## Reporting guidance

# **International Exposures**

This guidance is to assist banks in reporting the information required by the international exposures forms:

- Reporting Form ARF 731.1 International Banking Statistics Locational Data (ARF 731.1);
- Reporting Form ARF 731.3a International Banking Statistics Immediate and Ultimate Risk Exposures Domestic Entity (ARF 731.3a);
- Reporting Form ARF 731.3b International Banking Statistics Immediate and Ultimate Risk Exposures Foreign Entity (ARF 731.3b); and
- Reporting Form ARF 731.4 International Banking Statistics Balance Sheet Items (ARF 731.4).

#### Revisions

This guidance was last revised on 16 December 2016

For further information, email:

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### Relationship with other APRA forms

Locational claims and liabilities with Australian counterparties should generally align with domestic book data across all APRA forms. Specifically, *Reporting Form ARF 320.0 Statement of Financial position (domestic book)*:

- the total claims in AUD to Australian counterparties on ARF 731.1 should be equal to total assets less fixed assets, intangible assets and other assets in ARF 320.0.
- total liabilities in AUD to Australian counterparties on ARF 731.1 should be equal to total liabilities in ARF 320.0.

Consolidated data, however, are slightly different in the international exposures forms.

Positions in ARF 731.4 relate to the Level 1 or Level 2 ADI, as defined in *Prudential Standard APS 001 Definitions* (APS 001), and with the effects of the securitisation deconsolidation principle applied. This is on a different basis to other APRA reporting:

- Reporting Form ARF 322.0 Statement of Financial Position (consolidated group) refers to the consolidated group of the ADI, not the Level 1 or Level 2 ADI; and
- Reporting Form ARF 210.3.1 Balance Sheet Maturity Assets (ARF 210.3.1) and Reporting Form ARF 210.3.2 Balance Sheet Maturity Liabilities and Capital (ARF 210.3.2) are based on the Level 1 and Level 2 ADI, however have a different securitisation deconsolidation principle to other APRA reporting. The data on these forms will not necessarily align with ARF 731.4.

There is no direct reconciliation between ARF 731.4 and Reporting Form ARF 110.0 Capital Adequacy.

## **Survey of International Investments**

The data reported on ARF 731.1 is similar to Australian Bureau of Statistics' Form 90 Survey of International Investment (Form 90) and the proposed Reporting Form ARF 731.1 International Banking Statistics – Locational Data (ARF 731.1) part of ARF 231.

The ABS publishes a range of statistics on Australia's financial position with the rest of the world to aid its mission and as part of its international obligations. Much of this information is reported directly to the ABS on Form 90. Form 90 is reported by Australian financial and non-financial entities that have international investment activity.

APRA provides data for the Bank for International Settlements' International Banking Statistics (IBS) each quarter using data reported to it by banks on the international exposures forms. APRA is proposing to introduce new reporting forms to meet the needs of the IBS, including ARF 731.1.

There is no direct overlap of data items between Form 90 and the proposed ARF 731.1. Form 90 collects data split by relationship with the counterparty, while the locational forms collect data by economic sector of the counterparty.

The two collections are designed to meet the respective needs of the ABS and APRA. While every effort is made to harmonise definitions, some differences are necessary. Table 1 shows a high-level comparison of the concepts in both forms and the breakdowns of these concepts required. For most concepts, the members (breakdowns of data to be provided) do not align.

There are only a small number of data items common to both collections. Each of these data items are derived, and are not directly reported to the ABS or ABRA. Table 2 shows a detailed analysis of overlaps of data to be provided at the most granular level. Table 2 includes details of interactions ('splits') of positions reported on each form. For example, a two-way interaction by country and currency means the position is reported by currency of position for each country.

Table 1: High-level overview of concepts in Form 90 and ARF 731.1

	Comparisons of dimension me	mbers
	Mem	nbers
Concept	Form 90	ARF 731.1
Financial positions (stocks)	<ul><li>Opening position</li><li>Closing position</li></ul>	Closing position
Changes in positions (flows)	<ul> <li>Transactions increasing position</li> <li>Transactions decreasing position</li> <li>Market price changes</li> <li>Exchange rate changes</li> <li>Other changes</li> </ul>	Not collected
Income and expenses	<ul><li>Interest</li><li>Dividends</li><li>Net profit</li></ul>	Not collected
Country counterparties	All countries excluding Australia	All countries including Australia
Currency of positions	All currencies	AUD, USD, GBP, EUR, JPY, CHF, NZD, CNY, Other
Original maturity	<ul><li>Short-term (&lt;= 1 year)</li><li>Long-term (&gt; 1 year)</li></ul>	Not collected
Residual maturity	<ul> <li>&lt;= 90 days</li> <li>&gt; 90 days, &lt;= 6 months</li> <li>&gt; 6 months, &lt;= 1 year</li> <li>&gt; 1 year, &lt;= 5 years</li> <li>&gt; 5 years</li> </ul>	<ul> <li>Debt security liabilities only:</li> <li>Short-term (&lt;= 1 year)</li> <li>Long-term (&gt; 1 year)</li> </ul>
Counterparty relationship	<ul> <li>Direct investors</li> <li>Direct investment groups abroad</li> <li>Fellow enterprises</li> <li>Other non-residents</li> </ul>	Not collected
Counterparty sector	<ul> <li>Financial intermediaries (sum of ADIs, investment funds and securities).</li> <li>Positions with financial intermediaries are excluded from counterparty relationship splits for loans and deposits.</li> <li>All other counterparties</li> </ul>	<ul> <li>Banks: related offices</li> <li>Banks: central banks</li> <li>Banks: Other</li> <li>Non-bank financial institutions</li> <li>General Government</li> <li>Non-financial corporations</li> <li>Households and non-profits</li> <li>Unallocated</li> </ul>

Table 2: Comparison of data reported on Form 90 and ARF 731.1

		No	intera	ction						0	ne-w	ay int	eract	ion by	by														5									Three-w	ay intera	nteraction by	
Key:																								Co	untry							Origin	al ma	turity		Cı	ırrency	Country	_	rrency	
<ul> <li>a - Reported directly from Form 90</li> <li>b - Derived from Form 90</li> <li>x - Reported directly on ARF 731.1</li> <li>y - Derived from ARF 731.1</li> <li>- Common to both collections</li> </ul>	bal	otal ance eet		Total to non- residents		Counterparty country		-	Currency		Original E		Residual maturity	Counterparty			Counterparty sector		Currency		Original maturity		Residual maturity	Counterparty relationship		-	Counterpart sector			Counterparty relationship				iterparty ector	,	Residual maturity	Counter- party sector	C'part sector	Orig. matur.		
Instrument and position	Stock	Income	Stock	Flows	Income	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Flows Income	Stock	Flows	Income	100+0	Stock	Flows		Stock	Stock	Stock	Stock	
Liabilities and Equity																																									
Equity			b	b	b	b	b	b						b	b	1 1									b	b	b														
Direct investment equity	ļ		а	а	a	b	b	b						b	b	b				Į					а	a	a						ļ								
Other equity			а	а	а	b	b	b						b	b	b									а	a	а														
Total equity on issue	а	а																																							
Equity not evidenced by securities			а	а	а																																				
Direct investment equity in Australian									j							İ																									
subsidiary			а	а	а	b	b	b																	а	а	а														
Other equity in Australian Subsidiary			а	а	а	b	b	b					Î	b	b	b							Ì		a	a	a						Ì								
Total equity of Australian subsidiary on issue	а	а																															Ì								
Equity of Australian subsidiary not evidenced by	Ì								ĺ					Ì						Ì				Ì			Ì						ĺ								
securities			а	а	а																																				
Total liabilities <sup>2</sup>	х		yb	b	b	yb	b	b	yb								У			у								у										х			
Derivative contracts			а	а		а	а		а				b																								а				
Debt securities	х		yb	b	b	yb	b	b	yb	а	а	а	xb	b	b	b	у			у	а	а	а	х	b	b	b			а	а	а					yb			b	
Domiciled in Australia			b	b	b					а	а	а											Ì										Ì								
Bills of Exchange (short-term only)			а	a	а				Ì														Ì				İ						İ								
Other liabilities																																									
Trade credit			а	а	а	b	b	b	b	a	а	а	b	b	b	b									a	a	а			а	a	a					a				
Loans			b	b	b	b	b	b	b	b	b	b	b	b	b	b	а	а	а						b	b	b	a	a a	а	a	а	ā	э	a a	a	b		а		
Deposits	х		yb	b	b	yb	b	b	yb	b	b	b	b				У			У	a	a	а					ya¹		a	a	a	a	э	a a	a	b	Х	а		
Transferable deposits			b	b	b												а	a	а																						
Other liabilities			а	а	а	b	b	b	b	а	а	а	b	b	b	b									а	a	а			а	а	а					а				
Assets																																									
Total assets <sup>2</sup>	х		yb	b	b	yb	b	b	У					-			У			У								У										Х			
Equity assets			b	b	b	b	b	b																	b	b	b														
Equity held in direct investors			а	a	а	b	b	b																	а	а	а														
Equity held in others			а	a	a	b	b	b																	a	а	a						ļ								
Not evidenced by securities	ļ		a	a	a									[						[				ļ																	
Pooled investment funds			а	а	а																																				
Derivative contracts			а	а		а	а		а	а																											a				
Debt securities	х		yb	b	b	yb	b	b	yb	а	а	а	b	b	b	b	у			У	а	a	а		b	b	b	х		а	а	а					a	х		b	
Other assets														1																											
Trade credit	İ		а	а	а	b	b	b	b	а	а	а	b	b	b	b				ĺ				i	а	а	а	а	a a	а	а	a	a	э	a a	э	b		а	İ	
Loans	х		yb	b	b	yb	b		yb	b	b	b	b	b	b	b	yb¹	b	b	у	а	а	а	- 1		- 1	- 1	ya <sup>1</sup>									а	х	а	İ	
Deposits	İ		a	а	а	a	а	а	a	а	а	a	b							1 ′										İ			İ							İ	
Transferable deposits			а	а	a															İ													İ						İ	İ	
Foreign currency note and coin	İ		a	_		а			а					İ						İ										Ì			İ								
Other assets	i		a	а	а	b	b	h	b	а	а	а	b	b	b	b				İ					а	а	а			а	а	а	l				а		İ		

<sup>1.</sup> These items are not comparable between the two collections as they each have different members for the counterparty sector dimension.

<sup>2.</sup> Difference in reporting may arise due to different reporting requirements for derivative contracts in Form 90 compared to ARF 731.1