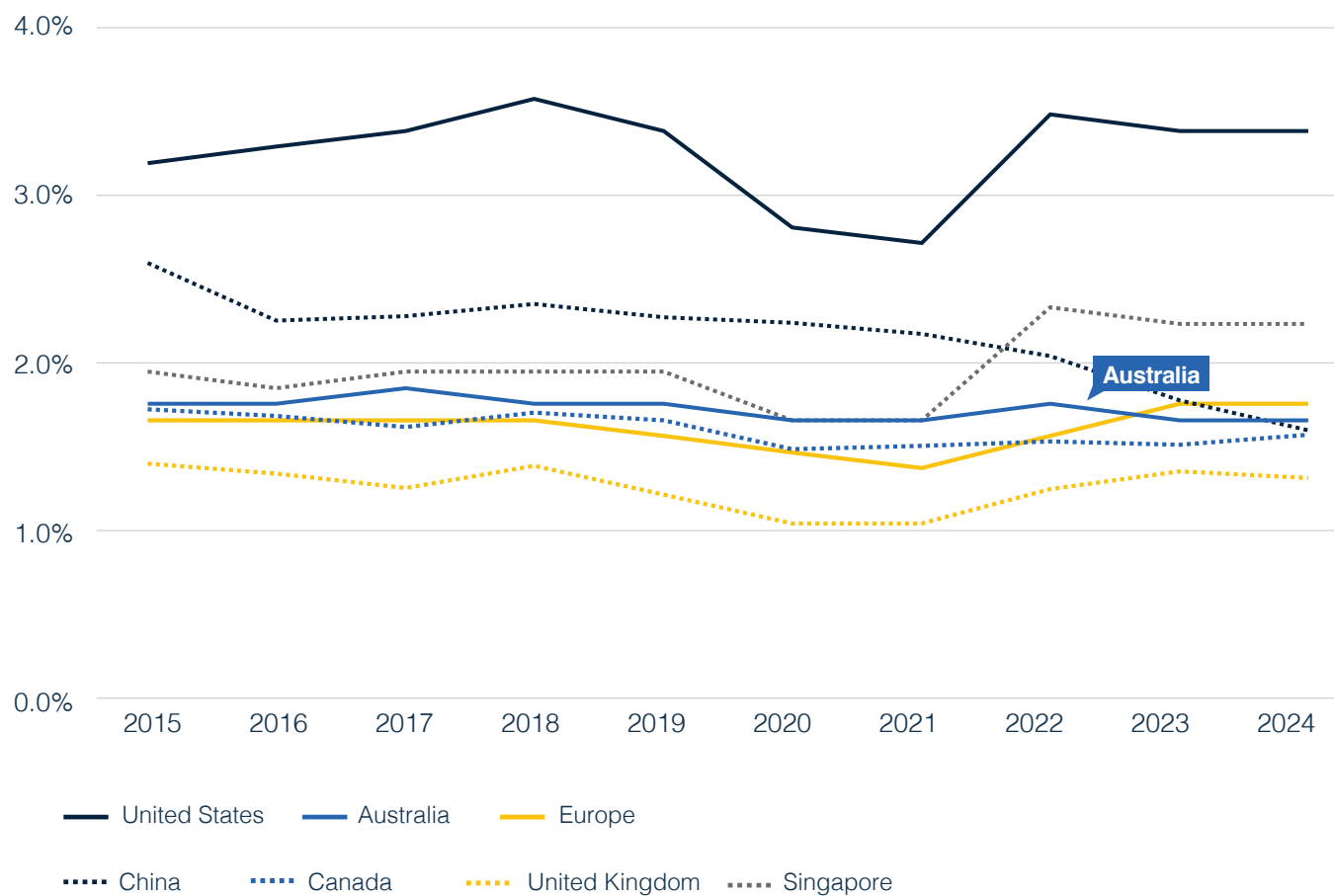
Source: Australian Prudential Regulation Authority Quarterly ADI statistics (2025) Tab 1g, data as of 31 March 2025, RBA Cash Rate Target (2025), data as of 21 May 2025.

# Australian banks' NIMs remain stable as overseas banks grow margins

- **Market structure:** Australian banks have relatively modest NIMs due to a focus on (lower margin) retail consumer banking and strong competition in both lending and deposit markets.
- **Impact of rate hikes:** Despite rising interest rates since 2022, NIMs did not expand as funding costs rose alongside lending rates, limiting margin expansion.

## In many markets outside Australia, higher interest rates from 2022 increased net interest margins

Net Interest Margins (%)

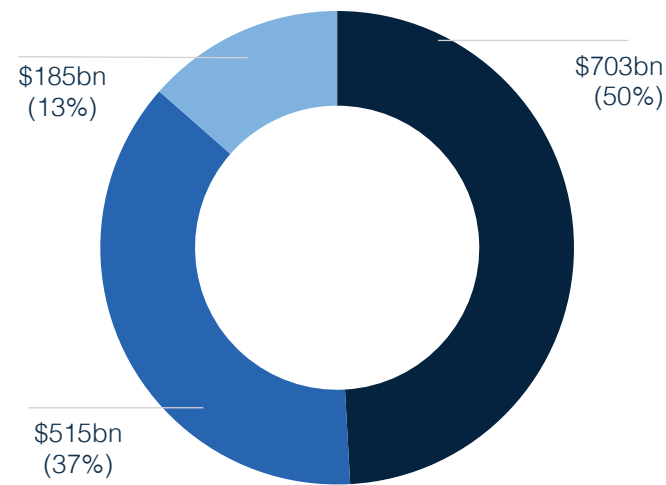


Source: Australian Prudential Regulation Authority Quarterly ADI statistics (2024), Tab 1c and 1g, European Central Bank (2025), Monetary Authority of Singapore (2025), various Chinese financial reports, Accenture analysis for UK and Canada. Refer to scope of banks in global comparison here.

# Banks bolster Australia’s economy with strong lending to SMEs and regional businesses

## Small and medium businesses collectively account for half of Australia’s total business lending

Business finance outstanding loans by business size (Mar 2025, % of total outstanding)

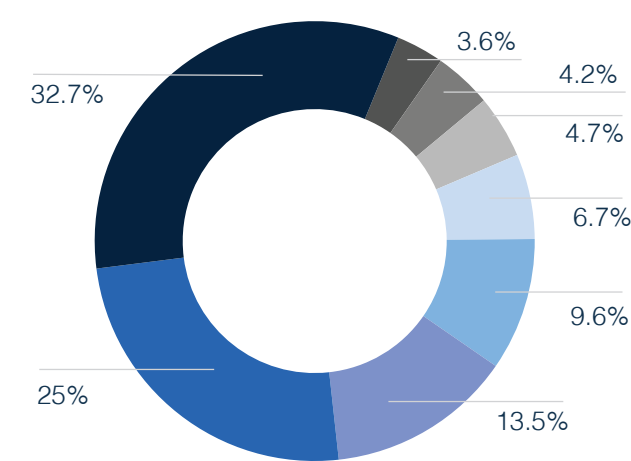


The share of lending to SMEs rose significantly since 2023, growing from a low of 42% in March 2023 to 51% in March 2025. This is in part due to reduced capital requirements for SME loans from January 2023.

- Large (turnover of \$50m or more)
- Medium (owing liabilities of >\$1m and turnover of <\$50m)
- Small (owing liabilities of <\$1m and turnover of <\$50m)

## Agriculture, forestry and fishing attracts a sizeable portion of Australia’s total business lending

Business finance outstanding loans by industry (Mar 2025, % of total outstanding)<sup>1</sup>



Loans to this sector as a share of total business lending grew from 8.8% in March 2020 to 9.6% in March 2025.

Agriculture, forestry and fishing is one of the proxies for lending to regional businesses.

- Construction and Real Estate Services
- Services and administration
- Trade, commerce and logistics
- Agriculture, forestry and fishing
- Mining and Utilities
- Hospitality and Entertainment
- Manufacturing
- Other services

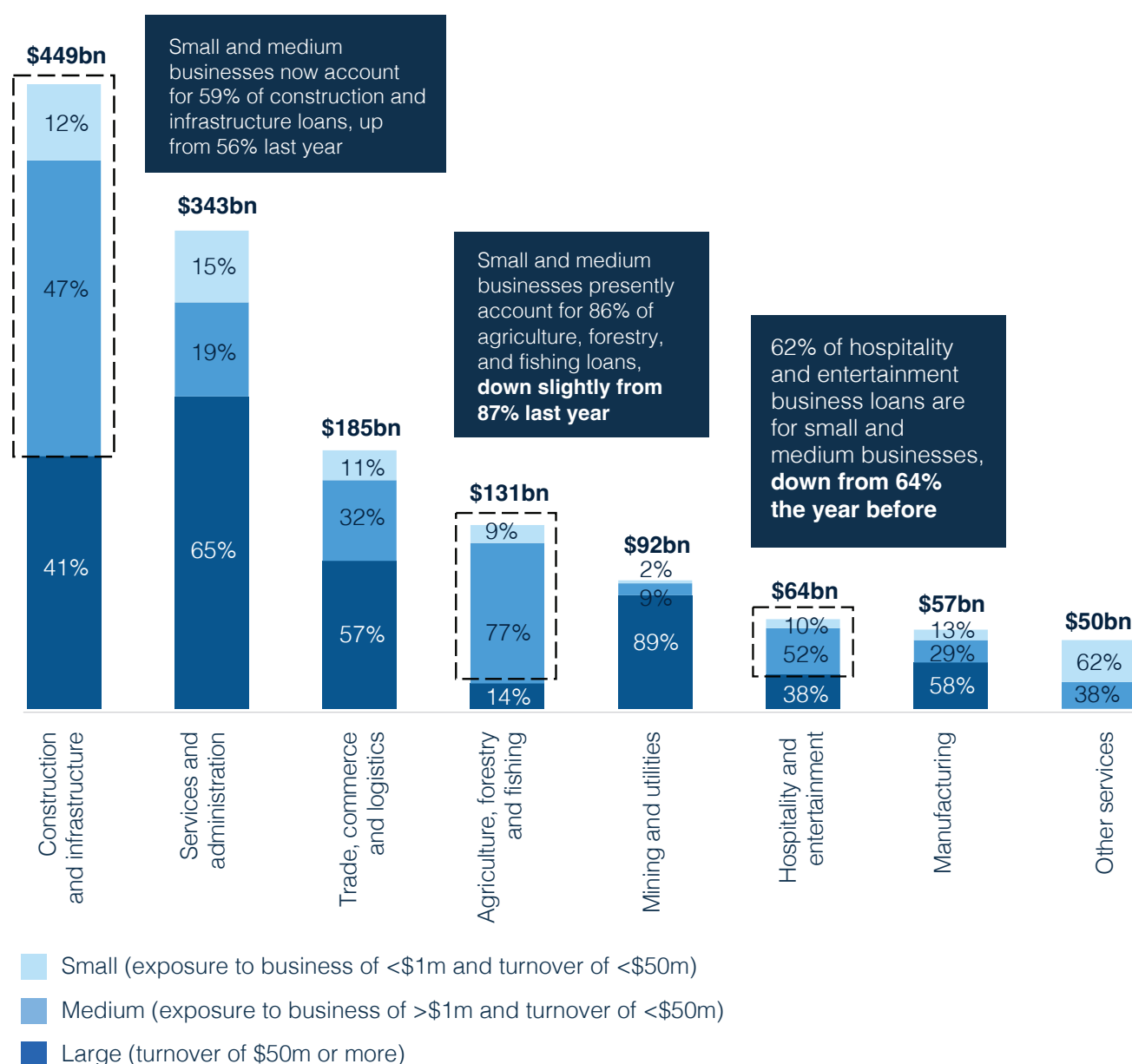
Source: RBA Lending to Business – Business Finance Outstanding by Business Size and Industry (2025).  
Note.1: Industries have been categorised into groups for simplification. Construction and Real Estate Services compiles: Residential building construction, non-residential building construction, other construction, and Rental hiring and real estate services industries. Services and administration compiles: administrative and support services, education and training, financial and insurance, health care and social assistance, information media and telecommunications, professional, scientific and technical services, and public administration and safety industries. Trade, commerce and logistics compiles: retail trade, transport, postal and warehousing, and wholesale trade industries. Mining and utilities compiles: mining, electricity, gas, water and waste services. Hospitality and Entertainment compiles: accommodation and food service, and arts and recreation services. Recent Developments in Small Business Finance and Economic Conditions



# In particular banks are supporting SMEs in the agriculture, construction and hospitality sectors

## Banks power growth in SME-dominated industries

Business finance loans (by industry<sup>1</sup> and by business size) (\$ billion, % of sector spend)



Source: RBA Lending to Business – Business Finance Outstanding by Business Size and Industry (2025).

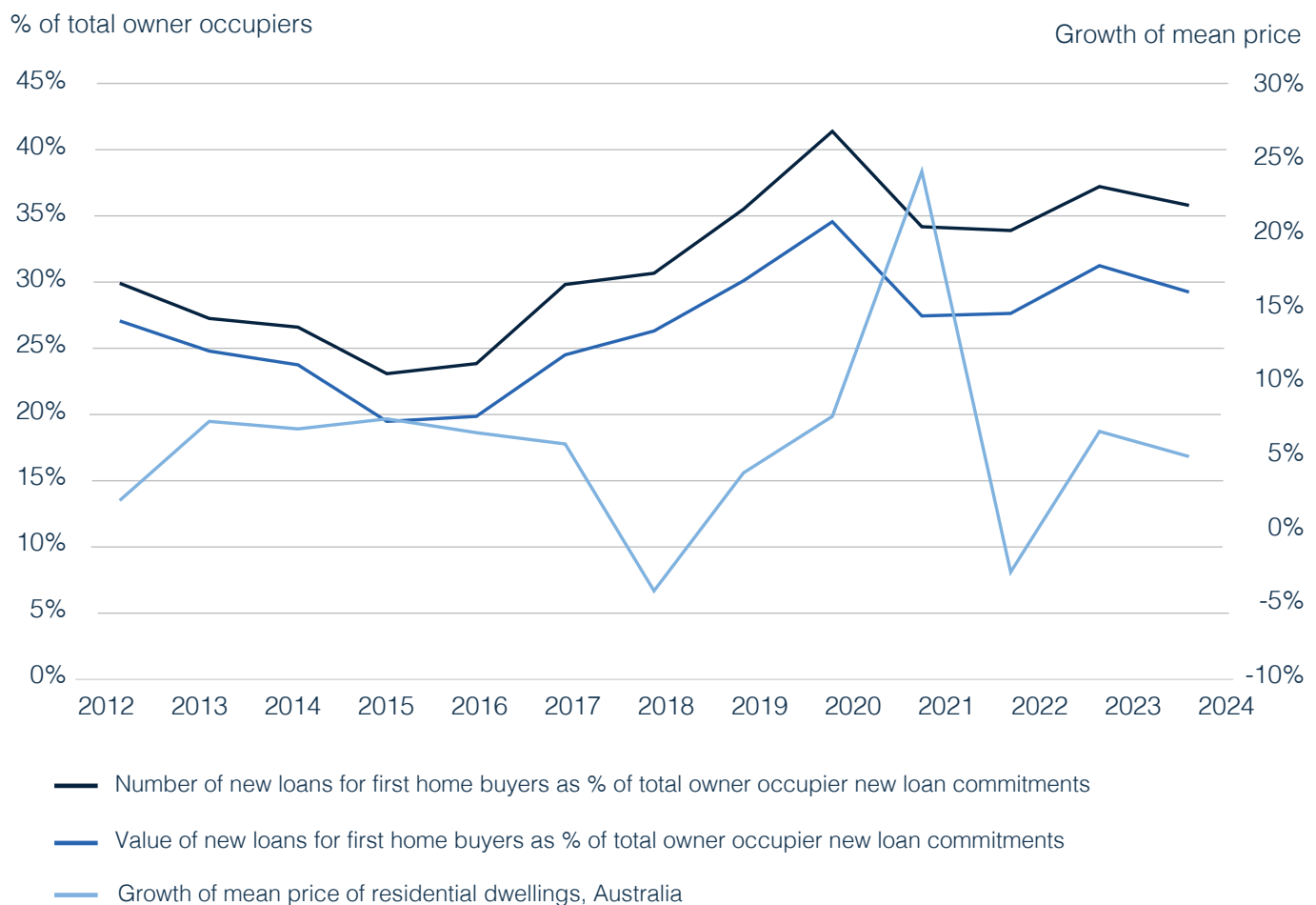
Note. 1: Industries have been categorised into groups for simplification. Construction and Real Estate Services compiles: Residential building construction, non-residential building construction, other construction, and Rental hiring and real estate services industries. Services and administration compiles: administrative and support services, education and training, financial and insurance, health care and social assistance, information media and telecommunications, professional, scientific and technical services, and public administration and safety industries. Trade, commerce and logistics compiles: retail trade, transport, postal and warehousing, and wholesale trade industries. Mining and utilities compiles: mining, electricity, gas, water and waste services. Hospitality and Entertainment compiles: accommodation and food service, and arts and recreation services.

# Banks continue to support first home buyers with mortgage lending, against the backdrop of housing affordability pressures

## New loans for first home buyers as a share of total owner occupier lending have increased in both value and volume across the last decade

Number and value of new loans for first home buyers as a percentage of total owner occupier new loan commitments (%), 2012-2024 (LHS axis) vs. Growth of mean price of residential dwellings, Australia (%) (RHS axis)

- First home buyers continue to play a significant role in owner-occupier lending, making up 36% by number and 29% by value in 2024.
- The growing gap between the share of loans and the share of value for first home buyers reflects a market dynamic where first home buyers are increasingly unable to afford homes at or above the median market value.
- First home buying activity tends to rise during periods of slower or negative house price growth, reflecting sensitivity to affordability.

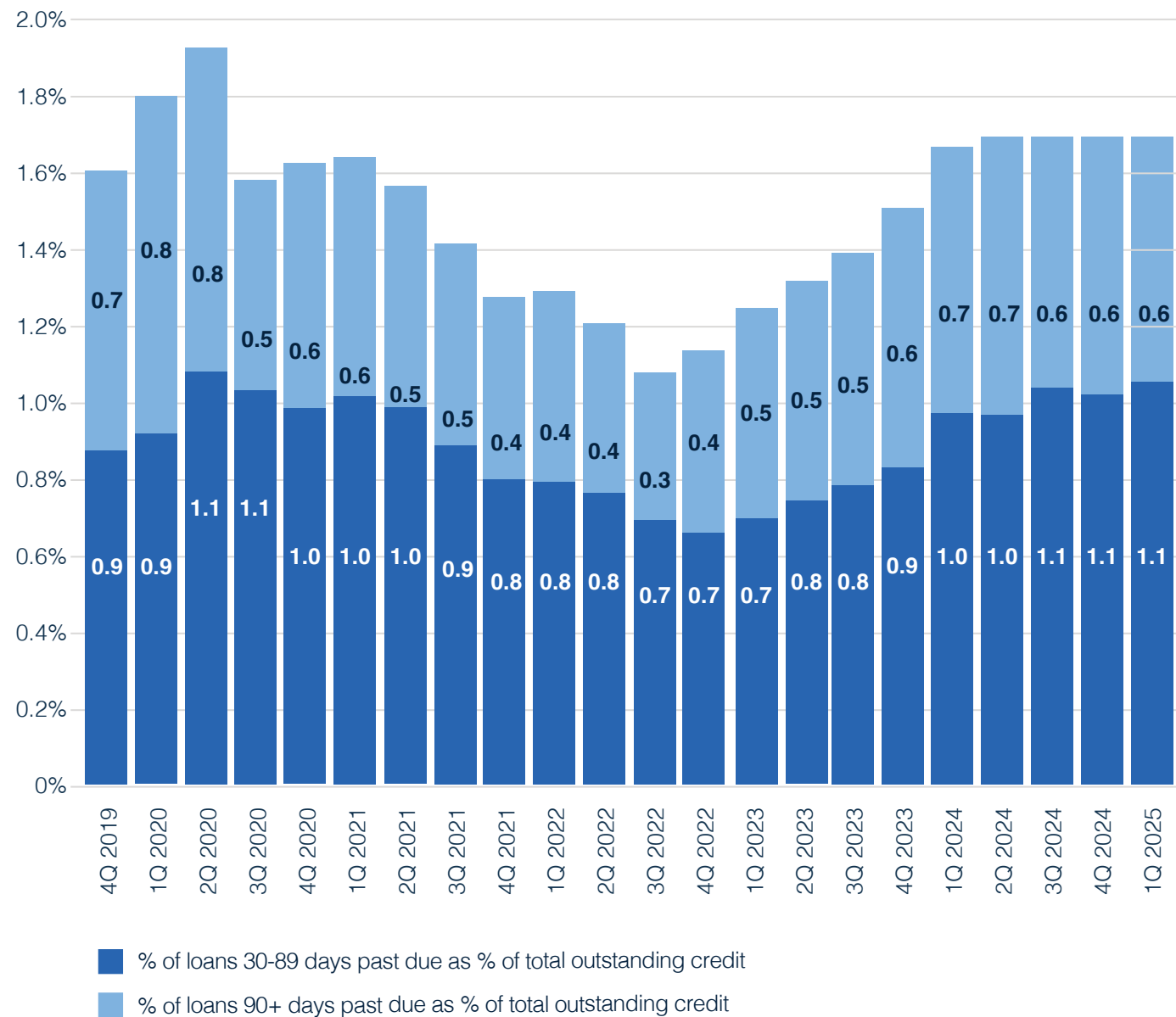


Source: RBA Lending Indicators for total owner occupier and new home buyers, new loan commitments (\$BAUD) as at 31 March 2025.; ABS mean dwelling price (2025).

# Mortgage arrears remain low as households hold out for interest rate cuts in 2025

## Mortgage arrears and defaults remain stable amid steady rates and anticipated future cuts

% of Mortgage Arrears: loans 30-89 days past due and 90+ days past due as % total outstanding credit, 4Q 2019 - 1Q2025

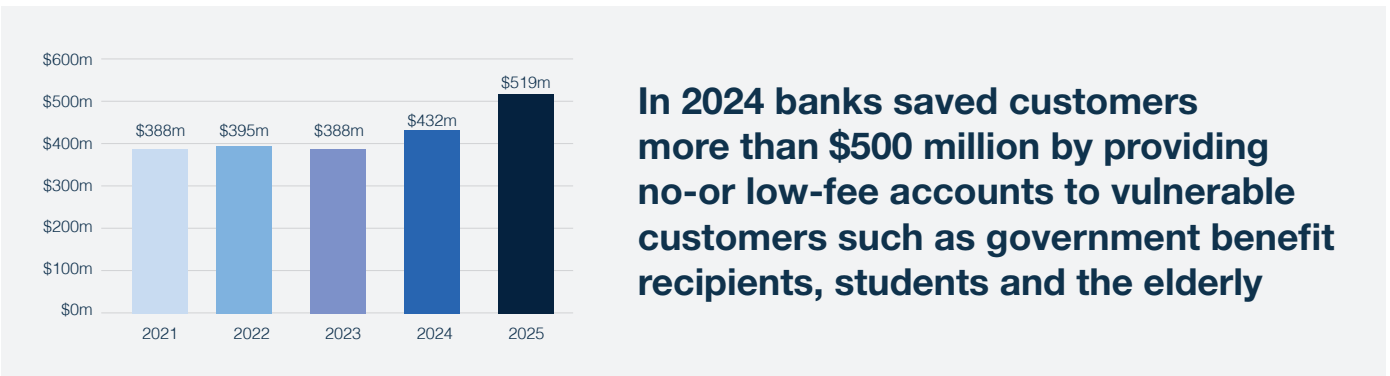
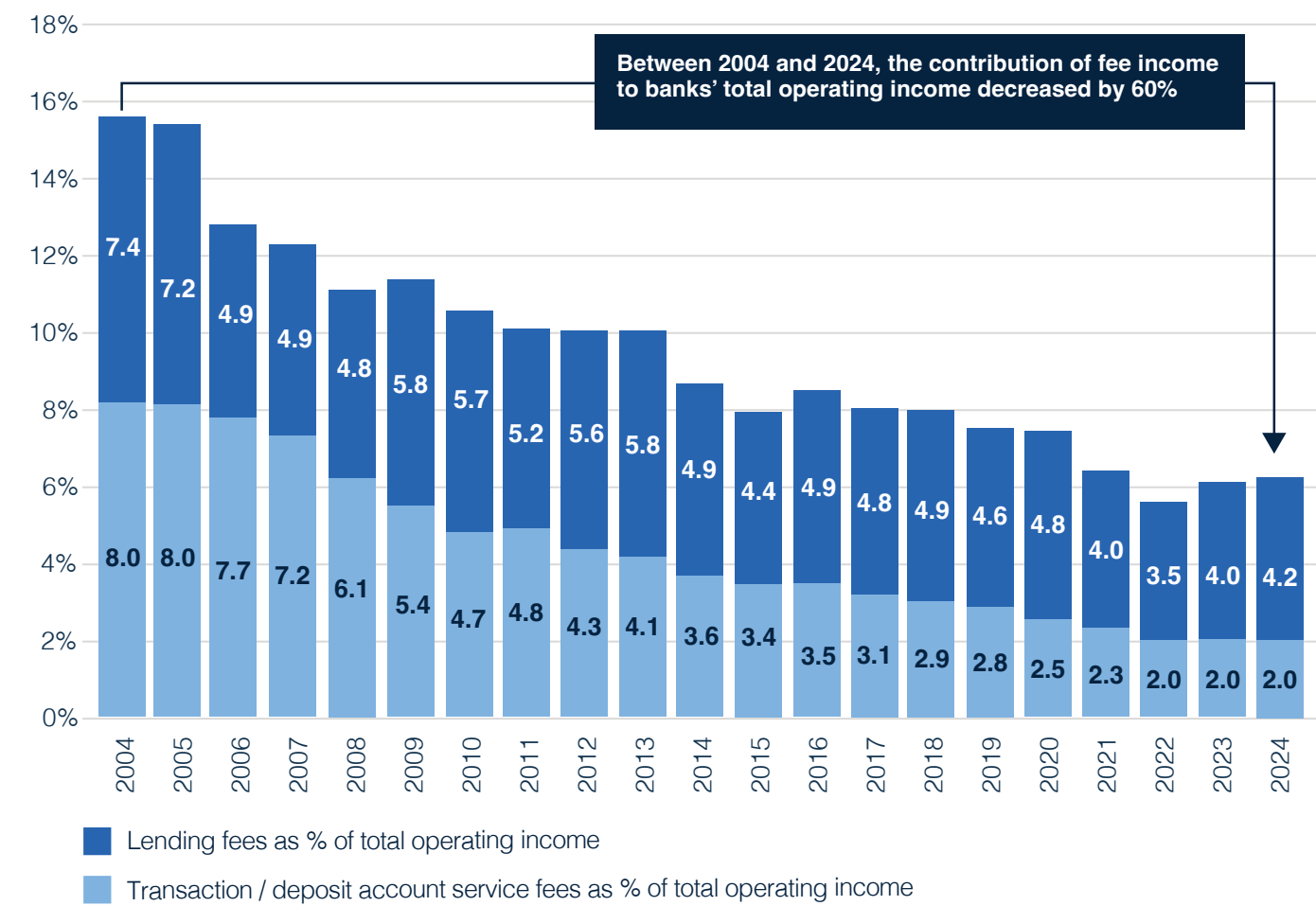


Source: Australian Prudential Regulation Authority Quarterly ADI Property Exposure Statistics (2025) Table 1b. Data as at 31 March 2025.

# Banks' fees and charges remain at historic lows

Reduced customer fees and charges have resulted in lower relative fee income percentages over the past decade

Income per fee type as % of total operating income for ADIs at year ends, 2004-2024



Source: RBA, Domestic Banking Fees, (C9).

Source: Australian Prudential Regulation Authority ADIs' financial performance (2025) Tab 1a. Total operating income is the sum of net interest income and other operating income (including lending, transaction/deposit account service fees, other fee-based activities and other income).







# How customers bank

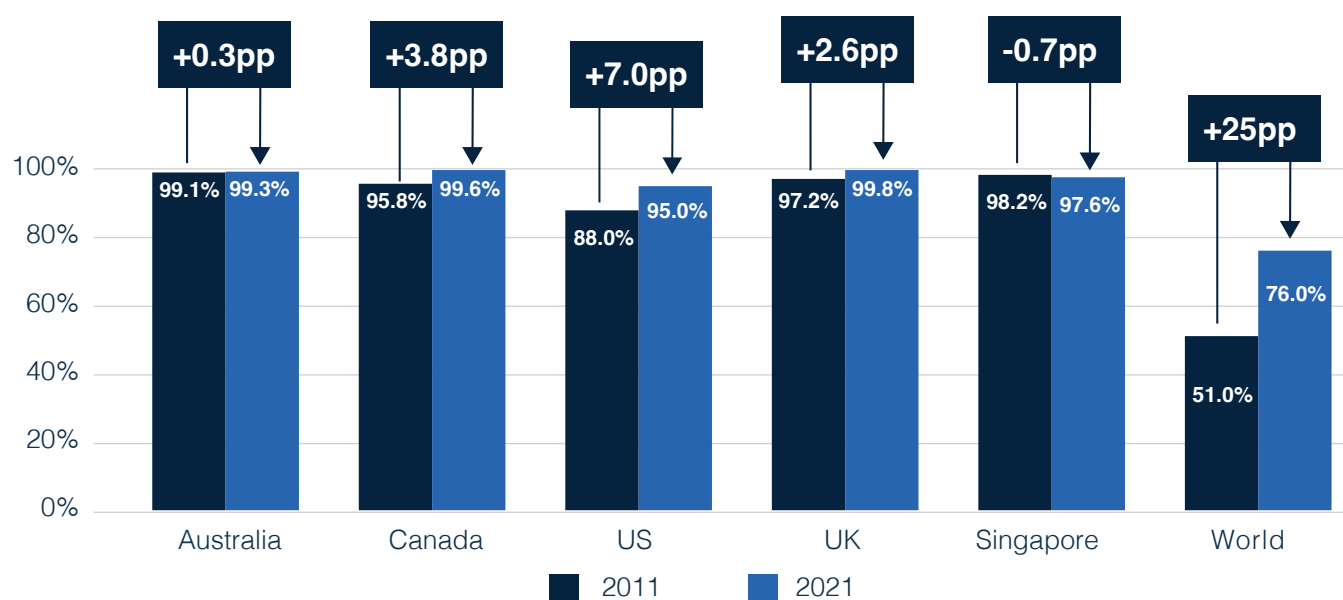
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# Near-universal bank access underpins Australia's broad financial inclusion

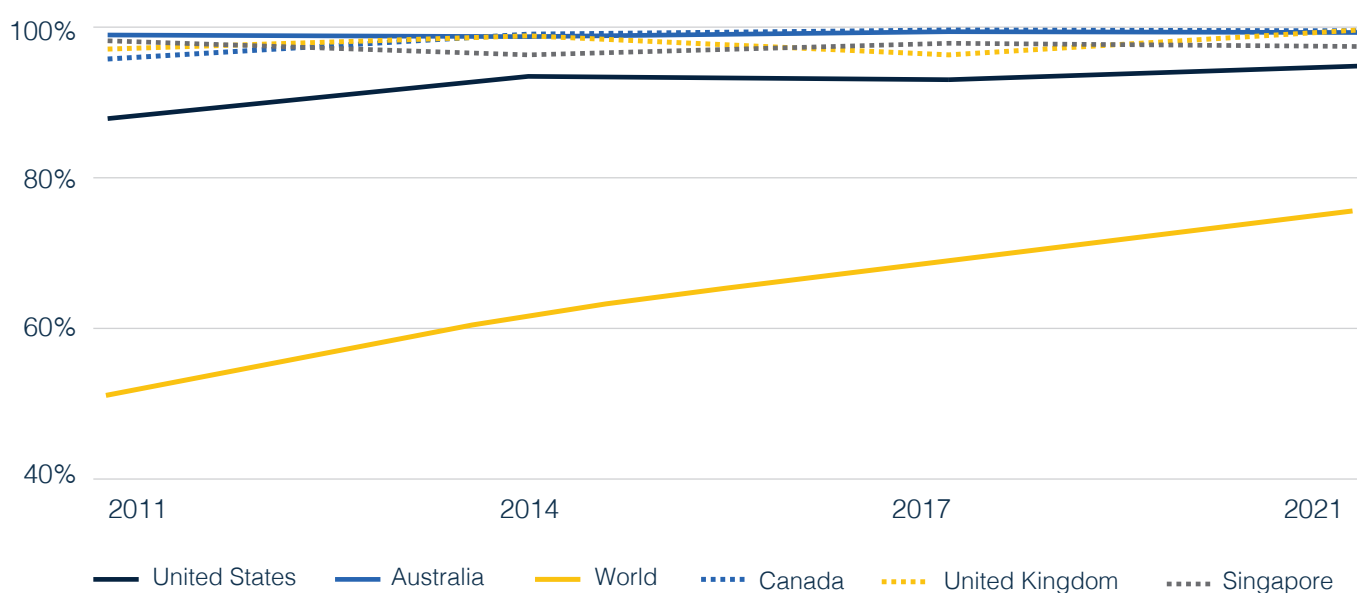
## Australia sits 23 percentage points above the world average for account access

Percentage of the population with a bank account (%)



## Australia ranks third among G20 economies for bank-account ownership

Percentage of respondents 15 years and older who report having an account (%)

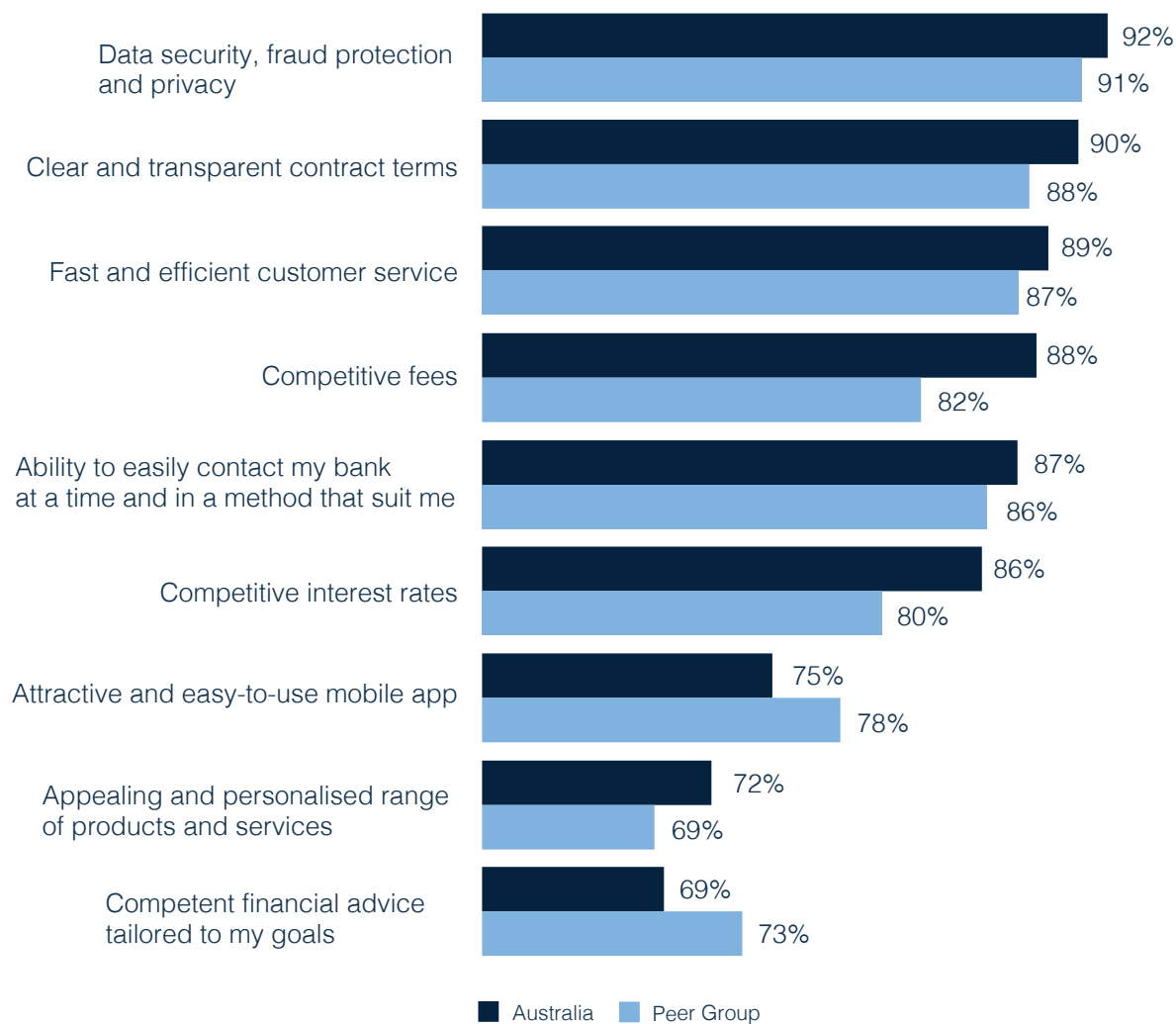


Source: World Bank

## Australians value security, transparency and service as much as global peers, yet show above-average sensitivity to competitive pricing

### Australians are 6 percentage points more likely than peers to cite low fees and attractive rates as “very important” when selecting a bank

Share of respondents who view the factor as “Important” or “Very Important” in choosing a banking provider, top factors for Australia (% , 2024)



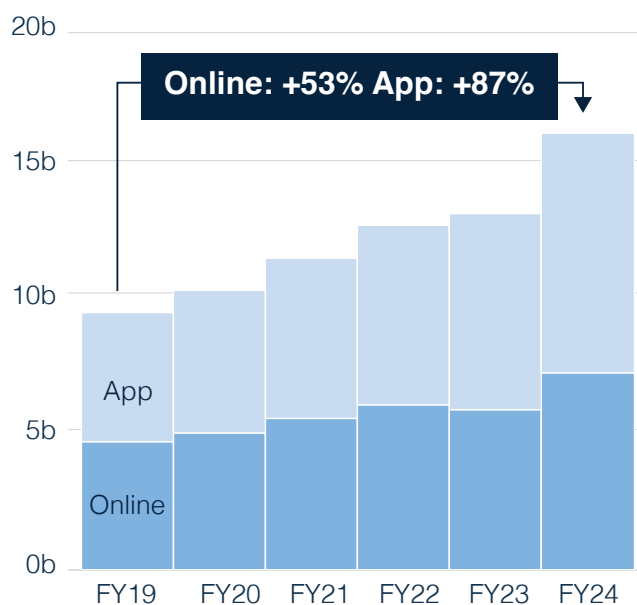
Source: Accenture Global Banking Consumer Study (2025). Peer group n = 26,800; Australia n = 1,500. Peer group comprises: US, Canada, Singapore, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the UK.

# Customer-bank interactions are increasingly occurring through digital channels

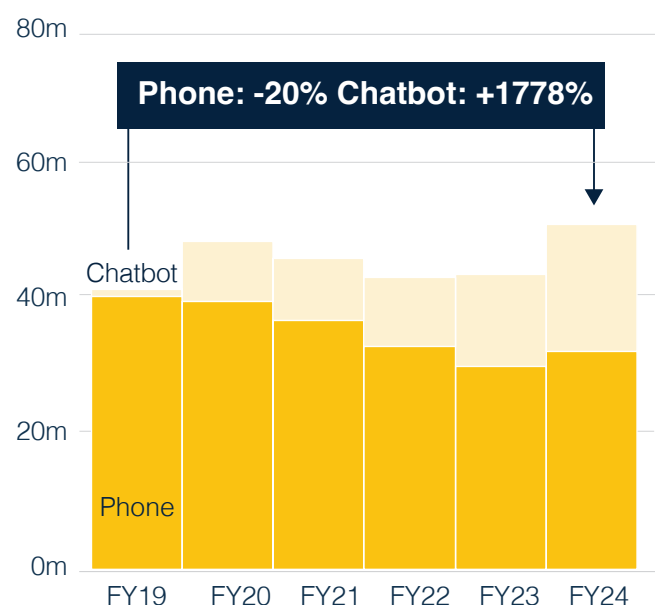
Since 2019, online and app log-ins have surged, while branch visits and phone calls have tapered off

Annual interactions by interaction type (number, major banks), FY19-FY24

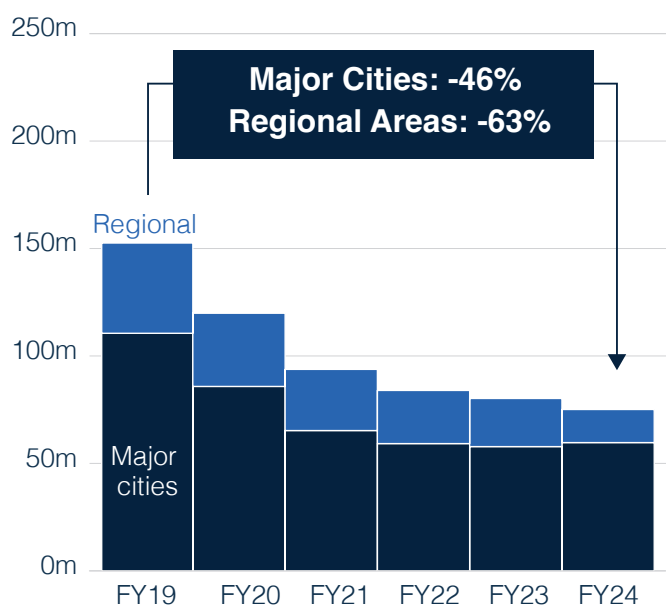
## Online and app logins



## Phone and chatbot interactions



## Branch interactions

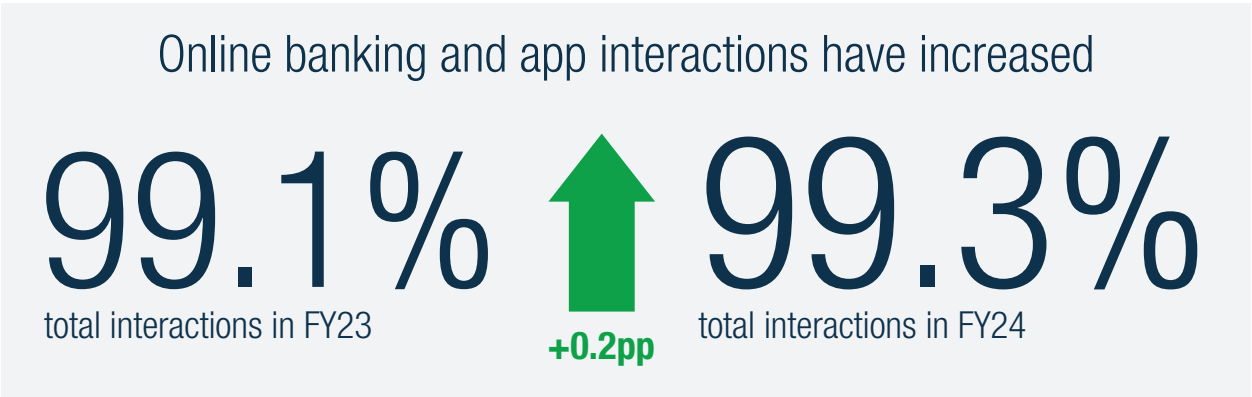
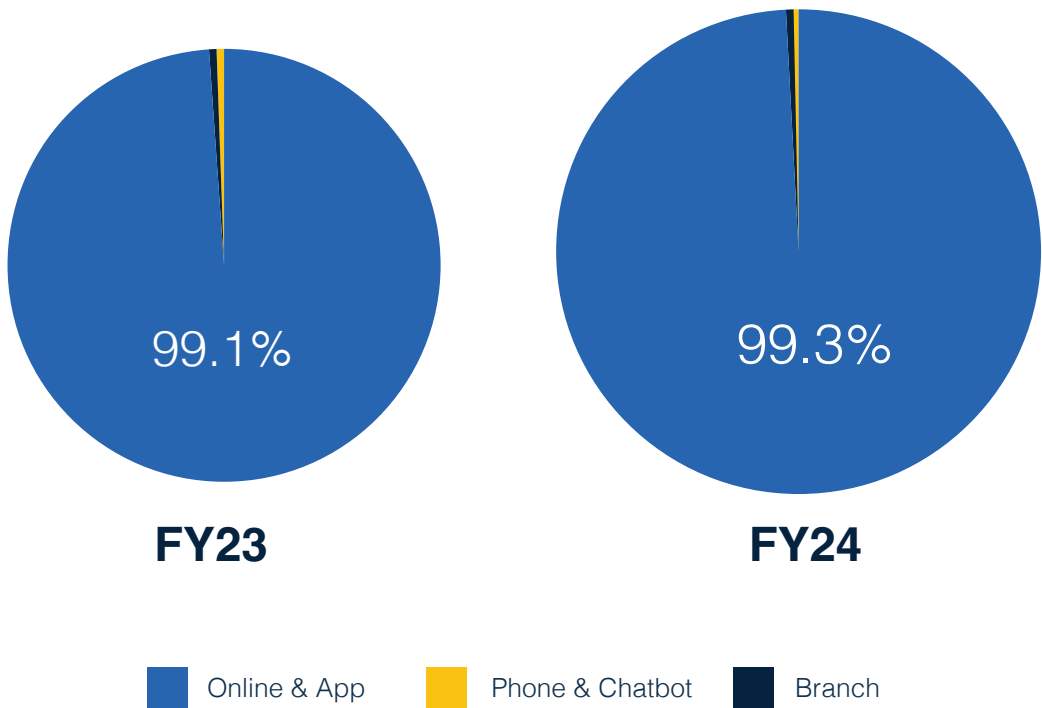


**Branch visits have declined faster than branch numbers, leading to lower foot traffic since 2019.**

Source: ABA Member Survey of major banks (2025), APRA. Note: 1) Online and app interactions are based on avg daily logins. A single log in may lead to multiple interactions and hence is likely to be understated.

# Digital channels now account for **99.3% of banking interactions**

Nearly all bank interactions are now achieved through online channels

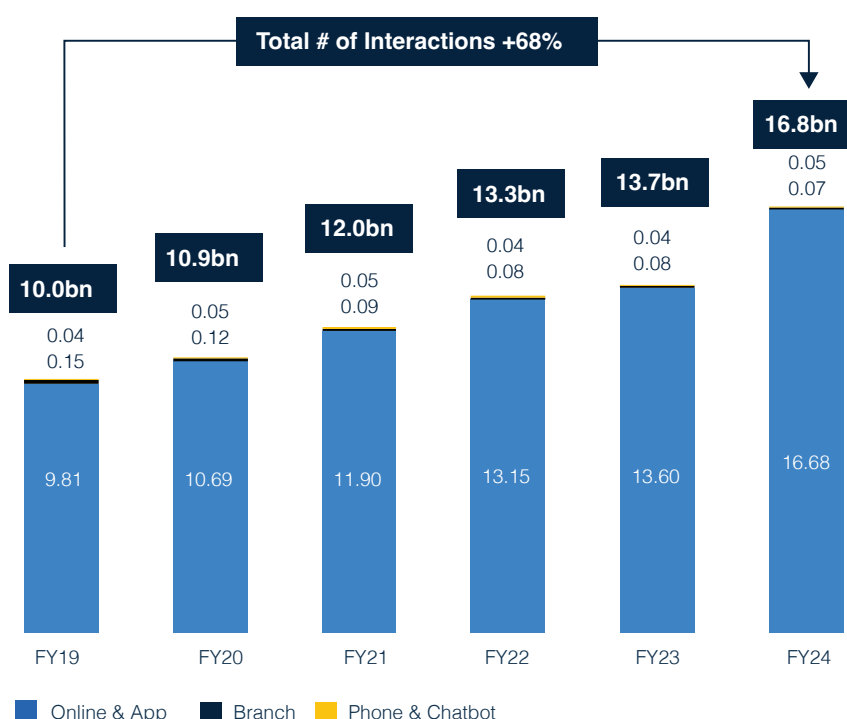


Source: ABA Member Survey of major banks (2025), APRA. Note: 1) Peer growth rate applied where appropriate to one of the major banks for FY24. 2) Online and app interactions are based on avg daily logins. A single log in may lead to multiple interactions and hence is likely to be understated.

# Digital channels are driving **unprecedented levels of customer-bank interactions**

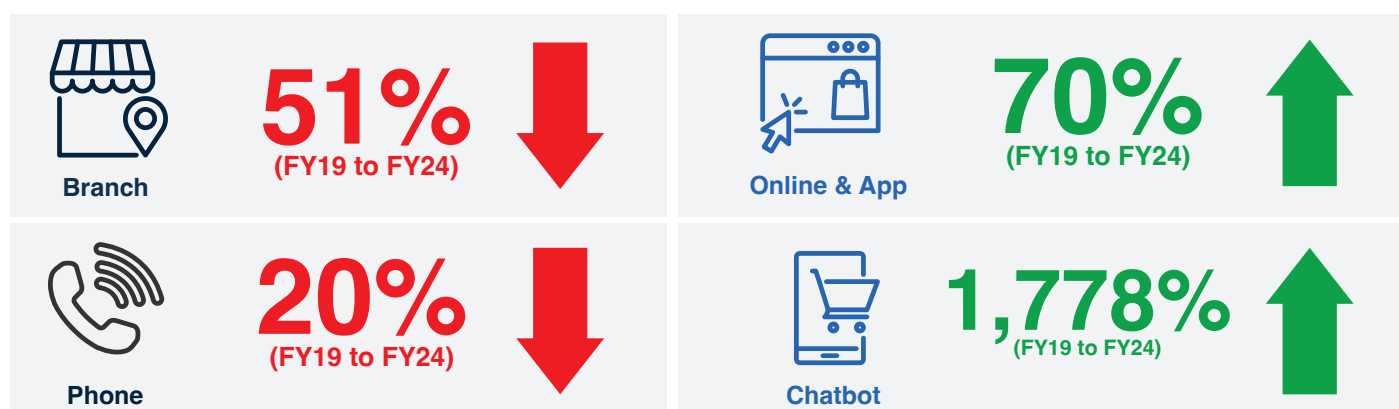
## Overall interactions have increased

Number of total transactions by channel (billions, major banks); FY19-FY24



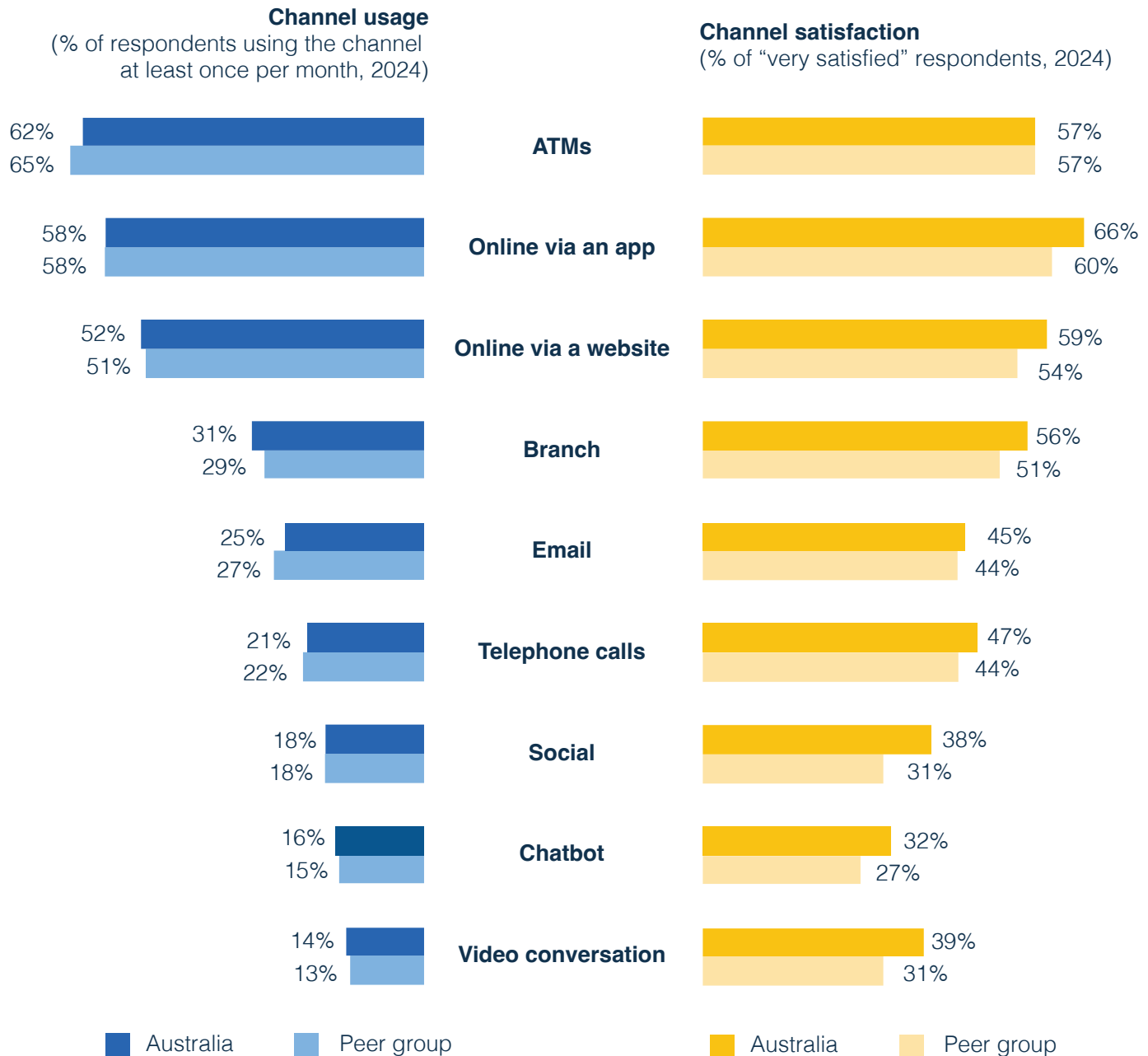
## ... with in-person branch transactions rapidly falling

Change in volume of interactions (%; major banks); FY19-FY24



Source: ABA Member Survey of major banks (2025). Note: 1) Peer growth rate applied where appropriate to one of the major banks for FY24. 2) Online and app interactions are based on avg daily logins. A single log in may lead to multiple interactions and hence is likely to be understated. Online and app interactions are based on daily log ins. A single log in may lead to multiple interactions and hence is likely to be understated.

## Compared to customers overseas, **Australians are more satisfied with their banking channels**



**Australians are notably more satisfied** with Branch, online app and website channels than their peers

Source: Accenture Global Banking Consumer Study (2025). Peer group n = 26,800; Australia n = 1,500. Peer group comprises: US, Canada, Singapore, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the UK

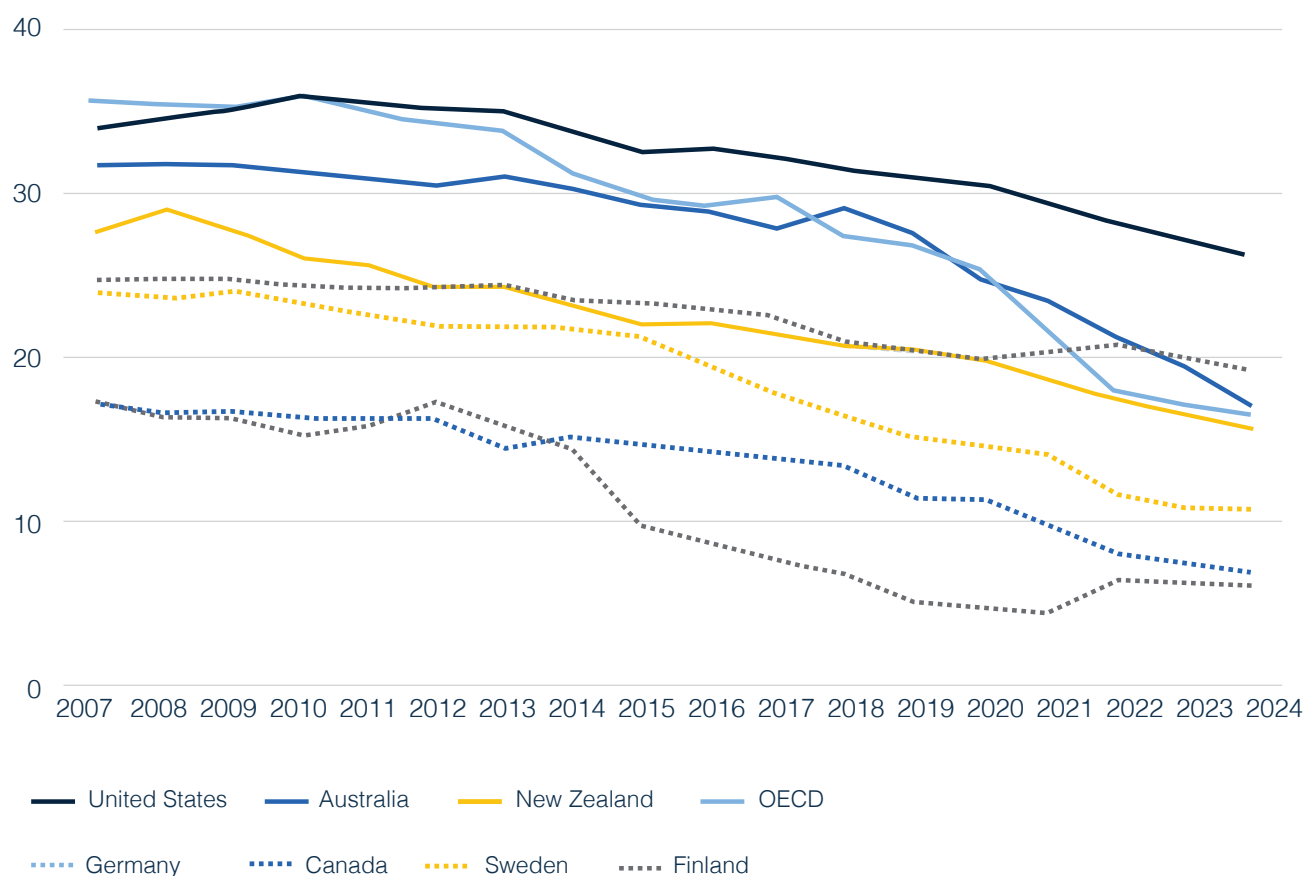


# Australians continue to enjoy widespread branch access greater than comparable countries

- In 2023, 87% of the Australian population lived in urban areas, 5pp higher than the OECD average of 82%.
- Australia's commercial branch density is 17 branches per 100,000 adults – higher than in the two OECD peers with similar urbanisation levels:
  - New Zealand (16 per 100,000 adults; 87% urbanised)
  - Finland (6 per 100,000 adults; 86% urbanised)

## Branch density is trending downwards across all countries

Commercial bank branches per 100,000 adults



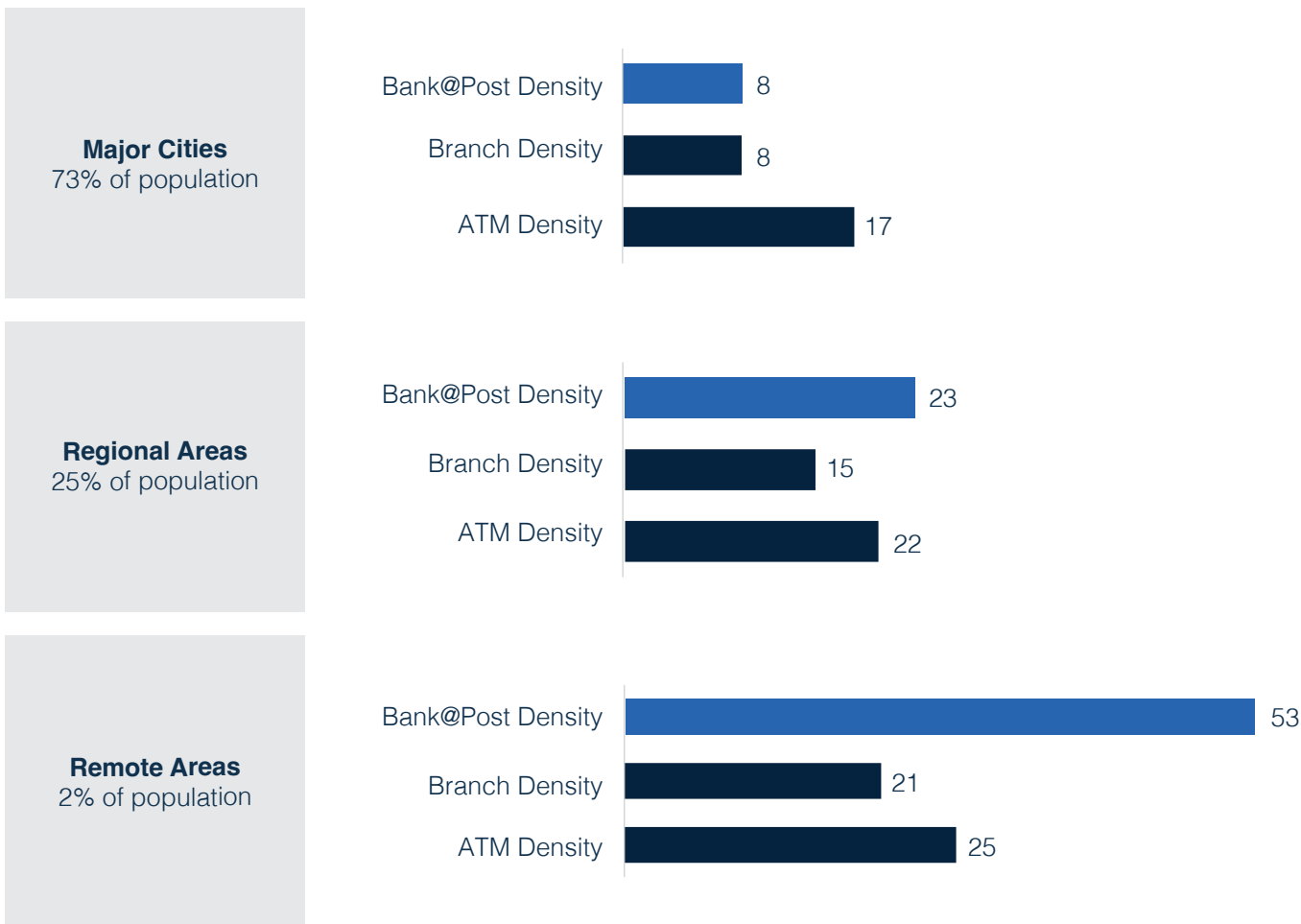
Sources: International Monetary Fund Financial Access Survey (FAS) (2025), The World Bank (ii 2025, ii 2025).

# Bank@Post provides an alternative for face-to-face transactions

- Bank@Post is more common in regional and remote Australia, where 27% of the population lives.
- Bank@Post is funded by participating financial institutions, providing over 3,400 face-to-face banking access points.

## Bank@Post offers a face-to-face alternative for regional customers of ABA member banks

Locations per 100,000 people by remoteness, 2024



Sources: APRA, ABS, Accenture Analysis.  
Note: Bank branch and ATM density based on ABA Members only.





# How customers pay

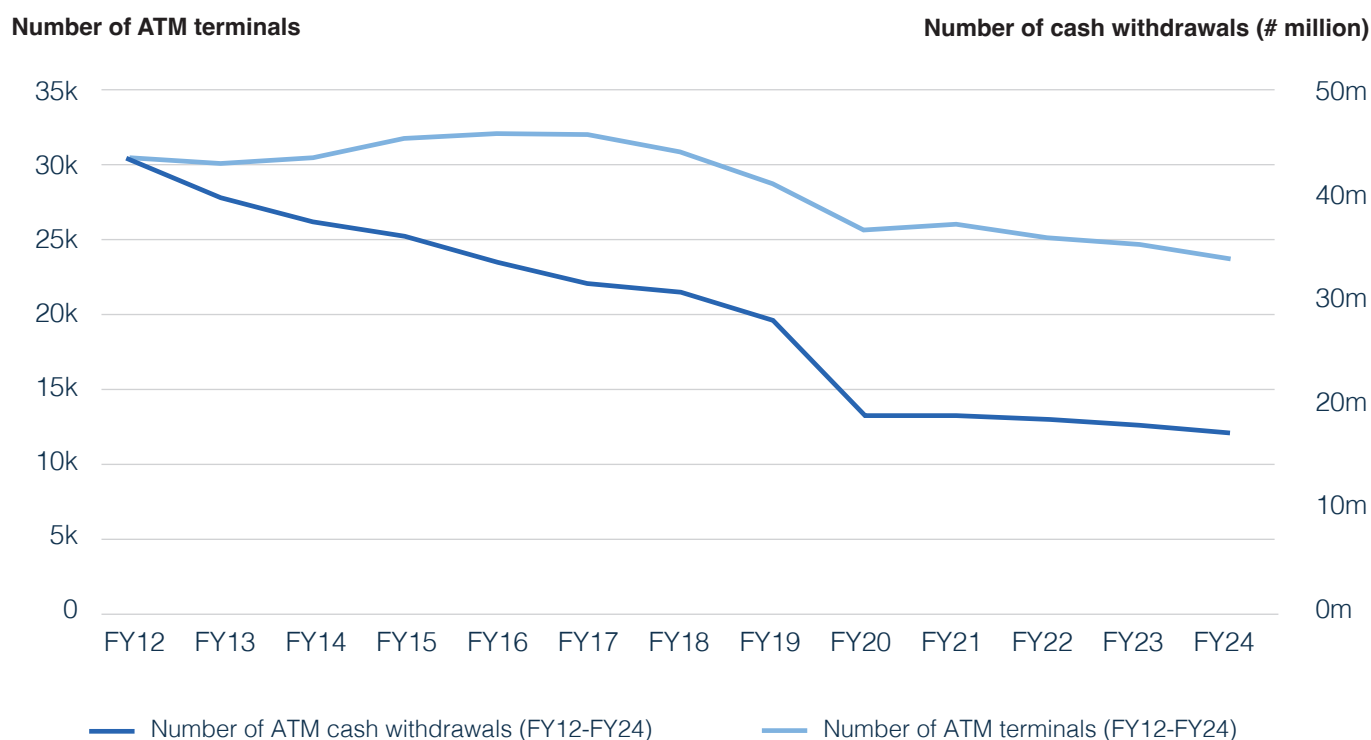
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# Declining ATM usage reflects **Australians' growing preference for non-cash payments**

**Despite continued access to a expansive ATM network, cash withdrawals have fallen 9% every year since 2019**

Number of ATM terminals vs. Number of cash withdrawals at ATMs (millions), (Year end of FY)

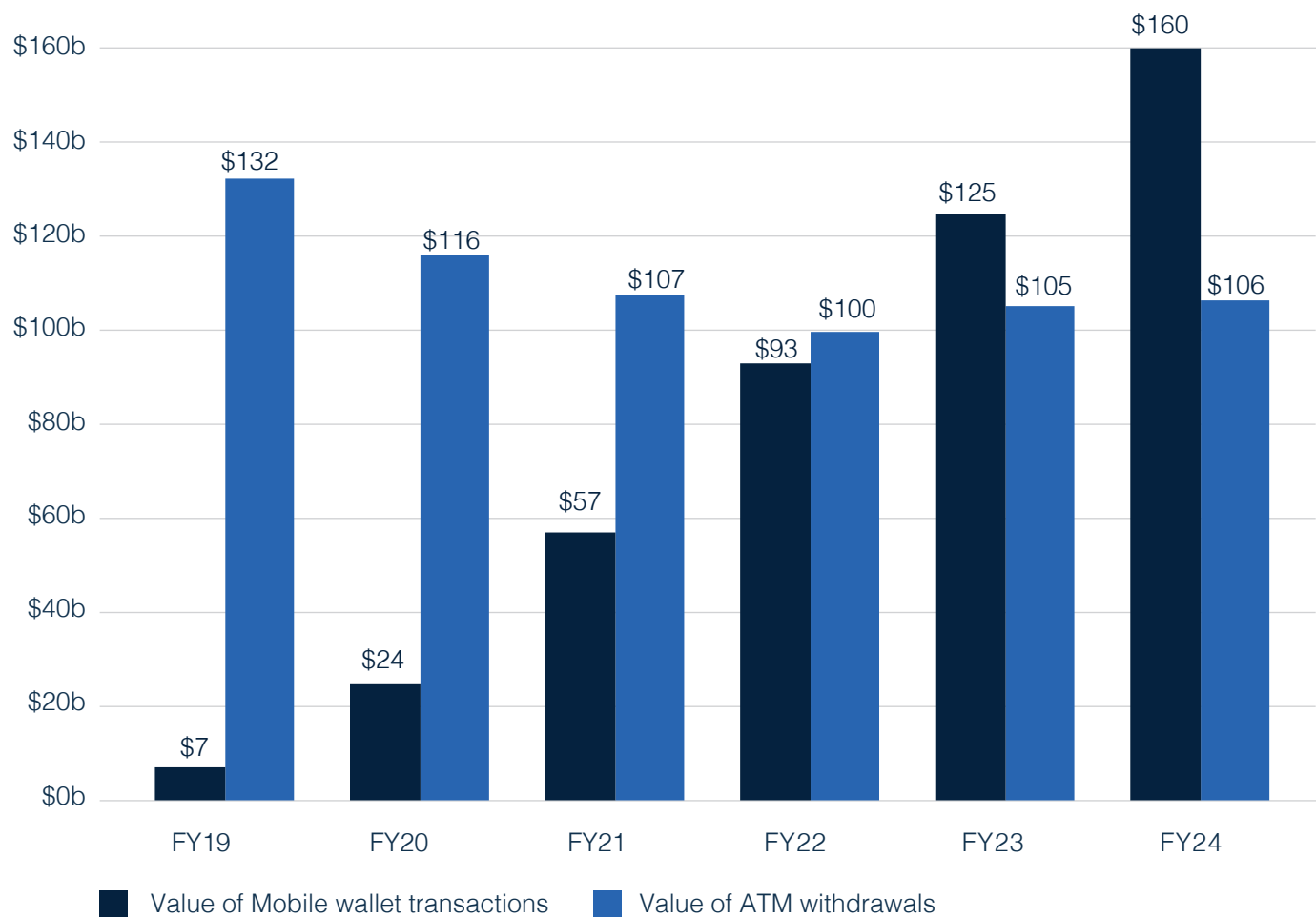


Source: Australian Payments Network (2025), RBA ATM statistics (using original, not seasonally adjusted data for financial years) (2025).

## Mobile wallet usage has far surpassed ATM withdrawals in both value and volume

### Customers are increasingly using mobile wallets

Mobile wallet transactions vs ATM withdrawals, values (\$ billions), FY19-FY24

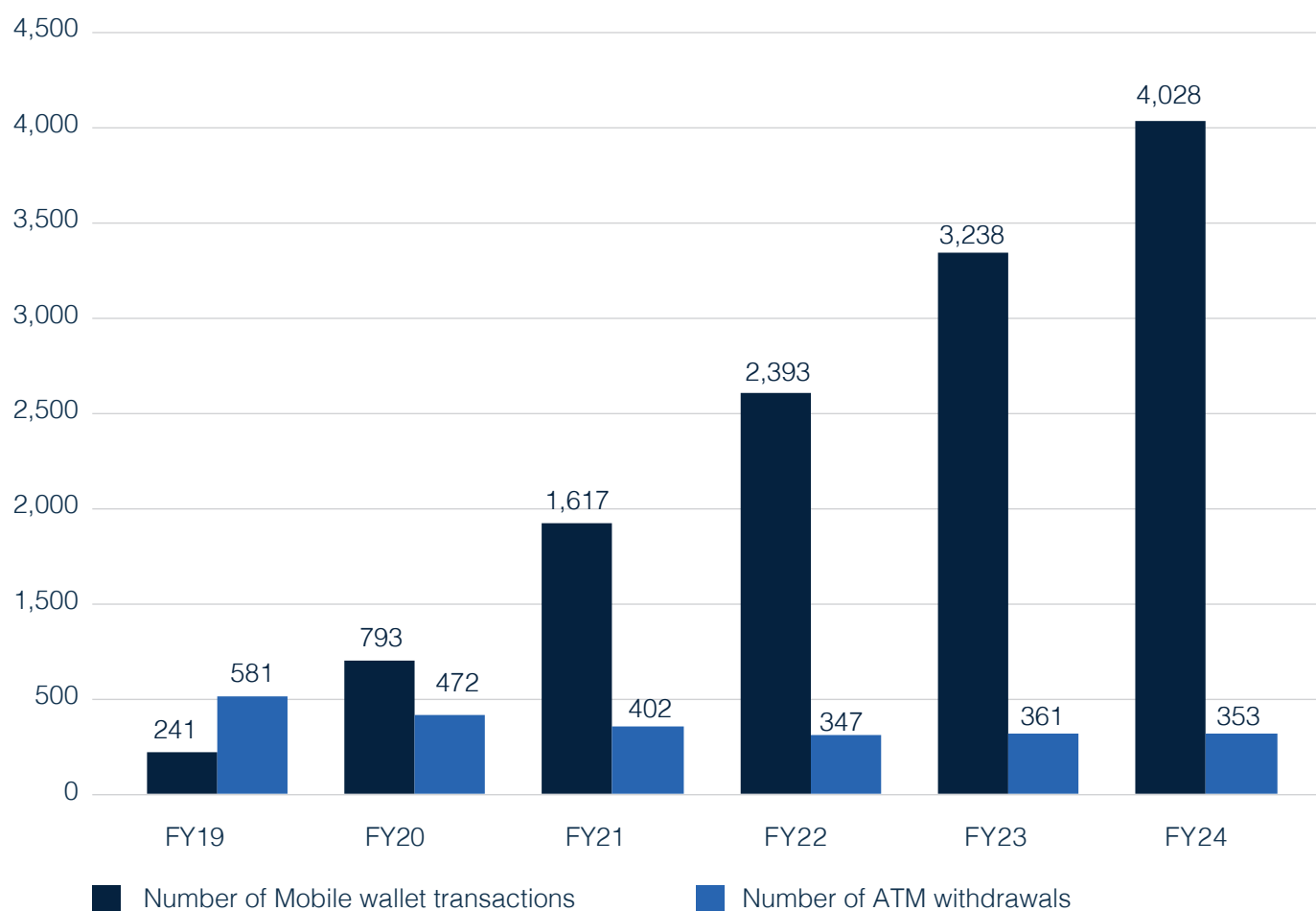


Sources: ABA data collection (2025), RBA ATM statistics (using original, not seasonally adjusted data for financial years) (2025).



## The number of mobile wallet transactions has grown to ~11x the number of ATM withdrawals

Number of mobile wallet transactions vs ATM withdrawals (#, millions), FY19-FY24



Sources: ABA data collection (2025), RBA ATM statistics (using original, not seasonally adjusted data for financial years) (2025).

## About Australian Banking Association

The ABA is an association of 20 member banks in Australia. The ABA works with government, regulators and other stakeholders to improve public awareness and understanding of the industry's contribution to the economy and to ensure Australia's banking customers continue to benefit from a stable, competitive and accessible banking industry. The ABA is led by Anna Bligh, Chief Executive Officer, who is supported by a team of senior public policy staff. Anna started in the role in April 2017 and is focused on strengthening trust and confidence in banking and delivering better outcomes for customers. The ABA is governed by a Council which comprises Chief Executive Officers of member banks. More information is available at [www.ausbanking.org.au/](http://www.ausbanking.org.au/)

## About Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organisations build their digital core, optimise their operations, accelerate revenue growth and enhance citizen services— creating tangible value at speed and scale. We are a talent and innovation led company with 742,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities. Visit us at [www.accenture.com](http://www.accenture.com).

## Australian Banking Association Member Survey (2025)

To supplement publicly available data and insights from the Accenture Global Banking Consumer Study (2025), the ABA conducted a survey of member banks on customer interactions through branches, digital channels (online banking, apps, phone, and chatbot), and mobile wallet transactions. When referenced in this report, data from this survey is indicated as 'ABA Member Survey' in footnotes. The survey data was collected in April 2025.

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